



12-10-12 PM 1:19 RCV9

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

## Agenda

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

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 two working days prior to the meeting to ensure availability. Assistive Listening Devices (ALDs) are available from the Clerk of the Board/Assistant Clerk of the Board prior to the meeting and are to be returned at the end of the meeting.

#### **ACTION RECOMMENDED**

1. **Roll Call**
2. **Approval of Minutes** - September 20, 2012 Approve
3. **Public Comments** - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please SILENCE electronics  
during the meeting

1255 Imperial Avenue, Suite 1000, San Diego, CA 92101-7490 • (619) 231-1466 • [www.sdmmts.com](http://www.sdmmts.com)

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



## CONSENT ITEMS

- |     |  |                    |
|-----|--|--------------------|
| 6.  | <u>State Lobbying Services Contract - Exercise Contract Option Year Two</u><br>Action would: (1) ratify MTS Doc. No. G1204.1-09 with Smith Watts & Company LLC for continued state lobbying services; and (2) authorize the CEO to execute MTS Doc. No. G1204.2-09 with Smith Watts & Company LLC to exercise option year two for state lobbying services.   | Ratify/<br>Approve |
| 7.  | <u>Compass Card Risk Follow-up - Audit Report</u><br>Action would receive an internal audit report on Compass Card risk follow-up for information.   | Receive            |
| 8.  | <u>LRV Warranty Operations - Audit Report</u><br>Action would receive an internal audit consultative report on light rail vehicle (LRV) warranty operations  | Receive            |
| 9.  | <u>Follow-up Audit Reports - Status Updates</u><br>Action would receive internal audit reports as a status update on follow-up reviews.  | Receive            |
| 10. | <u>Vehicle Advertising Services</u><br>Action would authorize the CEO to execute MTS Doc. No. G1140.2-08 with Michael-Allen & Associates for vehicle advertising services.   | Approve            |
| 11. | <u>Hazardous Materials Disposal Services - Contract Award</u><br>Action would authorize the CEO to execute MTS Doc. No. G1474.0-12 with Environmental Logistics, Inc. for a five-year period to provide hazardous materials disposal services to San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI).  | Approve            |
| 12. | <u>Reallocated Transportation Development Act Funds for the La Mesa Village Trolley Access Improvements Project</u><br>Action would approve the use of Transportation Development Act (TDA) Article 4 funds currently held by the City of La Mesa for MTS's La Mesa Village Trolley Access Improvements Project.   | Approve            |
| 13. | <u>Increased Authorization for Legal Services - Law Offices of Michael Ripley</u><br>Action would authorize the CEO to execute MTS Doc. No. G1428.1-12 with the Law Offices of Michael Ripley for current and future legal expenses throughout the remainder of FY 2013.   | Approve            |
| 14. | <u>Federal Transit Administration 5316 Grant Applications</u><br>Action would adopt Resolution No. 12-14 authorizing the CEO to submit applications for federal fiscal year 2012 Job Access and Reverse Commute (JARC) funding.  | Adopt              |
| 15. | <u>Transmissions and In-Frame Engine Overhaul Services – Contract Award</u><br>Action would authorize the CEO to: (1) execute MTS Doc. No. B0592.0-13 with Harbor Diesel and Equipment, Inc. for the provision of transmission and in-frame engine overhaul services for Group II-Transmission Rebuilds for a three-year base period with 2 one-year options; and (2) exercise each option year at his discretion. | Approve            |

## CONSENT ITEMS - Continued

16. Federal Legislative Representation Ratify/  
Approve  
Action would: (1) ratify the Chief Executive Officer's (CEO) approval of Amendment No. 4 to Task Order 5 of the San Diego Association of Governments' (SANDAG's) contract with Blank Rome Government Relations, LLP (MTS Doc. No. G0980.5-06/ Ref. SANDAG Contract No. 5000276), which assigned the remainder of the contract to Peyser Associates, LLC; and (2) authorize the CEO to execute Task Order 6 and Amendment No. 5 of the tri-agency contract with Peyser Associates, LLC effective November 1, 2012.
17. MTS Job Order Contract Work Order for Track Way Pavement Replacement on C Street Approve  
Action would authorize the CEO to execute Work Order No. MTSJOC1582-07 with Herzog Contracting (MTS Doc No. PWL134.0-12) to remove the existing asphalt paving and install new rubber rail interfacing boot along C Street.
18. Adoption of Amended 2012 Conflict of Interest Code Adopt  
Action would: (1) adopt Resolution No. 12-15 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act (PRA) of 1974; (2) adopt the amended 2012 MTS Conflict of Interest Code; and (3) forward the amended 2012 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).

## CLOSED SESSION

24. a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION PURSUANT to California Government Code Section 54956.9(a): Norma Calloway v. MTS (SDSC Case Nos. 0414096, 0212699, and 10289196 ) Possible  
Action  
  
Oral Report of Final Actions Taken in Closed Session

## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

30. An Ordinance Amending Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II, and An Ordinance Amending Ordinance No. 11, An Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions On or About a Transit Facility, Trolley Station, or Bus Stop (Karen Landers) Read/  
Waive/  
Introduce/  
Direct  
Action would: (1) read the title of Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II and Ordinance No. 11, an Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions on or About a Transit Facility, Trolley Station, or Bus Stop; (2) waive further readings of the ordinance; (3) introduce the ordinances for further consideration at the next Board meeting on November 15; and (4) direct publication of an ordinance summary.

## DISCUSSION ITEMS - Continued

- |     |   |         |
|-----|---|---------|
| 31. | <u>Lease and Management Agreement with SYPS, LLC for San Ysidro Intercity Bus Terminal Facility at Rail Court (Tim Allison and Karen Landers)</u><br>Action would authorize the CEO to enter into an agreement with SYPS, LLC for the lease and management of the San Ysidro Intercity Bus Terminal Facility on Rail Court in the City of San Diego | Approve |
|-----|---|---------|

## REPORT ITEMS

- |     |   |             |
|-----|---|-------------|
| 45. | <u>San Diego Transit Corporation (SDTC) Pension Investment Status (Cliff Telfer and Representatives from RVKuhns &amp; Assoc.)</u><br>Action would receive a report for information.  | Receive     |
| 46. | <u>Semiannual Security Report (January through June 2012) (Bill Burke)</u><br>Action would receive a report for information.  | Receive     |
| 47. | <u>East County Bus Maintenance Facility Project Update (Claire Spielberg)</u><br>Action would receive a report for information on the East County Bus Maintenance Facility.   | Receive     |
| 48. | <u>Operations Budget Status Report for August 2012 (Mike Thompson)</u><br>Action would receive a report for information.  | Receive     |
| 60. | <u>Chairman's Report</u>  | Information |
| 61. | <u>Audit Oversight Committee Chairman's Report</u>  | Information |
| 62. | <u>Chief Executive Officer's Report</u>   | Information |
| 63. | <u>Board Member Communications</u>  |             |
| 64. | <u>Additional Public Comments Not on the Agenda</u><br>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. | <u>Next Meeting Date:</u> November 15, 2012   |             |
| 66. | <u>Adjournment</u>  |             |





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**\*REVISED**

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## CONSENT ITEMS

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| 8.  | <u>LRV Warranty Operations - Audit Report</u><br>Action would receive an internal audit consultative report on light rail vehicle (LRV) warranty operations  | Receive            |
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## CONSENT ITEMS - Continued

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| 17. | <u>MTS Job Order Contract Work Order for Track Way Pavement Replacement on C Street</u><br>Action would authorize the CEO to execute Work Order No. MTSJOC1582-07 with Herzog Contracting (MTS Doc No. PWL134.0-12) to remove the existing asphalt paving and install new rubber rail interfacing boot along C Street.   | Approve            |
| 18. | <u>Adoption of Amended 2012 Conflict of Interest Code</u><br>Action would: (1) adopt Resolution No. 12-15 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act (PRA) of 1974; (2) adopt the amended 2012 MTS Conflict of Interest Code; and (3) forward the amended 2012 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).   | Adopt              |

## CLOSED SESSION

- |     |  |                    |
|-----|--|--------------------|
| 24. | a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL EXISTING LITIGATION PURSUANT to California Government Code Section 54956.9(a):<br><u>Norma Calloway v. MTS</u> (SDSC Case Nos. 0414096, 0212699, and 10289196 )<br><br><u>Oral Report of Final Actions Taken in Closed Session</u> | Possible<br>Action |
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## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

- |     |  |   |
|-----|--|---|
| 30. | <u>An Ordinance Amending Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I &amp; II, and An Ordinance Amending Ordinance No. 11, An Ordinance Providing for the Licensing and the Regulating of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance (Karen Landers)</u><br>Action would: (1) read the title of Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II and Ordinance No. 11, an An Ordinance Providing for the Licensing and the Regulating of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance; (2) waive further readings of the ordinance; (3) introduce the ordinances for further consideration at the next Board meeting on November 15; and (4) direct publication of an ordinance summary. | Read/<br>Waive/<br>Introduce/<br>Direct |
|-----|--|---|

## DISCUSSION ITEMS - Continued

31. Lease and Management Agreement with SYPS, LLC for San Ysidro Intercity Bus Terminal Facility at Rail Court (Tim Allison and Karen Landers) Approve  
Action would authorize the CEO to enter into an agreement with SYPS, LLC for the lease and management of the San Ysidro Intercity Bus Terminal Facility on Rail Court in the City of San Diego

## REPORT ITEMS

45. San Diego Transit Corporation (SDTC) Pension Investment Status (Cliff Telfer and Representatives from RVKuhns & Assoc.) Receive  
Action would receive a report for information.
46. Semiannual Security Report (January through June 2012) (Bill Burke) Receive  
Action would receive a report for information.
47. East County Bus Maintenance Facility Project Update (Claire Spielberg) Receive  
Action would receive a report for information on the East County Bus Maintenance Facility.
48. Operations Budget Status Report for August 2012 (Mike Thompson) Receive  
Action would receive a report for information.
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: November 15, 2012
66. Adjournment

MEETING OF THE BOARD OF DIRECTORS FOR THE  
METROPOLITAN TRANSIT SYSTEM (MTS)

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

September 20, 2012

MINUTES

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:09 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Minto moved to approve the minutes of the July 19, 2012, MTS Board of Directors meeting. Mr. McClellan seconded the motion, and the vote was 10 to 0 in favor.

3. Public Comments

*Barbara Nevarez* – Ms. Nevarez is representing Improve Transportation in City Heights (ITCH) from Mid-City Community Advocacy Network (CAN) regarding youth bus passes. She thanked the Board of Directors for agreeing to look into a free bus pass program for students ages 15-24, in the City Heights area.

*John Wood* – Mr. Wood questioned why the Lemon Grove Depot station work is not finished and why the ticket vending machine has been moved to the other side of the station platform.

*Lorraine Leighton* – Ms. Leighton stated that the Veolia weekend bus drivers are denying service to disabled patrons. She has filed a complaint with the Federal Transit Administration. She said that the Route 833 driver is going off the planned route and that, according to transit dispatch, they do not have to follow the written schedule.

CONSENT ITEMS: (Taken Out of Order)

*Chairman Mathis stated that Consent Items 14 and 22 had been pulled from the Consent Agenda.*

6. Investment Report - June 2012

Action would receive a report for information.

7. Compass Card Back-Office Implementation and Commissions on Fare Media - Amendment to MOU with SANDAG and NCTD

Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1248.3-09 amending the Memorandum of Understanding (MOU) between the San Diego Association of Governments (SANDAG) and North County Transit District (NCTD) regarding Compass Card back-office implementation and commissions on fare media.

8. State Transit Assistance (STA) Claims

Action would adopt Resolution No. 12-12 approving fiscal year (FY) 2013 State Transit Assistance (STA) claims.

9. Job Order Contract Work Order for San Miguel Grade-Crossing Renewal Project

Action would authorize the CEO to execute Job Order Contract (JOC) No. 11183 (under Work Order No. MTSJOC1582-02) with Herzog Contracting Corporation to perform work under MTS Doc. No. PWL134.0-12 for the San Miguel Grade-Crossing Renewal Project on the Orange Line.

10. General Engineering Contracts - Various

Action would authorize the CEO to execute General Engineering On-Call Services contracts piggybacking on contracts between the San Diego Association of Governments (SANDAG) and Parsons Brinckerhoff, Kimley-Horn Associates, Inc., Pacific Railway Enterprises, PGH Wong Engineering, Inc., and RailPros, Inc.

11. High-Speed Circuit Breaker Replacement and Installation - Contract Award

Action would authorize the CEO to execute MTS Doc. No. L1052.0-12 with Siemens Transportation Systems, Inc. (Siemens) to furnish and install high-speed circuit breakers on MTS's fleet of 52 SD 100 light rail vehicles (LRVs).

12. Replacement Bus Radios for MTS Paratransit and Rural Bus Fleets

Action would authorize the CEO to purchase 92 new 5300 ES Mobile Radios for the MTS Access and Rural bus fleets.

13. Platform Card Interface Devices (PCIDs) for Trolley Renewal Project

Action would authorize the CEO to execute MTS Doc. No. L1111.0-13 as a sole-source contract with Cubic Transportation System for the procurement of Platform Card Interface Devices (PCIDs) and associated PCID spare parts to support the additional fare equipment requirements called for in the Trolley Renewal Project's station design specifications.

14. *Pulled from Consent Agenda.*

15. Engineering Support Services for the Mission Valley East Orange Line Signal Print Verification Project

Action would authorize the CEO to execute Work Order No. 13.01 to MTS Document No. G1494.0-13 with Pacific Railway Enterprises, Inc.

16. Janitorial Services for MTS LRV Fleet - Additional Services

Action would: (1) ratify MTS Doc. No. G1387.2-11 dated September 30, 2011, with NMS Management for janitorial and light rail vehicle (LRV) cleaning services, which was previously

executed pursuant to the CEO's authority; and (2) authorize the CEO to execute MTS Doc. No. G1387.3-11 for LRV cleaning services through September 30, 2016.

17. Disadvantaged Business Enterprise (DBE) Goal

Action would adopt a 4.1% goal for DBE-participation in federally funded contracts over the Federal Fiscal Year (FFY) 2013 to FFY 2015 triennial period.

18. SD 100 Complete Gearbox Assemblies for Light Rail Vehicles - Contract Award

Action would authorize the CEO to execute MTS Doc. No. L1053.0-12 with Hi-Tec Enterprises (Hi-Tec) to furnish complete gearbox assemblies for MTS's fleet of 52 SD 100 LRVs.

19. Proposed Revisions to Policy No. 42 - Transit Service Evaluation and Adjustment

Action would approve the proposed revisions to MTS Policy No. 42 - Transit Service Evaluation and Adjustment.

20. LiveScan Authorization

Action would approve Resolution No. 12-13 authorizing staff to execute a request to the California Department of Justice to become a contributing agency for LiveScan fingerprinting.

21. San Diego Trolley Inc. Building B Roof Replacement

Action would authorize the CEO to execute Work Order No. MTSJOC1337-12 with Southland Electric (MTS Doc. No. PWL132.0-11) for repairs to San Diego Trolley, Inc.'s (SDTI's) Building B.

22. *Pulled from Consent Agenda.*

Action on Recommended Consent Items

Mr. McClellan moved to approve Consent Agenda Item Nos. 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 19, 20, and 21. Ms. England seconded the motion, and the vote was 13 to 0 in favor with Mr. Gloria and Mr. Roberts absent.

*Discussion of Consent Agenda Items 14 and 22:*

14. Transmissions and In-Frame Engine Overhaul Services - Contract Award

Public Comments

*John Wood* – Mr. Wood questioned whether the overhauls were for MTS or Veolia vehicles.

Claire Spielberg, Chief Operating Officer of Transit, stated that the vehicles are MTS vehicles.

Action Taken

Ms. Emerald moved to authorize the CEO to: (1) execute MTS Doc. No. B0574.0-12 with Cummins Cal Pacific, LLC for the provision of transmission and in-frame engine overhaul services for Group I (In-Frame Engine Overhauls) for a three-year base period with two 1-year options; and (2) exercise each option year at the CEO's discretion. Mr. Ewin seconded the motion, and the vote was 13 to 0 in favor with Mr. Gloria and Mr. Roberts absent.

22. Consent to Assignment or Extinguishment of San Diego & Imperial Valley Railway Company's Residual Rights and Obligations to the Desert Line

Public Comments

*Mitch Beauchamp* – Mr. Beauchamp's public comments are included as Attachment B.

Karen Landers, General Counsel, stated that the agenda item pertains to documents related to Rail America and its agreement with MTS. She explained that the action before the Board is to permanently extinguish SD&IV rights and obligations to the Desert Line so that MTS can do away with an offer to purchase.

Action Taken

Mr. Ewin moved to authorize the CEO to execute an amendment to the 1984 Operating Agreement extinguishing San Diego & Imperial Valley Railway Company's (SD&IV's) rights and obligations related to the Desert Line. Mr. McClellan seconded the motion, and the vote was 13 to 0 with Mr. Gloria and Mr. Roberts absent.

**CLOSED SESSION:**

24. Closed Session Items

**The Board convened to Closed Session at 9:17 a.m.**

a. **CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS**

Pursuant to California Government Code section 54957.6

Agency-Designated Representative - Jeff Stumbo;

Employee Organization - Amalgamated Transit Union, Local 1309

b. **CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant To California Government Code Section 54956.8**

Property: 6645 Imperial Avenue, San Diego, California (Assessor Parcel No. 549-181-05)

Agency Negotiators: Paul Jablonski, Chief Executive Officer; Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets

Negotiating Parties: Thomas and Tiffany Mannion

Under Negotiation: Price and Terms of Payment

**The Board reconvened to Open Session at 10:02 a.m.**



Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board voted 14 to 0 in favor, with Mr. Roberts absent, to authorize the CEO to impose a last, best, and final offer.
- b. The Board received a report and gave direction to staff.

**NOTICED PUBLIC HEARINGS:**

- 25. None.

**DISCUSSION ITEMS:**

- 30. 115-Pound High-Strength Rail - Contract Award

The Board voted on this agenda item without a staff report.

Action Taken

Mr. Young moved to authorize the CEO to execute MTS Doc. No. L1092.0-13 with Progress Rail Services Corporation, Inc. for the purchase of 115-pound high-strength rail. Mr. Minto seconded the motion, and the vote was 10 to 0 in favor with Ms. Emerald and Messrs. Castaneda, Gloria, McClellan and Roberts absent.

**REPORT ITEMS:**

- 45. Trolley Renewal Project Update (Taken Out of Order)

John Haggerty of the San Diego Association of Governments (SANDAG) gave the Board an update on the Trolley Renewal Project. He provided an update of the station construction schedule for the Blue and Orange Line Improvement Corridor and provided a layout of the trolley stations that have been completed, are under construction, and planned construction. He talked about the budget and total expended dollars stating that 33% of the total budget has been expended. Mr. Haggerty talked about the project status in terms of design, construction, work completed, and work in progress. He provided before-and-after photographs of station improvements at the 12<sup>th</sup> & Imperial Station, Washington Street Station, Gaslamp Quarter Station, Convention Center Station, Santa Fe Depot Station, Middletown Station, Seaport Village Station, and the County Center/Little Italy Station.

Mr. Haggerty talked about the work taking place at Orange Line stations. He provided before-and-after photographs of station improvements at the 47<sup>th</sup> Street Station, Encanto/62<sup>nd</sup> Street Station, Massachusetts Avenue Station, Lemon Grove Depot Station, La Mesa Boulevard Station, 25<sup>th</sup> & Commercial Station, 32<sup>nd</sup> Street & Commercial Station, and the Spring Street Station. He showed pictures of the platform improvements in progress at the Lemon Grove Depot Station, Euclid Avenue Station, and 25<sup>th</sup> & Commercial Station. He also showed pictures of the platform work being done at the Civic Center Station, Park & Market Station, 5<sup>th</sup> Avenue Station, and the City College Station.

Wayne Terry, Chief Operating Officer of Rail, stated that 42 new light rail vehicles have been delivered from the Siemens plant at this time with 8 currently in production.

Denis Desmond, Manager of Planning, talked about the service changes that were implemented on September 2, 2012. He discussed the preparations, outreach efforts, and challenges that occurred as well as the next steps.

Action Taken

Mr. Cunningham moved to receive a report for information. Mr. Ewin seconded the motion, and the vote was 10 to 0 in favor with Ms. Emerald and Messrs. Castaneda, Gloria, McClellan and Roberts absent.

46. Operations Budget Status Report for June 2012

Mike Thompson, Budget Manager, gave the Board an Operations Budget Status Report for the fiscal year ending in June 2012. He explained that the net-operating income unfavorable variance totaled \$78,000. He explained that these factors include unfavorable variances in passenger revenue, other operating revenue, personnel costs, and energy partially offset by favorable variances in outside services, general and administrative, and risk management.

Mr. Thompson stated that the nonoperating net subsidy for fiscal year 2012 was favorable to budget by \$887,000 primarily due to favorable subsidy revenue variances with TransNet revenues, and in total, fiscal year 2012 net income was favorable to budget by \$808,000.

Action Taken

Mr. Alvarez moved to receive the MTS operations budget status report for June 2012. Ms. England seconded the motion, and the vote was 11 to 0 in favor with Ms. Emerald and Messrs. Castaneda, Gloria, McClellan and Roberts absent.

60. Chairman's Report

Chairman Mathis made no report.

61. Audit Oversight Committee Chairman's Report

Mr. Ewin stated that the audit was underway and that a report will be given to the Board in November.

62. Chief Executive Officer's Report

Mr. Jablonski stated that he traveled to Washington, D.C. earlier in the month for a meeting with the Federal Transit Administration regarding the Mid-Coast Project. He stated that officials from Mendoza, Argentina will be visiting next week to sign an agreement for the purchase of 24 additional rail vehicles, valued to be \$5.1 million.

63. Board Member Communications

There were no Board member communications.

64. Additional Public Comments on Items Not on the Agenda

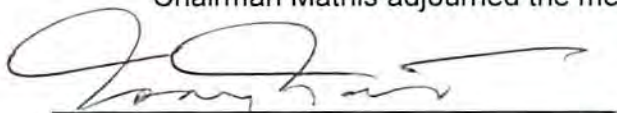
There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is Thursday, October 18, 2012.


66. Adjournment

Chairman Mathis adjourned the meeting at 10:40 a.m.



Chairperson  
San Diego Metropolitan Transit System

Filed by:



Clerk of the Board  
San Diego Metropolitan Transit System

Approved as to form:



General Counsel  
San Diego Metropolitan Transit System

Attachments:

- A. Roll Call Sheet
- B. Agenda Item 22, Public Comments

METROPOLITAN TRANSIT SYSTEM  
BOARD OF DIRECTORS  
ROLL CALL

MEETING OF (DATE): September 20, 2012

CALL TO ORDER (TIME): 9:09 AM

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

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

CLOSED SESSION: 9:17 AM

RECONVENE: 10:02 AM

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

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

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

ADJOURN: 11:04 AM

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>	9:11 AM	
BRAGG	<input checked="" type="checkbox"/> (King) <input type="checkbox"/>		
CASTANEDA	<input checked="" type="checkbox"/> (Rindone) <input type="checkbox"/>		10:40 AM
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:16 AM	
EWIN	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>		
EMERALD	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		10:44 AM
ENGLAND	<input checked="" type="checkbox"/> (Gastil) <input type="checkbox"/>	9:20 AM	
GLORIA	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		9:50 AM
MATHIS	<input checked="" type="checkbox"/>		
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>		10:56 AM
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>		
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>		
RIOS	<input checked="" type="checkbox"/> (Zarate) <input type="checkbox"/>		
ROBERTS	<input type="checkbox"/> (Cox) <input type="checkbox"/>		
YOUNG	<input checked="" type="checkbox"/> (Faulconer) <input type="checkbox"/>		

SIGNED BY THE CLERK OF THE BOARD:

*Valerie Vizelet*

CONFIRMED BY THE GENERAL COUNSEL:

*Mike Landers*

## Good Morning Directors

I am Mitch Beauchamp, currently serving as the Treasurer of the City of National City, but I was once a member of this Board, representing the City of National City. During those 8 years on this Board I was focused on opening the Desert Line of the San Diego and Arizona Eastern Railroad. You have before you today yet another action that will not serve that purpose. The action proposed will further degrade the complex system require to make this dream of John D. Spreckels work, a system that requires Mexican and US cooperation.

I will point out some cogent issues for your consideration:

1. Pacific Imperial Railroad is owned, managed, directed by, controlled and otherwise comprised of many of the former key shareholders, officers and directors, and their advisors, of Carrizo Gorge Railway, the same people who lost the Mexican railroad contract last year.
2. Through an internal transfer of assets, currently the subject of pending litigation in San Diego Superior Court, Pacific Imperial Railway obtained an assignment of Carrizo Gorge Railway's operating rights.
3. It is a matter of public record from files contained in Federal District Court, San Diego, that Charles McHaffie, former president and director of Carrizo Gorge Railway, and now intimately involved with the management and control of Pacific Imperial Railway, consented to a significant six-figure fraud judgment against himself within the past 12 months.
4. It is a matter of public record, and all public records one would assume have been thoroughly vetted by MTS prior to entering into any negotiations with Pacific Imperial Railroad and it's cronies, that the same Charles McHaffie has consented to a mid six-figure

personal tax liability and judgment arising out of his failure to pay payroll taxes on behalf of Carrizo Gorge Railway while it was under his management and control as president of that company.

5. It is a matter of opinion whether persons who consent to fraud judgments and who otherwise have failed to pay tax liabilities are trustworthy, honest or have integrity. I offer no such opinion here—only the actual facts that are a matter of public record for MTS to investigate thoroughly on its own on behalf of the public it represents.

6. It is also a matter of public record that Charles McHaffie has been sued in the last several years, following his run as president of Carrizo Gorge Railway, by investors who invested money in Carrizo Gorge Railway and later claimed fraud or breach. Gina Seau, for example, the former wife of the recently deceased Junior Seau, sued Mr. McHaffie for fraud after investing over \$2 million in Carrizo Gorge Railway.

7. If any one of the MTS board members currently paying attention to my words would take a moment to go to the register of actions for the San Diego Superior Court website you would find confirmation of any of the state court actions I just mentioned against Mr. McHaffie personally for fraud and other causes of action. MTS and its investigators could also go to the Federal District Court website and find the same information for that court system and it could also inquire with the IRS for the consent judgment IRS currently possesses against Mr. McHaffie.

8. The point of my presentation here to the MTS board today, and I do thank you for your time and for listening, is to suggest caution. Caution with whom you're dealing. Caution with respect to what you are being told. There is a history behind Pacific Imperial Railroad and behind Mr. McHaffie. They are deeply and genetically inseparable.

We are all familiar with the admonition regarding history repeating itself. We are also, each of us, very familiar with human behavior and how it often repeats itself. As recited above and as each of you can individually research on your own, there is a vivid history of repetitive, recidivist behavior in the form of fraud and misrepresentation of fact supported by public record. I would not like to see MTS be the victim of a new fraud. As result, I urge you respectfully and as an experienced politician myself, use an abundance of caution before considering entering into any significant transaction involving Pacific Imperial Railroad and it's lead, Charles McHaffie.

I thank you for your time and can provide you this written statement.



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AGENDA ITEM NO.

3

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

1

PLEASE SUBMIT THIS COMPLETED FORM (AND YOUR WRITTEN STATEMENT)  
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(PLEASE PRINT)

DATE	OCT 18, 2012		
Name	JOHN L. WOOD		
Address	LEMON GROVE		
Telephone			
Organization Represented			
Subject of Your Remarks			
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

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**REQUEST TO SPEAK FORM**

ORDER REQUEST RECEIVED

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(PLEASE PRINT)

DATE	10-18-12		
Name	Lyn Gwizdak		
Address			
Telephone			
Organization Represented	California Counsel of the blind		
Subject of Your Remarks			
Regarding Agenda Item No.	Public Comments - transportation issues		
Your Comments Present a Position of:	<input type="checkbox"/>	<b>SUPPORT</b>	<input type="checkbox"/> <b>OPPOSITION</b>

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AGENDA ITEM NO.

3

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(PLEASE PRINT)

DATE	10-18-12		
Name	Lisa Irving		
Address			
Telephone			
Organization Represented	California Organization of the blind		
Subject of Your Remarks			
Regarding Agenda Item No.	Public comments transportation issues		
Your Comments Present a Position of:	<input type="checkbox"/>	<input checked="" type="checkbox"/> SUPPORT	<input type="checkbox"/> OPPOSITION

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Lisa Irving

---

**From:** Jim Byrne <Jim.Byrne@sdmts.com>  
**Sent:** Monday, August 20, 2012 9:37 AM  
**To:** Lisa Irving (LlIrving1117@cox.net)  
**Subject:** Seat Removal

Lisa,

Per Claire's earlier email to you, she asked me to review the possibilities of creating a cart/stroller area in our larger articulated buses. We currently have two different styles of articulated buses and I worked with our Maintenance Department and our Operations Department to explore the options available to us. I am pleased to report to you that we have selected an area that is across from the first passenger exit door that will seem to work on both our 1000 and 1900 series fleets.

Claire has approved our recommendation and our Maintenance technicians will begin the process to remove these seats ASAP. I would expect the entire removal process to be completed in the next two weeks.

Thank you for reminding us of this open issue. We will also enjoy hearing your feedback and the feedback of others as the articulated buses

Enter revenue service with a dedicated area for carts and strollers.

Jim Byrne  
Director of Transportation  
San Diego Transit Corporation  
(Phone) 619-238-0100, ext. 420



Metropolitan Transit System

Lisa Irving

---

**From:** Belinda Fragger <Belinda.Fragger@sdmts.com>  
**Sent:** Friday, June 29, 2012 9:49 AM  
**To:** Lisa Irving  
**Subject:** RE: how are

Hi Ms. Irving,

The best thing to do is to report these incidents to MTS Customer Service so that there is proper documentation. We get the best result when we are able to focus on incidents on a case by case basis. Feel free to contact me directly and I will make sure that your concerns are addressed. Please make sure that you provide detailed information such as, the route, bus# and the location and time.

Thank you and have a great day!

Belinda Fragger  
Customer Service Supervisor  
Phone (619) 238-0100 x 6467  
[belinda.fragger@sdmts.com](mailto:belinda.fragger@sdmts.com)

---

**From:** Lisa Irving [<mailto:lirving1117@cox.net>]  
**Sent:** Wednesday, June 27, 2012 10:58 PM  
**To:** Belinda Fragger  
**Subject:** RE: how are

Dear Ms. Fragger,

Your recent correspondence is appreciated. Thank you for rectifying the issues.

Perhaps you can direct me to the appropriate individual to make inquiries about the stroller/cart decision.

There are quite a few routes that have any cart/stroller area other than the already limited senior/disabled seating. For example: routes 1, 3, 6, 8, 10, 15, and the route 30. I'm sure there are more. Other than jeopardizing the safety of service dogs and infirmed legs and feet, where do the strollers and carts go? Do these items trump seating for seniors and the disabled?

Your attention to this purvulsive problem is much anticipated.

From,

Lisa Irving

---

**From:** Belinda Fragger [<mailto:Belinda.Fragger@sdmts.com>]  
**Sent:** Wednesday, June 27, 2012 2:42 PM  
**To:** Lisa Irving  
**Cc:** Ruben Ceballos; Daniel McCaslin  
**Subject:** RE: how are

Hi Ms. Irving,

Thank you for your recent email dated June 19, 2012 alerting us to some issues requiring our intervention. I would assure you that MTS Bus appreciates your comments and concerns and we have investigated these incidents and have taken corrective action in response to the issues you have identified in your complaint.

Here are the findings:

Route# 3: You reported that announcements were garbled and inaudible. It was verified that the PA system was not functioning properly. The driver reported this problem and it has been corrected.

Route # 10: You reported that the driver did not address the Cart/Stroller policy when the passenger boarded with a large stroller. We met with the driver and explained our expectations and our commitment to provide a safe environment for all our passengers.

Route # 1: You reported that the announcements were garbled and that problem has been corrected.

We hope you will continue to monitor our service and let us know whenever you encounter difficulties. I apologize to you for this misfortunate episode and hope that we can regain your trust as we work to improve the quality of service we provide.

Sincerely,

Belinda Fragger  
Customer Service Supervisor  
Phone (619) 238-0100 x 6467  
[belinda.fragger@sdmts.com](mailto:belinda.fragger@sdmts.com)



I disembarked at 30<sup>th</sup> and University Avenue. Our discussion became somewhat heated on both ends. I urged the driver to use the same loud voice she was addressing me with when she called out her stops.

I wish the above mentioned and on-going issues with the Stroller/Cart Policy and garbled announcements was limited to the two recent incidents stated above. There have been numerous incidents since I addressed the Board of Directors.

Thank you for your concern and attention to these issues.

Sincerely,

Lisa M. Irving

Lisa Irving

---

**From:** Lisa Irving <lirving1117@cox.net>  
**Sent:** Wednesday, September 26, 2012 3:45 PM  
**To:** peacefulwoman89@cox.net  
**Subject:** FW: seat removal on new busses

---

**From:** Jim Byrne [mailto:Jim.Byrne@sdmts.com]  
**Sent:** Tuesday, September 25, 2012 2:10 PM  
**To:** 'Lisa Irving'  
**Cc:** Dan Trent  
**Subject:** RE: seat removal on new busses

Lisa,

Thank you for your most recent e-mail.

As we last e-mailed, MTS management directed our maintenance staff to begin the process to remove a row of seats from the articulated vehicles.

We are pleased to report that have completed this task on all of the 1900 series. The seat removal from the 1000 series has experienced a delay since we need to acquire body trim material from the bus manufacturer to cover the seat attachment points. Our maintenance personnel anticipate that this will be a short delay.

Once this has been completed, MTS Bus will have a significant portion of our fleet modified to accept strollers and/or carts and provide the extra space for passengers with service dogs. We are also experiencing a dramatic (7%) increase in overall ridership so all seating is at a premium. We have decided to monitor the program and gauge the public's acceptance of the cart/stroller policy and the loss of an additional row of seating before proceeding with any plan to remove additional seating from our fleet. You may have noticed that we have added bus service effective Sept. 2 to accommodate this increased ridership demand.

Please monitor this situation and feel free to contact me. Thanks.

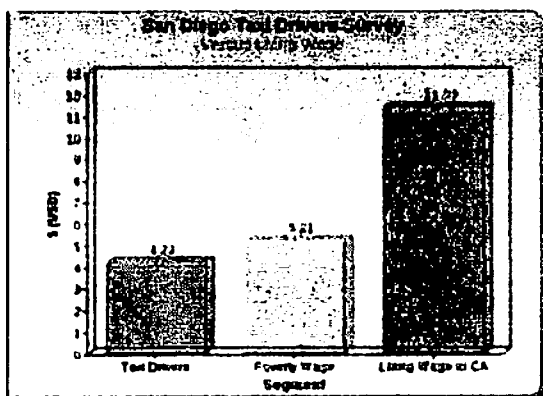
Jim Byrne  
Director of Transportation

# ORDINANCE 11 REFORM

Improving the Taxi Industry for a Better, Safer San Diego

Ordinance 11 regulates the taxi industry on issues such as driver dress code, trip logs, taxi meters, etc. However, it fails to regulate the lease prices and the number of hours taxi drivers can work. Some taxi drivers pay up to \$920 a week to lease the taxis they drive - many drivers end up working as much as 12-16 hours per day, for 7 days a week just to cover the cost of their leases. At the end of the day, they may have either operated at a loss or earn on average \$4.23/hour. Every day, taxi drivers receive police and Metropolitan Transit System (MTS) tickets for minor rule infractions such as missing road maps, standing 12 feet away from their vehicle, or neglecting to wear a name badge under current Ordinance 11 rules. Meanwhile, they are silenced from identifying safety concerns out of fear of retaliation and blacklisting from the industry. There is no formal grievance process for safety violations or whistle blowing claims. Without proper reform, the City of San Diego and MTS end up protecting property while failing to protect lives.

## Safety Concerns



Out of 100 drivers surveyed 86% reported on average working 7 days a week, 12 hours a day. Despite long shifts, taxi drivers in San Diego report an hourly wage of \$4.23 an hour. The safety of both the driver and the public is at risk when a driver works extremely long hours just to cover the cost of his lease. Reform is necessary to save lives.

### Recommended Changes to Ordinance 11:

1. Anti-Retaliation Clause For Reporting Ordinance 11 Violations and Safety Concerns.
2. Mandatory Receipts For Lease Payments Provided To The Lease Drivers For Their Records and Transparency.
3. Increased Restroom Mobility For Taxi Drivers.
4. Instituting Vehicle Mileage Restrictions In San Diego.
5. Following An Industry Study On Lease Payments, Instituting A Lease Cap Which Serves The Public Good And Allows A Reasonable Return For Lease Taxi Drivers. Other Cities With Lease Caps Include: New York, Chicago, Philadelphia, Seattle, San Francisco.

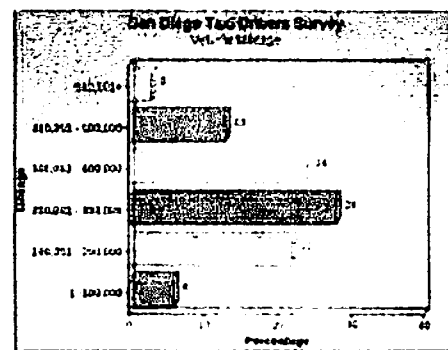
*" Many guys die, they die at young age.... They have many health issues like diabetes, kidney failure, high blood pressure. It's a horrible job."*  
- Driving taxis for 8 years

The Last Time Ordinance 11 Was Amended Was In 2003. Safety Concerns & Recommendations Were Brought To MTS Regarding Long Hours And Low Wages Over A Year Ago In 2011. These Issues Have Not Been Considered Despite Unsafe Working Conditions And Risks To The Public. We Cannot Afford To Wait Another 9 Years. We Can Do Better.

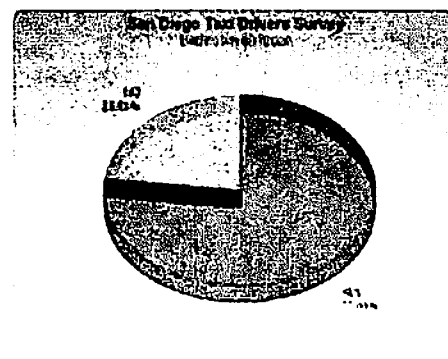
## IT'S TIME FOR REFORM!

United Taxi Workers of San Diego  
7364 El Cajon Blvd. San Diego, CA 92115  
P: (619)713-5404 E: info@utwsd.org

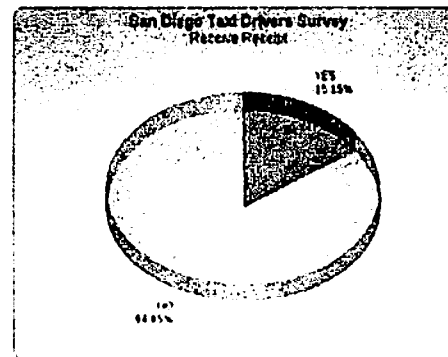
## OTHER STATISTICS



72% of taxicabs surveyed had over 200,000 miles. Currently there are no restrictions on vehicle mileage or age limit for San Diego city cabs.



77% of drivers surveyed say that bathroom access is an issue for them. A majority of drivers are unable to use the restroom due to MTS 12 foot restrictions and availability.



84% of drivers do not receive receipts for the thousands of dollars they pay in lease fees every week.



AGENDA ITEM NO.

3

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ORDER REQUEST RECEIVED

4

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(PLEASE PRINT)

DATE	10/18/2012		
Name	Abdulhamid Somo		
Address	4236 ST #1 San Diego 92115		
Telephone	619-718-2825		
Organization Represented			
Subject of Your Remarks	Public comment		
Regarding Agenda Item No.	3		
Your Comments Present a Position of:	<input type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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AGENDA ITEM NO.

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(PLEASE PRINT)

DATE	Oct 18, 2012		
Name	WYRAINE M. LIGHTON		
Address	2514 JAMARCA RD, Ste 502-82 CC CA 92079		
Telephone			
Organization Represented			
Subject of Your Remarks	K833 & w/ ? on proper Registration etc. plus w/ TAXI CAB Admin.		
Regarding Agenda Item No.	Public Speaking for disabled.		
Your Comments Present a Position of:	<input checked="checked" type="checkbox"/>	SUPPORT proper service.	<input type="checkbox"/> OPPOSITION

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1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490  
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## Agenda Item No. 6

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

STATE LOBBYING SERVICES CONTRACT - EXERCISE CONTRACT OPTION YEAR TWO

#### RECOMMENDATION:

That the Board of Directors:

1. ratify MTS Doc. No. G1204.1-09 (Attachment A) with Smith Watts & Company LLC for continued state lobbying services; and
2. authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1204.2-09 (in substantially the same format as Attachment B) with Smith Watts & Company LLC to exercise option year two for state lobbying services.

#### Budget Impact

The cost of the contract would be shared evenly by MTS and North County Transit District (NCTD), and MTS's share of the final option year would be \$34,800. The cost for state representative services is budgeted under the FY 13 budget (50902 - MTS and 53116 - NCTD).

#### DISCUSSION:

MTS Contract No. G1204.0-09 was awarded in November of 2008 to Smith Watts & Company LLC for a three-year base period and 2 one-year options to provide state legislative representative services.

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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.



**Amendment No. 1**

In December 2011, the CEO executed a contract amendment to exercise Option Year 1 with Smith Watts & Company, LLC for an amount of \$69,600. This Amendment was necessary for MTS to continue receiving state legislative representative services.

**Amendment No. 2**

Staff is requesting Board approval for the execution of contract Amendment No. 2 with Smith Watts & Company, LLC to exercise Option Year 2. This amendment is necessary in order for MTS to continue receiving state legislative representative services.

The adjusted amount of the entire contract, including these amendments, would be \$348,000.

Therefore, staff recommends:

1. ratification of MTS Doc. No. G1204.1-09 (Attachment A) with Smith Watts & Company, LLC for continued state legislative representative services; and
2. authorization for the Chief Executive Officer (CEO) to execute MTS Doc. No. G1204.2-09 (in substantially the same format as Attachment B) with Smith Watts & Company, LLC to exercise option year two for state legislative representative services.



Paul C. Jablonski  
Chief Executive Officer

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

Attachments: A. MTS Doc. No. G1204.1-09  
B. MTS Doc. No. G1204.2-09



Att. A, AI 6, 10/18/12

Metropolitan Transit System

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December 13, 2011

MTS Doc. No. G1204.1-09  
LEG 470

Mr. Mark Watts  
Project Manager  
Smith, Watts & Company  
980 9th Street, Suite 2000  
Sacramento, CA 95814

**ORIGINAL**

Dear Mr. Watts:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1204.1-09; LOBBYING SERVICES,  
OPTION YEAR 1

This letter will serve as Amendment No. 1 to the above-referenced contract for the Lobbying Services as listed below.

**SCOPE OF SERVICES**

Pursuant to the Scope of Work of MTS Doc. No. G1204.0-09, the San Diego Metropolitan Transit System (MTS) shall exercise Option Year One (1), in the amount of \$69,600.

Smith, Watts & Company agrees to continue to provide Lobbying Services with the terms and conditions as stated in MTS Doc. G1204.0-09.

**SCHEDULE**


The Option Year 1 period of performance shall be January 1, 2012 through December 31, 2012.

**PAYMENT**

Payment shall be based upon the agreed upon contract costs not to exceed \$69,600 without prior written approval from MTS. The total value of this contract including this amendment shall not exceed \$278,400.

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

Sincerely,

  
Paul C. Jablonski  
Chief Executive Officer

Accepted

  
Mark Watts  
Smith, Watts & Company, LLC

Contract Support -SOverton 12-13-11  
CL -G1204.1-09 SMITHWATTS&CO MLAWRENCE

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DRAFT

October 18, 2012

MTS Doc. No. G1204.2-09  
LEG 470

Mr. Mark Watts  
Smith Watts & Company, LLC  
Project Manager  
1111 L Street  
Sacramento, CA 95814

Dear Mr. Watts:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. G1204.0-09; STATE LOBBYING SERVICES

This shall serve as Amendment No. 2 to our agreement for the state lobbying services as further described below.

#### STATEMENT OF WORK

Pursuant to the Scope of Work within MTS Doc. No. G1204.0-09, the San Diego Metropolitan Transit System (MTS) shall exercise Option Year Two in the amount of \$69,600.

Smith Watts & Company, LLC agrees to continue to provide state lobbying services in accordance with the terms and conditions as stated in MTS Doc. No. G1204.0-09.

#### SCHEDULE

The Option Year Two period of performance shall be effective January 1, 2013, through December 31, 2013.

#### PAYMENT

Payment shall be based upon the agreed-upon contract costs not to exceed \$69,600 without prior written approval from MTS. The total value of this contract including this amendment shall not exceed \$348,000.

Please sign and return the copy marked "original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Agreed:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
Mark Watts  
Smith Watts & Company, LLC

SEPT2012 G1204.2-09.SMITHWATTS&CO.doc

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

cc: S. Cooney, B. Hennessey (NCTD), V. Berman (NCTD), C. Aquino, Procurement File



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## Agenda Item No. 7

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

COMPASS CARD RISK FOLLOW UP – AUDIT REPORT

#### RECOMMENDATION:


That the Board of Directors receive an internal audit report on Compass Card risk follow-up for information.

#### Budget Impact

None.

#### DISCUSSION:

During June/July 2012, the MTS Internal Auditor performed a follow-up review of the Compass Card Risk Assessment report issued in October 2010. As a result of this review, one minor additional recommendation was made for Management's consideration. Management has reviewed the recommendation and is taking action to address the reported issue.

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

Key Staff Contact: Karen Landers, 619.557.4512, [Karen.Landers@sdmts.com](mailto:Karen.Landers@sdmts.com)

Attachment: A. Follow-Up Audit Report – Compass Card Risk Assessment (MTS)





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Att. A, AI 7, 10/18/12

## Memorandum

DATE: 7/20/2012  
TO: Paul Jablonski  
FROM: Daniel Madzellan  
SUBJECT: Follow Up Audit Report – Compass Cards Risk Assessment (MTS)

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### EXECUTIVE SUMMARY:

Audit performed a follow up review of a previous audit report issued October 2010 titled Compass Card Risk Assessment. The report focused on business risks regarding Compass Cards from operations controlled and managed by SANDAG, as well as internal MTS operational controls. This report communicates follow up results in relation to operations controlled by MTS.

There were four findings and recommendations regarding MTS operations, recommendations were as follows:

1. MTS should establish an SOP for employee Compass Cards to ensure that all cards are collected and cancelled when an employee terminates employment.
2. The MTS Rail Division and the Transit Store should establish an inventory record of Compass Cards and ensure that all card numbers are accounted for properly. Written standard operations procedures (SOP) should also be developed to ensure that procedures are followed consistently.
3. In order to further reduce the risk of credit card charge-backs, MTS should consider options such as "velocity checks," not accepting credit cards after a certain time of day or even accepting only debit cards at TVMs.
4. Serious consideration should be given to restricting or eliminating the use of the fare box short fare key. If a decision is made to continue use of the key, strong controls should be in place over the use of the key, including daily monitoring of short-fare reports. This is critical in the event that MTS transitions to selling day passes on Compass Cards. Under no circumstances, should bus operators ever be given Compass Cards for distribution to customers.

In accordance with Audit policies and procedures, follow up reviews consist of:

1. Verifying management actions plans, in relation to reported findings, were implemented;
2. Determining if the action plans were operating as designed and intended; and
3. Evaluating if residual risks remaining are at acceptable levels.



Based on testing performed, action plans in relation to recommendations #2, 3, and 4 referenced above were implemented and working as designed and intended. Thus, Audit concluded any residual risks with these findings were currently at acceptable levels.

With respect to the first recommendation action plans were not implemented as documented within the previous audit report. Accordingly, Audit re-assessed the risks associated with the finding. The risk was that employees issued Compass Cards who have subsequently ended their employment with MTS could receive free services until the card expires if not deactivated or collected. Evidence reviewed indicated the risk was still in existence; however there was no evidence indicating MTS had incurred any losses associated with employee issued Compass Cards. As such, risks regarding employee Compass Cards considered insignificant at this time. Audit did make minor recommendations, focusing on consistency of requesting employee Compass Cards, as well as evaluating additional monitoring regarding deactivation of cards to ensure risks remain insignificant.

Previous findings, recommendations, management responses, follow up results, and other audit observations are discussed in further detail below.

**Report Distribution:**

Bill Burke, Sharon Cooney, Karen Landers, Jeff Stumbo, and Cliff Telfer - MTS  
Claire Spielberg - SDTC  
Wayne Terry - SDTI

### **Finding #1: Employee Compass Cards:**

Several MTS employees have Compass Cards. The risk exists that unauthorized individuals could use these cards, especially since most employees use their MTS IDs when riding the system. An SOP should be established at MTS that ensures that all Compass Cards are collected and cancelled when these employees terminate employment.

### **Recommendation:**

MTS should establish an SOP for employee Compass Cards to ensure that all cards are collected and cancelled when an employee terminates employment.

### **Human Resources Department Response:**

The Human Resources Department has added "Compass Card Deactivation" to its "Separation of Employment" checklist.

### **Follow Up Results:**

Audit inquired with Human Resources if the corrective action occurred. Human Resources indicated they were unaware of the recommendation or issue communicated in the report, thus the corrective action was not implemented as stated. Audit observed the initial report was not distributed to any members of Human Resources. Audit re-assessed the risk exposure as "several" is a subjective term and previous working papers were not available for review.

Audit spoke with members of Finance and the Planning Department to try and quantify the risk exposure. Planning communicated that all members of Planning and Marketing received employee Compass Cards in an initial batch issuance. Inquiry evidence indicated members of these departments still have active employee Compass Cards. The issuance allowed for members of these departments to test the functionality of Compass Cards in the field before rolling out the product to customers. Subsequent to the initial batch, Planning initiated a process of recruiting volunteers from other departments to assist with the testing. Planning provided Audit a listing of those employees, along with the card numbers. There were a total of fifty-four (54) employees who volunteered to assist with the testing.

Audit provided the listing to the Asst. Finance Manager, who determined the date last used for each employee card, as well as the expiration date. All cards issued to the volunteer employees are set to expire in November 2013. The evidence indicated only twenty (20) employees had card usage history; the remaining thirty-four (34) employees had no usage history. Audit provided this listing to Human Resources to identify those employees who were no longer active employees so their cards could be deactivated. There were a total of fifteen (15) employees identified as terminated who needed to have their cards deactivated.

NOTE: Evidence indicated there were no losses incurred by MTS; only one terminated employees had a usage history and the last date occurred prior to their employment ending.

Audit discovered that MTS Security issues employee Compass Cards to members of the Code Compliance Inspection (CCI) division for use in normal operations. There are approximately forty-two (42) members of CCI have Compass Cards. The Security Crime Analyst currently manages the process of issuance and deactivation. Audit also discovered SDTI Revenue issues employee Compass Cards, presently there are twenty-eight (28) individuals with cards.

In discussion with Security Crime Analyst, when an employee needs a card, she requests from HR a copy of the employee's photo taken for their MTS ID badge. She forwards the photo to the Transit Store Manager. SANDAG is the only entity that can load ERP onto a Compass Card; the Transit Store does not have this ability. Thus, the Transit Store Manager imports and loads the photo on an ADU compass card, along with the employee name and

ID number. The Transit Store Manager then sends the card to SANDAG to add the Employee Fare Product (EFP) to the card. SANDAG returns the card to the Transit Store, who in turn remits the card to Security.

In discussion with SDTI Revenue Manager, he works directly with SANDAG to secure employee Compass Cards for members of his department. He sends a photo, not specifically the photo taken by HR for issuing an MTS ID Badge, and requested cards from SANDAG. Cards are created and returned to the Revenue Manager for distribution to his employees. SDTI Revenue Manager provided to Audit a listing of those employees.

The EFP on Compass Cards are issued for 5 years. Also, SANDAG is the only entity with the ability to deactivate a Compass Card. Audit is not aware of other individual departments that issue Compass Cards to employees as standard operating procedures.

#### **Follow Up Recommendations:**

1) There are twenty (20) active employees who were issued employee Compass Cards as part of the volunteer testing program and have no usage history on their cards. Management should consider requesting SANDAG to deactivate these cards at this time. That would leave only eighteen (18) employees with active cards from the volunteer population that would require monitoring until the cards are set to expire in November 2013. Management might also consider terminating these cards as well.

2) While Audit does believe there was merit to the previous recommendation of developing an SOP for issuing employee Compass Cards, evidence obtained and analyzed during the course of the follow up did not indicate any significant risks with current operation practices, which are presently decentralized.

However, as noted above, the two departments who issued employee Compass Cards have different procedures in requesting/obtaining employee Compass Cards. Security obtains the employee photo on record from HR and forwards the information to the Transit Store. SDTI Revenue makes their requests directly to SANDAG using a self-generated photo. In consultation with the Asst. Finance Manager, SANDAG has the ability to upload photos onto Compass Cards. Thus, forwarding requests to the Transit Store is an unnecessary procedure.

Therefore, for consistency, Audit would recommend that both Security and SDTI Revenue request employee photos from HR for use on employee Compass Cards. Once received from HR, Security and SDTI Revenue can forward their requests directly to SANDAG's Call Center Manager to secure the cards. The employee name, employee ID number, and picture are requirements for issuance.

With respect to termination of employee Compass Cards, administration of that process is currently the responsibility of the Department Managers. If an employee is terminated, Department Managers are responsible for contacting SANDAG to deactivate the card since SANDAG is the only entity with the ability to disable a card. Evidence reviewed indicated this process was working as designed and intended.

However, as a potential additional monitoring control regarding terminations, going forward the Asst. Finance Manager could request from SANDAG a listing of MTS employees with employee Compass Cards and confirm the employment status with HR on either an annual or a semi-annual basis. If an employee has been terminated the Asst. Finance Manager could request the card to be de-activated. Since the Asst. Finance Manager is not involved in the issuance process such a procedure could help ensure Department Managers are properly managing the termination process.

#### **Management Response:**

1) HR Management concluded that disabling employee cards with no usage history would be the best course of action. Accordingly, the Asst. Finance Manager will provide SANDAG Call Center Manager the names and card numbers of these employees and request disabling of these cards.

2) Security and SDTI Revenue agree to continue to administer employee Compass Cards for their respective departments following the recommended process flows.

Asst. Finance Manager will work with SANDAG's Call Center Manager on developing reporting that could facilitate additional independent monitoring controls. If a report and related monitoring controls can be implemented in an effective and efficient manner, an assessment regarding the frequency of performing the process will be determined.

NOTE: Security's involvement in the administration of Compass Cards for their employees was primarily a work around process since at the initiation of Compass Cards SANDAG couldn't print the cards and Human Resources had no involvement. In their opinion, having a centralized process with Human Resources responsible for the issuance and termination would be the best practice.

Audit agrees that centralization of the process is a viable alternative. However, as noted above there were no losses or significant risk events associated with current process. If issuing employee Compass Cards expands beyond two primary departments or future operating events necessitates the need for a process change, Management should consider centralizing the approach under a specific process owner.

#### **Finding #2: Inventory Controls in the Rail Division and the Transit Store**

Currently, cards are not subject to numerical control when received from SANDAG. SANDAG did not have the capability of sending the cards to MTS in numerical sequence, which has resulted in the risk of cards being lost.

SANDAG has commenced sending MTS a new sequence of Compass Cards in numerical order, which will give MTS the opportunity to implement an inventory control record over the cards. Inventory records of card numbers should be established at BOTH the Rail Division and The Transit Store immediately. Any missing cards can then be identified and cancelled.

#### **Recommendations:**

The MTS Rail Division and The Transit Store should establish an inventory record of Compass Cards and ensure that all cards are accounted for properly. A written SOP should also be developed so that procedures are followed consistently.

#### **Transit Store Response:**

We agree. Now that new cards will arrive in numerical order as they are received from SANDAG, The Transit Store will maintain a proper inventory of the cards. The SOP will be updated to reflect the implementation of this process.

#### **Follow Up Results: Transit Store:**

Audit obtained a copy of the most updated version of the Transit Store's SOP. Counting of fare media, which includes Compass Cards, was included in the SOP. Full physical counts of fare media occurs on a monthly basis.

An audit of the Transit Store performed in August 2011 revealed fare media inventory controls were operating as designed and intended. To follow up on this specific action item, Audit obtained fare media count history reporting from more recent time periods and verified the controls were still working as designed and intended.

Consistent with the previous audit, no exceptions or reportable issues were identified. Audit therefore concluded controls are working as designed and intended; and any residual risk related to fare media are presently at acceptable levels.



**MTS Rail Division (SDTI) Response:**

The Rail Division has established an SOP governing numerical control over Compass Cards and is controlling the supply of Compass Cards numerically.

**Follow Up Audit Results: SDTI Revenue:**

During an audit of SDTI Revenue Management in October 2011 Audit learned that all SOPs were in the processes of being analyzed and revised. As part of that process, SOP #102.61 – Smart Card Inventory was updated and re-issued on 10/25/11. Audit verbally confirmed with SDTI Revenue Manager there were no changes to the SOP from the 10/25 issuance date.

Under the revised SOP, smart card inventory physical counts are performed quarterly. Audit requested and obtained supporting documentation to verify compliance with this procedure. Inventory counts were conducted in October 2011, February 2012, and June 2012. Based on review of physical count documentation, inventory was properly accounted for in accordance with SOP requirements.

Based on evidence reviewed, no exceptions or reportable issues were identified. Audit concluded controls are working as designed and intended; and any residual risk related to Compass Cards are presently at acceptable levels.

**Other Audit Observations:**

Audit spoke with SDTI Revenue Manager regarding the upcoming launch of day passes on Compass Cards, which, at the time of the audit, were only available at the San Ysidro Border Station. There are inherent risks with this change, for example managing significantly more inventory of compass cards as part of the roll out and preventing stock outs of cards in TVMs.

Based on discussions of risks with SDTI Revenue Manager, Audit concluded management had developed reasonable control procedures to minimize the potential impacts the new process might pose on continued operations. However, it will be important for management to track, monitor, and communicate results of operations across the organization to ensure any foreseen issues that might arise from this new process are resolved timely.

**Finding #3: Credit Card Charge-Backs**

Currently, MTS TVMs accept both credit and debit cards for fare payment. Because ID is not required at the TVMs, some stolen credit cards have been used to purchase fare media. The risk of fraud is not the same for debit cards since a PIN number is required. Losses have been averaging \$2,000 to 3,000 per month. The MTS Finance Department monitors credit card usage and often rejects cards that appear suspicious due to high-dollar amount purchases. Further controls over this area should be considered.

**Recommendation:**

In order to further reduce the risk of credit card charge-backs, MTS should consider options, such as "velocity checks," i.e.; monitoring the number of times a card is used, not accepting credit cards after a certain time of day, or even accepting only debit cards at TVMs.

**Management Response:**

MTS management agrees with the recommendation and is considering the use of velocity checks to monitor credit card use.

#### **Follow Up Audit Results:**

Audit spoke with Asst. Finance Manager, who indicated velocity checks were considered, but that project management, both from SANDAG and MTS elected not to implement such monitoring controls. The decision not to implement such controls was due to the nature of some MTS customers' needs to load multiple cards, for example social service agencies. The parameters would hinder routine customers from making valid purchases. Instead, credit card reports are reviewed daily and temporary hotlists placed on suspicious transactions.

Audit requested a copy of current reporting utilized by Finance/Accounting to track, monitor, and investigate credit card charge backs.

NOTE: Seven months of data was not included on the report as a result of the network infrastructure failure. Accordingly, analysis was limited to data that was recovered and available.

As noted previously, charge backs were averaging between \$2-3K per month. While there were still months where chargeback were between the \$2-3K monthly ranges, the data provided indicated a general declining trend in the total amount of credit card charge backs, including months where chargebacks were below the \$2K range floor.

Audit also performed reviews of the formulas within the Excel report to verify the accuracy of the compiled data related to chargebacks. Audit did not identify any potential errors or omissions with the current reporting, thus Audit concluded the reporting to be reliable. Further, Audit concluded the categories for summarizing and reporting was relevant and useful to management.

Based on the evidence reviewed, the risks associated with credit card chargebacks has not increased since the time of the last review. Current management reporting considered sufficient, relevant, and reliable as a means to monitor and track chargebacks. As such, Auditor concluded controls are working as designed and intended.

#### **Finding #4: Control Over Bus Fare boxes:**

The fare box short fare key is still used by bus operators to facilitate instances where customers have short fares. As a result, continuous monitoring of daily short-fare reports is required to ensure that this practice is not being abused. When and if MTS transitions to putting day passes onto Compass Cards, the risk of abuse of the override key will decrease. In LAMTA, fraud occurred when a number of individuals used the bus short fare key to load numerous day passes onto Smart Cards without payment, and the cards were later sold on the street. Thousands of Smart Cards were distributed to bus operators without adequate controls or review of control reports, and thousands of dollars were lost.

In order to prevent a similar occurrence at MTS, controls over the use of the short fare key and the distribution of Compass Cards is essential.

#### **Recommendations**

Serious consideration should be given to restricting or eliminating the use of the fare box short fare keys. If a decision is made to continue use of the short fare key, strong controls should be in place, including daily monitoring of short-fare reports, which is critical in the event that MTS transitions to selling day passes on Compass Cards.

In no event should bus operators be given Compass Cards for distribution to customers.

**Management Response:**

MTS management agrees with the recommendations and is considering restricting or eliminating the use of the fare box short fare key.

MTS management agrees that in no circumstance will bus operators be given Compass Cards for distribution to customers.

**Follow Up Audit Results:**

Audit spoke with SDTC Revenue Manager concerning these issues. Consistent with information and testing during an audit performed September 2011, there are valid business reasons for allowing bus operators to utilize the fare box short fare functionality. Thus, use of this functionality was not eliminated.

One recommendation from the audit in September 2011 was to change the process for tracking and reporting short fares issued by bus operators. The recommendation was to convert hummingbird system reporting into excel and use excel pivot table functionality to group and monitor issuances of short fares by individual operator. Management agreed with the recommendation and implemented and performed the revised procedures on short fares on a weekly basis.

Audit requested from SDTC Revenue Management their reporting for a one month period. Below is a summary of the short fare information provided, as well as the short fare information calculated during the September 2011 audit.

**Previous Audit Results - Short Fares Not Properly Communicated:  
Two Week Period (8/21/11 through 9/3/11)**

Total Short Fares	Total Fare Cost	Total Fare Collected	Total Short - Uncollected	Total Revenues during Period	Percentage of Loss
618.0	\$2,695.20	\$844.32	\$1,850.88	\$443,935.00	.42%

**New Tracking and Reporting Results – Short Fares Not Properly Communicated:  
One Month Period (4/8/12 through 5/5/12)**

Total Short Fares	Total Fare Cost	Total Fare Collected	Total Short - Uncollected	Total Revenues during Period	Percentage of Loss
694.0	\$2,718.45	\$979.73	\$1,738.72	\$808,884.00	.21%

The one month totals from April 2012 are nearly identical to the two week period from August 2011. Data indicates the new process for tracking and monitoring has reduced the frequency of short issued not properly communicated to operations, as well as reduced the percentage of loss associated with short fares issued. As such, evidence indicates the control procedures are working as designed and intended.

Audit also confirmed with SDTC Revenue Manager that it is still standard operating procedures to not allow bus operators to have access to and distribute compass cards to passengers. However, Revenue Manager did indicate there has been discussion within SDTC Management to change this procedure when day passes are sold on Compass Cards. Audit and Revenue Manager discussed the risk impacts, both financial and operational, of changing this procedure as part of the new Compass Card operations. Audit concluded Management was appropriately evaluating the risks and controls necessary to address identified risks should bus operators handle/distribute Compass Cards.

Finally, Audit and Revenue Manager discussed the fare-box configuration setup once day passes are sold on Compass Cards and the impacts on monitoring of such events. Based on those discussions, Audit concluded the configuration setup for bus fare-boxes, as presently designed, should allow for continued monitoring of short fares in the present format, which in turn should help ensure risks associated with short fares remain at acceptable levels for MTS as an organization.



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## Agenda Item No. 8

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

LRV WARRANTY OPERATIONS – AUDIT REPORT

#### RECOMMENDATION:


That the Board of Directors receive an internal audit consultative report on light rail vehicle (LRV) warranty operations.

#### Budget Impact

None.

#### DISCUSSION:

During June 2012, the MTS Internal Auditor performed a consultative review of LRV warranty operations. As a result of this review, three recommendations were made for Management's consideration. Management has reviewed the recommendation and is taking action to address them.

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

Key Staff Contact: Karen Landers, 619.557.4512, [Karen.Landers@sdmts.com](mailto:Karen.Landers@sdmts.com)

Attachment: A. Memo *LRV Warranty Operations – Consultative Review*





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(619) 231-1466 • FAX (619) 234-3407

Att. A, AI 8, 10/18/12

## Memorandum

DATE: 6/27/2012  
TO: Lee Summerlott, Andy Goddard Jr, and Melissa Bickham  
FROM: Daniel Madzellan  
SUBJECT: LRV Warranty Operations – Consultative Review

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### Background:

Audit held meetings with management across all operations to develop the FY12 Audit Plan. SDTI LRV Maintenance Management communicated there was a risk regarding warranty operations, specifically tracking and monitoring warranty activities with the purchase of the new S70 low floor rail vehicles. As such, Audit allocated 80 hours in their FY12 audit plan for reviewing warranty operations in a consultative capacity. In accordance with Internal Auditing Professional Practices consulting reviews require the nature and scope of the review be agreed upon with the client; with the objective of adding value and improving the organization's governance, risk management and control processes without the auditor assuming management responsibilities.

The primary concern is the current application (Ellipse) used by LRV Maintenance for managing rail cars does not have the reporting functionality to easily facilitate tracking and monitoring of warranty related operations. Thus, there are risks of incurring costs that go un-remedied by Siemens, the manufacturer, based on stated contractual terms.

MTS is planning on implementing a new Enterprise Resource Planning (ERP) system. LRV Maintenance personnel have been involved in the planning efforts for the ERP system, providing IT personnel the requirements necessary from a new ERP system to better perform warranty related operations. However, implementation of a new ERP system is not going to take place in the near term. Therefore LRV Maintenance Management designed and developed a process for tracking warranty operations until implementation of a long term solution is available.

### Review Objectives and Scope:

The objectives of the review were 1) understand the current procedures in place to track potential warranty claims related to the S70 vehicles, 2) the effectiveness and efficiency of the controls, and 3) any residual risks that may remain given current operating procedures.

Audit met with members of LRV Management to discuss the current operations and determine the scope of the review. The current process starts with creating a manual work order form when issues (troubles) with the vehicles are discovered. Based on the trouble reported, a member of LRV Maintenance or a member of Siemens maintenance team is assigned the task of resolving the reported trouble. Maintenance personnel inspect the vehicle for the trouble reported and complete the work order with results of their inspections. The results include how the trouble was resolved and the time/materials necessary to remediate the trouble. The information from the manual work order is then input into the Ellipse System and maintenance personnel file the work order into the vehicle's history folder. The final step is entering the information into an Excel spreadsheet for tracking and

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monitoring of all work history performed on S70 vehicles. As noted above, Excel is used as Ellipse does not have the reporting capabilities to extract the data into a format readily designed for tracking and monitoring activities by vehicles.

Based on the current procedures, Audit proposed and Management agreed to the following scope of work, which consisted of inquiry and examination.

1. **Vouching Work Order Transactions:** Process is designed to test the validity of the tracking spreadsheet by reviewing the transaction flow backwards; beginning by selecting a record from the tracking spreadsheet and verifying all the previous steps in the process were properly performed.
2. **Tracing Work Order Transactions:** Process is designed to test completeness of the tracking spreadsheet by starting with the initial source document/record that created the record and verifying all steps in the process were completed (entering work order into Ellipse and into the Excel spreadsheet).
3. **Perform analytical reviews of the data to determine if there were methods to simplify or improve the overall effectiveness and efficient of operations.**

LRV Management provided Audit a copy of the S70 Warranty/Trouble Tracking Excel report on 5/22/12. Audit noted there were two worksheets, one for tracking Flats (7 work orders), and one for tracking all other work orders (362 in total) for a total of 369 work orders related to S70 vehicles.

For vouching, Audit elected to perform non-statistical integer sampling. As noted, there were a total of 362 work orders not classified as Flats. Audit tested twenty (20) work orders, which Audit determined should be a representative sample of the entire population. Audit selected every 18th work order from the total population. Audit also tested each work order included in the Flats worksheet. Thus, total population tested via vouching was 27.

For tracing testing, Audit obtained the actual vehicle maintenance history folders and randomly selected twenty (20) work orders for review based on the population distribution of work orders by individual rail car. Selection methodology should likewise be a representative sample of all work orders in the population. As a result, 47 actual work orders, or a roughly 13% of the population were subject to review as part of the audit testing procedures.

## **TESTING RESULTS:**

### **Vouching Testing (Validity):**

Sample population did not reveal any material or significant differences between data recorded in warranty tracking worksheet, the data within the Ellipse system, and the trouble/resolution of the issues documented within the manual work order prepared by maintenance personnel.

### **Tracing Testing (Completeness):**

Sample population did not reveal any material or significant differences between the troubles/resolutions documented on the initial work orders, the data subsequently entered into Ellipse, or data ultimately recorded in the in warranty tracking worksheet.

### **Conclusion:**

The overall evidence supports the validity of data within the warranty/trouble tracking worksheet as well as the completeness of the warranty tracking spreadsheet. Audit did identify potential improvements LRV Management should consider implementing that could improve the overall validity and completeness aspects of the tracking spreadsheet. Additionally, evidence also suggested the need to investigate potential alternatives to the current procedures.

## **RECOMMENDATIONS FOR MANAGEMENT CONSIDERATION – CURRENT PROCEDURES**

1) Include a column in the tracking worksheet to specify if a work order is warranty related.

Audit observed completed work orders specifically indicated that the trouble and work performed were under warranty. The comment section within Ellipse also specifically communicated the work order was warranty related. However the tracking spreadsheet did not clearly indicated that the work order was under warranty.

As such, Audit would recommend adding a column to the current tracking spreadsheet indicating whether the work order is under warranty based on contractual provisions. When LRV Management meets with Siemens personnel to discuss and identify work orders under warranty having this information clearly visible on the tracking spreadsheet would help facilitate more timely reviews of the data by excluding work orders that are clearly not under warranty (i.e. repair etched windows).

2) Monitor reported time (both LRV personnel and Siemens personnel) to ensure all time is captured.

Based on sample selected for vouching testing, Audit observed that two (2) work orders of the sample of twenty-seven (27) had no time reported, by either LRV or Siemens personnel. In both cases the resolution indicated the trouble as previously repaired. Audit observed that there was no time reported on the actual work orders, thus there was not any time information data available to transfer to the tracking worksheet.

This was inconsistent with Audit's expectations, as resolution of a work order should include some reported time. Audit filtered the Excel tracking worksheet and determined there were thirty-seven (37) work orders with no time reported. The majority of those work orders likewise identified the resolution as previously repaired.

Audit would recommend that Management monitor the time reported for work orders and if there are work orders with no reported time, Management should develop a reasonable estimate of time corresponding to the work order. The estimate should be based on historical data regarding the nature of the trouble and the resolution. This should help ensure all work orders potentially under warranty are capturing some amount of time in order to resolve the trouble communicated.

## **MANAGEMENT RESPONSES to RECOMMENDATIONS:**

1) Include a column in the tracking worksheet to specify if a work order is warranty related.

- A column header, WARRANTY-Y/N, was added to the tracking worksheet and is populated as work order information is entered.

2) Monitor reported time (both LRV personnel and Siemens personnel) to ensure all time is captured

- Clerical staff will route all trouble reports received, which are missing any of the repair action criteria, back to the appropriate supervisory staff so that the pertinent information can be entered on the paperwork and subsequently in the ERP and warranty tracking workbook.

## **ALTERNATIVE PROCEDURES FOR CONSIDERATION:**

While the evidence reviewed does indicate the current procedures are producing valid and complete results regarding trouble/warranty related operations with the S70 low floor cars, the current procedures are extremely labor intensive, which increases the inherent risk that warranty related costs might not be captured and properly remedied by Siemens.

Going forward, once all sixty-five (65) low floor cars are in operation, tracking all work orders using the current methodology will likely be inefficient, as it will take a large amount of time to input all trouble work orders into both the Ellipse System and the Excel tracking spreadsheet. As there is not a viable way to compare the Ellipse

System and the tracking spreadsheet, there are risks of warranty related work orders not being reflected in the tracking spreadsheet. Further, as the volume of work order transactions increase with the volume of low floor cars the risk of human error in the data input likewise increases.

Given a new ERP system is not likely to be in place in the near term and the inherent risks with the current procedures going forward, exploring potential standalone warranty software packages that can be integrated into existing applications (Ellipse) is an alternative worth investigating. This would require collaboration between LRV Management and the IT Department, specifically IT applications personnel, to develop an RFP listing the requirements and specifications a standalone warranty software package would necessitate. From there a cost/benefit analysis should take place, so that a decision on whether procuring such software and integrating into existing application systems is in the best interest of the organization.

#### **MANAGEMENT RESPONSE:**

One of the known deficiencies of our ERP, Ellipse is its lack of a feasible warranty tracking system as currently configured. Therefore, our primary warranty tracking mechanism by default is an Excel workbook. In the long term, mining accurate data from this source could be challenging.

The level of user input and monitoring required to flag the major and sub components of sixty-five (65) LRVs , track contractor and MTS warranty labor hours and enter and analyze repair actions (all parallel with Ellipse), fosters an environment ripe with the potential for human errors and oversights. Ultimately, the crux is that monies owed to MTS may not be recouped.

A possible solution is a standalone warranty tracking system; this could be a leaned out version of a complete ERP. The I.T. Department could weigh in more exhaustively on the feasibility of implementation of such a system as any module would likely union at some level with Ellipse

#### **Report Distribution:**

Paul Jablonski, Cliff Telfer, Stevan White, and Karen Landers – MTS  
Wayne Terry – SDTI



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## Agenda Item No. 9

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS -

October 18, 2012

#### SUBJECT:

FOLLOW-UP AUDIT REPORTS – STATUS UPDATES

#### RECOMMENDATION:

That the Board of Directors receive an internal audit reports as a status update on follow-up reviews.

#### Budget Impact

None.

#### DISCUSSION:

The MTS Internal Auditor completed follow-up reviews on three audits performed during FY 12:

1. The Transit Store
2. San Diego Transit Corporation (SDTC) Revenue Management
3. San Diego Trolley, Inc. (SDTI) Revenue Management

Based on testing procedures, there was only one unremediated finding within SDTI Revenue Management operations. While progress has been made in remediating the previously reported issue, there are still actions required by Management to fully resolve the finding.

Based on the sensitive nature of some of the findings, certain information has been redacted from the audit report for public disclosure.



Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Karen Landers, 619.557.4512, [Karen.Landers@sdmts.com](mailto:Karen.Landers@sdmts.com)

Attachment: A. Follow-up Audit Updates (Redacted Version for Public)

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Att. A, AI 9, 10/18/12

## Memorandum

DATE: 8/28/2012  
TO: Paul Jablonski  
Karen Landers  
FROM: Daniel Madzellan  
SUBJECT: Follow Up Reviews – Status Updates

Contents of the audit report have been redacted for public disclosure.

### SUMMARY:

Internal Audit performed follow up reviews on the following audits performed during FY 2012.

1. Transit Store
2. SDTC Revenue Management
3. SDTI Revenue Management

In accordance with Department policies and procedures, Audit performed a follow up review to address the following:

1. Verify management actions plans, in relation to reported findings, were implemented;
2. Determine if the action plans were operating as designed and intended; and
3. Evaluate if residual risks remaining are at acceptable levels.

Below are the results of the follow up reviews.

### FOLLOW UP RESULTS & CONCLUSIONS: TRANSIT STORE

There were eight (8) reported findings from the FY12 audit; two (2) were classified as medium priority and the remaining six (6) were classified as low priority.

Based on testing performed, which consisted of inquiry and examination of documentary evidence, Management implemented corrective action plans addressing the reported findings and those controls were operating as designed and intended. As such, Audit considered any residual risks associated with the specific operations at acceptable levels.





## **FOLLOW UP RESULTS & CONCLUSIONS: SDTC REVENUE MANAGEMENT**

There were three (3) reported findings from the FY12 audit; one (1) medium priority and the remaining two (2) were classified as low priority.

Based on testing performed, which consisted of inquiry and examination of documentary evidence, Management implemented corrective action plans addressing the reported findings and those controls were operating as designed and intended. As such, Audit considered any residual risks associated with the specific operations at acceptable levels.

## **FOLLOW UP RESULTS & CONCLUSIONS: SDTI REVENUE MANAGEMENT**

There were seven (7) reported findings; one (1) classified as medium priority and the remaining six (6) were low priority findings.

Audit's review consisted of inquiry and examination of documentary evidence. With minor one exception, low priority finding regarding Preventative Maintenance – Off-Site Security Alarms, Management implemented their corrective action plans regarding the reported findings and those controls were operating as designed and intended. As such, Audit considered any residual risks associated with the specific operations at acceptable levels.

The finding concerning Preventative Maintenance – Off-Site Security Alarms is discussed in further detail below. Based on evidence, progress has been made in remediating the finding, but there are still operations requiring further Management action. The priority rating remained unchanged as low.

### **OPEN LOW PRIORITY FINDING:**

**Preventative Maintenance – [REDACTED]:**

[REDACTED]

[REDACTED]

[REDACTED]

### **Audit Recommendation:**

[REDACTED]

[REDACTED]

**Management Response/Action Plan:**

[REDACTED]

[REDACTED]

**Follow Up Results:**

[REDACTED]

[REDACTED]

**Additional Recommendations:**

No further recommendations at this time; Audit will continue to monitor the remediation of the issue until system is designed and operating as intended.



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## Agenda Item No. 10

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

#### VEHICLE ADVERTISING SERVICES

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1140.2-08 (in substantially the same format as Attachment A) with Michael-Allen & Associates for vehicle advertising services.

#### Budget Impact

Extension of MTS Doc. No. G1140.0-08 with Michael-Allen & Associates would result in a revenue contract for MTS. The net revenue estimated for the five-year extension period would be \$2.25 million.

#### DISCUSSION:

The original contract with Michael-Allen & Associates was executed in March 2008 to sell exterior and interior advertising on buses and trolleys, including wraps. The three-year contract generated \$2.5 million in revenue for MTS over the base period of the contract. Options 1 and 2 were exercised simultaneously in 2011, and the revenue generated over those option years totaled \$1.6 million (including the projection through the final option year). The final option year is set to expire on February 28, 2013.

Currently, only 212 of MTS's fixed-route buses are available for advertising out of a total fleet size of 589 vehicles (36%). This number of bus availability has dropped by approximately 26% since FY 2009. As all new buses will contain the new MTS paint scheme and be unavailable for advertising, this inventory will continue to diminish and is expected to be completely exhausted by FY 2017.



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Staff has also researched the market for vehicle advertising services and has determined that the terms of the existing agreement are more favorable for MTS than anything else in the external marketplace. MTS is currently receiving 75% of the total gross revenues with Michael-Allen & Associates receiving 25% commission for their revenue-generating services. To provide perspective, competitors in the negotiated procurement for advertising services four and half years ago had the MTS revenue share ranging from 57.7% - 65.0% with a larger bus share of the fleet allowing bus advertising.

Due to the diminishing vehicle inventory and the external market assessment, staff recommends that MTS extend the exiting contract with Michael-Allen & Associates for an additional five years at which point the vehicle inventory would be exhausted. This extension could result in additional revenues totaling \$2.25 million.



Paul C. Jablonski  
Chief Executive Officer

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

Attachment: A. Comparison to Budget

# DRAFT

Att. A, AI 10, 10/18/12

October 18, 2012

MTS Doc. No. G1140.2-08  
PC 50901

Mr. James Cox  
Vice President  
Michael-Allen Associates  
10636 Scripps Summit Court, Suite 124  
San Diego, CA 92131

Dear Mr. Cox:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. G1140.0-08; VEHICLE ADVERTISING SERVICES

This shall serve as Amendment No. 2 to our agreement for Vehicle Advertising Services as further described below.

## STATEMENT OF WORK

Continue to provide vehicle advertising on the interiors and exteriors of MTS buses and light rail vehicles in accordance with the terms and conditions of MTS Doc. No. G1140.0-08.

## SCHEDULE

This amendment shall extend the current contract for an additional five years with an effective date beginning March 1, 2013, through February 28, 2018.

## PAYMENT

Payment will be in accordance to the current terms of the existing contract with MTS receiving 75% of total gross revenues and Michael-Allen & Associates receiving 25% commission for its revenue-generating services.

Please sign and return the copy marked "Original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Agreed:

Paul C. Jablonski  
Chief Executive Officer

\_\_\_\_\_  
James Cox - President  
Michael-Allen Associates

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

cc: Larry Marinesi, Cliff Telfer, Rob Schupp, Andrew Conriquez, Procurement File





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## Agenda Item No. 11

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

HAZARDOUS MATERIALS DISPOSAL SERVICES - CONTRACT AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1474.0-12 (in substantially the same format as Attachment A) with Environmental Logistics, Inc. for a five-year period to provide hazardous materials disposal services to San Diego Transit Corporation (SDTC) and San Diego Trolley, Inc. (SDTI).

#### Budget Impact

The five-year contract period would begin November 1, 2012, and end October 31, 2017. The funds would be budgeted under SDTC's and SDTI's operating maintenance funds, which include federal and local funds. Funding for the total cost would not exceed \$147,981.00.

#### DISCUSSION:

MTS Policy No. 52 governing procurement of goods and services requires a formal competitive bid process for procurements exceeding \$100,000. On June 27, 2012, MTS issued an Invitation for Bids (IFB) to interested parties to provide hazardous material disposal services for SDTC and SDTI for a five-year period. A total of five sealed bids were received and publicly opened on August 29, 2012 (see Bid Summary - Attachment B); four bids were responsive and one bid was deemed nonresponsive. Bids submitted were based on estimated quantities by material type and frequency of pick-up. Actual quantity of hazardous materials requiring removal may be more or less than what is anticipated dependent upon need. Environmental Logistics, Inc. was the lowest responsive, responsible bidder for the five-year period, therefore; pursuant to MTS policy, staff recommends award of the contract to Environmental Logistics, Inc. in the amount of \$147,981.00.

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

Paul C. Jablonski  
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. No. G1474.0-12; -and- B. Bid Summary

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**DRAFT**

**STANDARD SERVICES AGREEMENT  
FOR  
HAZARDOUS MATERIAL DISPOSAL SERVICES**

**G1474.0-12  
CONTRACT NUMBER**

**FILE/PO NUMBER(S)**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2012, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following hereinafter referred to as "Contractor":

Name: Environmental Logistics, Inc. Address: 8715 Miramar Place

Form of Business: Corporation San Diego, CA 92121  
(Corporation, Partnership, Sole Proprietor, etc.)

Telephone: 619-654-3509

Authorized person to sign contracts: Scott Manuel Operations Manager  
Name Title

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

Hazardous materials disposal services as specified in the Scope of Work and Environmental Logistics' Bid dated August 24, 2012, in accordance with the MTS Standard Services Agreement, including the Standard Conditions Services and the Federal Requirements.

The term of the contract shall be for a five-year period effective November 1, 2012, through October 31, 2017. The total contract amount shall not exceed \$147,981.00.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CONTRACTOR AUTHORIZATION
By: <u>Paul C. Jablonski, Chief Executive Officer</u>	Firm: _____
Approved as to form:	By: _____
By: <u>Office of General Counsel</u>	Signature
	Title: _____

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$147,981.00	331/332/350/360/380-53710	FY 13-18

By: Chief Financial Officer

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



Metropolitan Transit System

Purchasing Department  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101  
619.231.1466 FAX 619.696.7084

Att. B, AI 11, 10/18/12

### BID SUMMARY

#### MTS IFB NO. G1474.0-12 Hazardous Material Disposal Services

COMPANY NAME	BID AMOUNT
<b>Environmental Logistics, Inc.*</b> 8715 Miramar Place San Diego, CA 92121	\$ 147,981.00
<b>Advanced Chemical Transport, Inc.</b> 2213 Meyers Avenue Escondido, CA 92029	\$ 203,752.00
<b>Pacific Trans Environmental Services, Inc.</b> 1452 North Johnson Avenue El Cajon, CA 92020	\$ 220,071.79
<b>United Pumping Service, Inc.</b> 14000 E. Valley Blvd. City of Industry, CA 91746	\$ 250,058.55
<b>Asbury Environmental Services (AES)**</b> 1300 South Sante Fe Ave Compton, CA 90221	\$ 263,067.81

\* Lowest responsive, responsible bidder

\*\* Non-responsive bidder

B-1

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## Agenda Item No. 12

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

REALLOCATED TRANSPORTATION DEVELOPMENT ACT FUNDS FOR THE  
LA MESA VILLAGE TROLLEY ACCESS IMPROVEMENTS PROJECT

#### RECOMMENDATION:


That the Board of Directors approve the use of Transportation Development Act (TDA) Article 4 funds currently held by the City of La Mesa for MTS's La Mesa Village Trolley Access Improvements Project.

#### Budget Impact

Approximately \$210,000 in TDA Article 4 funds is currently held by the City of La Mesa and was previously designated for the City's Dial-A-Ride Program. Approval of the use of these funds for the La Mesa Village Trolley Access Improvements Project would have no impact on MTS's operating or capital budgets. MTS, as the administering agency of transit-related TDA, is just approving the reallocation of the funds, and this action would have no impact on the MTS budget.

#### DISCUSSION:

On September 24, 2012, MTS received a request from the City of La Mesa for the use of approximately \$210,000 of the TDA Article 4 funds that were previously designated for the City's Dial-A-Ride Program, which has been discontinued. The City of La Mesa would like to reallocate the entire cash balance toward MTS's Capital Improvement Project—La Mesa Village Trolley Access Improvement Project—which would represent an additional \$210,000 to the existing project budget of \$420,000. MTS, as the administering agency of transit related TDA, is just approving the reallocation of the funds, and this action will have no impact on the MTS budget.

  
Paul C. Jablonski  
Chief Executive Officer

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





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## Agenda Item No. 13

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

INCREASED AUTHORIZATION FOR LEGAL SERVICES – LAW OFFICES OF  
MICHAEL RIPLEY

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1428.1-12 (in substantially the same format as Attachment A) with the Law Offices of Michael Ripley for current and future legal expenses throughout the remainder of FY 2013.

#### Budget Impact

This contract amendment would increase the full contract value with the Law Offices of Michael Ripley from \$110,000 to \$230,000. The recommended \$120,000 contract increase has been programmed in the FY 2013 budget.

#### DISCUSSION:


Pursuant to Board Policy No. 52 (Procurement of Goods and Services), the CEO may enter into contracts with service providers for up to \$100,000. The Board must approve all agreements in excess of \$100,000.

On December 8, 2011, the Board established a panel of qualified law firms to assist MTS, San Diego Trolley, Inc. (SDTI), and San Diego Transit Corporation (SDTC) with various legal matters on an as-needed basis. Thereafter, MTS began contracting with 16 of the approved law firms for designated amounts depending on current and anticipated needs.



An initial contract was established with the Law Offices of Michael Ripley on February 23, 2012, in the amount of \$110,000. There is currently \$19,317 remaining of the initial contract amount for legal services paid through August 31, 2012. Michael Ripley has successfully represented and defended MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI) in numerous tort liability matters over the past several years. Over the past year, Mr. Ripley has handled a total of 13 tort liability cases for the agencies—one of which went to trial.

Staff is requesting Board approval of MTS Doc. No. G1428.1-12 (Attachment A) with the Law Offices of Michael Ripley for legal services and ratification of prior contracts/ amendments entered into under the CEO's authority.

  
Paul C. Jablonski  
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. G1428.1-12



DRAFT

October 18, 2012

MTS Doc. No. G1428.1-12  
LEG 491 (PC 50633)

Mr. Michael Ripley  
Attorney/Proprietor  
Law Offices of Michael E. Ripley  
12520 High Bluff Dr., Suite 110  
San Diego, CA 92130

Dear Mr. Ripley:

Subject: AMENDMENT NO. 1 TO MTS DOC. NO. G1428.0-12, LEGAL SERVICES – GENERAL  
AND TORT LIABILITY

This shall serve as Amendment No. 1 to our agreement for the legal services as further described below.

#### STATEMENT OF WORK

Pursuant to the Scope of Work in MTS RFP No. G1389.0-11, Michael E. Ripley agrees to continue to represent and defend MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI) in tort liability matters in accordance with the terms and conditions as stated on MTS Doc No. G1428.0-12.

#### SCHEDULE

There is no change to the term of this agreement.

#### PAYMENT

This contract amendment shall authorize additional costs not to exceed \$120,000 for legal services. The total value of this contract including this amendment shall be in the amount of \$230,000. This amount shall not be exceeded without written approval from MTS.

Please sign and return the copy marked "original" to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect. Retain the other copy for your records.

Sincerely,

Agreed:

Paul C. Jablonski  
Chief Executive Officer

Michael E. Ripley, Attorney/Proprietor  
Law Offices of Michael E. Ripley

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

cc: S. Lockwood, K. Landers, C. Aquino, Procurement File



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

## Agenda Item No. 14

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

FEDERAL TRANSIT ADMINISTRATION 5316 GRANT APPLICATIONS

#### RECOMMENDATION:

That the Board of Directors adopt Resolution No. 12-14 (Attachment A) authorizing the Chief Executive Officer (CEO) to submit applications for federal fiscal year 2012 Job Access and Reverse Commute (JARC) funding.

#### Budget Impact

None at this time.

#### DISCUSSION:

The FTA provides funds for operating assistance to agencies providing transportation through the Section 5316 Job Access and Reverse Commute Program. These funds come directly to the region but are to be apportioned by the metropolitan planning organization through a competitive grant application process. The San Diego Association of Governments (SANDAG) is currently accepting applications for the available funding for federal fiscal year 2012.

#### Recommendation

FTA requirements include submission of a resolution by the Board of Directors authorizing MTS to submit the grant application. Therefore, staff recommends that the Board approve Resolution No. 12-14 (Attachment A) authorizing the CEO to submit applications for federal fiscal year 2012 JARC for a total amount up to \$1,200,000.



Paul C. Jablonski  
Chief Executive Officer

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

Attachment: A. Resolution No. 12-14

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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. 12-14

A Resolution Authorizing the Filing of an Application for  
Job Access Reverse Commute Program funds through the  
San Diego Association of Governments for Operation of Fixed-Bus Service  
Routes, Committing the Necessary Local Match for the  
Project(s), and Stating the Assurance of the  
San Diego Metropolitan Transit System to Complete the Project

WHEREAS, the San Diego Association of Governments (SANDAG) is making available funds for the Job Access and Reverse Commute Program (JARC) through a competitive process for federal fiscal year 2012; and

WHEREAS, the San Diego Metropolitan Transit System (MTS) wishes to receive up to \$1,200,000 in Job Access Reverse Commute Program funds for the following project(s): operation of fixed-bus service Routes 905, 929, 932, 955, 960, 967, and 968; and

WHEREAS, MTS understands that the Job Access Reverse Commute Program funding is fixed at the programmed amount, and therefore any cost increase cannot be expected to be funded through the Job Access Reverse Commute Program; and

WHEREAS, MTS understands that projects funded through the Job Access Reverse Commute Program require matching funds to be provided by the project sponsor;

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED by the Metropolitan Transit System Board of Directors that MTS is authorized to submit an application to the SANDAG for Job Access Reverse Commute funding in the amount up to \$1,200,000 for operation of fixed-bus service Routes 905, 929, 932, 955, 960, 967, and 968; and

BE IT FURTHER RESOLVED that if an award is made by SANDAG to fund the operation of fixed-bus service Routes 905, 929, 932, 955, 960, 967, and 968, the Board of Directors commits to fund 50% of each route's subsidy, which is the grant's required proportion, and authorizes the MTS Chief Executive Officer, or designated representative, to file and execute any actions necessary on behalf of Metropolitan Transit System with the SANDAG to accept the grant funding and execute a grant agreement.

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

2. The Chief Financial Officer, or designated representative, is authorized to provide additional information as the SANDAG may require in connection with the application for Section 5316 projects.

PASSED AND ADOPTED, by the Board of Directors this \_\_\_\_ day of \_\_\_\_\_ 2012 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

\_\_\_\_\_  
Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

\_\_\_\_\_  
Clerk of the Board  
San Diego Metropolitan Transit System

\_\_\_\_\_  
Office of the General Counsel  
San Diego Metropolitan Transit System



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## Agenda Item No. 15

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

TRANSMISSIONS AND IN-FRAME ENGINE OVERHAUL SERVICES – CONTRACT  
AWARD

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to:

1. execute MTS Doc. No. B0592.0-13 (in substantially the same format as Attachment A) with Harbor Diesel and Equipment, Inc. for the provision of transmission and in-frame engine overhaul services for Group II-Transmission Rebuilds for a three-year base period with 2 one-year options; and
2. exercise each option year at his discretion.

#### Budget Impact

The three-year base contract would total \$457,204.80, and the two 1-year options would total \$304,803.20. The total contract amount would not exceed \$762,008.00.

The funding for this contract would be allocated under the MTS Bus Maintenance operation budget (312/322/801/820/926-53810), which uses 80 percent federal and 20 percent local funds.

#### DISCUSSION:

An Invitation for Bids (IFB) for the provision of transmissions and in-frame engine overhaul services was issued on March 1, 2012. Bids were opened on July 26, 2012, and a single response was received from Harbor Diesel and Equipment, Inc. Since this was a single bid, a meeting was held for clarification, and a best and final offer was requested. Upon receipt of Harbor Diesel and Equipment, Inc.'s new bid, the evaluation



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.

team determined that the pricing was fair and reasonable; therefore, staff is recommending that MTS Doc. No. B0592.0-13 (Attachment A) be awarded to Harbor Diesel and Equipment, Inc. to provide rebuilt transmission services on the Group II-Transmission Rebuilds for three years with 2 one-year options effective November 1, 2012.



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Paul C. Jablonski  
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. No. B0592.0-13  
B. Bid Summary



## ATTACHMENT A

**DRAFT**STANDARD SERVICE AGREEMENT  
FOR  
REBUILT TRANSMISSIONSB0592.0-13  
CONTRACT NUMBEROPS 960.6  
FILE/PO NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2012, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following hereinafter referred to as "Contractor":

Name: Harbor Diesel and Equipment Inc.Address: 537 W. Anaheim St.Form of Business: Corporation  
(Corporation, Partnership, Sole Proprietor, etc.)Long Beach, CA 90813Telephone: 562-591-5665Authorized person to sign contracts: Mike Zupanovich President  
Name Title

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

In-Frame Engine Overhauls as specified in the Technical Specifications (attached as Exhibit A), the Contractor's Revised Bid (attached as Exhibit B), the Standard Conditions Procurement (attached as Exhibit C), and the Federal Requirements (attached as Exhibit D).

This contract shall be for three (3) year base period with two [2] 1-year options. Total amount for the base period shall is \$457,204.80, which shall be effective November 1, 2012 through October 31, 2015. Total amount for the two option years is \$304,803.20, which shall be effective November 1, 2015 through October 31, 2017.

The total amount of this contract shall not exceed \$762,008.00 for the 3-year base period and 2 option years, including all applicable sales taxes which is subject to increase with the California Sales and Income Tax Increase Initiative (November 2012).

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
<u>\$762,008.00</u>	<u>312/322/801/820/926-53810</u>	<u>FY 13-FY 15</u>

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

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

<b>GRAND TOTALS - GROUP II (Transmission Rebuilds)</b>	<b>Harbor Diesel and Equipment</b>
Total Year 1 (11/1/12 - 9/30/13):	\$ 152,401.60
Total Year 2 (11/1/13 - 9/30/14):	\$ 152,401.60
Total Year 3 (11/1/14 - 9/30/15):	\$ 152,401.60
<b>Sub-Total Base Years (CA sales tax included):</b>	<b>\$ 457,204.80</b>
Total Year 4 - Opt. Yr. 1: (11/1/15 - 9/30/16):	\$ 152,401.60
Total Year 5 - Opt. Yr. 2 (11/1/16 - 9/30/17):	\$ 152,401.60
<b>GRAND TOTALS-CA SALES TAX INCLUDED - GROUP II:</b>	<b>\$ 762,008.00</b>

**Group II - Harbor Diesel and Equipment \$ 762,008.00**

**GRAND TOTAL OF CONTRACT: \$ 762,008.00**



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## Agenda Item No. 16

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

FEDERAL LEGISLATIVE REPRESENTATION

#### RECOMMENDATION:

That the Board of Directors:

1. ratify the Chief Executive Officer's (CEO) approval of Amendment No. 4 to Task Order 5 of the San Diego Association of Governments' (SANDAG's) contract with Blank Rome Government Relations, LLP (MTS Doc. No. G0980.5-06/ Ref. SANDAG Contract No. 5000276), which assigned the remainder of the contract to Peyser Associates, LLC; and
2. authorize the CEO to execute Task Order 6 (Attachment A) and Amendment No. 5 (Attachment B) of the triagency contract with Peyser Associates, LLC effective November 1, 2012.

#### Budget Impact

The assignment of the contract has no budgetary impact. The MTS costs for the 30-month extension of the contract are as follows:

11/1/12 through 10/31/13 =	\$38,824.20
11/1/13 through 10/31/14 =	\$38,824.20
11/1/14 through 4/30/15 =	<u>\$19,412.10</u>
<b>Total =</b>	<b>\$97,060.50</b>

Fiscal year 2013 costs are contained within the current year budget.



## DISCUSSION:

As part of the consolidation of the region's transportation agencies, SANDAG initiated a joint procurement for federal legislative services in 2005. The purpose of the joint procurement was to enhance the federal advocacy efforts of North County Transit District (NCTD), SANDAG, and MTS. The MTS Board approved funding for a contract with the chosen firm, Blank Rome Government Relations, LLP (Peter Peyser, Principal), on October 27, 2005.

The original contract with Blank Rome included a one-year base contract with four option years, all of which were exercised. Subsequently, SANDAG, with the concurrence of MTS and NCTD, amended the contract to add two more years to the contract. The existing contract authorization expires on November 1, 2012.

In 2012, Peter Peyser indicated that he was leaving Blank Rome to create Peyser Associates, LLC. Mr. Peyser has been the principal on SANDAG's account since 2005 and has provided assistance in a number of areas, including reauthorization of the surface transportation act, the region's navigation of the New Starts process for its proposed extension of the Trolley, alternative fuel tax credits, and various regulatory matters. Since the region's contract with Blank Rome was handled entirely by Mr. Peyser and Beth Boehlert who accompanied him to the new firm, all three agencies agreed that the remainder of the contract should be assigned to Peyser Associates. This assignment was done in accordance with Section VI of the Agreement, "Assignment and Subcontracting," and was agreed to by Blank Rome. The MTS CEO agreed to the assignment under a previous action.

Retention of Peyser Associates for an additional 30-month period is being recommended to maintain continuity of representation during this critical period in gaining federal funding for the next extension of the Trolley. The federal New Starts process is complex and lengthy, and local agencies benefit from having strong representation in Washington to advocate on their behalf. Staff agrees that retention of Peyser Associates is in the best interest of advancing the Mid-Coast Trolley Extension Project (a TransNet Early Action Project) and will provide MTS with strong advocacy support in Washington at a favorable fixed price. The monthly cost to MTS would remain the same as the current fiscal year for the 30-month period.



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Paul C. Jablonski  
Chief Executive Officer

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

Attachments: A. Task Order Number 6 (Ref: SANDAG Contract No. 5000276)  
B. Amendment No. 5 (Ref: SANDAG Contract No. 5000276)

**AGREEMENT FOR SERVICES BETWEEN  
THE SAN DIEGO ASSOCIATION OF GOVERNMENTS  
AND  
PEYSER ASSOCIATES LLC  
TASK ORDER NUMBER 6,  
SANDAG AGREEMENT NUMBER 5000276, QWP 7300400**

- 
1. Under the Agreement between the San Diego Association of Governments ("SANDAG"), North County Transit District ("NCTD"), Metropolitan Transit System ("MTS") (hereinafter collectively referred to as the "Entities") and Peyser Associates LLC ("Consultant"), Original Agreement dated November 1, 2005, and Assignment of Agreement to Peyser Associates LLC dated August 31, 2012, and effective September 1, 2012, Consultant is responsible for providing services and deliverables described in the Scope of Work attached as Exhibit A to the Agreement. All of the terms of said Agreement are hereby incorporated herein by reference.
  2. Task Order 6 authorizes Consultant to continue to perform work on the Federal Legislative Representation Services (hereinafter referred to as the "Project") according to the terms of the Agreement.
  3. Consultant shall be paid an amount not to exceed \$388,241.40 for work performed on the Project pursuant to this Task Order and detailed in Exhibit B to this Task Order.
  4. The term of performance for this Task Order is November 1, 2012 thru April 30, 2015. The Entities shall not pay for services rendered by Consultant on this Task Order after April 30, 2015.
  5. This Task Order 6 may be executed and delivered by email or facsimile signature and an email or facsimile signature shall be treated as an original. This Task Order may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

The persons below executed this Task Order effective this \_\_\_\_\_ day of October, 2012.

SANDAG

PEYSER ASSOCIATES LLC

---

**GARY L. GALLEGOS**  
Executive Director or  
Designated Deligee

---

**PETER A. PEYSER, JR.**  
Principal

APPROVED AS TO FORM AND LEGALITY

---

**Legal Counsel for SANDAG**

NCTD

---

**MATTHEW O. TUCKER**  
**NCTD Executive Director**

APPROVED AS TO FORM AND LEGALITY

---

**Legal Counsel for NCTD**

MTS

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**PAUL C. JABLONSKI**  
**MTS Chief Executive Officer**

APPROVED AS TO FORM AND LEGALITY

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**MTS General Counsel**

Attachment: Exhibit B – Fee Schedule



EXHIBIT B TO TASK ORDER 6  
FEE SCHEDULE

Year	Monthly	Annual Fee	Terms and Conditions
11/01/2012 - 10/31/2013	\$12,941.38	\$155,296.56	Flat Fee
11/01/2013 - 10/31/2014	\$12,941.38	\$155,296.56	Flat Fee
11/01/2014 - 04/30/2015	\$12,941.38	\$77,648.28	Flat Fee
<b>Total</b>		<b>\$388,241.40</b>	

**Amendment No. 5  
to SANDAG Agreement No. 5000276**

**I. Amendment Summary**

Contract No.: 5000276			
Amendment No: 5			
Consultant: Peyser Associates LLC			
Work Description: Federal Legislative Representation Services			
A. This Amendment Only (Revisions)		B. Original Agreement	D. Revised (Total) Amended Agreement
Revisions to:		Amount: \$760,000.00	% Over Original Amount: 91.95%
		End Date: 10/31/2006	
<input type="checkbox"/> Terms & Conditions	<input type="checkbox"/> Terms & Conditions (T&C)	C. Current Agreement*	
<input type="checkbox"/> Scope	<input type="checkbox"/> Scope of Work (SOW)		
<input checked="" type="checkbox"/> Max. Amt.	Amount: \$388,241.40	Amount: \$1,070,593.20	Amount: \$1,458,834.60
<input checked="" type="checkbox"/> Exp. Date	End Date: 05/31/2015	End Date: 10/31/2012	End Date: 04/30/2015

\* This includes original agreement and all previously approved amendments

**II. Standard Provisions**

- A. Under the Agreement 5000276 and any previous amendments thereto (referred to herein as "Agreement") between San Diego Association of Governments ("SANDAG"), North County Transit District (NCTD), and Metropolitan Transit System (MTS) (hereinafter collectively referred to as the "Entities") and Peyser Associates LLC (referred to herein as "Consultant"), Consultant provides Work Description, as shown in Article I, to SANDAG.
- B. Consultant shall remain bound to the terms of the Agreement, except to the extent the terms of this Amendment conflict with the Agreement or any previous amendments, in which case this Amendment shall supersede. Nothing in this Amendment relieves the Consultant of its obligation to perform as required by the Agreement or any previous amendments unless expressly stated herein.

**III. Agreement Revisions (See Article I.A – Amendment Summary)****A. Scope of Work**

There shall be no change to the scope of the Agreement.

**B. Costs**

- SANDAG and Consultant agree that the maximum amount of the Agreement shall be revised. The revised maximum amount is summarized in Article I.A. The payment amounts for this Amendment are shown in Attachment B to this Amendment.
- The total amount payable under this Agreement shall not exceed the amount shown in Article I.D., which includes both the Agreement and this Amendment's revision.

**C. Schedule of Services/Milestones/Deliverables**

SANDAG and Consultant agree that the termination date and/or schedule of this Agreement shall be revised and the termination date identified as "End Date" in Article I.D, shall be the termination date. Consultant shall not be paid for work performed after the termination date.

#### IV. Signatures

This Amendment may be executed and delivered by facsimile signature and a facsimile signature shall be treated as an original. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Amendment.

IN WITNESS WHEREOF, this Amendment has been executed under the provisions of the Agreement between the Entities and Consultant. By signing below, the parties hereto agree that all terms and conditions of this Amendment, the Agreement, and any previous amendments shall be in full force and effect.

The persons below assert that they are authorized to execute this Amendment and have executed it effective as of this \_\_\_\_\_ day of October 2012.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

PEYSER ASSOCIATES LLC

\_\_\_\_\_  
GARY L. GALLEGOS  
OR DESIGNATED DELIGEE  
Executive Director

Date

\_\_\_\_\_  
PETER A. PEYSER JR.  
Principal

Date

Approved as to form and legality:

\_\_\_\_\_  
SANDAG Office of General Counsel

Date

North County Transit District

Approved as to form and legality

\_\_\_\_\_  
MATTHEW O. TUCKER  
NCTD Executive Director

Date

\_\_\_\_\_  
NCTD Legal Counsel

Date

Metropolitan Transit System

Approved as to form and legality

\_\_\_\_\_  
PAUL C. JABLOSKI  
MTS Chief Executive Officer

Date

\_\_\_\_\_  
MTS General Counsel

Date

Attachments:

- ☐ Scope of Work (Attachment A)
- ☒ Payments (Attachment B)
- ☐ Schedule (Attachment C)
- ☐ No Attachments

**ATTACHMENT B TO  
AMENDMENT NO. 5 TO  
SANDAG AGREEMENT NO. 5000276**

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Year	Monthly	Annual Fee	Terms and Conditions
11/01/2012 - 10/31/2013	\$12,941.38	\$155,296.56	Flat Fee
11/01/2013 - 10/31/2014	\$12,941.38	\$155,296.56	Flat Fee
11/01/2014 - 04/30/2015	\$12,941.38	\$77,648.28	Flat Fee
<b>Total</b>		<b>\$388,241.40</b>	



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## Agenda Item No. 17

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

**MTS JOB ORDER CONTRACT WORK ORDER FOR TRACK WAY PAVEMENT  
REPLACEMENT ON C STREET**

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC1582-07 (in substantially the same format as Attachment A) with Herzog Contracting (MTS Doc No. PWL134.0-12—Attachment B) to remove the existing asphalt paving and install new rubber rail interfacing boot along C Street.

#### Budget Impact

The total amount of \$277,429.22 would come from FY 2013 Misc. Capital (11200-1000).

#### DISCUSSION:

This project would remove approximately 880 track feet of existing pavement, surface, line, and tamp track, install new rubber rail interface along the rails, and reinstall and compact asphalt paving. Work limits would include both east and westbound tracks on C Street from 6th to 8th Avenues and exclude street crossings. The work also includes replacement of track paving in the vicinity of 10th Avenue on C Street for the eastbound track west of 10th Avenue. The work is scheduled to be performed over three weeks between the hours of 7:00 a.m. and 4:30 p.m. The San Diego Association of Governments (SANDAG) recently completed a similar project on C Street between 3rd and 5th Avenues. The work is part of the Trolley Renewal Program with funding from MTS's Misc. Capital CIP 11200.



Paul C. Jablonski  
Chief Executive Officer

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

Attachments: A. MTSJOC1582-07 Work Order No. 11200  
B. Standard Services Agreement PWL134.0-12



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.

**Detailed Scope of Work**  
**Job Order Contract**



**Date:** 09/21/2012

**To:** Gene Chimits  
Project Manager  
Herzog  
3760 Kilooy Airport Way  
Suite 120  
Long Beach, CA 90806  
Phone: (562) 595-7414  
Fax:

**From:** Michael Diana  
Resident Engineer  
MTS  
1255 Imperial Avenue, Suite 800  
San Diego, CA 92101  
Phone: (619) 595-1021  
Fax:

**Project:** MTSJOC1582-07

**MTS Work Order Number:** 11200

**Title:** C Street Track Way Paving - 6th to 8th Ave.

**Location:**

**Railroad Protective:** ☒ Yes ☐ No

**Detailed Scope of Work**

The Contractor shall complete the construction of this project in its entirety and shall provide all labor, materials, equipment and traffic control permits required for all work including utility location and protection, drainage, resurfacing adjacent or damaged areas, traffic control, noise permit, MTS Right of Entry Permit, procuring all materials as specified and performing all other work necessary to complete the work in accordance with this Detailed Scope of Work as prepared by MTS/Sandag.

**Road Reconstruction: Revised 10/8/12, M. Diana**

The contractor to remove the existing asphalt pavement along C Street, east of the concrete road crossing at 6th Avenue to the west side of the pedestrian crosswalk at 7th Avenue and continuing east of the eastern most pedestrian crossing at 7th Avenue to the western most pedestrian crossing of 8th Avenue. There is no work required within the road crossings at 6th, 7th and 8th Avenue. Paving replacement also includes approximately 36 track feet east of 8th Street on the eastbound westbound main and 36 track feet west of 10th Ave on the eastbound main. The work impacts train operation on the Blue and Orange Line of the downtown area and requires the work to be performed in between trains or during hours. The contractor to remove the asphalt within the limits described above, clean track of dirt and debris, surface, regulate, install rubber rail interface on both gauge and field sides of the rail and pave with a 6" lift of asphalt. The contractor is responsible for saw cutting the asphalt, removing and disposing of debris daily. There shall be no stockpiled materials unless approved by the City. New asphalt to be installed from the east curb to a width of 21'. The width of asphalt in the areas west of 8th and 10th Avenue shall be 10'.

**Revised 10/8/12, M. Diana**

*The rubber rail interface is not required at two locations: 36 track feet east of 8th Street on the westbound main and 36 track feet west of 10th Ave on the eastbound main.*

Contractor to obtain a noise permit should the work be scheduled between the hours of 10:00 PM to 7:00 AM during week days, see also Work Windows below.

**Submittals:**

Contractor to provide the following but not limited to submittals, asphalt, traffic control plan, staging plan, pedestrian control plan with temporary signage, and traffic coatings. Provide notification to the adjacent occupants or businesses 7 days prior to the start of work.



**Construction Surveying:** Not applicable as the asphalt to be installed to meet the existing grade.

The Contractor shall replace all existing property corner markers and monuments and any local agency monuments disturbed during construction operations as directed by the Engineer. These new markers, monuments, and well monuments shall be on a record of survey map in accordance with applicable laws and regulations and filed in the Office of the County Recorder of San Diego County.

**Existing Utilities:**

The contractor shall notify the Engineer and

**Underground Service Alert (USA)** (800) 422-4133

At least two working days, but not more than 14 calendar days, prior to performing any excavation or other work close to any underground pipeline, conduit, wire or other structure.

Signal wires, track circuits, platform lighting cables, irrigation lines or other MTS underground facilities may exist within the track way. The Contractor is to locate and protect in-place all existing underground facilities. The contractor shall coordinate with SDTI MOW personnel in order to have said facilities located and marked out by

**Cable, Pipe & Leak Detection (CPL)** (619) 660-0844

or other approved utility locating subcontractor familiar with MTS facilities. If the Contractor cannot protect in-place existing underground facilities, the Contractor shall replace any damaged or removed underground facilities in a timely manner as to not allow for extended delays to the trolley services. If the services are subject to extended delays, the Contractor shall notify MTS prior to the expiring of the original scheduled work time. All existing MTS underground facilities located shall be as-built and included on the contractor's as-built drawings.

Where such facilities are not located on the plans, no work shall be performed near said facilities until the owner, or his representative, has located the facility by potholing, probing, or other means that will locate and identify the facility.

The Contractor's attention is directed to the existence of overhead power lines, energized trolley wires, catenary poles, signals and grade-crossing signals at the locations of work. Any one or a combination of these obstructions could exist at any one location. No obstructions shall be permitted within 10 feet of operating tracks. The Contractor shall notify MTS at least 2 working days prior to excavating in the railroad right-of way to locate buried cables.

**Right of Entry** - The Contractor shall obtain a Right of Entry Permit from the Railroad prior to entering or constructing on property owned by the Railroad. The Contractor shall abide by the terms of the Right of Entry Permit. The terms of the Right of Entry Permit will govern if there are any conflicts with these special provisions. Information on obtaining a Right of Entry Permit can be obtained at <http://www.sdmts.com/business/permits/asp>.

**Work Window:**

**Demolition:**

Perform demolition during revenue service between the hours of 7:00 AM to 4:30 PM or as approved by the City of San Diego.

Note that between the hours of 9 AM and 3 PM; expect 8 trains per hour with (4 EB, 4 WB) versus peak hours of 16 trains per hour (8 EB, 8 WB).

Asphalt Placement:  
See above.

Duration of the work: 45 Calendar Days

Michael Dinn

10/9/12  
Date

Gene Chimits

Gene Chimits, Project Manager

10/8/12  
Date

## Price Proposal - CSI Summary

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To: Michael Diana  
Assistant Resident Engineer  
Metropolitan Transit System  
1255 Imperial Avenue, Suite 900  
San Diego, CA 92101

From: Gene Chimits  
Contractor Project Manager  
Herzog  
3760 Kilroy Airport Way  
Suite 120  
Long Beach, CA 90806

Date : 10/08/2012

### Basic Project Information

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Job Order Number: MTSJOC1582-07  
Job Order Name: C Street Track Way Paving - 6th to 8th Ave.  
Contractor: Herzog  
Proposal Name: C Street Track Way Paving - 6th to 8th Ave.  
Proposal Value: \$ 277,429.22

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Subtotal for 01-General Requirements	\$61,910.42
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Subtotal for 02-SiteWork	\$215,518.80
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<b>Project Proposal Total</b>	<b>\$277,429.22</b>
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The work order proposal total represents the correct total for the proposal. Any discrepancy between line totals, sub-totals and the proposal total is due to rounding of the line totals and sub-totals.

 10/8/12  
Contractor Project Manager Date



Metropolitan Transit System

Att. B, AI 17, 10/18/12

1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7480  
(619) 231-1466 • FAX (619) 234-3407

ORIGINAL

STANDARD SERVICES AGREEMENT



PWL134.0-12  
CONTRACT NUMBER  
OPS 970.4  
FILE NUMBER(S)

THIS AGREEMENT is entered into this 6 day of September 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: Herzog Contracting Corporation

Address: 600 South Riverside Road

Form of Business: Corporation

Saint Joseph, MO 64507

(Corporation, partnership, sole proprietor, etc.)

Telephone: 816.901.4076

Authorized person to sign contracts: Scott Norman  
Name

Vice President  
Title

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

Provide Job Order Contract (JOC) services as described in SANDAG JOC No. 5001582, in accordance with the Standard Conditions Services, Federal Requirements, and MTS Safety Program (hereinafter "Contract Documents").

This contract shall be effective September 1, 2011, through August 31, 2014. The total cost of this contract shall not exceed \$2,000,000.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTOR AUTHORIZATION

By: [Signature]

Chief Executive Officer

Firm: Herzog Contracting Corp

By: [Signature]

Signature

Approved as to form:

By: [Signature]

Office of General Counsel

Title: Vice President

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$to be encumbered on JOC

FY 12-14

By: [Signature]

Chief Financial Officer

8/25/11  
Date

CBROWN-SA

( 84 total pages, each bearing contract number)

SA-PWL134.0-12.HERZOGCONTRACTIMHCRP.MYNIGUEZ

8/12/11

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

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





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

## Agenda Item No. 18

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

ADOPTION OF AMENDED 2012 CONFLICT OF INTEREST CODE

#### RECOMMENDATION:

That the Board of Directors:

1. adopt Resolution No. 12-15 (Attachment A) amending the MTS Conflict of Interest Code pursuant to the Political Reform Act (PRA) of 1974;
2. adopt the amended 2012 MTS Conflict of Interest Code (in substantially the same format as Attachment B); and
3. forward the amended 2012 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).

#### Budget Impact

None.

#### DISCUSSION:

As a public agency, MTS is required to comply with the provisions of the PRA, which mandates that public agencies maintain a Conflict of Interest Code for each of its publicly elected officials as well as certain designated staff. Every other year, MTS is required by the PRA to revise and update its Conflict of Interest Code. Attachment B is the proposed amended 2012 Conflict of Interest Code incorporating the model provisions as drafted by the California Fair Political Practices Commission (FPPC).



The proposed 2012 Conflict of Interest Code contains the model terms and conditions as well as:

1. a list of designated officials who manage public investments (Attachment B, Exhibit A)
2. a list of designated positions for employees (Attachment B, Exhibit A); and
3. Disclosure Categories (Attachment B, Exhibit B).

General Counsel is requesting that the Board of Directors adopt Resolution No. 12-15 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act of 1974, adopt the 2012 MTS Conflict of Interest Code in substantially the same format as attached, and forward the 2012 MTS Conflict of Interest Code to the County of San Diego—the designated code-reviewing body.

  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Karen Landers, 619.557.4512, [Karen.Landers@sdmts.com](mailto:Karen.Landers@sdmts.com)

Attachments: A. Resolution No. 12-15  
B. Proposed Amended Appendix for 2012 Conflict of Interest Code  
C. Existing 2010 Conflict of Interest Code

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 12-15

A Resolution of the Board of Directors of the San Diego Metropolitan Transit System Adopting  
An Amended Conflict of Interest Code Pursuant to the Political Reform Act of 1974

WHEREAS, the State of California enacted the Political Reform Act of 1974, Government Code Section 81000 et seq. (the "Act"), which contains provisions relating to conflicts of interest which potentially affect all officers, employees and consultants of the San Diego Metropolitan Transit System ("MTS") and requires all public agencies to adopt and promulgate a Conflict of Interest Code; and

WHEREAS, the potential penalties for violation of the provisions of the Act are substantial and may include criminal and civil liability, as well as equitable relief which could result in MTS being restrained or prevented from acting in cases where the provisions of the Act may have been violated; and

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was last amended on September 23, 2010, in compliance with the Act; and

WHEREAS, subsequent changed circumstances have made it advisable and necessary pursuant to Sections 87306 and 87307 of the Act to amend and update MTS's Code; and

WHEREAS, notice of the time and place of a public meeting on, and of consideration by the Board of Directors of, the proposed amended Conflict of Interest Code was provided each designated employee and publicly posted for review at the offices of MTS; and

WHEREAS, a public meeting was held upon the proposed amended Conflict of Interest Code at a regular meeting of the Board of Directors on October 18, 2012, at which all present were given an opportunity to be heard on the proposed amended Conflict of Interest Code.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED as follows:

SECTION 1. All previous Conflict of Interest Codes adopted by the Board of Directors are hereby rescinded.

SECTION 2. The Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the General Counsel and available to the public for inspection and copying during regular business hours.

SECTION 3. The said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of San Diego for approval.

SECTION 4. The said amended Conflict of Interest Code shall become effective 30 days after the Board of Supervisors approves the proposed amended Code as submitted.

PASSED AND ADOPTED, by the Board of Directors this \_\_\_\_ day of \_\_\_\_\_ 2012  
by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

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Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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Clerk of the Board  
San Diego Metropolitan Transit System  
System

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Office of the General Counsel  
San Diego Metropolitan Transit

Attachment: Amended Conflict of Interest Code



**CONFLICT OF INTEREST CODE**

**OF THE**

**SAN DIEGO METROPOLITAN  
TRANSIT SYSTEM**

**CONFLICT OF INTEREST CODE**  
**OF THE**  
**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

(Amended September 20, 2012)

The Political Reform Act, (Government Code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730) that contains the terms of a standard model conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This incorporation page, Regulation 18730 and the attached Appendix designating positions and establishing disclosure categories shall constitute the conflict of interest code of the **San Diego Metropolitan Transit System (MTS)**.

All officials and designated positions shall file their statements of economic interests with MTS's **General Counsel** as MTS's Filing Officer. The **General Counsel** shall make and retain a copy of all statements filed by Members and Alternates of the Board of Directors, Chief Executive Officer and the Chief Financial Officer, and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of San Diego. The **General Counsel** shall retain the originals of the statements filed by all other designated positions. The **General Counsel** will make all retained statements available for public inspection and reproduction during regular business hours (Gov. Code Section 81008).

# APPENDIX

## CONFLICT OF INTEREST CODE OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(AMENDED SEPTEMBER 20, 2012)

### EXHIBIT "A"

#### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18701(b), are NOT subject to MTS's Code, but must file disclosure statements under Government Code section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments<sup>1</sup>:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

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<sup>1</sup> Individuals holding one of the above-listed positions may contact the Fair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The Fair Political Practices Commission makes the final determination whether a position is covered by § 87200.

## DESIGNATED POSITIONS

### GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Assistant/Copy Center Coordinator	4
Advertising Specialist	5
Applications Development Manager	5
Assistant Store Manager	5
Assistant Technology Officer	5
Assistant Transportation Operations Specialist	2, 5
Budget Manager	1, 2
Business Systems Analyst	5
Buyer	4
Chief of Staff	1
Chief Operating Officer – Rail	1
Chief Operating Officer – Transit Services	1
Chief Technology Officer	5
Communications Design Manager	5
Communications Designer	5
Contract Services Administrator	5
Controller	1, 2
Deputy Director – Transit System Security	5
Director of Financial Planning & Analysis	1, 2
Director of Human Resources and Labor Relations	5

<b><u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u></b>	<b><u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u></b>
Director of Maintenance	5
Director of Marketing & Communications	5
Director of Planning	1, 2
Director of Scheduling	5
Director of Transportation	1
Facilities Manager	5
General Counsel	1, 2
Human Resources Supervisor	5
Internal Auditor	4
Liability Claims Adjuster	1, 2
Manager of Capital Projects	1, 2
Manager of Claims and Liability	1, 2
Manager of Human Resources	5
Manager of Marketing	5
Manager of Procurement	4
Manager of Real Estate Assets	1, 2
Materials Manager	4
MTS Chief of Police/Director of Security	5
Network Operations Manager	5
Procurement Specialist	4
Regulatory Enforcement Supervisor	6

<u>DESIGNATED POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Revenue Maintenance Supervisor	5
Revenue Manager (ALL)	5
Right-of-Way Agent	1, 2
Right-of-Way Engineer	1, 2
Senior Transit Operations Specialist	5
Senior Transportation Planner	1, 2
Superintendent of LRV Maintenance	5
Superintendent of Transportation	5
Superintendent of Wayside Maintenance	5
Systems Engineer	1, 2
Taxicab Administration Manager	5
Transit Services Administrator	2, 3, 5

#### Consultant and New Positions<sup>2</sup>

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<sup>2</sup> Individuals serving as a Consultant defined in Regulation 18701, or in a new position created since this Code was last amended that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

## **EXHIBIT "B"**

### **DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.

**Category 1:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in or own real property within the jurisdiction of MTS.

**Category 2:** All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of MTS.

**Category 3:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of MTS.

**Category 4:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by MTS.

**Category 5:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, products, materials, machinery, vehicles or equipment of a type purchased or leased by the designated position's department, unit or division.

**Category 6:** All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, or licensing authority of the designated position's department, unit or division.

**LEGISLATIVE VERSION**  
**(showing changes made)**

**CONFLICT OF INTEREST CODE**  
**OF THE**  
**SAN DIEGO METROPOLITAN**  
**TRANSIT SYSTEM**



# **CONFLICT OF INTEREST CODE** **OF THE** **SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

(Amended ~~December 14, 2006~~ September 20, 2012)

The Political Reform Act, (Government Code Sections 81000, et seq.) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730) ~~which~~ that contains the terms of a standard model conflict of interest code, which can be incorporated by reference in an agency's code. After public notice and hearing ~~it~~ Section 18730 may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 Cal. ~~California~~ Code of Regs. ~~Regulations~~ Section ~~section~~ 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This attached ~~incorporation page, regulation~~ Regulation 18730 and the attached Appendix designating ~~officials and employees~~ positions and establishing disclosure categories shall constitute the conflict of interest code of the San Diego Metropolitan Transit System (MTS).

All ~~Officials~~ officials and ~~Designated Employees~~ designated positions required to submit a ~~statement of economic interests~~ shall file their statements of economic interests with MTS's **General Counsel** as MTS's Filing Officer. The ~~Filing Officer~~ General Counsel shall make and retain a copy of all statements filed by Members and Alternates of the Board of Directors, Chief Executive Officer and the Chief Financial Officer, and forward the originals of such statements to the Clerk of the Board of Supervisors of the County of San Diego. The ~~Filing Officer~~ General Counsel shall retain the originals of the statements ~~of~~ filed by all other ~~Designated Employees~~ designated positions. The ~~Filing Officer~~ General Counsel will make all retained statements available for public inspection and reproduction during regular business hours (Gov. Code Section 81008).

# APPENDIX

## CONFLICT OF INTEREST CODE

### OF THE

## SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended September 23, 2010 September, 20, 2012)

### EXHIBIT "A"

#### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18701(b), are NOT subject to MTS's Code, but are ~~subject to the disclosure requirements of the Act.~~ (must file disclosure statements under Government Code Section section 87200 et seq.). [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments<sup>1</sup>:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

<sup>1</sup> Individuals holding one of the above-listed positions may contact the FPPCFair Political Practices Commission for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPCFair Political Practices Commission makes the final determination whether a position is covered by § 87200.

## DESIGNATED POSITIONS

### GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED EMPLOYEES' POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Assistant/Copy Center Coordinator	4
Advertising Specialist	5
<del>Assistant Budget Manager</del>	<del>1, 2</del>
Assistant <u>Deputy</u> Director – Transit System Security	5
<u>Assistant Store Manager</u>	<u>5</u>
Assistant Technology Officer	5
Assistant Transportation Operations Specialist	2, 5
Budget Manager	1, 2
Business Systems Analyst	5
Buyer	4
Chief Operating Officer – Rail	1
Chief Operating Officer – Transit Services	1
Chief Technology Officer	5
Communications Design Manager	5
Communications Designer	5
Contract Services Administrator	5
Controller	1, 2
<u>Director of Financial Planning &amp; Analysis</u>	<u>1, 2</u>
<del>Director of Governmental Affairs &amp; Community Relations</del> <u>Chief of Staff</u>	<del></del> 1
Director of Human Resources and Labor Relations	5

LAW OFFICES OF  
BEST BEST & KRIEGER LLP

<u>DESIGNATED EMPLOYEES' POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Director of Maintenance	5
Director of Marketing & Communications	5
Director of Planning & Scheduling (position's split)	1, 2
<u>Director of Scheduling</u>	5
<u>MTS Chief of Police/Director of Transit System Security</u>	5
Director of Transportation	1
General Counsel	1, 2
<u>Human Resources Supervisor</u>	5
<u>Internal Auditor</u>	4
Liability Claims Adjuster	1, 2
<u>Loss Prevention Manager</u>	5
Manager of Capital Projects	1, 2
<u>Manager of Claims and Liability</u>	1, 2
<u>Manager of Facilities Manager</u>	5
Manager of Human Resources	5
Manager of Marketing	5
Manager of Procurement	4
Manager of Real Estate Assets	1, 2
<u>Media &amp; Communications Specialist</u>	5
Network Operations Manager	5
<u>Performance Monitoring Specialist</u>	2, 4

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<u>DESIGNATED EMPLOYEES' POSITIONS'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Principle Contract Administrator	4
Procurement Specialist	4
Project Systems Engineer	1, 2
Regulatory Enforcement Supervisor	6
Revenue Maintenance Supervisor	5
Revenue Manager (ALL)	5
Right-of-Way Agent	1, 2
Right-of-Way Engineer	1, 2
Risk & Claims Manager	5
Senior Transit Operations Specialist	5
Senior Transportation Planner	1, 2
Software Applications Development Manager	5
Storeroom Materials Manager	4
Superintendent of LRV Maintenance	5
Superintendent of Transportation	5
Superintendent of Wayside Maintenance	5
Taxicab Administration Manager	5
Transit Operations Technician	5
Transit Services Administrator	2, 3, 5

DESIGNATED EMPLOYEES' POSITIONS'  
TITLE OR FUNCTION

DISCLOSURE CATEGORIES  
ASSIGNED

Consultant and New Positions<sup>2</sup>

<sup>2</sup> ~~Consultants shall be included in the list of Designated Employees and Individuals serving as a Consultant defined in Regulation 18701, or in a new position created since this Code was last amended that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:~~

~~The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this Section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.) The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)~~

## **EXHIBIT "B"**

### **DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of ~~investments, business entities, sources of income, including gifts, loans and travel payments, or real property which~~ economic interests that the Designated Employee-designated position must disclose for each disclosure category to which he or she is assigned.

Category 1: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in or own real property within the jurisdiction of MTS.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of MTS.

Category 3: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of MTS.

Category 4: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, supplies products, materials, machinery, vehicles or equipment of a type purchased or leased by MTS.

Category 5: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that provide services, supplies products, materials, machinery, vehicles or equipment of a type purchased or leased by the ~~Designated Employee's~~ designated position's department, unit or division.

Category 6: All investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, or licensing authority of the ~~Designated Employee's~~ designated position's department, unit or division.

LAW OFFICES OF  
BEST BEST & KRIEGER LLP

# APPENDIX

## CONFLICT OF INTEREST CODE

### OF THE

## METROPOLITAN TRANSIT SYSTEM

(Amended September 23, 2010)

### EXHIBIT "A"

#### OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § 18701(b), are NOT subject to MTS's Code, but are subject to the disclosure requirements of the Act. (Government Code Section 87200 et seq.). [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments<sup>1</sup>:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

---

<sup>1</sup> Individuals holding one of the above-listed positions may contact the FPPC for assistance or written advice regarding their filing obligations if they believe that their position has been categorized incorrectly. The FPPC makes the final determination whether a position is covered by § 87200.



LAW OFFICES OF  
BEST BEST & KRIEGER LLP

## DESIGNATED POSITIONS

### GOVERNED BY THE CONFLICT OF INTEREST CODE

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Administrative Assistant/Copy Center Coordinator	4
Advertising Specialist	5
Assistant Budget Manager	1, 2
Assistant Director – Transit System Security	5
Assistant Technology Officer	5
Assistant Transportation Operations Specialist	2, 5
Budget Manager	1, 2
Business Systems Analyst	5
Buyer	4
Chief Operating Officer – Rail	1
Chief Operating Officer – Transit Services	1
Chief Technology Officer	5
Communications Design Manager	5
Communications Designer	5
Contract Services Administrator	5
Controller	1, 2
Director of Governmental Affairs & Community Relations	1
Director of Human Resources and Labor Relations	5
Director of Maintenance	5
Director of Marketing & Communications	5

LAW OFFICES OF  
BEST BEST & KRIEGER LLP

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Director of Planning & Scheduling	1, 2
Director of Transit System Security	5
Director of Transportation	1
General Counsel	1, 2
Liability Claims Adjuster	1, 2
Loss Prevention Manager	5
Manager of Capital Projects	1, 2
Manager of Facilities	5
Manager of Human Resources	5
Manager of Marketing	5
Manager of Procurement	4
Manager of Real Estate Assets	1, 2
Media & Communications Specialist	5
Network Operations Manager	5
Performance Monitoring Specialist	2, 4
Principle Contract Administrator	4
Project Engineer	1, 2
Regulatory Enforcement Supervisor	6
Revenue Manager (ALL)	5
Right-of-Way Agent	1, 2
Right-of-Way Engineer	1, 2

LAW OFFICES OF  
BEST BEST & KRIEGER LLP

<u>DESIGNATED EMPLOYEES'</u> <u>TITLE OR FUNCTION</u>	<u>DISCLOSURE CATEGORIES</u> <u>ASSIGNED</u>
Risk & Claims Manager	5
Senior Transportation Planner	1, 2
Software Development Manager	5
Storeroom Manager	4
Superintendent of LRV Maintenance	5
Superintendent of Transportation	5
Superintendent of Wayside Maintenance	5
Taxicab Administration Manager	5
Transit Operations Technician	5

Consultant<sup>2</sup>

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<sup>2</sup> Consultants shall be included in the list of Designated Employees and shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties that are limited in scope and thus is not required to fully comply with the disclosure requirements described in this Section. Such written determination shall include a description of the consultant's duties and, based upon that description, a statement of the extent of disclosure requirements. The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code.

LAW OFFICES OF  
BEST BEST & KRIEGER LLP

## **EXHIBIT "B"**

### **DISCLOSURE CATEGORIES**

The disclosure categories listed below identify the types of investments, business entities, sources of income, including gifts, loans and travel payments, or real property which the Designated Employee must disclose for each disclosure category to which he or she is assigned.

Category 1: All investments and business positions and sources of income, including gifts, loans and travel payments, that are located in, do business in or own real property within the jurisdiction of MTS.

Category 2: All interests in real property which is located in whole or in part within, or not more than two (2) miles outside, the jurisdiction of MTS.

Category 3: All investments and business positions and sources of income, including gifts, loans and travel payments, that are engaged in land development, construction or the acquisition or sale of real property within the jurisdiction of MTS.

Category 4: All investments and business positions and sources of income, including gifts, loans and travel payments, that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by MTS.

Category 5: All investments and business positions and sources of income, including gifts, loans and travel payments, that provide services, supplies, materials, machinery, vehicles or equipment of a type purchased or leased by the Designated Employee's department, unit or division.

Category 6: All investments and business positions and sources of income, including gifts, loans and travel payments, subject to the regulatory, permit, or licensing authority of the Designated Employee's department, unit or division.



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## Agenda Item No. 30

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

AN ORDINANCE AMENDING ORDINANCE NO. 5, AN ORDINANCE RELATING TO THE ENFORCEMENT AUTHORITIES OF CODE COMPLIANCE INSPECTORS, ASSISTANT CODE COMPLIANCE SUPERVISORS, THE CODE COMPLIANCE INSPECTION SUPERVISOR, AND TAXICAB INSPECTORS I & II AND AN ORDINANCE AMENDING ORDINANCE NO. 11, AN ORDINANCE REGARDING PROHIBITED CONDUCT ONBOARD TRANSIT VEHICLES AND PROHIBITED ACTIONS ON OR ABOUT A TRANSIT FACILITY, TROLLEY STATION, OR BUS STOP (KAREN LANDERS)

#### RECOMMENDATION:

That the MTS Board of Directors:

1. read the title of Ordinance No. 5, An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors I & II and Ordinance No. 11, an Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles and Prohibited Actions on or About a Transit Facility, Trolley Station, or Bus Stop;
2. waive further readings of the ordinance;
3. introduce the ordinances for further consideration at the next Board meeting on November 15; and
4. direct publication of an ordinance summary.

#### Budget Impact:

None.



## DISCUSSION:

Staff proposes various minor amendments to Ordinance No. 11 related to taxicab permitting issues (Attachment A) and also to Ordinance No. 5 related to enforcement authority of Taxicab Inspectors (Attachment B).

### The proposed Ordinance No. 11 changes address the following:

- Clarifies permit application requirements and process to conform to Taxicab Administration past practice.
- Imposes additional permit holder and driver reporting requirements.
- Prohibits smoking in taxicabs.
- Requires taxicabs to accept major credit cards and prohibits charging extra fees to passengers for credit card use; requires taxicabs to be equipped with a device capable of electronically processing credit card transactions.
- Prohibits use of cellular phones by drivers when a passenger is in the vehicle; California Vehicle Code rules otherwise apply.
- Grants the CEO the authority to establish taxicab and jitney loading and holding zone rules.
- Imposes additional radio dispatch service organization requirements.
- Clarifies and emphasizes that no for-hire vehicle driver shall be issued a driver identification card if he/she has been convicted of certain crimes that are reasonably related to the taxicab or paratransit industry and impact the integrity or ability of the driver to operate a for-hire vehicle and transport passengers unless five years have elapsed from the completion of the sentence and all related probation.
- Authorizes inspections by MTS Taxicab Administration for compliance with an applicable California Public Utilities Commission (CPUC) permit.

See Attachment C for a brief description of each proposed change to Ordinance No. 11.

### The proposed Ordinance No. 5 changes address the following:

- Grants Taxicab Inspectors I & II, Regulatory Specialists, and the Taxicab Manager the right to enforce certain California Public Utilities Code sections and the CPUC General Order related to charter vehicles.

There are also some minor, nonsubstantive changes to the ordinance language. The proposed changes are necessary to allow MTS Taxicab Administration to enforce applicable rules for both taxicabs and charters and to maintain the distinction between what a taxicab permit allows a for-hire vehicle to do and what a CPUC charter permit allows a for-hire vehicle to do.

The proposed changes to Ordinance No. 11 and Ordinance No. 5 were discussed on September 5, 2012, at the Workshop On Regulatory Matters (WORM), a subcommittee of the MTS Taxicab Advisory Committee, and at the MTS Taxicab Advisory Committee meeting held on September 21, 2012. The MTS Taxicab Advisory Committee voted 12 to 2 to recommend that the Board adopt the proposed changes.

The proposed changes to Ordinance No. 11 are not intended to be an exhaustive, overall revision of that ordinance. Instead, the proposed changes are deemed to be minor clarifications that are necessary to maintain orderly operation and administration of the Ordinance and remove confusion about certain provisions.

Additional changes were proposed by the United Taxi Workers of San Diego (UTWSD). Some changes were supported by staff and the Taxicab Committee and are incorporated into the changes proposed for adoption. Other proposed changes were deemed to be outside of MTS's regulatory authority and therefore are not proposed for adoption. By contract with certain cities and certain Government Code provision, MTS regulates permit holder compliance, enforces the requirements of Ordinance No. 11, conducts vehicle inspections, monitors vehicle insurance compliance, and investigates public complaints. For City of San Diego permits, the City of San Diego is the policy-setting entity and regulates business license requirements.

Many of the changes requested by the UTWSD involved the business relationship between the independent contractor taxicab lease driver and the permit holder. MTS does not currently adjudicate disputes between taxicab lease drivers and the permit holder/lessor or impose requirements related to the business terms of the lease relationship. Adding such requirements would be a major policy change for Ordinance No. 11.

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

Key Staff Contact: Karen Landers, 619.557.4512, [Karen.Landers@sdmts.com](mailto:Karen.Landers@sdmts.com)

Attachments: A. Redline draft of Ordinance No. 11  
B. Redline draft of Ordinance No. 5  
C. Description of proposed changes to Ordinance No. 11

# DRAFT

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CODIFIED ORDINANCE NO. 11

*(as amended through ~~April 19, 2012~~ October 18, 2012)*

An Ordinance Providing for the Licensing and the Regulating  
of Transportation Services Within the City By the Adoption  
of a Uniform Paratransit Ordinance



MTS CODIFIED ORDINANCE NO. 11

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CODIFIED ORDINANCE NO. 11

*(as amended through April 10, 2012) October 18, 2012*

An Ordinance Providing for the Licensing and the Regulating  
of Transportation Services Within the City By the Adoption  
of a Uniform Paratransit Ordinance

SECTION 1.0 - GENERAL REGULATIONS

Section 1.1 - Definitions

The following words and phrases, wherever used in this section, shall be construed as defined in this section, unless from the context a different meaning is intended, or unless a different meaning is specifically defined and more particularly directed to the use of such words or phrases.

(a) "Association" shall mean an incorporated or unincorporated group of persons united for some purpose related to the operation of for-hire vehicles.

(b) "Board" shall mean the Board of Directors of the San Diego Metropolitan Transit System.

(c) A "low-speed vehicle" is a motor vehicle, other than a motor truck, having four wheels on the ground and an unladen weight of 1,800 pounds or less, that is capable of propelling itself at a minimum speed of 20 miles per hour and a maximum speed of 25 miles per hour, on a paved level surface. For the purposes of this section, a "low-speed vehicle" is not a golf cart, except when operated pursuant to California Vehicle Code Section 21115 or 21115.1.

(d) "CPUC" shall mean the California Public Utilities Commission.

(de) "Charter vehicle" shall mean every vehicle which:

(1) Transports passengers or parcels or both over the public streets of the City;

(2) Is routed at the direction of the hiring passenger;

(3) Is prearranged in writing for hire;

(4) Is not made available through "cruising"; and

(5) Is hired by and at the service of a person for the benefit of himself or herself or a specified group.

(ef) "City" and "Cities" shall mean the incorporated areas of the Cities of El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, and Santee; and the unincorporated area of the county of San Diego within MTS's area of jurisdiction.

(fg) "Compensation" shall mean any money, thing of value, payment, consideration, reward, tip, donation, gratuity or profit paid to, accepted, or received by the driver or owner of any vehicle in exchange for transportation of a person, or persons; whether paid upon solicitation, demand or contract, or voluntarily, or intended as a gratuity or donation.

(gh) "Cruising" shall mean the movement over the public streets of a taxicab or low-speed vehicle (LSV) in search of prospective passengers; except the term does not include either the travel of a taxicab or LSV proceeding to answer a call for service received by telephone or radio from an intended passenger or the travel of such a vehicle, having discharged a passenger or passengers, returning to the owner's place of business or to its established point of departure.

(hi) "Days" shall mean working days, exclusive of weekends and holidays for which MTS offices are closed.

(ij) "Doing business" shall mean accepting or soliciting passengers for hire in a City. The abbreviation "dba" also refers to the name a company is "doing business as."

(jk) "Driver" shall mean every person operating any for-hire vehicle.

(kl) "Driver's identification card" shall mean license, issued pursuant to this Ordinance, which permits a person to drive a for-hire vehicle within the City.

(lm) "Employ" as used in this Ordinance includes any form of agreement or contract under which the driver may operate the permit holder's for-hire vehicle.

(mn) "Exclusive ride" shall mean exclusive use of a for-hire vehicle by one or more related passengers at a time.

(no) "For-hire vehicle" shall mean every vehicle, other than public transit vehicles or vehicles involved in an organized carpool not available to the general public, which is operated for any fare for compensation and used for the transportation of passengers over city public streets, irrespective of whether such operations extend beyond the boundary limits of said City. Such for-hire vehicles shall include taxicabs, vehicles for charter, jitneys, nonemergency medical vehicles, sightseeing vehicles, and LSVs.

(op) "Chief Executive Officer" shall mean the Chief Executive Officer of MTS or his or her designated representative.

(pq) "Group ride" shall mean shared use of a taxicab or LSV where a group of related passengers enter at the same point of origin and disembark at the same destination and pay a single fare for the trip.

(qr) "Hearing officer" shall mean any person or entity that meets the requirements of this ordinance and that has been retained to conduct administrative hearings.

(rs) "Jitney" shall mean every vehicle which:

(1) Transports passengers or parcels or both over the public streets of the City;

(2) Follows a fixed route of travel between specified points with the fare based on a per capita charge established in its permit; and

(3) Is made available to boarding passengers at specified locations along its route on a variable schedule.

(~~st~~) "Medallion" shall mean the numbered plate, sticker, or decal issued by MTS to the permit holder which is displayed on a for-hire vehicle to indicate the authorized use or uses of that vehicle.

(~~tu~~) "MTS" shall mean the San Diego Metropolitan Transit System Board, a public agency created pursuant to Public Utilities Code Section 120050 et seq.

(~~uv~~) "MTS inspector" shall mean those individuals, regardless of job title, who are authorized by the Board, by ordinance, to enforce the provisions of this Ordinance.

(~~vw~~) "Nonemergency medical vehicle" shall mean every vehicle which:

(1) Transports physically and/or mentally disabled persons who require supervision and/or specialized transportation equipment or assistance related to the disability, and such persons' attendants, over the public streets of the city.

(~~wx~~) "Operate" or "Operating" shall refer to the solicitation or acceptance of a fare within City limits for compensation. It shall also include, as the context may require, the act of driving, managing or directing the utilization of one or more for-hire vehicles.

(~~xy~~) "Owner" shall mean the person, partnership, association, firm or corporation that is the registered owner of any for-hire vehicle and that holds the right to use the vehicle for its advantage.

(~~yz~~) "Passenger" shall mean every occupant other than the driver of the for-hire vehicle.

(~~zaa~~) "Permit" shall mean the authority under which a person, firm, partnership, association, or corporation may operate a for-hire vehicle as a business.

(~~aabb~~) "Permit holder" shall mean any person or approved entity operating a business under a for-hire vehicle permit.

(~~bbcc~~) "Shared ride" shall mean nonexclusive use of a for-hire vehicle by two or more unrelated passengers traveling between different points of origins and/or destination, and traveling in the same general direction.

(~~eedd~~) "Shifts" shall mean the minimum number of hours a permit holder or driver operates a for-hire vehicle.

(~~edee~~) "Sightseeing vehicle" shall mean every vehicle which:

(1) Transports passengers for sightseeing purposes of showing points of interest over the public streets of the City; and

(2) Charges a fee or compensation therefor; regardless of whether any fee or compensation is paid to the driver of such sightseeing vehicle, either by the passenger or by the owner or by the person who employs the driver or contracts with the driver or hires such sightseeing vehicle with a driver to transport or convey any passenger; and irrespective of whether or not such driver receives any fee or compensation for his or her services as driver.

(~~eeff~~) "Stands" shall mean public areas designated for specific use of for-hire vehicles.

(~~ffgg~~) "Street" shall mean any place commonly used for the purpose of public travel.

(gghh) "Taxicab" shall mean every vehicle other than a vehicle-for-charter, a jitney, a nonemergency medical vehicle, a sightseeing vehicle, or LSV which:

(1) Transports passengers or parcels or both over city public streets.

(2) Is made available for hire on call or demand through "cruising," at taxi stands or by telephone to destination(s) specified by the hiring passenger.

(hhii) "Taximeter" shall mean any instrument, appliance, device, or machine by which the charge for hire of a passenger-carrying vehicle is calculated, either for distance traveled or time consumed, or a combination of both, and upon which such charge is indicated by figures.

(iiij) "Vehicle" is a device by which any person or property may be propelled, moved, or drawn upon a street, excepting a device moved exclusively by human power or used exclusively upon stationary rails or tracks.

*(Section 1.1 amended 8/7/03)*

*(Section 1.1 amended 11/14/02)*

*(Section 1.1 amended 6/24/99)*

*(Sections 1.1(d), 1.1(R)(1) amended 6/22/95)*

*(Section 1.1 amended 1/12/95)*

*(Section 1.1 amended 6/27/91; effective 7/27/91)*

*(Section 1.1 amended 5/23/91; effective 6/23/91)*

#### Section 1.2 - Operating Permits

(a) No person shall engage in the business of operating any for-hire vehicle or in the business of providing any vehicle for the operation of vehicle for-hire services within the cities without first having obtained an operating permit from the Chief Executive Officer or his designated representative, which permit has not been revoked, suspended or otherwise canceled or terminated by operation of law or otherwise. A separate permit is required for each for-hire vehicle operated or provided for operation.

(b) An operating permit represents the granting of a privilege to operate a for-hire vehicle within the cities or zones specified by the permit for the purpose of the public convenience and necessity. This privilege may be rescinded at any time by operation of law or otherwise.

(c) A person who obtains an operating permit shall be responsible for the provision of vehicle-for-hire services in accordance with the provisions of this ordinance and shall exercise due diligence to assure that drivers of the permitted vehicles adhere to all pertinent requirements of this ordinance.

*(Section 1.2 amended 8/7/03)*

*(Section 1.2 amended 11/14/02)*

*(Section 1.2 amended 6/24/99)*

#### Section 1.3 - Application for Permit

(a) All persons applying to the Chief Executive Officer for permit(s) for the operation of one or more for-hire vehicles shall file with the Chief Executive Officer a sworn application therefore on forms provided by the Chief Executive Officer, stating as follows:

(1) The individual applicant and business name, company name (doing business as, mailing and business address (a business address is not shall not be a Post Office [PO] Box) (Post Office (PO) boxes are not acceptable), and telephone number of the permit applicant;

(2) The number of permitted vehicles actually owned and operated by such owner on the date of application, if any;

(3) The name and address of all legal and registered owner(s) of the vehicle(s);

(4) The name and address of each person with a financial interest in the business which operates the vehicle;

(5) Data sufficient to establish the applicant's financial responsibility;

(6) The number of vehicle(s) for which a permit(s) is desired;

(7) The intended make, type, year of manufacture and passenger seating capacity of each vehicle for which application for permit is made;

(8) The rates of fare which the applicant proposes to charge for vehicle-for-hire services;

(9) A description of the proposed color scheme, insignia, trade style, or any other distinguishing characteristics of the proposed vehicle design;

(10) Where the application is for a limited permit or LSV, a detailed description of the geographic area in which said permit shall be in existence; and

(11) Such other information as the Chief Executive Officer may in his or her discretion require.

(b) The applicant shall also submit, with the application, a nonrefundable filing application fee prior to the permit approval. Upon issuance of the permit, the applicant shall also pay an initial nonrefundable permit issuance-vehicle regulatory fee to be determined by the Chief Executive Officer in order to recover the cost of processing such applications.

**(Section 1.3 amended 10/18/12)**

**(Section 1.3 amended 8/7/03)**

**(Section 1.3 amended 11/14/02)**

#### **Section 1.4 - Issuance of Permit**

(a) The Board shall, in its discretion, determine the total number of for-hire vehicle permits to be granted.

(b) The Chief Executive Officer shall, in accordance with Board policy, determine the number of permits to be granted any applicant(s) and approve permits for any applicant(s) subject to such conditions as the Board may deem advisable or necessary in the public interest. Before a permit may be approved, the applicant shall pay an initial regulatory fee in an amount to be determined by the Chief Executive Officer.

(c) The Chief Executive Officer shall deny the approval of a permit upon making a finding:

(1) That the applicant is under twenty-one (21) years of age; or

(2) That within the five (5) years immediately preceding the processing of the application, the applicant has been convicted of, or held by any final administrative determination to have been in violation of any statute, ordinance, or regulation reasonably and rationally pertaining to the same or similar business operation which would have resulted in suspension or revocation of the permit in accordance with Section 1.13 of this Ordinance. For purposes of this section, a plea or verdict of guilty, a finding of guilty by a court, a plea of nolo contendere or a forfeiture of bail shall be deemed a conviction; or

(3) That the applicant provided false information of a material fact in an application within the past five (5) years.

(d) ~~All permits~~ Permits shall be approved for a period of one (1) year and shall be renewable annually upon payment of a regulatory fee in an amount and on a date to be determined by the Chief Executive Officer.

(e) No permit shall be approved or renewed for any person who has not fully complied with all of the requirements of this Ordinance and all other applicable laws and/or regulations necessary to be complied with before commencement of the operation of the proposed service.

(f) When the permit has been approved and upon determination by the Chief Executive Officer that the color scheme and ~~for-hire vehicle~~ the company name (doing business as) are sufficiently distinctive so as not to cause confusion with other for-hire vehicles already operating, and that the for-hire vehicle, after appropriate inspection, meets the requirements of this Ordinance, the Chief Executive Officer will issue a numbered medallion(s) to be affixed to the for-hire vehicle.

(Section 1.4 amended 10/18/12)

(Section 1.4 amended 11/14/02)

#### Section 1.5 - Transfer and Administration of Permits

(a) Each permit issued pursuant to the provisions of this section is separate and distinct and shall be transferable from the permit holder to another person or entity only with the approval of the Chief Executive Officer. City of San Diego taxicab permits represented by medallion numbers 0001 through 1199 may be transferred only after the passage of one (1) year from the date a permit was issued to the current permit holder. All other City of San Diego taxicab permits and LSV permits shall be transferable only after the passage of five (5) years from the date a permit was issued to the current permit holder. All taxicab permits may be transferred upon the verifiable death or permanent disability of the current permit holder. The transferability of permits may be limited by policy of the Board established by resolution.

(b) In the event that the permit holder is a corporation, partnership or legal entity other than a natural person, prior approval of the Chief Executive Officer shall be required for any transfer or acquisition of majority ownership or control of that corporation, partnership or legal entity to a person or group of persons acting in concert, none of whom already owns or controls a majority interest. Any such acquisition or transfer occurring without prior approval of the Chief Executive Officer shall constitute a failure to comply with a provision of this section.

(c) The proposed transferee shall file with the Chief Executive Officer a sworn application for the transfer and shall comply with the requirements of Section 1.3. The permit holder shall certify in writing that the permit holder has notified the proposed transferee of the requirements of this section pertaining to the transfer of a permit. Whenever an application for a transfer of permit is filed, the Chief



Executive Officer shall process the application for transfer in accordance with Section 1.4 of this Ordinance.

(d) The Chief Executive Officer shall charge regulatory fees to affect the full cost recovery of activities associated with the administration, regulation, issuance, or transfer of for-hire vehicle permits and associated records.

(1) Changes in fee schedules affecting permits shall be mailed to all permit holders. Changes shall be effective thirty (30) calendar days thereafter.

(2) Any person objecting to a particular fee or charge may file, within ten (10) days of the mailing of such changes, an appeal for review with the Chief Executive Officer who shall thereafter process it in accordance with Section 1.17; provided, however, that the sole issue to be determined on review is whether the fee or charge exceeds the reasonable costs for personnel salaries and administrative overhead associated with the particular administrative service or function.

*(Section 1.5 amended 8/7/03)*

*(Section 1.5 amended 11/14/02)*

#### Section 1.6 - Limited Permits

(a) The Chief Executive Officer may approve permits which are limited in duration of time and/or limited to a specific geographical area of the cities. Applicants for limited permits must submit all relevant information as set forth in Section 1.3 (a), Subsections (1) through (11), and shall state specifically the appropriate time and/or the geographical limitations. In addition to the requirements set forth in this section, services operating pursuant to a limited permit shall:

(1) Commence operations at the specified date approved by the Chief Executive Officer and cease operations at the ending date approved by the Chief Executive Officer;

(2) Pick up passengers only in the specified geographical area of the City approved by the Chief Executive Officer and shall not pick up passengers under any circumstances outside the specified geographical area;

(3) Be allowed to transport passengers from a specified geographical area to points within or outside the area;

(4) Prominently display on the vehicle the geographical area of the City in which the driver is authorized to pick up passengers; and

(5) Be subject to each and every provision relating to the operation of a for-hire vehicle as if granted a regular permit for the operation of a for-hire vehicle.

*(Section 1.6 amended 11/14/02)*

#### Section 1.7 - Blank

The text of Section 1.7 is deleted in its entirety effective October 24, 1998.

*(Section 1.7 was deleted 9/24/98)*

#### Section 1.8 - Equipment and Operating Regulations

(a) No medallion shall be issued for a vehicle unless the vehicle conforms to all the applicable provisions of this Ordinance.

(b) The privilege of engaging in the business of operating a for-hire vehicle in a City granted in the permit is personal to the permit holder, who must be the owner of the for-hire vehicle. The rights, requirements, and responsibilities which attach to the permit remain with the holder at all times the for-hire vehicle is operated under the authority of the permit. These rights, requirements and responsibilities, which include, but are not limited to, the requirements of this Ordinance, will remain unaffected by any agreement or contractual arrangement between the permit holder and those persons who operate for-hire vehicles, irrespective of the form or characterization of the agreement under which the driver operates the for-hire vehicle.

(c) The permit holder shall maintain a business address, a mailing address where he or she can accept mail directed to his or her company, and a business telephone in working order which must be answered during normal business hours, Monday through Friday, and during all hours of operation. The permit holder shall, in the case of any change in his or her business address, mailing address, or business telephone, notify the Chief Executive Officer in writing of such change within forty-eight (48) hours of the effective date of this change.

(d) Before a for-hire vehicle is placed in service and at least annually thereafter, the for-hire vehicle shall be delivered to a place designated by the Chief Executive Officer for inspection. All new permit holders are required to personally observe at least one full vehicle inspection as part of the initial permit issuance. MTS inspectors shall inspect the for-hire vehicle and its equipment to ascertain whether the vehicle complies with the provisions of this Ordinance. Failure to produce the vehicle for inspection shall be cause for suspension or revocation of the permit for such vehicle.

(e) Any MTS inspector or peace officer, after displaying proper identification, may make reasonable and periodic inspections of any for-hire vehicle operating under an MTS permit for the purpose of determining whether the vehicle is in compliance with the provisions of this Ordinance.

(f) Any for-hire vehicle which fails to meet the requirements of the California Vehicle Code or this section after inspection shall be immediately ordered out-of-service by an MTS inspector or Peace Officer if it is unsafe for service. Ordering a vehicle out-of-service does not constitute a suspension or revocation of the permit. A vehicle is deemed unsafe for service when any of the following conditions exists:

- (1) Tires fail to meet the requirements of the California Vehicle Code;
- (2) Headlights, taillights or signal lights are inoperable during hours of darkness (sunset to sunrise);
- (3) Windshield wipers are inoperable during rain conditions;
- (4) Meter is not working or the seal is broken;
- (5) Brakes, brake lights or brake system are inoperable or otherwise fail to meet the requirements of the California Vehicle Code;
- (6) Excessive play in steering wheel exceeding three (3) inches;
- (7) Windshield glass contains cracks or chips that interfere with driver's vision;
- (8) Any door latch is inoperable from either the interior or exterior of the vehicle;
- (9) Any seat is not securely fastened to the floor;

Code; (10) Seat belts, when required, fail to meet requirements of the California Vehicle

(11) Either side or rearview mirrors are missing or defective; and

(12) Any other condition which reasonably and rationally pertains to the operating safety of the vehicle or to passenger or pedestrian safety.

(g) If the vehicle is not unsafe but is unsuitable or otherwise in violation of this Ordinance, the operator or permit holder, as appropriate, shall be issued a notice to correct said violation within seventy-two (72) hours.

(1) Failure to correct such violation within the seventy-two (72) hours shall then be cause to order the vehicle out-of-service. When a vehicle is ordered out-of-service, the medallion shall be immediately removed.

(2) Before the vehicle may again be placed in service, the violation shall be corrected and the vehicle shall be inspected by an MTS inspector.

(3) The medallion shall be reaffixed when the MTS inspector finds that the vehicle meets prescribed standards.

(h) The interior and exterior of the for-hire vehicle shall be maintained in a safe and efficient operating condition, and meet California Vehicle Code requirements and the requirements of this Ordinance at all times when in operation. The following minimum vehicle standards must be maintained to comply with this section:

(1) Wheels. Hubcaps or wheel covers shall be on all wheels for which hubcaps or wheel covers are standard equipment.

(2) Body Condition. There shall be no tears or rust holes in the vehicle body and no loose pieces hanging from the vehicle body. Fenders, bumpers, and light trim shall be securely fixed to the vehicle. No extensive unrepaired body damage shall be allowed. The vehicle shall be equipped with front and rear bumpers. The exterior of the vehicle shall be maintained in a reasonably clean condition so as not to obscure the approved color scheme and/or vehicle markings.

(3) Paint. The vehicle shall be painted and marked in accordance with the color scheme approved under Section 1.4 (f) of this Ordinance. Paint and markings may not be faded or deteriorated in such a manner as to preclude immediate recognition of the approved color scheme.

(4) Lights. Headlights shall be operable on both high and low beam. Taillights, parking lights, signal lights, and interior lights shall all be operable.

(5) Wipers. Each vehicle shall be equipped with adequate windshield wipers maintained in good operating condition.

(6) Brakes. Both the parking and hydraulic or other brake system must be operable.

(7) Steering. Excessive play in the steering mechanism shall not exceed three (3) inches free play in turning the steering wheel from side to side.

(8) Engine. The engine compartment shall be reasonably clean and free of uncontained combustible materials.

(9) Mufflers. Mufflers shall be in good operating condition.

(10) Windows. The windshield shall be without cracks or chips that could interfere with the driver's vision. All other windows shall be intact and able to be opened and closed as intended by the manufacturer. The windows and windshield shall be maintained in a reasonably clean condition so as not to obstruct visibility.

(11) Door Latches. All door latches shall be operable from both the interior and exterior of the vehicle.

(12) Suspension. The vehicle's suspension system shall be maintained so that there are no sags because of weak or broken springs or excessive motion when the vehicle is in operation because of weak or defective shock absorbers.

(13) Seats. All seats shall be securely fastened. Seat belts, when required by the California Vehicle Code, shall be installed. The upholstery shall be free of grease, holes, rips, torn seams, and burns.

(14) Interior. The interior of each vehicle and the trunk or luggage area shall be maintained in a reasonably clean condition, free of foreign matter, offensive odors, and litter. The seats shall be kept reasonably clean and without large wear spots. The door handles and doors shall be intact and clean. The trunk or luggage area shall be kept empty except for spare tire and personal container for the driver not exceeding one (1) cubic foot in volume and emergency equipment, to allow maximum space for passenger luggage and belongings.

(i) Each for-hire vehicle except taxicabs shall contain:

(1) A fire extinguisher of the dry chemical or carbon dioxide type with an aggregate rating of at least 5 B/C units and a current inspection card affixed to it.

(2) A minimum of three (3) red emergency reflectors.

(3) A first-aid kit containing medical items to adequately attend to minor medical problems.

(j) In the event that a for-hire vehicle for which a permit has been approved is taken out of service, the permit holder may utilize a spare for-hire vehicle which has been duly inspected by an MTS inspector and approved prior to use. The permit holder must immediately inform an MTS inspector when a spare for-hire vehicle is in use and the location of the disabled vehicle. The spare vehicle will be issued a "spare vehicle" sticker which must be affixed to the left rear portion of the for-hire vehicle for which it is approved, in plain view from the rear of the for-hire vehicle. The permit holder may utilize one (1) spare for-hire vehicle for a period not to exceed sixty (60) days. This subsection shall not be construed, nor deemed to replace, those provisions in this Ordinance which apply to permanent replacement of a for-hire vehicle.

(k) The medallion issued to the permit holder must be affixed by an MTS inspector on the for-hire vehicle for which the permit is approved in plain view from the rear of the for-hire vehicle. The permit holder must immediately report the loss, destruction, or defacing of a medallion to the Chief

Executive Officer. Except as provided in Subsection (j), it shall be unlawful to operate a for-hire vehicle without the medallion affixed and visible.

(l) There shall be displayed in the passenger compartment of each for-hire vehicle between the sun visors, in full view of the passengers in the front and rear seats, a card not less than ten (10) inches wide by six (6) inches high in size. Posted on this card, utilizing "Universe" font in black ink on white background, shall be:

1) The first line of the card, 3/4 inch in height, shall say one of the following according to permit type: TAXICAB, SIGHTSEEING, CHARTER, NONEMERGENCY, LOW-SPEED VEHICLE, OR JITNEY LOST AND FOUND.

2) Below this, the card shall include the vehicle medallion number in three-inch numerals.

3) Below the medallion number, the name, address, and phone number of the MTS Taxicab Administration and the permit holder and/or permit holder trade name shall be printed, 1/4-inch in height.

4) No other signs, markings, lettering, decals, or any type of information shall be displayed within 18 inches around the above sign.

5) No other signs, markings, lettering, decals or any type of information except the rates of fare and the tire size specifications required by San Diego County Weights and Measures shall be posted within the area 18 inches around the taxicab meter.

(m) There shall be carried either on the person of the driver or in each for-hire vehicle, a map of the City, published within the past two (2) years, which shall be displayed to any passenger upon request.

(n) The rates of fare charged for for-hire vehicle services shall be clearly displayed in the passenger compartment.

(o) Each for-hire vehicle licensed to operate in the City shall have located in a convenient place in the driver's compartment, in full view of the passengers, a container of type and design approved by the Chief Executive Officer. The container shall contain a card provided by the Sheriff of the County of San Diego or by the Chief Executive Officer. The card shall be visible to passengers and shall bear the following information:

(1) The number of the license of the driver;

(2) The name and business address of the driver;

(3) The name of the owner of the vehicle; and

(4) A small photograph of the driver.

(p) Each for-hire vehicle shall be equipped with a rearview mirror affixed to the right side of the vehicle, as an addition to those rearview mirrors otherwise required by the California Vehicle Code.

(q) The driver shall offer each passenger a receipt upon payment of the fare. The receipt shall accurately show the date, the amount of the fare, the medallion number, the trade name, and the name and signature of the driver.

(r) All disputes to fare shall be determined by the peace officer or MTS inspector most readily available where the dispute is had. It shall be unlawful for any person to fail or refuse to comply with such determination by the peace officer or MTS inspector.

(s) It is unlawful for any person to refuse to pay the lawful fare of a for-hire vehicle after employing or hiring the same.

(t) The driver of any for-hire vehicle shall promptly obey all lawful orders or instructions of any peace officer, fire fighter, or MTS inspector.

(u) No driver of any for-hire vehicle shall transport any greater number of persons, including the driver, than the manufacturer's rated seating capacity for the vehicle.

(v) It shall be unlawful for any person to solicit business for a for-hire vehicle by making a contract or agreement with any owner of any hotel, apartment house, motel, inn, rental units, restaurant, or bar, or with the agent or employees of such owner, by which the owner, agent or employee receives any type of payment or commission for recommending or directing any passenger to a specific for-hire vehicle or company. It shall be unlawful for any permit holder, association, or driver to have or make a contract or agreement with any owner of any hotel, apartment house, motel, inn, rental units, restaurant, or bar, or with the agents or employees of such owner, by which the permit holder, association or driver receives any type of payment or commission for recommending or directing any passenger to an establishment operated by a specific owner.

(w) The driver of a for-hire vehicle shall wear, in a manner clearly visible on their person, an identification card approved by the Chief Executive Officer.

(x) The Board specifically finds that the dress, grooming, and conduct of for-hire vehicle drivers affect the public health and safety, particularly as it relates to visitors and the tourist industry. Therefore, while driving or operating a for-hire vehicle, drivers shall be hygienically clean, well groomed and neat, and suitably dressed. Violations of this subsection are administrative in nature and shall not be the subject of criminal prosecution.

(1) The term "hygienically clean" shall refer to that state of personal hygiene, body cleanliness, and absence of offensive body odor normally associated with bathing or showering on a regular basis.

(2) The term "well-groomed" shall mean that male drivers shall be clean-shaven, except for those parts of the face where a beard or mustache is worn and their hair shall be neatly trimmed; beards or mustaches shall be groomed and neatly trimmed at all times in order not to present a ragged appearance. For all drivers, it shall mean that scalp or facial hair shall be combed or brushed and that all clothing is clean, free from soil, grease and dirt, and without unrepaired rips or tears.

(3) The term "neat and suitably dressed" shall be interpreted to require that a driver shall be fully covered by clothing at a minimum from a point not to exceed four (4) inches above the center of the kneecap to the base of the neck, excluding the arms. Drivers shall wear shoes. It shall not be permissible for any driver to wear as an outer garment any of the following: undershirt or underwear, tank tops, body shirts (see-through mesh), swim wear, jogging or warm-up suits or

sweatshirts or similar attire, jogging or bathing shorts or trunks, or sandals. Trouser-type shorts that are no shorter than four inches above the center of the kneecap are permissible.

(y) The color scheme of a for-hire vehicle may not be changed without the prior written permission of the Chief Executive Officer.

(z) For-hire vehicles shall comply with the California Vehicle Code, e.g., not impede traffic, and, where applicable, not operate on streets where posted speed limits are above 35 miles per hour. For-hire vehicle drivers, including taxicab, shall not load or unload passengers in traffic lanes.

*(Section 1.8 amended 8/7/03)*

*(Section 1.8 amended 11/14/02)*

*(Section 1.8 amended 9/24/98)*

*(Section 1.8 amended 2/13/97)*

*(Section 1.8 amended 6/24/93)*

#### Section 1.9 - Public Liability

(a) It shall be unlawful to operate a for-hire vehicle unless the permit holder establishes and maintains in effect one of the forms of financial responsibility specified in this section.

(1) This requirement may be met by maintaining a valid policy of insurance executed and delivered by a company authorized to carry on an insurance business in the State of California, the financial responsibility of which company has been approved by the Chief Executive Officer. The terms of the policy shall provide that the insurance company assumes financial responsibility for injuries to persons or property caused by the operation of the for-hire vehicle in an amount determined by the Chief Executive Officer.

(2) The permit holder may also meet this requirement by obtaining a certificate of self-insurance for a specified amount approved by the Board and pursuant to the applicable provisions of the California Vehicle Code.

(b) A valid ~~certificate~~ proof of insurance issued by the company providing the insurance policy required under Subsection (a) (1) of this section shall be filed with and approved by the Chief Executive Officer. This certificate shall provide that MTS is a named certificate holder and shall be placed in each vehicle, per California Vehicle Code Section 16020. It shall also provide that the insurer will notify MTS of any cancellation and that the cancellation notice shall be in writing and shall be sent by registered mail at least thirty (30) days prior to cancellation of the policy. The certificate shall also state:

- (1) The full name of the insurer;
- (2) The name and address of the insured;
- (3) The insurance policy number;
- (4) The type and limits of coverage;
- (5) The specific vehicle(s) insured;
- (6) The effective dates of the certificate; and
- (7) The certificate issue date.

*(Section 1.9 amended 11/14/02)*

#### Section 1.10 - Financial Ownership and Operating Records: Reporting Requirements

(a) Every person engaged in the business of operating a for-hire vehicle within the City under a permit granted by the Chief Executive Officer shall maintain:

- (1) Financial records in accordance with good accounting practices;
- (2) Ownership records; and
- (3) Operating records in a form, and at intervals, which shall be determined from time to time by the Chief Executive Officer.

(b) Ownership and operating records shall be made available to the Chief Executive Officer upon demand at any reasonable time. The permit holder shall retain operating records for a minimum of six (6) months from the date the records are created.

(c) For purposes of this section, ownership records shall include, but are not limited to, the following:

- (1) Copies of the Articles of Incorporation as filed with the Secretary of State of California;
- (2) Records identifying all corporate officers and members of the corporation's Board of Directors. A corporation shall report any change in corporate officers or members of its Board of Directors to MTS within ten (10) days of the effective date.
- (3) A stock register recording the issuance or transfer of any shares of the corporate stock; and
- (4) The registration cards issued by the State of California Department of Motor Vehicles to the vehicle owner for all for-hire vehicles operated under the authority of an MTS for-hire vehicle permit.

(d) For purposes of this section, operating records shall include, but are not limited to, the following:

- (1) Typed or written dispatch records for taxicab or LSV companies which operate their own radio dispatch service;
- (2) Any logs which a for-hire vehicle driver keeps describing the trips carried by a for-hire vehicle other than a taxicab;
- (3) Copies of the daily trip log required by taxicab or LSV drivers under Section 2.4 (p); and
- (4) Any other similar records.

(e) Between January 1 and December 31 of each calendar year, every permit holder shall file with the Chief Executive Officer a signed statement which shall report and attest to the accuracy of the following information:

- (1) The individual name(s), business name, business address, and telephone number of the permit holder(s);
- (2) The name and address of all legal and registered owner(s) of the for-hire vehicle(s);



(3) The name and address of each person with a financial interest in the business which operates the vehicle(s); and

(4) The year, manufacturer, model, vehicle identification number, license plate, and medallion number affixed to the permitted vehicle(s).

(f) If the permit holder is an individual, the permit holder must appear in person in the offices of MTS to file the statement; if the permit holder is a partnership, one of the partners must appear in person in the offices of MTS to file the statement; if the permit holder is an association or corporation, an officer of the association or corporation authorized to represent the company must appear in person in the offices of MTS to file the statement.

*(Section 1.10 amended 8/7/03)*

*(Section 1.10 amended 11/14/02)*

*(Section 1.10 amended 6/24/93)*

#### Section 1.11 - Destruction, Permanent Replacement or Retirement of For-Hire Vehicles

(a) Whenever a for-hire vehicle is destroyed, rendered permanently inoperative, is sold, or the permit holder is no longer the owner of the for-hire vehicle, the permit holder shall notify the Chief Executive Officer in writing within forty-eight (48) hours.

(b) A replacement vehicle must be placed in service within sixty (60) days of the date the original vehicle is removed from service unless prior written permission has been obtained from the Chief Executive Officer. It is the intent of this section that the Chief Executive Officer, in granting such permission, gives due consideration to the operating situation of the permit holder on a case-by-case basis.

The following guidelines are to be used in granting permission for a permit holder to take longer than sixty (60) days in placing a replacement vehicle in service.

(1) The permit holder must submit a written request for an extension of time, stating the specific reason(s) additional time is required and identifying a plan and timetable for placing the replacement vehicle in service. Written documents sufficient to substantiate the factual information contained in the request should also be submitted.

(2) The plan and timetable submitted must reflect a reasonable approach for placing the vehicle in service within the shortest possible time frame.

(3) An additional period of time, not to exceed sixty (60) calendar days, may be granted to a permit holder in case of severe personal illness or other similar hardship.

(4) An additional period of time, not to exceed thirty (30) calendar days, may be granted to a permit holder in case of extensive vehicle repairs or other similar reasons.

(5) No extensions will be granted to any permit holder who is unable to meet the basic operational costs, including liability insurance, regulatory fees, and normal maintenance and repairs of operating a for-hire vehicle.

(6) No more than one (1) extension will be granted for each vehicle in a single twelve (12) month period.

(c) The Chief Executive Officer shall, as a matter of owner right, allow the replacement of a vehicle which is destroyed, rendered inoperative, sold or transferred, provided that the permit holder has complied with, and the for-hire vehicle is in conformance with, all applicable provisions of this Ordinance. An owner must remove the markings from the vehicle that indicate it is a taxicab or LSV before the owner disposes of it.

(d) When a permit holder retires any for-hire vehicle or vehicles from service and does not replace them within sixty (60) days, the permit for each such retired for-hire vehicle shall be considered abandoned and will be void. The permit holder shall immediately surrender each related medallion to the Chief Executive Officer. Such abandoned permits may not be restored by any means other than through application for new permits in the manner provided in this Ordinance.

*(Section 1.11 amended 8/7/03)*

*(Section 1.11 amended 11/14/02)*

*(Section 1.11 amended 2/13/97)*

#### Section 1.12 - Driver's Identification Cards

(a) No person shall drive or operate any for-hire vehicle under the authority of a permit granted under this Ordinance unless such person has and displays a valid driver's identification card obtained annually through the Sheriff of the County of San Diego.

(b) No permit holder shall employ as a for-hire vehicle driver or operator any person who has not obtained a for-hire vehicle driver's identification card through the Sheriff of the County of San Diego.

(c) No permit holder shall employ as a driver or operator any person whose privilege to operate a for-hire vehicle within the City has expired, or has been revoked, denied or suspended or prohibited.

(d) A driver may drive for more than one permit holder. The driver must, however, have on file with and accepted by the Sheriff of the County of San Diego, a separate application on forms provided by the Sheriff, for each permit holder with whom he has a current driving agreement. A driver may have on file with the Sheriff a maximum of four (4) such applications at any one time. It shall be unlawful for a driver to accept or solicit passengers for hire in the City while operating the taxicab or LSV of any permit holder for whom the driver does not have such an application on file with the Sheriff.

(e) No person shall drive or operate any for-hire vehicle, except nonemergency medical, under the authority of a permit granted under this Ordinance unless such person has successfully completed an MTS-approved driver training course concerning driver safety, rules, and regulations, Map reading, crime prevention, courtesy and professionalism and a corresponding qualification examination.

(f) No person who has received a notice of prohibition pursuant to Section 1.14, or whose privilege to operate a for-hire vehicle within the City has expired, or has been suspended, revoked or denied by the Sheriff or the Chief Executive Officer shall drive or operate a for-hire vehicle within the City.

(g) No for-hire vehicle driver's identification card shall be issued or renewed to any of the following persons:

- (1) Any person under the age of twenty-one (21) years.

(2) Any person who has been convicted of a felony involving a crime of force or violence against any person, or the theft of property, unless five (5) years have elapsed since his or her discharge from a penal institution or satisfactory completion of probation for such conviction during which period of time his or her record is good.

(3) Any person who has been convicted of assault, battery, resisting arrest, any infraction, misdemeanor, or felony involving force and violence, or any crime reasonably and rationally related to the paratransit industry or any similar business operation which bears upon the integrity or ability of the driver to operate a for-hire vehicle business and transport passengers, unless five (5) years shall have elapsed from the date of discharge from a penal institution or the satisfactory completion of probation for such conviction.

(4) Any person who, within the five (5) years immediately preceding the processing of the application, has been convicted of or held by any final administrative determination to have been in violation of any statute, ordinance, or regulation reasonably and rationally related to the for-hire vehicle industry or any similar business operation which would have authorized the suspension or revocation of the driver's identification card in accordance with Section 1.14 of this Ordinance.

(54) Any person who is required to register as a sex offender pursuant to the California Penal Code.

(65) Any person who has provided false information of a material fact in their application within the past five (5) years.

(76) No person shall obtain or renew a driver's identification card unless such person has successfully completed a personal safety training course approved by the Chief Executive Officer.

(8) When a driver permanently no longer drives for an MTS Taxicab Administration permit holder, the permit holder shall report this to the Sheriff's Department within 10 calendar days.

(h) The Sheriff is authorized to issue temporary for-hire vehicle driver identification cards pending the approval or denial of an application for a regular for-hire vehicle driver identification card. No temporary for-hire vehicle driver identification card shall be issued without the satisfactory completion of a local law enforcement agency record check of the applicant. Any temporary identification card so issued shall be valid for a period not to exceed ninety (90) days or until the date of approval or denial of the application for a regular for-hire vehicle driver identification card, whichever shall occur first. The issuance of a temporary identification card hereunder shall not authorize the operation of a for-hire vehicle following the denial of the application while pending the resolution of any appeal otherwise provided for in Section 1.16 of this Ordinance.

(1) The Sheriff or the Chief Executive Officer shall establish nonrefundable filing fees to defray the costs of processing regular and temporary driver identification cards.

**(Section 1.12 amended 10/18/12)**

**(Section 1.12 amended 8/7/03)**

**(Section 1.12 amended 11/14/02)**

**(Section 1.12 amended 9/24/98)**

**(Section 1.12 amended 10/30/97)**

**(Section 1.12 amended 11/9/95)**

### Section 1.13 - Suspension and Revocation of Permit

(a) Permits may be suspended or revoked by the Chief Executive Officer at any time in case:

(1) The Chief Executive Officer finds the permit holder's past record to be unsatisfactory with respect to satisfying the provisions of this Ordinance.

(2) The permit holder fails to comply with the applicable provisions of this Ordinance.

(3) The drivers of the for-hire vehicle or vehicles fail to act in accordance with those provisions of this Ordinance which govern driver actions. The permit holder shall have strict liability in this regard; however, this provision shall not restrict the Chief Executive Officer's ability to penalize a driver for violations of those provisions of this Ordinance which govern driver actions.

(4) The owner shall cease to operate any for-hire vehicle for a period of sixty (60) consecutive days without having obtained written permission for cessation of such operation from the Chief Executive Officer. It is the intent of this section that the Chief Executive Officer, in granting such permission, gives due consideration to the operating situation of the permit holder on a case-by-case basis.

The following guidelines are to be used in granting permission for a permit holder to cease operating a for-hire vehicle for a period longer than sixty (60) days.

(a) The permit holder must submit a written request for an extension of time, stating the specific reason(s) additional time is required and identifying a plan and timetable for placing the vehicle back in service. Written documents sufficient to substantiate the factual information contained in the request should also be submitted.

(b) The plan and timetable submitted must reflect a reasonable approach for placing the vehicle back in service within the shortest possible time frame.

(c) An additional period of time, not to exceed sixty (60) calendar days, may be granted to a permit holder in case of severe personal illness or other similar hardship.

(d) An additional period of time, not to exceed thirty (30) calendar days, may be granted to a permit holder in case of extensive vehicle repairs or other similar reasons.

(e) No extension will be granted to any permit holder who is unable to meet the basic operational costs including liability insurance, regulatory fees, and normal maintenance and repairs of operating a for-hire vehicle.

(f) No more than one (1) extension in time will be granted for each vehicle permit in a single twelve (12) month period.

(5) The for-hire vehicle or vehicles, if operated as other than a taxicab, are operated at a rate of fare other than those fares on file with the Chief Executive Officer.

(6) The for-hire vehicle or vehicles, if operated as a taxicab or LSV, are operated at a rate of fare greater than those fares on file with the Chief Executive Officer or posted on the taxicab or LSV pursuant to Section 2.2 (b) of this Ordinance.

(7) The for-hire vehicle or vehicles, if operated as a taxicab or LSV, are operated at a rate of fare greater than current maximum rate established by the Board pursuant to Section 2.2(a) of this Ordinance.

(8) The permit holder fails to begin operating the for-hire vehicle for which the permit is first approved within ninety (90) days after the approval date.

(9) The permit holder has been convicted of assault, battery, resisting arrest, any infraction, misdemeanor, or felony involving force and violence, or any crime reasonably and rationally related to the paratransit industry or any similar business operation which bears upon the integrity or ability of the applicant or permit holder to operate a for-hire vehicle business and transport passengers, unless five (5) years shall have elapsed from the date of discharge from a penal institution or the satisfactory completion of probation for such conviction.

(10) The permit holder has been convicted of a crime that would require a person to register as a sex offender under the California Penal Code. For purposes of this section, a plea or verdict of guilty, a finding of guilt by a court, a plea of nolo contendere or a forfeiture of bail shall be considered a conviction.

(a) A permit holder shall be notified in writing within 10 working days when a credible complaint has been filed with the Chief Executive Officer by a member of the public where such complaint involves the permit holder, the driver of the permitted for-hire vehicle, or the radio service to which the permit holder is subscribed. It shall be the responsibility of the permit holder to investigate the complaint and report in writing to the Chief Executive Officer within 30 days the result of the investigation and any corrective action taken or proposed. Where the complainant has agreed to the sharing of their identity, the results of the investigation, findings, and actions shall be communicated to the complainant.

(b) In the event the Chief Executive Officer finds a permit holder has failed to responsibly respond to notification of complaints or to initiate corrective action, the Chief Executive Officer shall issue a notice of proposed adverse action to the permit holder. If the circumstances of the complaint or subsequent investigation so warrant, the Chief Executive Officer may issue a notice of adverse action to a driver independently of or in conjunction with any adverse action proposed to the permit holder. The Chief Executive Officer shall refer to the Administrative Penalty Guidelines in determining a proposed adverse action.

(c) The permit holder or driver in receipt of a notice of proposed adverse action shall be given the opportunity to appear for an informal hearing before the Chief Executive Officer or his designated representative. Failure to appear will constitute waiver of the hearing. Following the hearing or waiver thereof, the Chief Executive Officer shall issue the notice of adverse action if justified by the facts. If the Chief Executive Officer determines that the performance of the permit holder or driver involves criminal activity or constitutes a serious degradation of the public safety, convenience, or necessity, a notice of adverse action may be issued and the action effected without hearing.

(d) Upon a finding by the Chief Executive Officer that a permit holder falls within the provisions of this section, the permit holder or driver shall be notified that his or her permit has been subjected to an adverse action and that the matter is such that the action may be appealed. In lieu of an action provided for in the Administrative Penalty Guidelines, the Chief Executive Officer may impose a fine or a fine and a period of suspension for any violation(s) of this Ordinance.

*(Section 1.13 amended 8/7/03)*

*(Section 1.13 amended 11/14/02)*

*(Section 1.13 amended 6/24/99)*

#### Section 1.14 - Suspension and Revocation of Driver's Identification Cards

(a) Driver's identification cards may be suspended or revoked by the Chief Executive Officer at any time in case:

(1) The Chief Executive Officer finds the driver's past record to be unsatisfactory with respect to satisfying the provisions of this Ordinance; or

(2) The driver fails to comply with the applicable provisions of this Ordinance; or

(3) Circumstances furnish grounds for the denial, suspension, revocation or refusal to renew the driver's identification card by the Sheriff under the terms of the applicable Ordinance of the County of San Diego; or

(4) His/her California Driver's License is revoked or suspended; or

(5) The driver is convicted of reckless driving or driving while under the influence of intoxicating liquors and/or narcotics; or

(6) The driver has been convicted of assault, battery, resisting arrest, any felony crime involving force and violence, or ~~any crime~~ reasonably and rationally is related to the ability or integrity of the driver to operate a for-hire vehicle or transport passengers; or

(7) The driver has ever been convicted of a crime that requires registration under the California Penal Code as a sex offender.

(b) For purposes of Subsections (a) (1) through (a) (6) of this section, a plea of nolo contendere, or a forfeiture of bail shall be considered a conviction if it occurred within the five (5) years immediately preceding the date of application for a permit or identification card.

(c) Notwithstanding a driver's possession of a valid taxicab or LSV driver identification card, the Chief Executive Officer may deny, suspend, revoke, or refuse to renew the driver's privilege to operate a for-hire vehicle in the City if the driver falls within the provisions of this section. The Chief Executive Officer shall send a notice of prohibition the date postmarked to operate a taxicab or LSV to any holder of a Sheriff's driver identification card who is ineligible under Subsection (a) to operate a for-hire vehicle within the City limits. The notice of prohibition shall be appealable in accordance with Section 1.16.

*(Section 1.14 amended 8/7/03)*

*(Section 1.14 amended 11/14/02)*

*(Section 1.14 amended 6/24/99)*

#### **Section 1.15 - Surrender of Medallion**

(a) When a permit has been suspended or revoked, the operation of any for-hire vehicle authorized by such permit shall cease, and its medallion surrendered immediately to the Chief Executive Officer.

***(Section 1.15 amended 11/14/02)***

#### **Section 1.16 - Right of Administrative Appeal from Denial, Suspension or Revocation of Permit or Driver's Identification Card or Related Adverse Action**

(a) The permit holder or driver shall be notified that he or she may file with the Chief Executive Officer a written administrative appeal ten (10) days after delivery of the notice of revocation or suspension, or the denial of a license, permit, or driver's identification card, the notice of prohibition to operate or the imposition of a fine. The permit holder or driver shall set forth in the appeal the reasons why such action is not proper.

(b) If no administrative appeal is filed within the proper time, the permit or driver's identification card shall be considered revoked, suspended or denied, and shall be surrendered, the fine be imposed, as applicable, or the notice of prohibition to operate take effect.

(c) Except as provided in Subsection (d), once an administrative appeal is filed, the revocation or suspension of the permit or driver's identification card, the effect of the notice of prohibition to operate, or the imposition of the fine shall be stayed pending the final determination of the administrative appeal.

(d) If, in the Chief Executive Officer's opinion, the continued operation of a for-hire vehicle or possession of a driver's identification card represents an unsafe condition for any passenger or pedestrian, the revocation or suspension of the related permit, driver's identification card, or the effect of any notice of prohibition to operate shall not be stayed. A revocation or suspension of a permit imposed for failure to comply with Section 1.8 (f) or Section 1.9 is rebuttably presumed to represent an unsafe condition pending the determination of the appeal or the correction of the violation, whichever shall occur first. Notwithstanding, no medallion shall be reaffixed to a vehicle until the violation under Sections 1.8 (f) or 1.9 has been corrected.

***(Section 1.16 amended 8/7/03)***

***(Section 1.16 amended 11/14/02)***

#### **Section 1.17 - Procedure Upon Administrative Appeal**

(a) When an appeal is filed, the Chief Executive Officer shall review the appeal, and based on additional information provided therein, may revise his findings and penalty; in accordance with the additional information provided; or cause the appeal to be assigned to a Hearing Officer, who shall expeditiously schedule the hearing before him/her.

(1) The Chief Executive Officer shall maintain a list of qualified Hearing Officers and shall regularly rotate assignments based on availability of the proposed Hearing Officers.

(2) The Hearing Officer shall be appointed by the Chief Executive Officer, shall be a member of the California State Bar, and shall not be an MTS employee.

(b) The appellant and the Chief Executive Officer or designate shall each have the right to appear in person and be represented by legal counsel, to receive notice, to present evidence, to call and cross-examine witnesses under oath, and to present argument.

(c) An appellant may select an individual to interpret for them. MTS will not pay any costs or be held responsible for any aspect of the interpreter's ability to accurately interpret the hearing.

(1) The Hearing Officer shall have the power to compel attendance of witnesses and documents by subpoena, in accordance with state law.

(2) The formal rules of evidence need not apply, and any relevant evidence that is the sort of evidence upon which responsible persons are accustomed to rely in the conduct of serious affairs shall be admissible. Hearsay evidence may be considered by the Hearing Officer, but no findings may be based solely on hearsay evidence unless supported or corroborated by other relevant and competent evidence. The formal exceptions to the hearsay rule shall apply.

(c) The Chief Executive Officer shall promulgate supplementary rules and procedures for the conduct of the hearing, the forms of notice and proceedings, and the preparation and submission of the record.

(d) The decision of the Hearing Officer shall be the final administrative remedy and shall be binding upon the parties to the appeal.

(e) If the Hearing Officer decides to suspend or revoke a permit or driver's identification card, the appellant shall immediately surrender the medallion or driver's identification card to the Chief Executive Officer.

**(Section 1.17 amended 10/18/12)**

#### **Section 1.18 - Exceptions to Provisions**

(a) The provisions of this Ordinance do not apply to a vehicle properly licensed under the jurisdiction of the Public Utilities Commission of the State of California (CPUC), or to public transit vehicles owned, operated, or contracted for by the Metropolitan Transit System Board or to a vehicle properly licensed by the State or County as an ambulance.

(b) For compliance purposes, MTS Inspectors may inspect all CPUC licensed vehicles, ensure they are not exceeding the authority granted by their license or operating as unlicensed private-hire transportation provider.

**(Section 1.18 amended 10/18/12)**

**(Section renumbered to 1.18 9/24/98)**

**(Section 1.17 amended 1/12/95)**

**(Section 1.17 amended 6/24/93)**

#### **Section 1.19 - Chief Executive Officer's Authority to Adopt Rules and Promulgate a Schedule of Fines**

(a) Except where Board action is specifically required in this Ordinance, the Chief Executive Officer may adopt any rules and regulations reasonable and necessary to implement the provisions of this Ordinance. The Chief Executive Officer shall promulgate a schedule of administrative fines and penalties for violations of this Ordinance in lieu of the revocation or suspension of a permit or identification card, a copy of which schedule shall be filed with the Clerk of the Board.

**(Section renumbered to 1.19 9/24/98)**

#### **Section 1.20 - Americans with Disabilities Act**

(a) Permit holders, vehicles, and drivers are required to comply with the requirements of the



federal Americans with Disabilities Act (ADA), and ADA regulations are hereby incorporated into MTS Ordinance No. 11 by reference. A violation of ADA requirements is a violation of this Ordinance and subject to a fine or suspension or revocation or a combination.

***(Section renumbered to 1.20 9/24/98)***

***(Section 1.19(a) was added 4/10/97)***

## SECTION 2.0 - TAXICABS AND/OR LSVs

### Section 2.1 - Types of Service

(a) A taxicab or LSV is authorized to provide exclusive ride and group ride service.  
*(Section 2.0 and 2.1 amended 8/7/03)*

### Section 2.2 - Rates of Fare

(a) After a notice and open public hearing of the Taxicab Advisory Committee, MTS shall establish a maximum rate of fare for exclusive ride and group ride hire of taxicabs and/or LSVs except for trips from ~~Lindbergh Field~~ San Diego International Airport. A permit holder may petition the Board for any desired change in the maximum taxicab or LSV rates for exclusive ride and/or zone rates and group ride hire.

(b) Taxicab trips from ~~Lindbergh Field~~ San Diego International Airport shall be at a uniform rate of fare. Rates for trips originating at the airport may include an extra charge equal to the Airport Trip Fee assessed against the individual taxicab operator by the San Diego County Regional Airport Authority. The extra may not be charged on any trip that does not originate at the airport or on any trip where the taxicab operator does not pay the fee to the San Diego County Regional Airport Authority. The extra charge may only be charged to the customer by utilizing the extra button on the taxicab meter. A driver may not verbally request payment. All taxicabs utilizing the Airport Trip Fee extra button must have a decal, approved by the Chief Executive Officer and the County of San Diego Office of Weights and Measures. The decal shall identify and accurately describe the extra charge consistent with regulatory requirements.

(c) Each permit holder shall file with the Chief Executive Officer the rates of fare that he/she will charge, which shall not exceed the maximum rate set by the Board pursuant to Section 2.2(a).

(1) Each taxicab permit holder shall ~~set~~ have the taximeter set by properly licensed personnel for the rate that he/she will charge and have the taximeter sealed and inspected.

(2) All taxicabs shall accept major credit cards including, but not limited to, VISA, MasterCard, American Express, and Discover. Fees shall not be passed onto passengers.

(23) Each taxicab permit holder shall prominently post rates in dollars-per-mile centered on the upper third part of both rear doors one (1) inch in height utilizing "Univers" or other MTS pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability.

(34) No other information shall be posted on rear doors.

(d) If a taxicab permit holder desires to change his/her rates of fare, he/she shall file with the Chief Executive Officer the new rates, reset the taximeter, have the taximeter sealed and inspected, and post the revised rates on each side of the taxicab as provided in Subsection (c) of this section.

(e) It shall be unlawful for a permit holder or driver to operate any taxicab in the City, unless the vehicle is equipped with a taximeter that meets the requirements of the State of California.

(1) The taximeter shall be of a style and design approved by the Chief Executive Officer.

(2) The taximeter shall calculate fares upon the basis of a combination of mileage traveled and time elapsed. When operative with respect to fare indication, the fare-indicating mechanism shall be actuated by the mileage mechanism whenever the vehicle is in motion at such a speed that the rate of mileage revenue equals or exceeds the time rate, and may be actuated by the time mechanism whenever the vehicle speed is less than this, and when the vehicle is not in motion.

(3) Waiting time shall include all time when a taxicab occupied or engaged by a passenger is not in motion or is traveling at a speed which is slow enough for the time rate to exceed the mileage rate. Waiting time will also include the time consumed while standing at the direction of the passenger or person who has engaged the taxicab.

(4) It shall be the duty of every permit holder operating a taxicab to keep the taximeter in proper condition so that the taximeter will, at all times, correctly and accurately indicate the charge for the distance traveled and waiting time. The taximeter shall be at all times subject to the charge for the distance traveled and waiting time.

(5) The taximeter shall be at all times subject to inspection by an MTS inspector or any peace officer. The MTS inspector or peace officer is hereby authorized at his or her instance or upon complaint of any person to investigate or cause to be investigated the taximeter, and upon discovery of any inaccuracy in the taximeter, or if the taximeter is unsealed, to remove or cause to be removed the vehicle equipped with this taximeter from the streets of the City until the taximeter has been correctly adjusted and sealed. Before being returned to service, the vehicle and taximeter must be inspected and approved by the Chief Executive Officer.

(6) Any device repairperson who places into service, repairs, or recalibrates a taximeter shall record the tire size and pressure of the drive wheels of that vehicle, as tested, on the repair person's sticker.

(7) It shall be the duty of the permit holder to ensure the proper device repair person's sticker is affixed to the taximeter and to ensure the tires are the proper size.

(f) It shall be unlawful for any driver of a taxicab, while carrying exclusive or group ride passengers, to display the flag or device attached to the taximeter in such a position as to denote that the vehicle is for hire, or is not employed, or to have the flag or other attached device in such a position as to prevent the taximeter from operating. It shall be unlawful for any driver to throw the flag into a position which causes the taximeter to record when the vehicle is not actually employed, or to fail to throw the flag or other device into nonrecording position at the termination of each and every service.

(g) The taximeter shall be so placed in the taxicab that the reading dial showing the amount of fare to be charged shall be well-lighted and easily readable by the passenger riding in such taxicab.

(h) It shall be unlawful for any permit holder and/or driver of a taxicab or LSV to demand of a passenger a charge for hire which is greater than the current maximum rate approved by the Board pursuant to Section 2.2 (a) or (b) of this Ordinance.

(i) Except as provided in this section, it shall be unlawful for any permit holder and/or driver to demand of a passenger a charge for hire which is greater than the permit holder's meter rate filed with the Chief Executive Officer pursuant to Sections 2.1 (a), 2.2 (b), or 2.2 (c) of this Ordinance.

(j) Nothing in this Ordinance shall preclude a permit holder or driver from agreeing with prospective passenger(s) to a rate of fare which is less than the permit holder's filed and posted rates of fare if the agreement is entered into in advance of the passenger(s), hiring the taxicab for the trip, except for trips commencing at the ~~Lindbergh Field~~ San Diego International Airport.

**(Section 2.2(c)(2) amended 10/18/12)**

**(Section 2.2(b) amended 4/19/12)**

**(Section 2.2 amended 8/7/03)**

**(Section 2.2 amended 5/8/03)**

**(Section 2.2 amended 11/14/02)**

**(Section 2.2 amended 6/24/99)**

**(Section 2.2 amended 9/24/98; Section 2.2c operative May 1, 1999)**

**(Section 2.2 amended 10/30/97)**

**(Section 2.2 amended 4/10/97)**

### **Section 2.3 - Equipment and Specifications**

(a) No taxicab shall be operated until the taximeter thereon has been inspected, tested, approved and sealed by an authorized representative of the State of California, and thereafter so maintained in a manner satisfactory to the Chief Executive Officer.

(b) Each taxicab shall be equipped with a device which shall plainly indicate to a person outside the taxicab whether the taximeter is in operation or is not in operation.

#### **(c) Exterior Markings**

(1) The permit holder's trade name shall be painted or permanently affixed in letters and numerals four (4) inches high all on one line on the upper third part of both front doors utilizing "Univers" or other Chief Executive Officer pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability. In the event the trade name does not fit on one line utilizing four (4) inch lettering, the trade name lettering must be as large as possible, up to four (4) inches in height, to enable the trade name to fit on one line.

(2) The medallion number shall be painted or permanently affixed, on both front doors, one (1) inch below the permit holder's trade name, six (6) inches high, utilizing "Univers" or other Chief Executive Officer pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability.

(3) The permit holder's trade name and medallion number shall be painted or permanently affixed on the rear of the taxicab, four (4) inches high, utilizing "Univers" or other Chief Executive Officer pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability. In the event the rear of the vehicle does not have four inches of vertical space for the trade name and medallion number, the rear lettering may be less than four inches, provided that it is easily readable from a distance of 50 feet.

(4) No other information shall be permitted to be posted on front doors.

(5) **Optional Exterior Vehicle Markings.** The permit holder has the option of choosing to post any combination of the below-listed five options on his or her taxicab which must be posted only at the specific location and in the size noted and are subject to the Chief Executive Officer's approval.

a) Trade Name Logo. If the permit holder chooses to display his or her trade name logo, the trade name logo shall be posted only on the rear portion of both side rear quarter panels.

b) Radio Service Provider. If the permit holder chooses to display the radio service provider name or logo, the radio service provider name or logo cannot utilize the words "cab" or "taxi." The radio service provider name or logo must be displayed only on the rear portion of both side rear quarter panels.

c) Telephone Number. If permit holder chooses to display a telephone number, the telephone number must be no more than three (3) inches in height and posted only on the top front portion of both front side quarter panels.

d) "Driver Carries Only \$ \_\_\_\_\_ Change." If the permit holder chooses to post "Driver Carries only \$ \_\_\_\_\_ Change," postings must be located only on rear quarter panels near the rear door but clear of the rates of fare.

e) "Leased to Driver." If permit holder chooses to post "Leased to Driver," it must be posted only on both side rear quarter panels near the rear door but clear of the rate of fares in lettering no larger than 1 inch.

(6) Body Numbers. If the permit holder chooses to post an internally assigned body number, different from the medallion number, the body number shall be posted in one (1) inch numerals on the front and rear bumpers.

(7) All other exterior vehicle markings are prohibited unless they are directly related to the permit holder's business and pre-approved by the Chief Executive Officer.

(d) All taxicabs shall be equipped and operated so that they may be dispatched by two-way radio communication in response to a telephone or other request for service by a prospective passenger. This requirement may not be met by use of a mobile radio telephone service.

(1) Radio must be turned on, and audible to driver, at all times the taxicab is in service.

(e) The radio dispatch capability described in paragraph (d) of this section must be provided so as to conform to the regulations of the Federal Communications Commission pertaining to Land Transportation Radio Services. Failure to conform to those regulations will additionally constitute a failure to meet the requirements of this section.

(1) The current valid FCC license shall be on file with MTS.

(2) Taxicab permit holder shall provide current proof the radio has passed inspection by an MTS-approved inspector.

(3) Taxicab radios shall have the capability to receive or transmit only on frequencies specified in the FCC license of the radio service subscribed to by the permit holder.

(f) Radio scanners are not allowed in taxicabs.

(g) Each permit holder shall equip each permitted taxicab with a device capable of electronically processing credit card transactions

**(Section 2.3 amended 10/18/12)**

**(Section 2.3 amended 6/27/02)**

**(Section 2.3 amended 9/24/98; Section 2.3c operative May 1, 1999)**

**(Section 2.3 amended 6/27/91; effective 7/27/91)**

**(Section 2.3 amended 4/10/97)**

#### **Section 2.4 - Operating Regulations**

(a) Operating regulations shall be promulgated and adopted from time to time by resolution of the Board. These resolutions will have the force of law and will be published and processed as though set forth in this Ordinance.

**(1) Smoking is not permitted at any time inside a MTS-permitted vehicle.**

(b) Any driver employed to transport passengers to a definite point shall take the most direct route possible that will carry the passenger to his destination safely and expeditiously.

(c) It shall be unlawful for the driver or operator of any taxicab or LSV to refuse a prospective or actual fare or to take any action to actively discourage a prospective or actual fare on the basis of race, creed, color, age, sex, national origin, disability, or for any other reason, unless it shall be readily apparent that the prospective or actual fare is a hazard to the driver or operator. Rude or abusive language directed to a passenger(s) or any physical action that a reasonable person would construe as threatening or intimidating shall be specifically defined as a violation of this section.

**(1) A driver, however, is not obligated to transport any person who is verbally or otherwise abusive to the driver. Such incidents shall also be noted on the trip log and notification shall be immediately sent to the radio service organization, which shall record the incident and keep the record for the maximum of 6 months.**

**(2) A failure of the driver of any taxicab or LSV to assist a passenger with the loading or unloading of a reasonable size, number, and kind of passenger luggage or other items, when requested to do so, shall be specifically defined as a violation of this section. A driver is not required to lift any single piece of passenger luggage or other item that exceeds 25 pounds in weight. The requirement for loading or unloading assistance shall be limited to retrieval from or deposit onto the nearest curbside adjacent to the legally parked taxicab or LSV. A sign in the form of a transparent decal may be affixed to the rear-door, side window stating that, "DRIVER IS NOT REQUIRED TO LOAD LUGGAGE IN EXCESS OF 25 POUNDS PER ITEM OR OF A SIZE OR KIND THAT WILL NOT SAFELY FIT IN THE DESIGNATED LUGGAGE AREA OF THIS VEHICLE."**

**(3) A driver with a lawful disability that prevents him/her from handling items as defined in subsection (2) above is, upon submission of proof of such disability, relieved of responsibility for the requirements of subsection (2). A driver so situated may affix a small sign either in the passenger section of the vehicle to be clearly visible to a rear seat passenger or on the inside of the trunk cover lid stating that, "DRIVER HAS DISABILITY THAT PREVENTS HANDLING OF LUGGAGE."**

(d) It shall be unlawful for taxicab operators to refuse or discourage a prospective or actual fare based upon trip length within the cities.

(1) A vehicle designated as an LSV may refuse a prospective or actual fare if the trip distance is outside allowed areas of operations.

(2) All LSV operators will carry a current list of MTS-approved radio services and refer the prospective or actual fare to that list of radio service organizations. All referrals shall be noted on the driver daily trip sheet.

(3) A failure to promptly dispatch (within the standards required by Sections 2.6(a)(1), (2), and (3) of this Ordinance), or any action by a driver of any taxicab or LSV to refuse or discourage a prospective or actual passenger who must transport foodstuffs or who must meet a medical appointment, irrespective of trip length, shall be specifically defined as a violation of this section so long as that prospective passenger has notified the dispatch service of this circumstance at the time a request for taxi service was made.

(e) No driver of any taxicab or LSV shall stop, park, or otherwise leave standing a taxicab or LSV on the same side of the street in any block in which taxicabs or LSVs are already stopped, parked, or otherwise standing except the taxicab or LSV may actively unload in a passenger loading zone or be parked in a marked taxi/LSV stand.

(f) No driver shall stop, park or otherwise leave standing a taxicab or LSV within one-hundred (100) feet of any other taxicab or LSV except in a marked taxi/LSV stand or while actively loading or unloading passengers.

(g) No driver shall stop, park, or otherwise leave standing a taxicab or LSV within fifteen (15) feet of any fire plug except as modified in Section 2.5 of this Ordinance.

(h) An out-of-service sign must be displayed when the taxicab or LSV is not available for hire and is being operated or is lawfully parked for purposes of maintenance, inspection, or personal use. The sign must be placed in a location in the vehicle that is clearly visible from the exterior of the vehicle. The sign must be of durable material and written in block letters in black ink and easily readable from a distance of not less than 10 feet.

(i) A taxicab driver may seek passengers by driving through any public street or place without stops, other than those due to obstruction of traffic, and at such speed as not to interfere with or impede traffic.

(j) It shall be unlawful, however, for the driver to seek passengers by stopping at or driving slowly in the vicinity of an entertainment center or transportation center or any other location of public gathering, in such a manner as to interfere with public access to or departure from that center or location, or so as to interfere with or impede traffic.

(k) It shall also be unlawful for a taxicab or LSV driver, having parked and left his or her taxicab or LSV, to solicit patronage among pedestrians on the sidewalk, or at any entertainment center, transportation center, or other location of public gathering.

(l) No person shall solicit passengers for a taxicab or LSV other than the driver thereof; however, the Chief Executive Officer may authorize a dispatcher to solicit passengers and assist in loading passengers at such times and places as, in his or her discretion, public service and traffic conditions require.

(m) It shall be unlawful for the driver or operator of any taxicab or LSV to remain standing in any established taxicab or LSV stand or passenger loading zone, unless the driver or operator remains

within twelve (12) feet of his or her taxicab or LSV, except when the driver or operator is actually engaged in assisting passengers to load or unload.

(n) Only paying passengers and persons specifically authorized by the Chief Executive Officer may occupy a taxicab or LSV that is already occupied by a paying passenger. No driver, once a paying passenger has occupied his taxicab or LSV, shall permit any other nonpaying passenger to occupy or ride in the taxicab or LSV.

(o) It shall be unlawful to respond to a call for service dispatched to another operator except when an LSV refers service to another operator because the trip distance is outside of the approved area of jurisdiction.

(p) The taxicab or LSV driver shall maintain a daily trip log which shall be available for inspection upon request by any peace officer or MTS inspector. The trip log will accurately show the driver's name, taxicab or LSV number, date, time, beginning odometer reading, starting and ending locations, type of service provided, and fare paid for each trip provided.

(1) The daily trip log shall consist, at a minimum, of a five- by seven-inch paper form retained on a stiff-board writing surface with ruled lines and columns sufficient to contain the required information. All entries will be in black or dark blue ink, block letters, and be clearly legible. Colored paper that is lightly shaded is allowed provided there is sufficient contrast for entries to be easily read. Onboard electronically generated reports that meet the legibility requirements are acceptable.

(2) The driver shall deliver trip logs to the permit holder upon request or at a weekly interval, whichever is less.

(q) All operating regulations set forth in Section 1.8 apply.

(r) The permit holder for any taxicab or LSV with a permit issued after July 1, 1991, shall comply with the following:

(1) The color scheme of the vehicle will conform to that of the radio dispatch service organization.

(2) Establish a business office in a location available to the public, and have staff on duty during regular business hours.

(3) File with MTS, and charge a rate of fare common to the radio service organization providing service required by this Ordinance.

**(Section 2.4 amended 10/18/12)**

**(Section 2.4 amended 8/7/03)**

**(Section 2.4 amended 11/14/02)**

**(Section 2.4 amended 6/24/99)**

**(Section 2.4 amended 2/13/97)**

**(Section 2.4 amended 6/27/91; effective 7/27/91)**

#### **Section 2.5 - Stands**

(a) The Board ~~Chief Executive Officer may, by resolution establish~~, locate and designate shared use taxicab/LSV stands for one or more taxicabs/LSVs, which stands when so established shall be appropriately designated "Taxis/LSVs Only." The operating regulations of this Ordinance shall apply



to such stands and to taxicab/LSV stands established by the San Diego Unified Port District in areas under its jurisdiction within the City.

(b) Each taxicab or LSV stand established hereunder shall ~~may~~ be in operation twenty-four (24) hours of every day, unless otherwise specified by the Chief Executive Officer.

(c) Any individual, partnership, association, or other organization may petition MTS requesting that a new taxicab/LSV stand be established, or that the location of an existing taxicab/LSV stand be changed to another location. A nonrefundable filing fee to be determined by the Chief Executive Officer must be paid at the time the petition is submitted.

(d) It shall be unlawful for a vehicle other than a taxicab or LSV with a proper MTS taxicab or LSV permit to occupy a taxi/LSV stand.

(e) LSVs may only occupy taxicab stands that are specially signed, designated their approved use.

(Section 2.5 amended 10/18/12)

(Section 2.5 amended 8/7/03)

#### Section 2.6 - Radio Services

(a) In order to provide taxicab or LSV radio dispatch service required by Section 2.3(d, e), the dispatch service organization adding or changing subscribers after July 1, 1991 shall establish and conform to written policies and procedures concerning the following:

- (1) Standard time elapse for answering the telephone service-request line(s).
- (2) Standard time elapse for the taxicab's or LSV's arrival at requested pick-up location.
- (3) Passenger's request for a specific driver ("personals").
- (4) Additional two-way communication devices (mobile or cellular phones) in taxicabs or LSVs.
- (5) 10-code.
- (6) Lost and found for passengers' items.
- (7) Assignment of vehicle body numbers.
- (8) Immediately notify the permit holder of all lost items and inquiries.

Current written policies and procedures shall be available to subscribers from the radio dispatch organization, and on file with MTS.

(b) ~~Taxicab and/or LSV radio dispatch services~~ radio service organizations shall, 24 hours a day, have dispatch staff on duty at the business location, which must be a preapproved physical address, answer telephone-request line(s), properly dispatch those requests to all members, and provide radio response to all licensed radio frequencies/channels, and respond to direct requests from drivers, permit holders, and MTS as well as law enforcement and local regulatory agencies.

(c) Taxicab and or LSV radio dispatch services shall keep written records of all requests for taxi and/or LSV service, calls dispatched, and the time(s) each taxicab and/or LSV goes in and out of service. These records shall be kept on file for a minimum of six months, and made available to MTS, upon request.

(d) Taxicab and/or LSV radio dispatch services shall maintain a listing in the major business telephone directory.

(e) No person, partnership, corporation, association, other organization providing radio or other dispatch service shall dispatch a request for service to a driver, owner, or vehicle unless the driver, owner, and vehicle are properly licensed to provide the service requested.

(f) The Chief Executive Officer may, at any time, revoke or suspend the taxicab or LSV privileges of or fine any person, partnership, corporation, association, other organization providing radio or other dispatch service that violates a provision of this ordinance.

**(Section 2.6 amended 10/18/12)**

**(Section 2.6 amended 8/7/03)**

**(Section 2.6 amended 9/24/98)**

**(Section 2.6 added 6/27/91; effective 7/27/91)**

#### **Section 2.7 - Driver Safety Requirements**

(a) No taxicab vehicle or LSV shall be operated unless such vehicle is equipped with an emergency signaling device approved by the Chief Executive Officer.

(b) No taxicab vehicle may be operated with window tinting, shades, or markings that could interfere with a clear view of the cab interior from the outside.

(c) Taxicab/LSV radio services required by Section 2.3 shall at all times have a dispatch staff person on duty who has successfully completed a driver safety training course approved by the Chief Executive Officer.

(d) Cellular phone use by drivers is prohibited at all times when a passenger is in the vehicle. Otherwise, California Vehicle Code rules apply.

**(Section 2.7 amended 10/18/12)**

**(Section 2.7 amended 8/7/03)**

**(Section 2.7 added 9/24/98)**

## **SECTION 3.0 - CHARTER VEHICLES**

### **Section 3.1 - Rates of Fare**

(a) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder for charter services.

(b) If a permit holder desires to change the rates of fare being charged for charter services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said change.

(c) No permit holder shall charge any rate of fare for charter services unless said rates are on file with the Chief Executive Officer as aforesaid, and duly displayed.

(d) The rates of fare shall be established by a prearranged written contract on a per-mile or per-hour basis.

***(Section 3.1 amended 4/10/97)***

### **Section 3.2 - Operating Regulations**

(a) It shall be unlawful for any charter vehicle to remain standing on any public street in the City, except such reasonable time necessary when enabling passengers to load or unload.

(b) It shall be unlawful for any person, either as owner, driver, or agent, to approach and solicit patronage upon the streets, sidewalks, in any theater, hall, hotel, public resort, railway or airport, or light rail transit station.

(c) The charter for-hire vehicle driver shall maintain a daily trip log which shall be available for inspection upon request by any peace officer or MTS inspector. The trip log will accurately show the driver's name and the medallion number on the vehicle. In addition, the trip log shall identify the scheduling parties by name, date, and time of the prearranged hire.

(d) All other operating regulations defined in Section 1.8 apply.  
***(Section 3.2 amended 11/14/02)***

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## **SECTION 4.0 - SIGHTSEEING VEHICLES**

### **Section 4.1 - Rates of Fare**

(a) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder of sightseeing vehicle services.

(b) If a permit holder desires to change the rates of fare being charged for sightseeing services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said changes.

(c) No permit holder shall charge any rate of fare for sightseeing services unless said rates are on file with the Chief Executive Officer as aforesaid, and duly displayed.

(d) The rate of fare shall be established on a per capita or per event basis.  
***(Section 4.1 amended 4/10/97)***

### **Section 4.2 - Operating Regulations**

(a) It shall be unlawful for any sightseeing vehicle to remain standing on any public street in the City, except such reasonable time necessary when enabling passengers to load or unload.

(b) It shall be unlawful for any person, either as owner, driver, or agent, to approach and solicit patronage upon the streets, sidewalks, in any theater, hall, hotel, public resort, railway or airport, or light rail transit station.

(c) All other operating regulations defined in Section 1.8 apply, except Section 1.8 (v).

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## SECTION 5.0 - NONEMERGENCY MEDICAL VEHICLES

### Section 5.1 - Rates of Fare

(a) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder for nonemergency medical vehicle services.

(b) If a permit holder desires to change the rates of fare being charged for nonemergency medical vehicle services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said change.

(c) No permit holder shall charge any rate of fare for nonemergency medical vehicle services unless said rates are on file with the Chief Executive Officer as aforesaid, and duly displayed.

(d) The rate of fare for exclusive ride service shall be established on a per capita plus per mile basis.

(e) The rates of fare for shared ride service shall be established on a per capita plus per mile basis, or on a per capita plus per zone basis.

***(Section 5.1 amended 4/10/97)***

### Section 5.2 - Operating and Equipment Regulations

(a) It shall be unlawful for any nonemergency medical vehicle to remain standing on any public street in the City, except when enabling passengers to load or unload.

(b) All other operating regulations defined in Section 1.8 apply.

(c) Special equipment on a nonemergency medical vehicle shall, at all times the vehicle is in operation, be in proper working order. Such vehicles equipped with wheelchair ramps or lifts shall have proper device(s) to secure each wheelchair on board.

(d) The permit holder is responsible for ensuring that the driver of a nonemergency medical vehicle is properly trained:

(1) in the use of any of the vehicle's special equipment;

(2) concerning supervision of or assistance to the disabled passengers whom the driver is to transport.

***(Section 5.2 amended 6/22/95)***

***(Section 5.2 amended 6/24/93)***

### Section 5.3 - Driver Identification Cards

In addition to the requirements set forth in Section 1.12, nonemergency medical vehicle drivers shall acquire and maintain valid proof of proper first-aid and CPR training.

***(Section 5.3 added 6/24/93)***

## **SECTION 6.0 - JITNEY VEHICLES**

### **Section 6.1 - Rates of Fare**

(a) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder for jitney services.

(b) If a permit holder desires to change the rates of fare being charged for jitney services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said change.

(c) No permit holder shall charge any rate of fare for jitney services unless said rates are on file with the General Manager as aforesaid, and duly displayed.

(d) The rates of fare shall be established on a per capita basis.  
*(Section 6.1 amended 4/10/97)*

### **Section 6.2 - Jitney Routes**

(a) A permit holder who wishes to provide a fixed route service shall apply to the Chief Executive Officer for authorization to serve a defined route with a specific vehicle. No for-hire vehicle may be operated as a jitney until it has met all other requirements of this Ordinance and has been approved for service on a specific fixed route. A jitney may be authorized to serve more than one route; however, a jitney may provide fixed route service on only those routes which the Chief Executive Officer has approved in writing for that vehicle.

(b) The application for a fixed route shall be in writing and shall contain the following information:

(1) A description of the vehicle(s) which will be utilizing the route;

(2) A detailed written description of the route, to include starting location, ending location, and the street name and direction of travel for all streets to be used in the route;

(3) A map in sufficient detail to clearly indicate the proposed route;

(4) The fare to be charged; and

(5) Such other information as the Chief Executive Officer may, in his or her discretion, require.

(c) Upon approval of a fixed route by the Chief Executive Officer, the permit holder shall display a representation of the route, the fare, and the permit holder's trade name on each side of the vehicle in letters large enough to be easily read by potential customers in accordance with the standards established by the Chief Executive Officer under Section 6.5 of this Ordinance. Only one (1) route may be displayed on a vehicle at any time.

(d) If a permit holder wishes to alter his or her approved fixed route(s), he or she must apply in writing to the Chief Executive Officer, submitting the information required in Section 6.2 (b).

(e) The Chief Executive Officer may, in his or her discretion, place conditions on the approval of fixed routes.

(f) The Chief Executive Officer may change a route that has been approved previously when the Chief Executive Officer finds it necessary to do so. A change of route may be necessary when a street has been closed temporarily or permanently because of construction, or the direction of a street has been changed, or a street has been vacated, or for similar reasons as determined by the Chief Executive Officer. The Chief Executive Officer shall notify in writing any permit holder whose route has been changed. The Chief Executive Officer's change of a route is subject to appeal under Section 1.16 of this Ordinance.

(g) Except as provided for within this subsection, an approved fixed route may not be transferred to another vehicle or permit holder. A permit holder may receive approval for a vehicle that is replacing a jitney already in service to use the approved fixed routes of the replaced vehicle.  
***(Section 6.2 amended 11/14/02)***

### **Section 6.3 – Operating Regulations**

(a) It is unlawful for any jitney to remain standing on any public street in the City, except when enabling passengers to load or unload, or except when standing in a jitney holding zone for the time period established by MTS.

(b) It is unlawful for any person including, but not limited to, a jitney owner, driver, or agent thereof, to approach and solicit patronage upon the streets, sidewalks, in any theater, hall, hotel, public resort, railway, airport, or light rail transit station.

(c) A peace officer or MTS inspector may authorize a dispatcher to solicit passengers and assist with loading passengers at such times and places as, in his/her discretion, public service and traffic conditions require.

(d) Except when a driver or operator is actually engaged in assisting passengers to load or unload, a jitney driver or operator must remain within twelve (12) feet of his/her jitney while the jitney is in service.

(e) It is unlawful for a jitney vehicle to operate a fixed route service on other than that route designated by the Chief Executive Officer.

(f) It shall be unlawful for a jitney driver to load or unload passengers in any place other than an authorized jitney stop, bus stop, or passenger loading zone.

(g) All other operating regulations defined in Section 1.8 apply.  
***(Section 6.3 amended 11/14/02)***

#### Section 6.4 - Jitney Holding Zones

(a) The ~~Board~~ Chief Executive Officer may, ~~by resolution~~, locate and designate holding zones for one (1) or more jitneys, which holding zones when so established, shall be designated by appropriate signs. The operating regulations of Section 6.3 shall apply to any holding zones so established, and to holding zones established by the San Diego Unified Port District in areas under its jurisdiction. The ~~Board~~ Chief Executive Officer may, ~~in its resolution~~ by his or her discretion, establish the maximum number of jitneys permitted to remain standing at one time in a holding zone.

(b) Each holding zone established hereunder shall be in operation twenty-four (24) hours of every day, unless otherwise specified by the Chief Executive Officer. The Chief Executive Officer shall adopt written standards to determine whether to allow holding zones to be in operation fewer than twenty-four (24) hours every day. If a holding zone is to be in operation fewer than twenty-four (24) hours every day, the Chief Executive Officer shall cause signs to be posted at or near the holding zone indicating the hours and days of operation.

(c) The ~~Board~~ Chief Executive Officer may, on ~~its~~ his or her own motion, ~~or upon the recommendation of the Chief Executive Officer~~, establish holding zones.

(d) Any individual, partnership, corporation, association or other organization may petition MTS requesting that a new holding zone be established. The petition must be filed in writing with the Chief Executive Officer or his/her designee. The petition must state the reason for the request and the proposed location(s). The Board may approve, deny, or modify the request.

(e) Whether initiated by the ~~Board~~ Chief Executive Officer under Subsection (c) of this section or by persons described in Subsection (d) of this section, before any holding zone is established, the proposed location of any holding zone must be reviewed by the Traffic Engineer of the City. The Traffic Engineer shall report his/her recommendations to approve, deny, or modify the proposed location in writing to the ~~Board~~ Chief Executive Officer. The Traffic Engineer's report shall include a statement of reasons supporting the recommendation to the ~~Board~~ Chief Executive Officer.

(f) The ~~Board~~ Chief Executive Officer shall, ~~by resolution~~, establish a maximum time limit for individual jitneys to remain standing in any holding zone. The time limit shall apply uniformly to all holding zones.

(g) It shall be unlawful for a vehicle other than a jitney with a proper MTS jitney permit to occupy a jitney holding zone.

**(Section 6.4 amended 10/18/12)**

#### Section 6.5 - Equipment and Specifications

(a) Each jitney shall bear on the outside, signs clearly designating the route which it serves. The specifications of the sign are subject to the approval of the Chief Executive Officer. The Chief Executive Officer shall adopt written standards for approval or denial of the size of the signs, the location of the signs on the vehicle, the size of the lettering or graphics on the signs, and other specifications that the Chief Executive Officer finds necessary.

(b) All jitney vehicles must bear a trade name and shall be assigned a body number by the permit holder. The trade name and body number so assigned shall be placed on the vehicle in accordance with written standards adopted by the Chief Executive Officer.

Any violation of this Ordinance shall constitute an infraction unless otherwise specified.



## **SECTION 7.0 – LOW-SPEED VEHICLES**

### **Section 7.1 – Low-Speed Vehicle (LSV) Definition**

Low-Speed Vehicles (LSV) shall mean every vehicle that is designated per the requirements of Ordinance No. 11, Section 1.1(c). LSVs may operate by zones and/or a prearranged basis as set forth in Section 1.1 (d) (1)-(5).

***(Section 7.0 and 7.1 added 8/7/03)***

### **Section 7.2 – Establishment of Zones**

The Chief Executive Officer shall establish and authorize the use of zones of operation.

***(Section 7.2 added 8/7/03)***

### **Section 7.3 – Zone Rates of Fare**

(a) All vehicles permitted as LSV may use two methods of seeking compensation, either by zone rates or on a prearranged basis. Either method may be used when working inside of an approved zone. However, when operating on a prearranged charter basis, within an approved zone, no operator may exceed the maximum number of vehicles that are medallioned.

(b) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder for LSV services.

(c) When a permit holder desires to change the rates of fare being charged for LSV services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said change.

(d) No permit holder shall charge any rate of fare for LSV services unless said rates are on file with the Chief Executive Officer as aforesaid, and duly displayed.

(e) The rates of fare shall be established by a zone and/or prearranged written contract on a per-mile or per-hour basis.

(f) The maximum rates of fare shall be established pursuant to Section 2.2.

***(Section 7.3 added 8/7/03)***

### **Section 7.4 – Spare Vehicle Policy**

(a) The following sets out procedures for LSV permit holders to place a spare vehicle into service as either a temporary replacement for a permitted vehicle that is out of service for recharging or mechanical problems.

(1) Spare LSVs must be marked with the approved company markings.

(2) In place of the medallion number, the spare LSV must be marked "Spare LSV." Where more than one spare LSV is being requested, under the provisions of paragraph 9, the LSVs will be marked "Spare LSV 1," "Spare LSV 2," and so on. The "Spare LSV" marking should be sized to fit in approximately the same space as the medallion number would otherwise be placed with legibility and visibility being the primary criteria.

(3) Spare LSVs must be inspected upon initial issuance and annually thereafter.

(4) All spare LSVs must meet all MTS insurance requirements.

(5) To use a spare LSV that meets the requirements of 1 through 4 above, the permit holder must communicate in writing (facsimile is acceptable), a request to place a spare LSV into service.

The request must state:

(a) the medallion number of the LSV being taken out of service, the reason for being out of service, and the location of the out-of-service LSV; and

(b) the estimated time the spare LSV will be in use.

(6) When the out-of-service LSV is ready to re-enter service, the permit holder must immediately notify MTS in writing (facsimile is acceptable).

(7) The out-of-service LSV may not be required to be reinspected to be placed back into service.

(8) The spare LSV must be removed from service at the time the LSV it has been replacing is placed back into service.

(9) Under normal circumstances, a permit holder may utilize spare LSVs. Permit holders may utilize spare LSVs in a ratio of 3:1 permits held.

(10) Spare LSVs that are placed in service may only operate inside of the MTS-approved zone or zones. A permit holder shall not operate more spare vehicles than he/she has regular medallioned vehicles.

(11) A permit holder found to have operated a spare LSV in deliberate violation of these procedures will be subject to immediate suspension/revocation of the permit and the loss of the spare LSV utilization privilege.

***(Section 7.4 amended 10/16/03)***

***(Section 7.4 added 8/7/03)***

#### **Section 7.5 – LSV Driver Identification Cards**

(a) Refer to Section 1.12 of this Ordinance to reference driver and permit holder ID requirements.

***(Section 7.5 added 8/7/03)***

#### **Section 7.6 - Equipment and Specifications**

(a) Each LSV shall be equipped with a device which shall plainly indicate to a person outside the LSV whether the LSV is in operation or is not.

(b) Exterior Markings

(1) The permit holder's trade name shall be painted or permanently affixed in letters and numerals 2-1/2 inches high all on one line on the upper third part of both the front and rear of the vehicle utilizing "Univers" or other Chief Executive Officer preapproved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability. In the event the trade name does not fit on one line utilizing 2-1/2 inch lettering, the trade name lettering must be as large as possible, up to 2-1/2 inches in height, to enable the trade name to fit on one line.

(2) The medallion number shall be painted or permanently affixed, on both the front and rear of the vehicle, one (1) inch below the permit holder's trade name, two (2) inches high, utilizing "Univers" or other Chief Executive Officer pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability.

(3) Optional Exterior Vehicle Markings. The permit holder has the option of choosing to post any combination of the below-listed five options on his or her LSV which must be posted only at the specific location and in the size noted and are subject to the Chief Executive Officer's approval.

a) Trade Name Logo. If the permit holder chooses to display his or her trade name logo, the trade name logo shall be posted only on the rear portion of both side rear quarter panels.

b) Radio Service Provider. If the permit holder chooses to display the radio service provider name or logo, the radio service provider name or logo cannot utilize the words "cab" or "taxi." The radio service provider name or logo must be displayed only on the rear portion of both side rear quarter panels.

c) Telephone Number. If permit holder chooses to display a telephone number, the telephone number must be no more than two (2) inches in height and posted only on the top front portion of both front side quarter panels.

d) "Driver Carries Only \$ \_\_\_\_\_ Change." If the permit holder chooses to post "Driver Carries only \$ \_\_\_\_\_ Change," postings must be located only on panels near the rear door but clear of the rates of fare.

e) "Leased to Driver." If permit holder chooses to post "Leased to Driver," it must be posted only on both rear quarter panels near the rear door area but clear of the rate of fares in lettering no larger than 1 inch.

(4) All other exterior vehicle markings are prohibited unless they are directly related to the permit holder's business and pre-approved by the Chief Executive Officer.

(c) All LSVs shall be equipped and operated so that they may be dispatched by two-way radio communication in response to a telephone or other request for service by a prospective passenger. This requirement may not be met by use of a mobile radio telephone service.

(1) Radio must be turned on, and audible to driver, at all times the LSV is in service.

(d) The radio dispatch capability described in paragraph (d) of this section must be provided so as to conform to the regulations of the Federal Communications Commission pertaining to Land Transportation Radio Services. Failure to conform to those regulations will additionally constitute a failure to meet the requirements of this section.

(1) The current valid FCC license shall be on file with MTS.

(2) LSV permit holder shall provide current proof the radio has passed inspection by an MTS-approved inspector.

(3) LSV radios shall have the capability to receive or transmit only on frequencies specified in the FCC license of the radio service subscribed to by the permit holder.

(e) Radio scanners are not allowed in LSVs.  
**(Section 7.6 added 8/7/03)**

#### SECTION 8 - EFFECTIVE DATE OF ORDINANCE

This Ordinance shall be effective 30 days after adoption, and before the expiration of 15 days after its passage, this Ordinance shall be published once with the names of the members voting for and against the same in a newspaper of general circulation published in the County of San Diego.

| Amended: 10/18/12  
Amended: 4/19/12  
Amended: 10/16/03  
Amended: 8/7/03  
Amended: 5/8/03  
Amended: 11/14/02  
Amended: 6/27/02  
Amended: 5/23/02  
Amended: 6/24/99  
Amended: 9/24/98  
Amended: 10/30/97  
Amended: 4/10/97  
Amended: 2/13/97  
Amended: 11/9/95  
Amended: 6/22/95  
Amended: 1/12/95  
Amended: 6/24/93  
Amended: 6/27/91  
Amended: 5/23/91  
Amended: 10/11/90  
Repealed & Readopted: 8/9/90  
Amended: 4/12/90  
Amended: 4/27/89  
Adopted: 8/11/88

**SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD**  
**(also known as San Diego Metropolitan Transit System)**

**CODIFIED ORDINANCE NO. 5**  
***(as amended 6/28/07 10/18/12)***

**An Ordinance Relating to the Enforcement**  
**Authorities of Code Compliance Inspectors,**  
**Assistant Code Compliance Supervisors,**  
**the Code Compliance Inspection Supervisor,**  
**and Taxicab Inspectors I & II**

The Board of Directors of the San Diego Metropolitan Transit System (MTS) do ordain as follows:

**Section 5.1 Statutory Authorities**

A. The Metropolitan Transit System has been created by State law (Public Utilities Code Section 120000 through 12054) as a public agency with the authority and duty to plan and construct exclusive public mass transit guideways (Section 120260) and to acquire, construct, maintain, and operate or let a contract to operate public transit systems and related transportation facilities and services (Section 120264).

B. Additionally, the Board is vested with the duty to adopt all ordinances and make all rules and regulations proper and necessary to regulate the use, operation, and maintenance of its property and facilities, including its public transit systems and related transportation facilities and services (Section 120105). The violation of any ordinance, rule, or regulation enacted by the Board relating to evasion of fares in any transit facility owned or controlled by the Board is an infraction and upon a violation after the second conviction is a misdemeanor (Section 120450).

C. The provision of information known to be false to a Code Compliance Inspector, Assistant Code Compliance Supervisor, the Code Compliance Inspection Supervisor, or the Transit Security Administrator (hereinafter cumulatively referred to as Inspectors) is similarly an infraction or misdemeanor (Section 120450.5).

D. The violation of any ordinance, rule, or regulation prohibiting unauthorized operation or manipulation of transit facilities or prohibiting unauthorized tampering or interference with transit facilities is similarly an infraction or misdemeanor (Section 120451).

E. The violation of any ordinance, rule, or regulation prohibiting the unauthorized entering into, climbing upon, holding onto, or in any manner attaching oneself to vehicles operated upon exclusive public mass transit guideways is an infraction or misdemeanor (Section 120452).

F. In implementation of those provisions of State law, the Board has adopted Ordinance No. 13, prohibiting specified conduct onboard transit vehicles and prohibiting specified actions on or about the transit facilities. The Board has further adopted Ordinance No. 2 requiring proof of fare payment by passengers using the San Diego Trolley and Ordinance No. 3, regulating parking in the San Diego Trolley parking lots and other transit facilities.

G. The Board is authorized to contract with cities and the County to license or regulate by ordinance any transportation services within such cities or the unincorporated area (Section 120266) and has done so by adoption of Ordinance No. 11, the enforcement of which will be done by Taxicab Inspectors I & II, and other Taxicab Administration staff designated in Section 5.3.

H. Pursuant to Penal Code Section 836.5, the Board may authorize public officers and employees to arrest a person without warrant, including officers and ~~employers~~employees of a nonprofit transit corporation wholly owned by a local agency and formed to carry out the purposes of the local agency and San Diego Trolley, Inc., is such a corporation.

(Section 5.1 amended 10/18/12)

(Section 5.1 amended 7/12/01)

(Section 5.1 amended 9/26/96)

(Section 5.1 amended 1/11/96)

(Section 5.1 amended 11/10/94)

(Section 5.1 amended 8/12/93)

## Section 5.2 Purposes

In view of the multitude of regulations applicable to the facilities and vehicles of the San Diego Metropolitan Transit Development Board, it is desirable to clarify and specify the authority of the Inspectors, relative to various acts committed on or about the property.

## Section 5.3 Duties and Authorizations

A. Inspectors employed by the San Diego Metropolitan Transit System (MTS) and Inspectors employed by San Diego Trolley, Inc., are hereby vested with the duty to enforce MTS Ordinances No. 2, No. 3, No. 4, No. 11, and No. 13 and the following code sections:- Business and Professions Code Sections 4140 and 25662, Health and Safety Code Sections 11364 and 11357(b), and 11532, Public Utilities Code Sections 5411.5, 120450, 120450.5, 120451, and 120452, Penal Code Sections 148, 219.2, 308(b), 369(g), 417.25(a), 470(a), 481.1, 555.1, 555.2, 587(a), 594, 594.1, 594.2, 594.4, 602(f), 602(o), 602(q), 640, 640(a), 640.5, 647(a), 647(c), 647(j), and 653(k), Vehicle Code Sections 5204(a), 21456, 21461(a), 21955, 22500, 22507, 22521, and 22526, San Diego City Municipal Code Sections 56.54 (at transit facilities owned, controlled, or used by the Board, including but not limited to transit centers, rail stations, bus shelters, and bus stops on public and private property), 58.05(b)(1), and 58.05(b)(2), and San Diego County Code of Regulatory Ordinances Section 32.1303, ~~and in accordance with Penal Code Section 836.5,~~ Inspectors employed by MTS are authorized to arrest a person without a warrant whenever an Inspector has reasonable cause to believe that the person to be arrested has committed an infraction or misdemeanor in the Inspector's presence which is a violation of the statutes and ordinances which he or she has the duty to enforce.

B. Taxicab Inspectors I & II, Regulatory Specialists and the Taxicab Administrator, employed by MTS, are hereby vested with the duty to enforce MTS Ordinance No. 11 and the following code sections: Public Utilities Code sections 5360.5, 5371.4, 5379, 5386.5, and California Public Utilities Commission General Order 157-D, Sections 3.01 and 3.03, and, in accordance with Penal Code Section 836.5, Taxicab Inspectors I & II, Regulatory Specialists and the Taxicab Administrator, employed by MTS are authorized to arrest a person without a warrant whenever a Taxicab Inspector has reasonable cause to believe that the person to be arrested has committed an infraction or misdemeanor in the Inspector's presence which is a violation of the statutes and ordinances which he or she has the duty to enforce.

C. Right-of-Way Agents, designated by the General Manager and employed by MTS are hereby vested with the duty to enforce MTS Ordinance No. 3 and, in accordance with Penal Code Section 836.5, are authorized to arrest a person without a warrant whenever an agent has reasonable cause to believe that the person to be arrested has committed an infraction or misdemeanor in the Agent's presence which is a violation of the statutes and ordinances which he or she has the duty to enforce.

(Section 5.3 amended 10/18/12)

(Section 5.3 amended 10/28/04)

(Section 5.3 amended 10/3/02)

(Section 5.3 amended 7/12/01)

(Section 5.3 amended 3/23/00)

(Section 5.3 amended 9/26/96)

(Section 5.3 amended 1/11/96)

(Section 5.3 amended 11/10/94)

(Section 5.3 amended 8/12/93)

~~(Section 5.3 amended 10/28/04)~~

#### Section 5.4 Severability

The provisions of this Ordinance are severable, and if any of the provisions, clauses, sentences, subsections, sections, words, or parts thereof is held illegal, invalid, or unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, subsections, sections, words or parts of this Ordinance or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Ordinance would have been adopted if such illegal, invalid, or unconstitutional provision, clause, sentence, subsection, section, word, or part had not been included therein or such person or circumstance to which the Ordinance or part thereof is held inapplicable has been specifically exempted therefrom.

Amended: 10/18/12

Amended: 6/28/07

Amended: 10/28/04

Amended: 10/3/02

Amended: 8/9/01

Amended: 3/23/00

Amended: 9/26/96

Amended: 1/11/96

Amended: 11/10/94

Amended: 8/12/93

Repealed & Readopted: 12/12/91

Amended: 2/8/90

Amended: 10/13/88

Amended: 10/4/84

Amended: 2/27/84

Adopted: 7/25/83

GWilliams/TLoren

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6/1/0710/18/12

PAGE NUMBERS CONTAINING PROPOSED CHANGES TO ORDINANCE 11 ARE AS FOLLOWS:

Page 1	Defines California Public Utilities Commission
Page 2	DBA/ doing business as
Page 5	Permit information, application fees
Page 6	Permits
Page 8	New permit holder, one full vehicle inspection
Page 13	Vehicle insurance
Page 16	Driver training
Page 17	Applied penalties, permit holder notification to sheriffs licensing
Page 19	Applied penalties to permit holders
Page 20	Applied penalties to drivers, effective date of response time when noticed
Page 22	Expenses for and availability of interpreters
Page 23	Inspection of CPUC licensed private hire transportation providers
Page 24	Update airport and taxicab committee names, sealing of the taxicab meter, and credit card acceptance.
Page 28	Electronic processing of credit cards, no smoking, driver trip log and fare refusal requirements
Page 30	Establishment of taxicab /low speed vehicle stands
Page 31	Continued from Page 3, establishment of taxicab /LSV stands
Page 32	Radio service dispatching requirements, cell phone use
Page 38	Jitney holding and stand zone requirements.





AGENDA ITEM NO. 30

**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	10/18/12			
Name	Oliver James			
Address	840 17th St. #216 San Diego, CA 92101			
Telephone	781-632-0151			
Organization Represented				
Subject of Your Remarks	presenting Survey Results ordinance 11			
Regarding Agenda Item No.	30			
Your Comments Present a Position of:	<input 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.

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





AGENDA ITEM NO.

30

## 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	10/18/2012		
Name	Mika'il Hussein		
Address	7364 EL Capon Blvd #108 92115		
Telephone	619 713-5404		
Organization Represented	UT WSD		
Subject of Your Remarks	An Ordinance 11.5		
Regarding Agenda Item No.	30		
Your Comments Present a Position of:	<input type="checkbox"/>	<input checked="" type="checkbox"/> SUPPORT	<input type="checkbox"/> OPPOSITION

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AGENDA ITEM NO.

30

## 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

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(PLEASE PRINT)

DATE	10/18/12		
Name	Brian Giardina		
Address	7364 EL Cajon Blvd. Suite 101		
Telephone	619-713-5404		
Organization Represented	UTWSD		
Subject of Your Remarks	Ordinance 11		
Regarding Agenda Item No.	30		
Your Comments Present a Position of:	<input type="checkbox"/>	<input checked="" type="checkbox"/> SUPPORT	<input type="checkbox"/> OPPOSITION

## 2. TESTIMONY AT NOTICED PUBLIC HEARINGS

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## 3. DISCUSSION OF AGENDA ITEMS

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AGENDA ITEM NO.

30

## REQUEST TO SPEAK FORM

ORDER REQUEST RECEIVED

4

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(PLEASE PRINT)

DATE	10/18/12
Name	Alor Calderon
Address	
Telephone	
Organization Represented	Employee Rights Center
Subject of Your Remarks	Ordinance 11
Regarding Agenda Item No.	30
Your Comments Present a Position of:	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSITION

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30

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(PLEASE PRINT)

DATE	10/18/12		
Name	Sarah Saez		
Address	7364 El Cajon Blvd.		
Telephone			
Organization Represented	United Taxi Workers		
Subject of Your Remarks	Ordinance 11 Reform		
Regarding Agenda Item No.	30		
Your Comments Present a Position of:	<input type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

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(PLEASE PRINT)

DATE	10/18/12		
Name	HUSSEIN NOUR		
Address	5052 Wightman St. #6		
Telephone	619-347-9006		
Organization Represented	TAC member		
Subject of Your Remarks			
Regarding Agenda Item No.	30		
Your Comments Present a Position of:	<input type="checkbox"/>	SUPPORT	<input checked="" type="checkbox"/> OPPOSITION

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(PLEASE PRINT)

DATE	10-18-12		
Name	TONY HUEZO		
Address	2660 IMPERIAL AVE		
Telephone	619 231-1144		
Organization Represented			
Subject of Your Remarks			
Regarding Agenda Item No.	30		
Your Comments Present a Position of:	<input checked="" type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

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AGENDA ITEM NO.

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(PLEASE PRINT)

DATE	10-18-12
Name	GEORGE ABRAHAM
Address	S.D. 41-121A 11175 BUCKENRIDGE
Telephone	619-972-0611
Organization Represented	
Subject of Your Remarks	
Regarding Agenda Item No.	
Your Comments Present a Position of:	<input type="checkbox"/> <input type="checkbox"/> SUPPORT <input type="checkbox"/> <input type="checkbox"/> OPPOSITION

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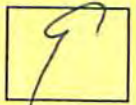
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(PLEASE PRINT)

DATE	10.18.12		
Name	Margo Tanguay		
Address	229 16th St #1K		
Telephone			
Organization Represented	House Dr Rep		
Subject of Your Remarks	OK REVISIONS		
Regarding Agenda Item No.	30		
Your Comments Present a Position of:	<input checked="" type="checkbox"/>	SUPPORT	<input type="checkbox"/> OPPOSITION

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## Proposed Changes to MTS Ordinance No. 11 and No. 5

MTS Board of Directors Meeting  
October 18, 2012



1



### Taxicab Administration at MTS

- Various cities contract with MTS to:
  - enforce the requirements of Ordinance 11, "An Ordinance Providing for the Licensing and the Regulating of Transportation Services Within the City by the Adoption of a Uniform Paratransit Ordinance"
  - regulate taxicab permit holder compliance
    - Driver licensing is regulated by the Sheriff
  - conduct vehicle inspections
  - monitor vehicle insurance compliance
  - investigate public complaints
- Enforcement authority is governed by Ordinance 5, "An Ordinance Relating to the Enforcement Authorities of Code Compliance Inspectors, Assistant Code Compliance Supervisors, the Code Compliance Inspection Supervisor, and Taxicab Inspectors"



2

## Ordinance 11 Changes

- Various proposed changes to the Ordinances have been considered by the industry and staff
  - Stakeholders were given the opportunity to submit proposals
  - Proposals were considered and some supported by the Workshop on Regulatory Matters (WORM) and the Taxicab Advisory Committee (TAC)
  - Some of the proposed changes were of a substantive policy nature and were therefore set aside for later consideration
- The recommended changes to Ordinance 11 and Ordinance 5 were approved by the TAC on September, 21 2012, by a vote of 12 to 2.



3

## Amendments to Ordinance 11

- Clarification of permit application requirements and process to conform to current practices
- Additional permit holder and driver reporting requirements
- Prohibits smoking in taxicabs
- Requires permit holders to supply credit card machines
  - Requires taxicab drivers to accept major credit cards, prohibits charging extra fees to passengers for credit card use, and requires taxicabs to be equipped with a device capable of electronically processing credit card transactions
- Prohibits use of cellular phones by drivers when a passenger is in the vehicle: California vehicle rules apply otherwise



4



- Grants CEO authority to establish taxicab and Jitney loading and holding zones
- For-hire vehicle driver or permit holder convicted of certain crimes will not be issued a new (or renewed) driver identification or permit
- Authorizes inspections by MTS Taxicab Administration for compliance with applicable California Public Utility Commission (CPUC) regulations for private-hire (charter) vehicle permittees.
  - Amendments to Ordinance 5 allow MTS to enforce



5



## Recommendations

- Read the title of Ordinances 5 and 11
- Waive further readings of the Ordinances
- Introduce the Ordinances for further consideration at the next Board meeting
- Direct publication of an Ordinance summary



(6)



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

## Agenda Item No. 31

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

LEASE AND MANAGEMENT AGREEMENT WITH SYPS, LLC FOR SAN YSIDRO  
INTERCITY BUS TERMINAL FACILITY AT RAIL COURT (TIM ALLISON AND KAREN  
LANDERS)

#### RECOMMENDATION:

That the Board authorize the Chief Executive Officer to enter into an agreement with SYPS, LLC for the lease and management of the San Ysidro Intercity Bus Terminal Facility on Rail Court, in the City of San Diego.

#### Budget Impact

Approximately \$105,000 to \$140,000 in annual revenue beginning in calendar year 2014.

#### DISCUSSION:

MTS purchased Assessor Parcel No. 667-020-80 as part of the acquisitions for the San Ysidro Intermodal Transit Center (SYITC) Project in 2003. The property was used to realign Rail Court and provide a location for an intercity bus terminal. The property is located behind the commercial strip of buildings to the east of the San Ysidro Transit Center. It is approximately 0.6 acres (Attachment A). Most vehicles using the San Ysidro Intercity Bus Terminal are charter vehicles regulated by the California Public Utilities Commission.

While not a part of MTS's public transit role, over the years, MTS has recognized the need for connectivity between public transit and private long-haul transportation providers and the interest in locating such terminals close to MTS facilities. Therefore, on a case-by-case basis, and only if the property is not required for MTS-sponsored projects, MTS has made public property available for use by private carriers on commercially reasonable terms.





When the SYITC Project was completed in 2004, MTS contracted with Ace Parking (Ace) to operate the Intercity Bus Terminal space for private bus carriers' use by charging fees for monthly or daily use. Under this contract, Ace set monthly rates based on the number of vehicles in the various carriers' fleets. The contract with Ace expired in 2009, and MTS retained Ace on a rollover basis pending the outcome of the federal government's (GSA) San Ysidro Port of Entry Expansion Project.

The GSA project included several acquisitions in the San Ysidro area, eliminating certain circulation routes and existing ticketing locations for several private carriers, and acquiring the MTS-owned property leased by Greyhound Lines (Greyhound) to stage and load its buses. This GSA acquisition forced Greyhound to construct a new ticket kiosk on the south end of the MTS trolley platform and also to join the other long-haul carriers in using the Intercity Bus Terminal area to stage and load buses. Other private carriers have relocated their ticketing to various locations in the area.

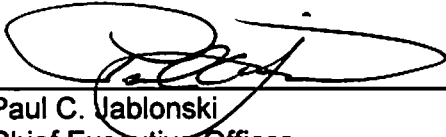
The significant changes to the circulation at the San Ysidro Port of Entry impacted the capacity at the Intercity Bus Terminal and revealed a need for additional safety and efficiency improvements to accommodate the private carriers. In response to these issues, Greyhound approached MTS with a proposal to reconfigure the Intercity Bus Terminal layout to improve operations and safety at the facility (Attachment B). Greyhound's proposed reconfiguration would address concerns regarding uncontrolled pedestrian access, head-in parking, and the subsequent reverse move for bus and van departures.

Greyhound proposes to operate the terminal using a new, separate legal entity, SYPS, LLC. SYPS, LLC would construct the improvements and operate the terminal. The operating proposal is attached (Attachment C). The return to MTS would be a reconfigured terminal, management improvements, and increased revenue. Historically, the Ace operation has only netted a yearly profit to MTS of \$3,000 to \$5,000. SYPS, LLC would invest approximately \$255,000 in improvements to reconfigure the site. SYPS, LLC would manage the site to allow all private carriers to load and unload busses at the facility, based on market rates. The initial concept includes revenue from per vehicle slip fees, passenger fees, and rental revenue for ticket kiosks and vending at the Intercity Bus Terminal. Revenue generation would be determined by SYPS, LLC. The lease agreement would require that the rates set be deemed commercially reasonable.

The proposed agreement would lease the Intercity Bus Terminal, and three slips in the lower circle area, to SYPS, LLC. SYPS, LLC would not have exclusive rights to these areas. Instead, the Lease Agreement would require SYPS, LLC to make the Intercity Bus Terminal and lower circle bus slips available to private carriers in good standing with the CPUC and/or MTS upon the payment of market rates. Slip assignments would be made according to an operating plan to be implemented by SYPS, LLC. SYPS, LLC would provide staff to manage and oversee the use of the terminal by each carrier, accounting and invoicing services, and installation of security cameras. MTS would agree to provide additional security patrols to cover the Intercity Bus Terminal location and to assist SYPS, LLC staff with any security issues that arise. Due to changes at the San Ysidro Port of Entry, including the new north/south entry, the closing of Camiones Way and the resulting traffic-flow changes, MTS increased security at this location. This agreement would help offset the additional costs incurred by MTS.

The lease agreement would allow SYPS, LLC to recover its costs of operations, which is estimated at \$230,000 each year, out of the gross revenue for the facility. Thereafter, all net revenue would be split between MTS (65%) and SYPS, LLC (35%). SYPS, LLC would be entitled to recover its initial \$255,000 investment before the revenue split begins. It is estimated that SYPS, LLC would recover this investment in the first year of the lease.

The lease term would be 7 years with three 1-year options to renew granted to SYPS, LLC. In the event the market rate structure implemented by SYPS, LLC does not adequately fund the terminal operations, or other issues arise in this changing border area, the parties will meet and confer to discuss if a restructuring of the operating plan and revenue split is warranted. Any material modifications to the deal terms would be brought back to the Board for approval prior to implementation.

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

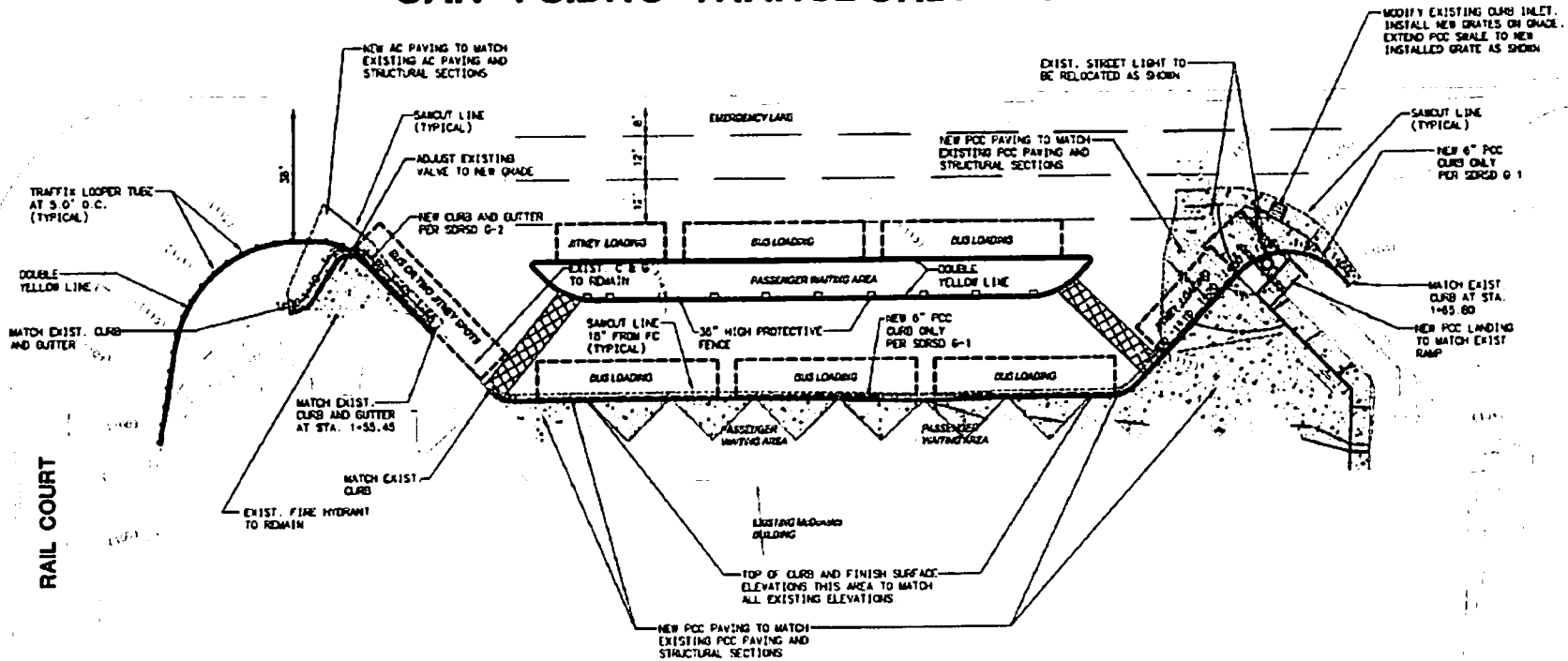
Key Staff Contact: Karen Landers, 619.557.4512, [karen.landlers@sdmts.com](mailto:karen.landlers@sdmts.com)

Attachments: A. Site Map  
B. Reconfigured Site Map  
C. Greyhound Operating Proposal (to be provided)



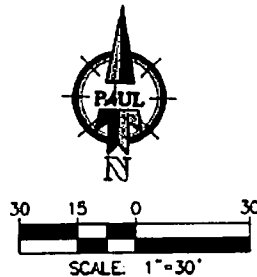


# SAN YSIDRO TRANSBORDER STATION



## NOTES:

1. CONTRACTOR TO PROVIDE ALTERNATE ROUTE FOR PEDESTRIANS DURING CONSTRUCTION OF THE NEW HC RAMP.
2. BOTTOM OF WALL OR TOP OF FOOTING TO HAVE 6" MIN. COVER OR PER SOILS ENGINEER'S RECOMMENDATIONS.
3. CONTRACTOR TO VERIFY EXACT LOCATION OF ALL EXISTING UTILITIES THAT ARE NOT DEPICTED ON THE TOPOGRAPHY PRIOR TO TRENCHING AND WORK PROCESS. REPLACE AND RELOCATE IF DAMAGED OR IF NECESSARY.

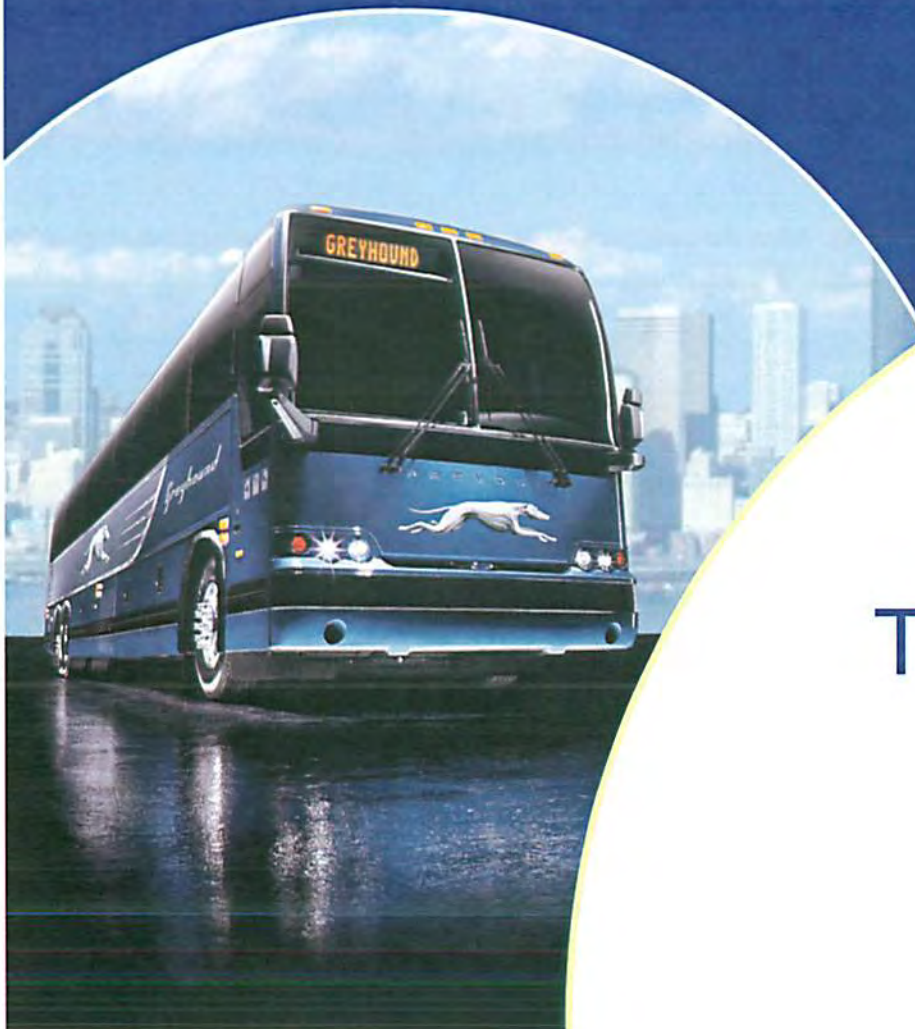


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# San Ysidro Transborder Station

October 18, 2012



# San Ysidro Transborder Station

- SYPS, LLC is proposing taking over the parking management in San Ysidro (under a 10 year deal).
  - Currently, MTS leases the space to Ace, and all carriers (including Greyhound/Crucero-USA) pay Ace.
- SYPS, LLC will be implementing a new pricing structure.
  - Currently, there is a monthly slip fee charged to Bus carriers (\$400 for every 7 buses) and Van carriers (\$250 for every 7 vans).
  - SYPS, LLC proposes a change in the slip fee structure for buses, which will now be based on location (“Intercity Bus Terminal” or Lower Circle). The proposed bus slip fee is \$750 for the first 10 buses, \$600 for the next 10, \$500 for the next 10, and \$400 for the next 10 buses (those fees are based on buses in the “Intercity Bus Terminal” (IBT), there will be an additional 25% fee for buses using the Lower Circle; analysis is based on IBT only).
  - SYPS, LLC also proposes that vans now pay a \$50/van per month fee.
  - Additionally, SYPS, LLC proposes an additional passenger fee, which all carriers will be required to charge for trips coming into or leaving the San Ysidro Transborder Station.
  - MTS’s contribution to this public/private partnership would be to have the MTS officers extend their area of operation to include the bus parking loading/unloading areas.
- The new pricing structure will benefit both MTS and SYPS, LLC.
  - MTS will receive 65% of the operating cash flow. The estimated total based on our current proposal will average \$105k/year to \$140k/year, depending on MTS security costs.
  - SYPS, LLC will have an initial investment of \$255k to build out the passenger area; with annual returns estimated at \$94k per year after return of the initial investment.





# San Ysidro Transborder Station - Revenue

	Annual Arrival/Departure Charge				Annual Passenger Charge	Total Annual Charge
	Current	Proposed	Change	% Change	Proposed	Proposed
<b>Bus Carrier</b>						
Greyhound	\$ 24,000	\$ 27,000	\$ 3,000	12.5%	\$ 37,769	\$ 64,769
InterCalifornia	\$ 9,600	\$ 16,200	\$ 6,600	68.8%	\$ 18,129	\$ 34,329
Fronteras del Norte	\$ 9,600	\$ 9,000	\$ (600)	-6.3%	\$ 11,648	\$ 20,648
Nayarit	\$ 4,800	\$ 9,000	\$ 4,200	87.5%	\$ 2,912	\$ 11,912
Estrella Blanca	\$ 4,800	\$ 9,000	\$ 4,200	87.5%	\$ 7,280	\$ 16,280
Executive Line	\$ 9,600	\$ 9,000	\$ (600)	-6.3%	\$ 4,368	\$ 13,368
Corre Caminos	\$ 9,600	\$ 9,000	\$ (600)	-6.3%	\$ 1,456	\$ 10,456
Mexicoach	\$ -	\$ 9,000	\$ 9,000		\$ 728	\$ 9,728
Charter Coaches	\$ 4,800	\$ 9,000	\$ 4,200	87.5%	\$ 728	\$ 9,728
<b>Total Bus Carriers</b>	<b>\$ 76,800</b>	<b>\$ 106,200</b>	<b>\$ 29,400</b>	<b>38.3%</b>	<b>\$ 85,018</b>	<b>\$ 191,218</b>
<b>Van Carrier</b>						
Executive Line	\$ -	\$ 3,000	\$ 3,000		\$ 4,368	\$ 7,368
Corre Caminos	\$ -	\$ 1,200	\$ 1,200		\$ 1,456	\$ 2,656
LA Mex	\$ 6,000	\$ 6,000	\$ -	0.0%	\$ 16,016	\$ 22,016
Cabanas Express	\$ 3,000	\$ 2,400	\$ (600)	-20.0%	\$ 4,368	\$ 6,768
LA Shuttle	\$ 6,000	\$ 6,000	\$ -	0.0%	\$ 16,016	\$ 22,016
Concord	\$ 6,000	\$ 4,800	\$ (1,200)	-20.0%	\$ 10,192	\$ 14,992
La Nueva Concord	\$ 6,000	\$ 6,000	\$ -	0.0%	\$ 16,016	\$ 22,016
Turismo Express	\$ 6,000	\$ 6,000	\$ -	0.0%	\$ 10,192	\$ 16,192
El Dorado	\$ 3,000	\$ 3,600	\$ 600	20.0%	\$ 10,192	\$ 13,792
Cotija	\$ 6,000	\$ 4,800	\$ (1,200)	-20.0%	\$ 13,104	\$ 17,904
Amigos Tiours	\$ 3,000	\$ 3,000	\$ -	0.0%	\$ 7,280	\$ 10,280
Fox Express	\$ 3,000	\$ 3,000	\$ -	0.0%	\$ 7,280	\$ 10,280
<b>Total Van Carriers</b>	<b>\$ 48,000</b>	<b>\$ 49,800</b>	<b>\$ 1,800</b>	<b>3.8%</b>	<b>\$ 116,480</b>	<b>\$ 166,280</b>
<b>Total Other Carriers</b>	<b>\$ 100,800</b>	<b>\$ 129,000</b>	<b>\$ 28,200</b>	<b>28.0%</b>	<b>\$ 163,729</b>	<b>\$ 292,729</b>
<b>Total</b>	<b>\$ 124,800</b>	<b>\$ 156,000</b>	<b>\$ 31,200</b>	<b>25.0%</b>	<b>\$ 207,322</b>	<b>\$ 363,322</b>

- The current annual slip fee revenue from the Bus and Van carriers is \$125k. The proposed annual bus slip/van fee is \$156k, an increase of \$31k, or 25%.
- The new passenger charge, which is \$00.50 per passenger, will be passed on to the customer via a charge collected by the SYPS, LLC.



# San Ysidro Transborder Station

Revenue
Arrival/Departure Charge
Passenger Charge
Profit from Vendors/Windows (8)
Profit from Vending
<b>Total Revenue</b>

Per Month	Per Year
\$ 13,000	\$ 156,000
\$ 17,277	\$ 207,322
\$ 12,400	\$ 148,800
\$ 1,000	\$ 12,000
<b>\$ 43,677</b>	<b>\$ 524,122</b>

Expense Assumptions	High (Monthly)	Low (Monthly)	Per Month	Per Year
Cleaning	\$ 1,639	\$ 361	\$ 2,000	\$ 24,000
Security	\$ 820	\$ 180	\$ 1,000	\$ 12,000
On Site Management	\$ 4,098	\$ 902	\$ 5,000	\$ 60,000
Trash	\$ 328	\$ 72	\$ 400	\$ 4,800
Administration	\$ 1,639	\$ 361	\$ 2,000	\$ 24,000
Reserve for Repairs	\$ 574	\$ 126	\$ 700	\$ 8,400
Utilities	\$ 574	\$ 126	\$ 700	\$ 8,400
Supplies	\$ 164	\$ 36	\$ 200	\$ 2,400
Benefits	\$ 1,721	\$ 379	\$ 2,100	\$ 25,200
Insurance	\$ 1,639	\$ 361	\$ 2,000	\$ 24,000
3rd Party Auditor	\$ 1,639	\$ 361	\$ 2,000	\$ 24,000
Maintenance Reserve			\$ 2,125	\$ 25,500
<b>Total Expense</b>	<b>\$ 14,834</b>	<b>\$ 3,266</b>	<b>\$ 20,225</b>	<b>\$ 242,700</b>
<b>Total Estimated Cash Flow</b>			<b>\$ 23,452</b>	<b>\$ 281,422</b>

- The Profit from vendors is estimated to be \$12,400 per month.
- The remaining expenses (trash, repairs, utilities, supplies, insurance, and auditing) were all estimates based on the traditional GLI model for a similar sized location.

- Cleaning includes the day to day cleaning of the area as well as quarterly power wash expenses.
- Security is primarily a cost for cameras and surveillance equipment and monitoring expenses. The additional manpower expenses are covered by our proposed MTS contribution, mentioned earlier.
- On Site Management estimate allows for on site supervisor for 12 hours per day, 365 days per year with an average hourly cost of \$13.70
- Administration estimate allows for a full time back office administrator/bookkeeper at 40 hours per week at \$11.50 per hour.
- Benefits were calculated using the GLI standard rate and includes the On Site Management and Administration costs.





# San Ysidro Transborder Station

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>INCREMENTAL REVENUE</b>						
Slip/Van Fees		\$ 156,000	\$ 159,120	\$ 162,302	\$ 165,548	\$ 168,859
Passenger Fees		\$ 207,322	\$ 207,322	\$ 207,322	\$ 207,322	\$ 207,322
Vendor Booth & Vending		\$ 160,800	\$ 163,212	\$ 165,660	\$ 168,145	\$ 170,667
Total Projected Incremental Revenue	\$ -	\$ 524,122	\$ 529,654	\$ 535,285	\$ 541,016	\$ 546,849
<b>INCREMENTAL (EXPENSES) AND SAVINGS</b>						
Initial Capital Investment	\$ (255,000)	\$ -	\$ -	\$ -	\$ -	\$ -
Yearly Site Expenses*		\$ (229,200)	\$ (233,784)	\$ (238,460)	\$ (243,229)	\$ (248,093)
Total Projected Incremental (Expenses)/Savings	\$ -	\$ (229,200)	\$ (233,784)	\$ (238,460)	\$ (243,229)	\$ (248,093)
Maintenance Reserve Funding		\$ (25,500)	\$ (25,500)	\$ (25,500)	\$ (25,500)	\$ (25,500)
Operating Cash Flow	\$ (255,000)	\$ 269,422	\$ 270,370	\$ 271,325	\$ 272,287	\$ 273,255
Cash Flow remaining		\$ 14,422				
SYPS Repayment of Capital Investment		\$ 255,000	\$ -	\$ -	\$ -	\$ -
MTS Return (65%)		\$ 9,374	\$ 175,741	\$ 176,361	\$ 176,986	\$ 177,616
SYPS, LLC Return (35%)**		\$ 5,048	\$ 94,630	\$ 94,964	\$ 95,300	\$ 95,639
Total Paid to MTS		\$ 9,374	\$ 175,741	\$ 176,361	\$ 176,986	\$ 177,616
Net to MTS after Security Costs		\$ (25,626)	\$ 140,741	\$ 141,361	\$ 141,986	\$ 142,616
Total Paid to SYPS		\$ 260,048	\$ 94,630	\$ 94,964	\$ 95,300	\$ 95,639

- Estimated Revenue is \$524k: Bus slip/Van Fees \$156k, Passenger Fees \$207k and Vendor Booth Rental \$161k.
- Initial build out is expected to cost around \$255k, this includes design fees, etc.
- A maintenance reserve of \$25.5k/year is in place due to the expected life of the investment having a maximum life of approximately 10 years.



## Appendix





# San Ysidro Transborder Station – Pax Fee

	Daily Schedules			Annual Schedules			PAX		Annual PAX Costs
	# of High	# of Low	Total	# of High	# of Low	Total			\$ 0.50
<b>Bus Carrier</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>PAX/Schedule</b>	<b>Annual PAX</b>	
Greyhound	20	20	40	7,280	7,280	14,560	5.2	75,538	\$ 37,769
InterCalifornia	12	12	24	4,368	4,368	8,736	4.2	36,258	\$ 18,129
Fronteras del Norte	8	8	16	2,912	2,912	5,824	4.0	23,296	\$ 11,648
Nayarit	4	-	4	1,456	-	1,456	4.0	5,824	\$ 2,912
Estrella Blanca	10	-	10	3,640	-	3,640	4.0	14,560	\$ 7,280
Executive Line	3	3	6	1,092	1,092	2,184	4.0	8,736	\$ 4,368
Corre Caminos	1	1	2	364	364	728	4.0	2,912	\$ 1,456
Mexicoach	-	1	1	-	364	364	4.0	1,456	\$ 728
Charter Coaches	1	-	1	364	-	364	4.0	1,456	\$ 728
<b>Total Bus Carriers</b>	<b>59</b>	<b>45</b>	<b>104</b>	<b>21,476</b>	<b>16,380</b>	<b>37,856</b>	<b>37</b>	<b>170,037</b>	<b>85,018</b>
<b>Van Carrier</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>Dep/Arr</b>	<b>PAX/Schedule</b>	<b>Annual PAX</b>	
Executive Line	11	-	11	4,004	-	4,004	4.0	16,016	\$ 8,008
Corre Caminos	5	-	5	1,820	-	1,820	4.0	7,280	\$ 3,640
LA Mex	22	-	22	8,008	-	8,008	4.0	32,032	\$ 16,016
Cabanas Express	6	-	6	2,184	-	2,184	4.0	8,736	\$ 4,368
LA Shuttle	22	-	22	8,008	-	8,008	4.0	32,032	\$ 16,016
Concord	14	-	14	5,096	-	5,096	4.0	20,384	\$ 10,192
La Nueva Concord	22	-	22	8,008	-	8,008	4.0	32,032	\$ 16,016
Turismo Express	14	-	14	5,096	-	5,096	4.0	20,384	\$ 10,192
El Dorado	14	-	14	5,096	-	5,096	4.0	20,384	\$ 10,192
Cotija	18	-	18	6,552	-	6,552	4.0	26,208	\$ 13,104
Amigos Tiours	10	-	10	3,640	-	3,640	4.0	14,560	\$ 7,280
Fox Express	10	-	10	3,640	-	3,640	4.0	14,560	\$ 7,280
<b>Total Van Carriers</b>	<b>160</b>	<b>-</b>	<b>168</b>	<b>61,152</b>	<b>-</b>	<b>61,152</b>	<b>48</b>	<b>244,608</b>	<b>\$ 122,304</b>
<b>Total Other Carriers</b>	<b>199</b>	<b>25</b>	<b>232</b>	<b>75,348</b>	<b>9,100</b>	<b>84,448</b>	<b>80</b>	<b>339,106</b>	<b>\$ 169,553</b>
<b>Total</b>	<b>219</b>	<b>45</b>	<b>272</b>	<b>82,628</b>	<b>16,380</b>	<b>99,008</b>	<b>85</b>	<b>414,645</b>	<b>\$ 207,322</b>



# San Ysidro Transborder Station –

Greyhound.com | Step 3 - Windows Internet Explorer

https://www.greyhound.com/farefinder/step3.aspx

File Edit View Favorites Tools Help

Google Search More >>

Greyhound.com | Step 3

Below is your arrival and departure information, including any connecting bus transfers.

..... Trip to VANCOUVER, BC .....

02/23/12 11:05 PM GLI-1571\* Depart MONTGOMERY, AL  
02/27/12 09:20 PM GLI-6516\* Arrive VANCOUVER, BC

A summary of the charges for your purchase appears below:

Tickets (One Way)	
1 Adult	\$226.80
Sub-Total	\$229.80
Adjustments	
Booking Fee	\$0.99
Terminal Fee	\$3.00
Taxes	
Federal	\$0.00
State	\$0.00
<b>Grand Total</b>	<b>\$230.79</b>

**TICKET RESTRICTIONS**

No refund. Subject to fee if valid for exchange.  
Please talk to an agent about restrictions on the return portion of this trip.  
Press "Ticket" to account details, standards and services. Or, use advanced search.

start | Inbox - Microsoft... | Per: IT Task Com... | Schedules - Que... | Microsoft Visio... | Greyhound.com... | 4:37 PM

- The attached picture shows what it will look like when tickets are purchased on the web.





## San Ysidro Intercity Bus Terminal Facility at Rail Court

(Lease and Management  
Agreement with SYPS, LLC)



1



## History of Rail Court Bus Terminal

Intercity Bus Terminal

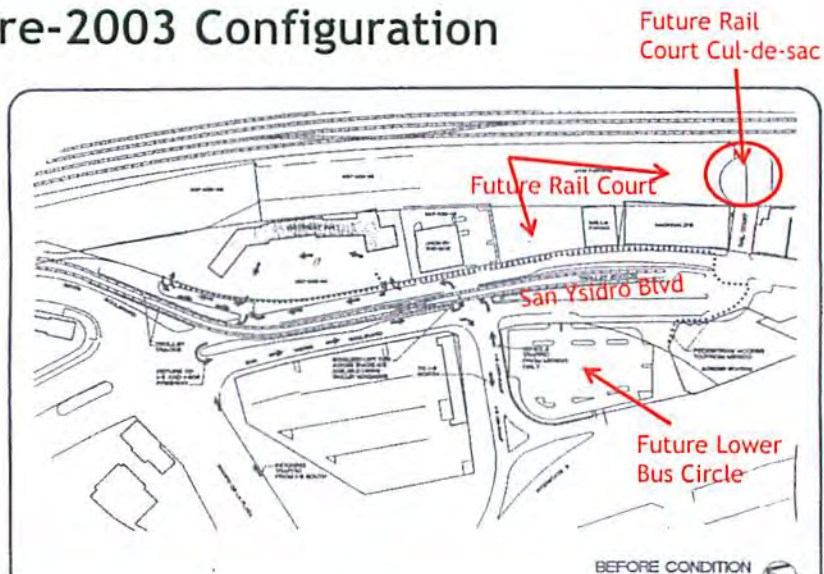
Former Greyhound  
Lease Area



2



## Pre-2003 Configuration



3



## 2003 San Ysidro Intermodal Transit Center Project (completed 2004)

- Moved trolley tracks from center of San Ysidro Blvd to east side
- Constructed pedestrian plaza at trolley station
- Constructed Intercity Bus Terminal on Rail Court behind McDonald's
- Constructed lower bus circle west of trolley station

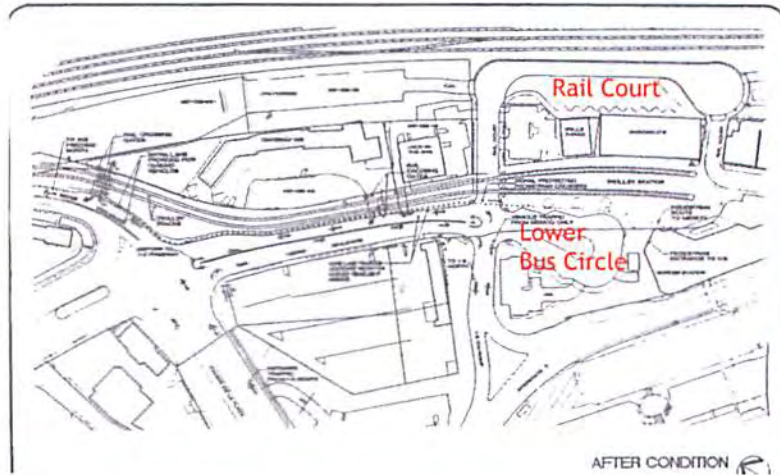


4





## San Ysidro Intermodal Transit Center Project



5



## GSA Port of Entry Project

Planned Pedestrian  
Plaza/Entrance



6



## GSA Condemnation of SDAE and Greyhound Parcel

- SDAE-owned parcel condemned for new pedestrian entrance to Mexico at Port of Entry
- Greyhound/Crucero leased parcel for its private bus operations
- Condemnation forced Greyhound to move operations to Rail Court bus terminal and lower circle



7

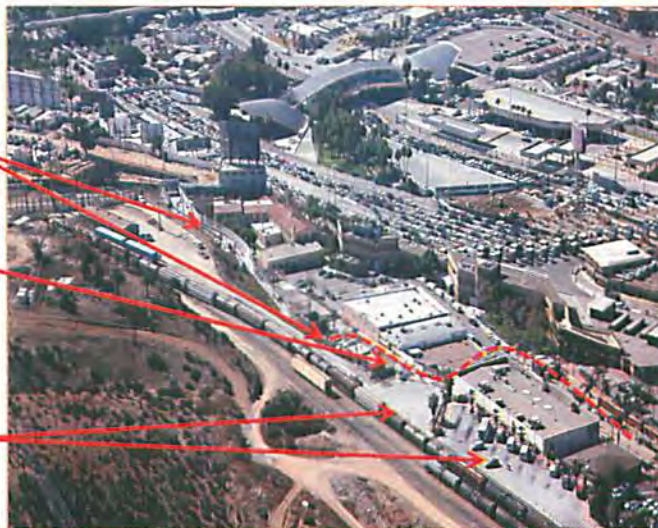


## GSA Port of Entry Project - Phase 1

Temporary  
Pedestrian  
Entrance to  
Mexico

Pedestrian  
Path

Unauthorized  
vehicle drop-offs



8







**MTS**

9



**MTS**

10







## Kobe/Greyhound Proposal

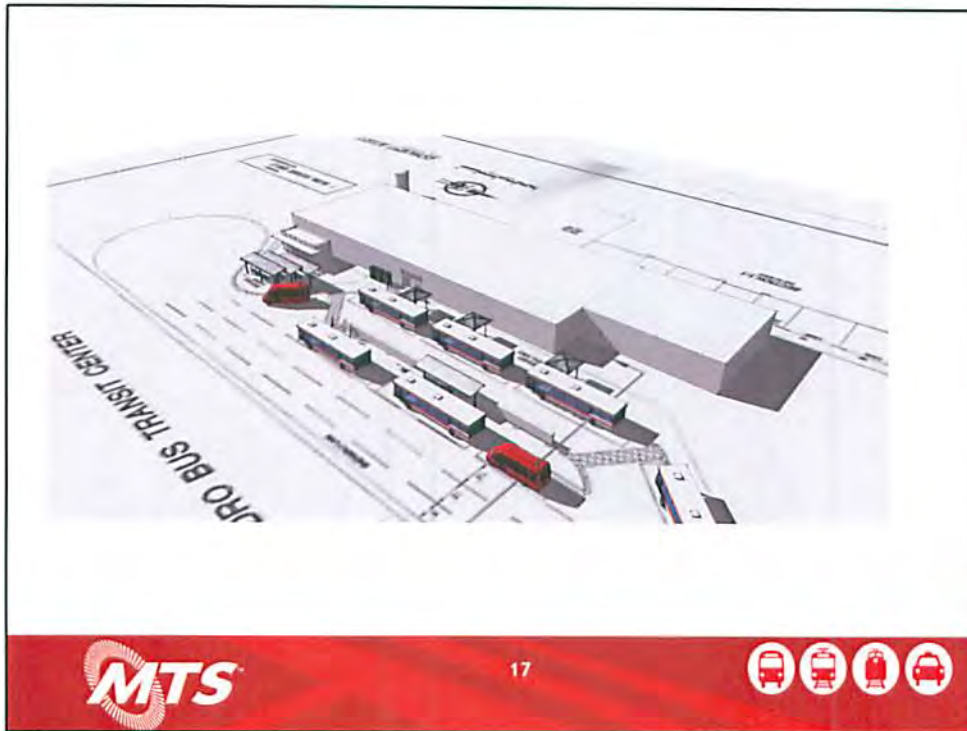
- Greyhound entity, SYPS, LLC, will use condemnation proceeds to re-configure Rail Court bus terminal
  - Safety concerns: pedestrian/vehicle conflicts with current reverse movement
  - Passenger amenities (seating, ticketing, shelter, vending) closer to bus loading/waiting areas
  - On-site management of private carriers use of facility; enforcement of rules











## Proposed Lease Terms

- Establish commercially reasonable rates for use of property by all carriers, enforce rules and manage use of bus bays
- Security cameras installed/additional MTS security presence
- SYPS, LLC will lease and manage the Rail Court and lower circle bus bays and associated passenger waiting areas

## Consideration

- Initial capital costs paid for by SYPS, LLC (\$255K)
- Revenue sufficient to pay for increased management responsibilities/oversight at Rail Court and lower circle
- Net revenue split between MTS (65%) and SYPS, LLC (35%)
- Estimated annual return to MTS: \$175K, offset by estimated increased security costs of \$35K to \$70K.



19



## RECOMMENDATION

- That the Board authorize the Chief Executive Officer to enter into an agreement with SYPS, LLC for the lease and management of the San Ysidro Intercity Bus Terminal Facility on Rail Court, in the City of San Diego.



20





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

## Agenda Item No. 45

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

**SAN DIEGO TRANSIT CORPORATION (SDTC) PENSION INVESTMENT STATUS  
(CLIFF TELFER AND REPRESENTATIVES FROM RVKUHN & ASSOCIATES)**

#### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

None at this time.

#### DISCUSSION:

Representatives from RVKuhns & Associates will provide an update as to the performance of the San Diego Transit Corporation (SDTC) pension plan. Attachment A is a copy of RVKuhns' pension investment performance analysis for the San Diego Transit Corporation's (SDTC's) Employee Retirement Plans as of June 30, 2012. As of that date, the Plan's assets had a market value of \$142.4 million. During fiscal year 2012, the Plan's assets decreased by approximately \$8.7 million, which resulted from a net payout of benefits and expenses less contributions of \$4.7 million and a net investment loss of \$4 million. The Plan's 15 managers achieved a combined investment return of -2.89% for the year, which underperformed MTS's Policy Index by 317 basis points. The Plan's return since inception (10/1/1982) is 9.64%. Attachment B provides an update for current market returns. The Plan returned 4.63% for the first quarter of FY 13 and a one year return of 15.16%. This exceeded the Policy Index by 59 basis points for the quarter and 73 basis points for the year. This dramatic change was due to the positive FY 13 first quarter returns and the drop off of the first quarter returns of FY 12. During that time period last year, the markets had negative reactions to both the European financial crisis and the down grade of the US credit rating. The pension plan's investment advisors, Bruno Grimaldi and Jeremy Miller, will be attending the meeting to discuss the capital market's performance in general and SDTC's pension plan performance specifically. This report is being provided to the Board as an informational item only.

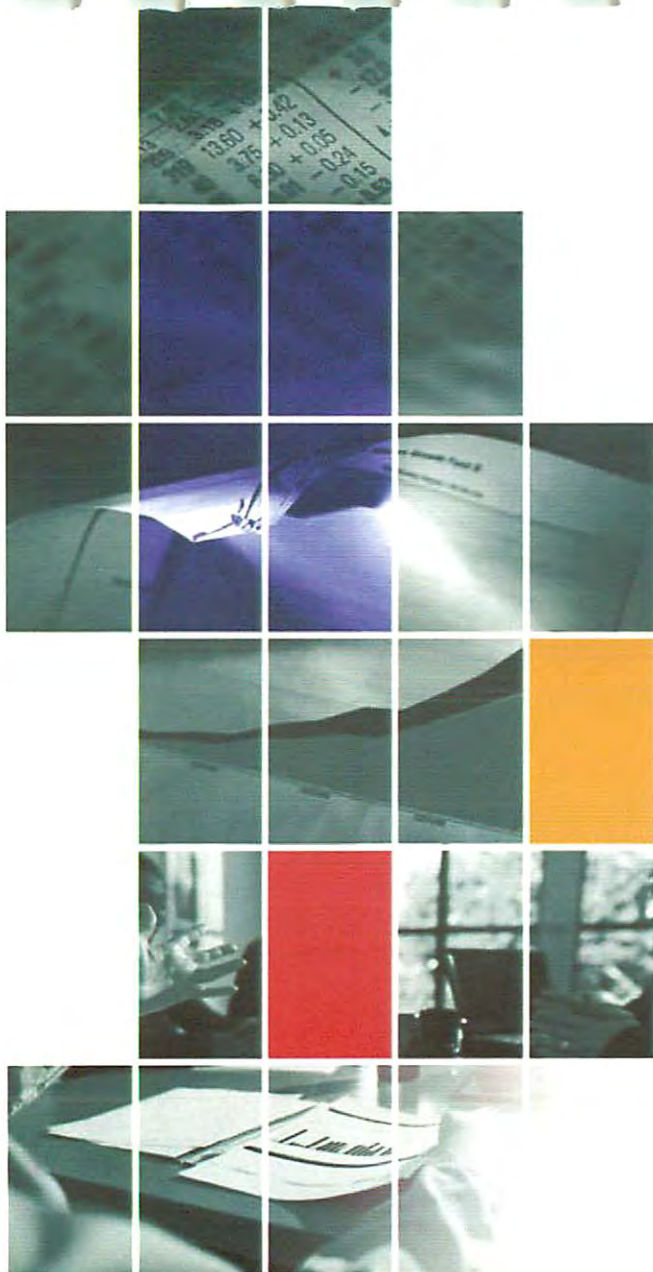
Paul C. Jablonski  
Chief Executive Officer

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

Attachments: A. Investment Perf. Analysis (6/30/12) (Board Only Due to Volume)  
B. Investment Perf. Analysis (9/30/12)







# San Diego Transit Corporation Employees Retirement Plan

Investment Performance Analysis

Quarter Ended  
June 30, 2012

# RVKuhns

▶ ▶ ▶ & ASSOCIATES, INC.

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New York, New York 10119  
646.805.7075  
[www.rvkuhns.com](http://www.rvkuhns.com)

Att. A, AI 45, 10/18/12

**San Diego Transit Corporation Employees Retirement Plan  
Executive Summary  
As of June 30, 2012**

The San Diego Transit Corporation Employees Retirement Plan had a total market value of \$142,447,553 on June 30, 2012, a decrease of approximately \$4.32 million from March 31, 2012.

As of June 30, 2012, equity investments comprised 38.86% of the portfolio (slightly under the 40.0% equity target), fixed income and cash investments comprised 25.70% (slightly over the target of 25.0%), and alternative investments comprised 35.44% of the portfolio (slightly over the target of 35.0%).

For the quarter ending June 30, 2012, the San Diego Transit Total Fund returned -2.07%, and underperformed the Policy Index by 58 basis points. This return ranked in the 54<sup>th</sup> percentile in the All Public Plans (less than \$500 million) Plan Sponsor universe for the quarter.

The Westwood - Composite is represented by the previous two Westwood investments prior to August 2011 and solely Westwood AllCap Value thereafter. The Westwood - Composite underperformed the Russell 3000 Value Index (-6.75% vs. -2.26%), and ranked in the 89<sup>th</sup> percentile in the IM U.S. All Cap Value Equity (SA+CF) universe for the quarter. The Westwood AllCap Value Portfolio invests in approximately 60-80 high quality companies that appear undervalued relative to their forecasted growth rate based on proprietary research. The Portfolio remains fully invested (95-100%) at all times.

The Rainier Large Cap Equity Portfolio returned -5.84% during the second quarter of 2012, underperforming the Russell 1000 Growth Index by 182 basis points. The Portfolio ranked in the 66<sup>th</sup> percentile in the IM U.S. Large Cap Growth Equity (SA+CF) universe. Rainier Investment management seeks to maximize long-term capital appreciation. The investment philosophy utilizes a GARP approach to purchase companies with superior earnings and attractive valuations.

During the second quarter of 2012, the Boston Company SMid Cap Growth Portfolio returned -3.43%, outperforming the Russell 2500 Growth Index by 195 basis points. This ranked the Portfolio in the 14<sup>th</sup> percentile in the IM U.S. SMID Cap Growth Equity (SA+CF) universe. The Boston Company management is focused on fundamental analysis, using earnings as the key barometer for stock appreciation. The Fund seeks to remain fully invested in all market cycles with a range of 90-150 holdings.

The Enhanced RAFI Global All Country Ex-US Portfolio outperformed the FTSE RAFI Dvl'd Ex US 1000 TR Index (Gross) by 147 basis points over its first full quarter. The Composite ranked in the 62<sup>nd</sup> percentile in the IM International Equity (SA+CF) universe. The RAFI methodology attempts to capture the benefits of indexing and avoid the performance drag associated with cap-weighting by selecting and weighting stocks located globally, outside of the U.S., including emerging markets, using fundamental measures of company size.

TT International Investment Trust Active International Equity underperformed the MSCI EAFE Index (Gross) (-7.72% vs. -6.85%), and ranked in the 62<sup>nd</sup> percentile for the quarter against the IM International Equity (SA+CF) universe. The actively managed fund's returns are driven by a combination of currency management, a top-down, and a bottom up approach to international equity. TT International focuses on mid to large cap equity holdings in Europe, Australasia, and the Far East. The Fund protects capital through currency management and will hedge up to 100% of the portfolio.

The JPMorgan Core Bond Trust returned 2.36% for the quarter, outperforming the Barclays U.S. Aggregate Bond Index by 30 basis points. The Trust ranked in the 21<sup>st</sup> percentile in the IM U.S. Broad Market Core Fixed Income (SA+CF) universe. The Trust invests mainly in investment grade bonds and debt securities. These include U.S. government obligations and mortgage-backed securities.

The PIMCO Total Return Fund returned 2.79% for the second quarter and outperformed the Barclays U.S. Aggregate Bond Index by 73 basis points on a relative basis. The Fund ranked in the 5<sup>th</sup> percentile in the IM U.S. Broad Market Core Fixed Income (MF) universe for the quarter. The Fund uses a core bond portfolio strategy that seeks maximum current income and price appreciation consistent with the preservation of capital and prudent risk taking. All sectors of the bond markets are utilized to add value while maintaining an overall risk level similar to the benchmark.

Note: Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees.

**San Diego Transit Corporation Employees Retirement Plan**  
**Executive Summary**  
**As of June 30, 2012**

The Loomis Sayles World Bond Trust returned 1.22% during the second quarter and outperformed the Citigroup World Government Bond Index, which returned 0.92%. The Trust ranked in the 44<sup>th</sup> percentile in the IM Global Fixed Income (SA+CF) universe for the quarter. The objective of the Trust is to seek a high total investment return through a combination of high current income and capital appreciation.

The Wellington Diversified Inflation Hedges Portfolio (Gross) returned -5.41% for the quarter. The Portfolio underperformed both the CPI + 5% custom benchmark and the Wellington Diversified Inflation Hedges Composite Index, which returned 1.27% and -5.06%, respectively. The Portfolio seeks to provide real return performance which is measured against the Consumer Price Index + 5%.

PIMCO All Asset All Authority (Net) returned -0.30% for the quarter, underperforming the CPI + 5% custom benchmark by 157 basis points. The Fund also underperformed the All Asset Composite Index, which posted a return of 1.32%. The Fund invests in a combination of other PIMCO products to preserve capital while maximizing the real return for the underlying assets and providing a diversified inflation hedge for the Portfolio. It differs from the All Asset Fund in that it can employ leverage by investing in PIMCO funds that provide negative exposure to the equity markets.

The Vanguard Inflation-Protected Securities Fund returned 3.21% for the quarter, outperforming the Barclays U.S. Treasury: US TIPS Index by 6 basis points. This performance ranked in the 20<sup>th</sup> percentile of the IM U.S. TIPS (MF) universe. The Fund seeks to provide investors inflation protection and income consistent with investment in inflation-indexed securities.

The Cohen & Steers Institutional Realty Fund posted a return of 2.85% for the quarter, underperforming the Wilshire US REIT Index return of 3.71%. The Fund ranked in the 79<sup>th</sup> percentile in the IM Real Estate Sector (MF) universe. The Fund seeks maximum total return through both the current income and capital appreciation by investing in real estate securities, primarily real estate investment trusts (REITs).

The PAAMCO Pacific Hedged Strategies Portfolio (Net) returned -1.09% for the quarter and underperformed its custom benchmark (3 Month LIBOR + 5%) by 244 basis points. The Portfolio outperformed the HFRI FOF Conservative Index by 16 basis points. The Portfolio seeks to match or outperform its return objective of 500 to 600 basis points above LIBOR by investing in a diversified portfolio of hedge funds and strategies with the goal of preserving capital and adding appreciable value (alpha).

The Hussman Strategic Total Return Fund (Net) returned 1.13% during the second quarter, underperforming its custom benchmark (3 Month LIBOR + 5%) which returned 1.35%. The Fund seeks to achieve long-term return from income and capital appreciation and invests primarily in fixed-income securities, such as U.S. Treasury bonds, notes and bills, and TIPS.

The Loomis Sayles Absolute Strategies Fund (Net) returned 0.88% over its first full quarter, slightly outperforming its custom benchmark (3 Month LIBOR + 3%) by 2 basis points. The Fund seeks to provide an attractive absolute total return, and achieve these returns with a relatively low level of volatility. It may invest up to 50% of net exposure in non-dollar currency, 20% of net exposure in emerging markets currency, and 50% of net exposure in below investment grade fixed income securities.

Note: Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees.

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



## Capital Markets Review As of June 30, 2012

### Second Quarter Economic Environment

Mixed domestic economic news contributed to uneven and divergent markets while uncertainty in Europe continued to linger. Domestically, the BLS first estimate for GDP growth for the second quarter was 1.5% annualized, a decrease from the 2.0% first quarter growth rate. The ISM manufacturing index was reported at 49.7 in June, indicating the first contraction in manufacturing since July 2009. Job growth, after starting the year strongly, was meager in the second quarter, averaging 75,000 job gains per month. Unemployment finished the quarter higher at 8.2%. Still, construction spending increased in May, led by strong private residential outlays. Consumer credit and light-vehicle sales were also up strongly for the quarter. The Federal Reserve revised down their inflation and GDP projections, citing moderating inflation and elevated unemployment. The maturity extension program known as "Operation Twist" was extended in an effort to maintain long-term interest rates at historically low levels and bolster the economy.

The future of the European monetary union continued to dominate headlines in the second quarter as global growth slowed. Spain, Italy, and the United Kingdom slid back into a recession in the first quarter, contracting by 0.4%, 1.3%, and 0.2% respectively. Finance ministers in the euro area agreed to directly inject €100 billion into a weakened Spanish banking system in an effort to recapitalize beleaguered banks without increasing government debt loads. Spanish bond yields demonstrated significant volatility in June, rising to a record high yield of 7.2% before ending the quarter at 6.3%. The Euro depreciated over five percent versus the dollar as the ICE U.S. Dollar Index gained 3.3% over the quarter. Brazil and China, concerned over diminishing growth prospects at home and abroad, cut their primary interest rates in an effort to reinvigorate their economies. The Bank of Japan stepped up its bond buying programs in order to fight against ongoing deflationary pressures.

#### Domestic Equities

- Despite a June rally, returns for domestic equities were down across the board and off their early April highs, cutting into the large gains posted in the first quarter.
- Led by poor performance in the Financials and Technology sectors, the S&P 500 Index returned -2.8% for the quarter.
- Telecom and Utilities were the highest returning sectors.
- Contrary to the first quarter trend, value trumped growth as the Russell 1000 Value Index returned -2.2% for the quarter versus -4.0% for the Russell 1000 Growth Index.
- Driven by the declining price of oil, which was down 15% for the year, Basic Materials and Energy performed poorly on a relative basis in both the first and second quarters.
- Market capitalization size had little impact on returns.

#### International Equities

- Emerging markets, represented by the MSCI Emerging Markets Index, lagged their developed counterparts and finished down -8.8% for the quarter.
- Small cap equities underperformed large cap equities as the MSCI EAFE Small Cap Index returned -8.5% versus -6.9% for the MSCI EAFE Index.

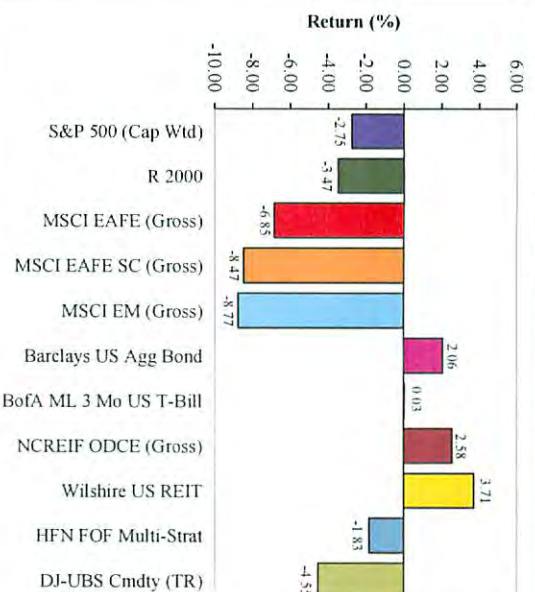
#### Fixed Income

- Long-term government bonds were the top performer as the yield curve flattened.
- Continued doubts over the solvency of European banks and sovereignties contributed to market volatility and helped to widen debt spreads.

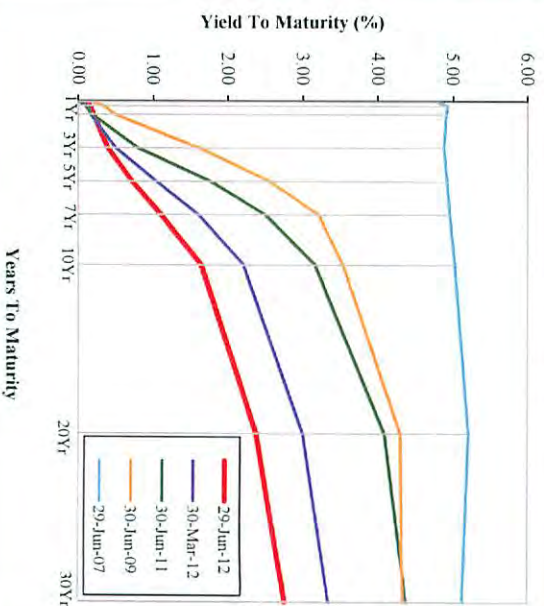
#### Trailing-Period Performance

	Mth End Apr-2012	Mth End May-2012	MTD	QTD	CYTD	1 Year	2 Years	3 Years	5 Years	10 Years
S&P 500 (Cap Wtd)	-0.63	-6.01	4.12	-2.75	9.49	5.45	17.39	16.40	0.22	5.33
R 2000	-1.54	-6.62	4.99	-3.47	8.53	-2.08	16.00	17.80	0.54	7.00
MSCI EAFE (Gross)	-1.84	-11.35	7.05	-6.85	3.38	-13.38	6.49	6.45	-5.63	5.62
MSCI EAFE SC (Gross)	-0.43	-11.68	4.08	-8.47	5.20	-14.75	8.01	9.52	-8.89	8.89
MSCI EM (Gross)	-1.17	-11.16	3.91	-8.77	4.13	-15.66	3.97	10.10	0.21	14.42
Barclays US Agg Bond	1.11	0.90	0.04	2.06	2.37	7.47	5.67	6.93	6.79	5.63
BofA ML 3 Mo US T-Bill	0.00	0.01	0.01	0.03	0.04	0.05	0.11	0.12	0.98	1.87
NCREIF ODCE (Gross)	N/A	N/A	N/A	2.58	5.47	12.42	16.38	8.39	-0.90	6.56
Wilshire US REIT	2.93	-4.56	5.57	3.71	14.90	13.21	23.89	33.62	2.05	10.31
HFN FOF Multi-Strat	-0.35	-1.23	-0.26	-1.83	1.16	-3.80	0.83	1.75	-2.24	3.10
DJ-UBS Cndty (TR)	-0.43	-9.13	5.49	-4.55	-3.71	-14.33	3.86	3.49	-3.65	4.96

#### QTD



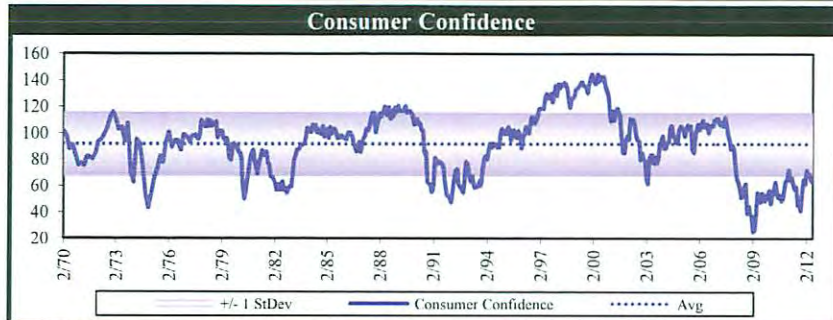
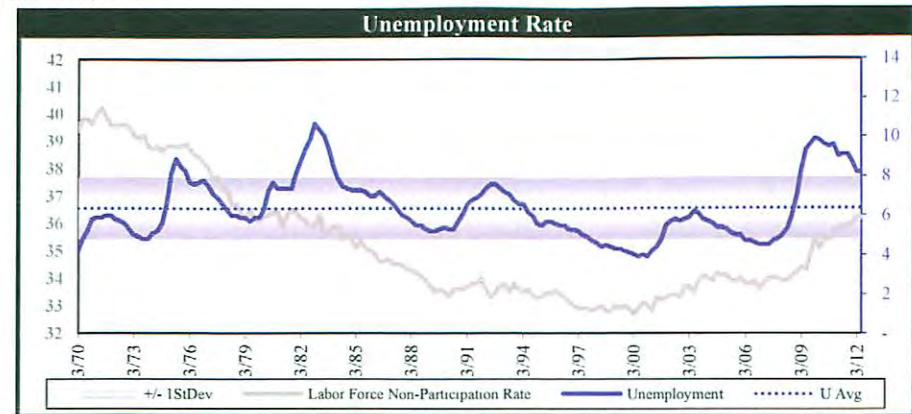
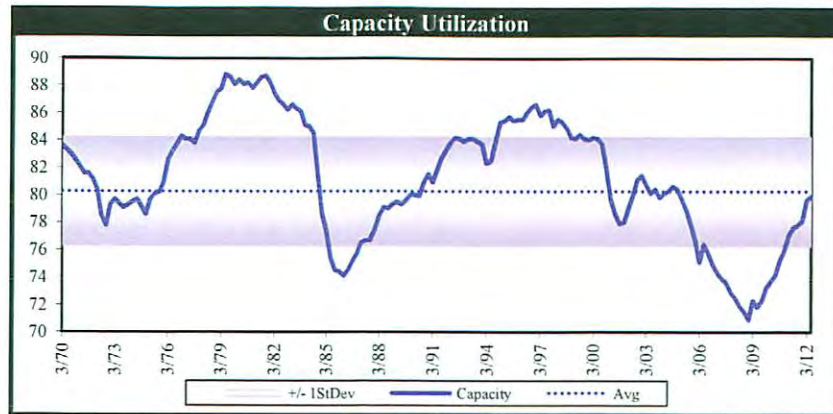
#### Treasury Yield Curve



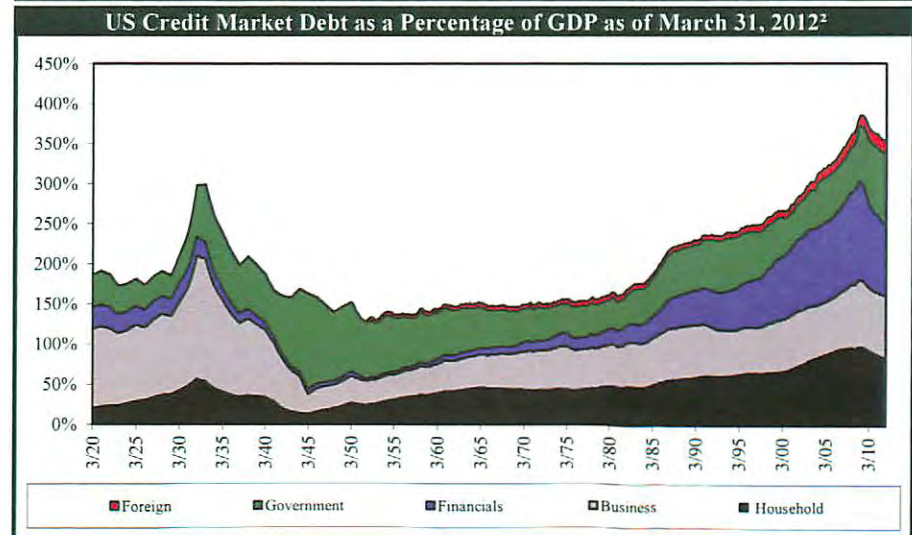
Performance is annualized for periods greater than one year.  
Treasury data courtesy of the U.S. Department of the Treasury.



# Economic Measures<sup>1</sup> As of June 30, 2012



	6/30/2012		3/31/2012	20 Year	40 Year
Capacity Utilization	78.90	▲	78.40	79.20	80.20
Unemployment Rate	8.20%	—	8.20%	6.00%	6.40%
Shiller 20 City YoY - Housing	N/A		-2.54%	2.98%	N/A
PMI - Manufacturing	49.70	▼	53.40	52.20	52.30
Baltic Dry Index - Shipping	1,004	▲	934	2,432	2,108
Real GDP YoY	2.20%	▼	2.40%	2.60%	2.80%
Consumer Confidence (Conf. Bd.)	62.70	▼	69.50	92.97	92.13
Breakeven Inflation - 10 Year	2.10	▼	2.34	N/A	N/A
CPI YoY (Headline) <sup>4</sup>	1.70%	▼	2.70%	2.50%	4.40%
CPI YoY (Core) <sup>4</sup>	2.20%	▼	2.30%	2.30%	4.30%
PPI YoY	0.70%	▼	2.80%	2.30%	4.00%
M2 YoY	9.30%	▼	10.00%	5.60%	6.80%
Personal Savings	4.40%	▲	3.60%	4.10%	6.50%
Disposable Personal Income	0.40%	▼	0.50%	0.40%	0.60%
Prsnl Consumption Expenditures	1.50%	▼	2.20%	2.10%	3.90%
US Dollar Total Weighted Index	72.74	—	72.74	87.92	95.64
WTI Crude Oil per Barrel	\$85	▼	\$103	\$42	\$37
Gold Spot per Oz <sup>5</sup>	\$1,597	▼	\$1,668	\$292	\$324



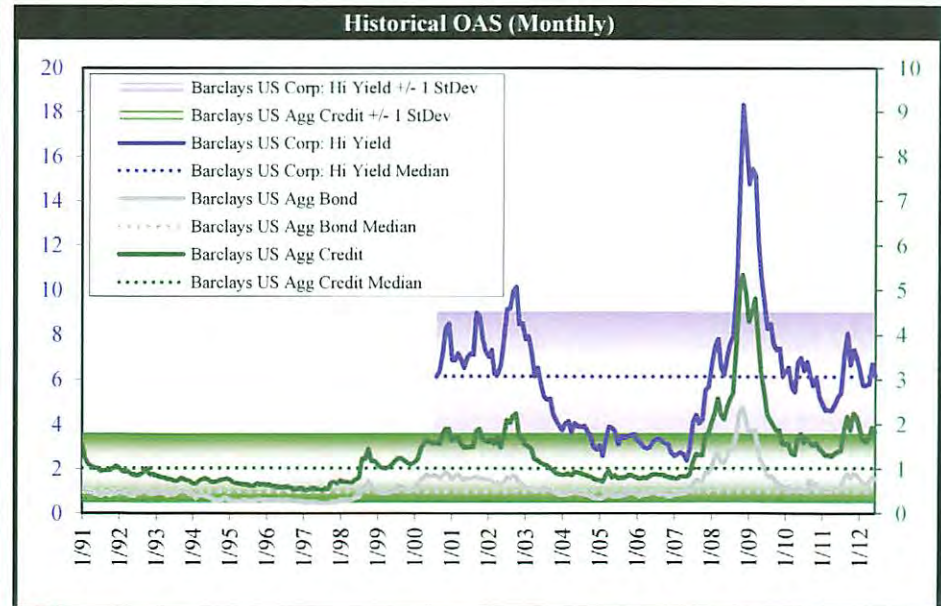
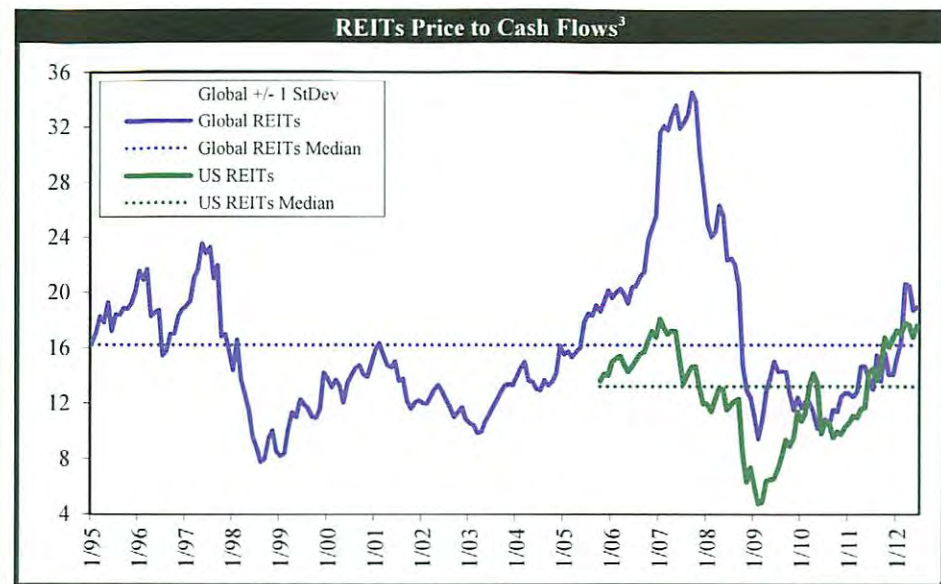
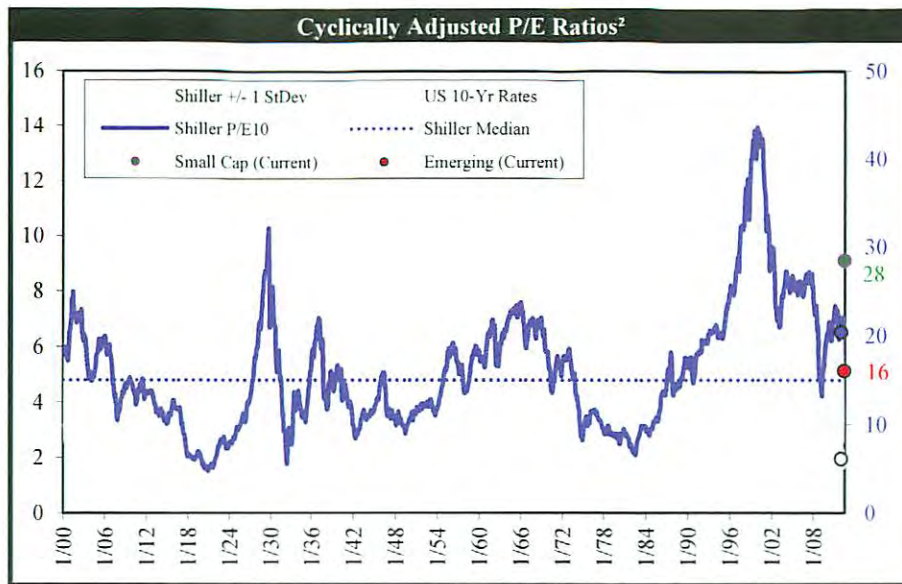
<sup>1</sup> All data courtesy of Bloomberg Professional Service, except as noted below.

<sup>2</sup> Data prior to 1952 is from "The Statistical History of the United States, From Colonial Times to the Present", by Ben Wattenberg, Morgan Stanley Research.

<sup>3</sup> "N/A" is shown for data that is not yet available. <sup>4</sup> CPI figures are cyclically adjusted. <sup>5</sup> 20- and 40-year average Gold spot prices are adjusted for inflation.



**Valuation Metrics<sup>1</sup>**  
As of June 30, 2012



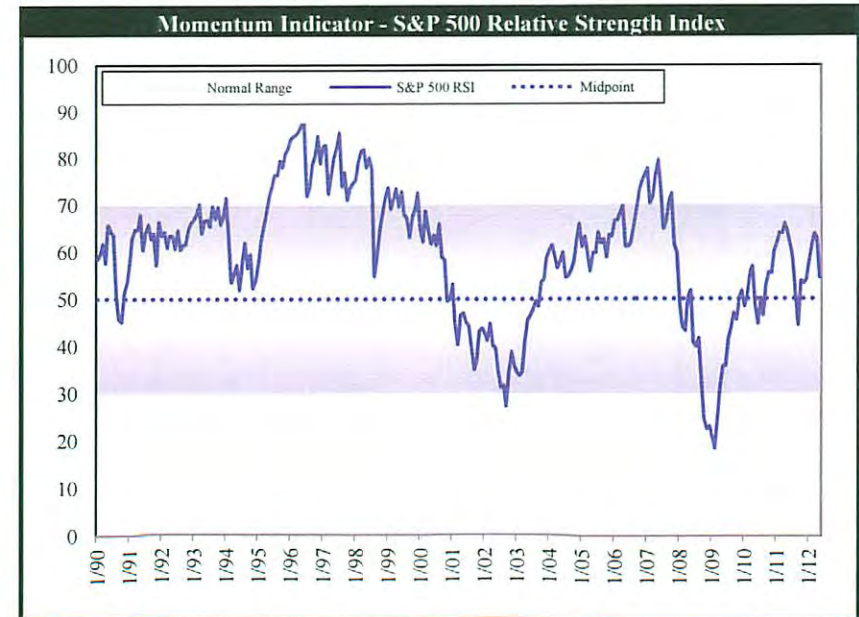
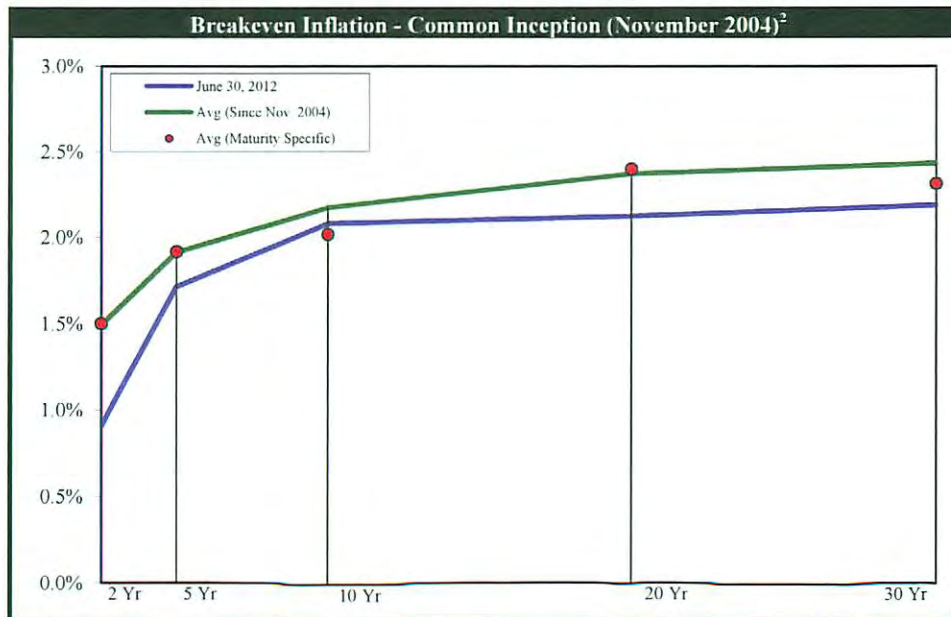
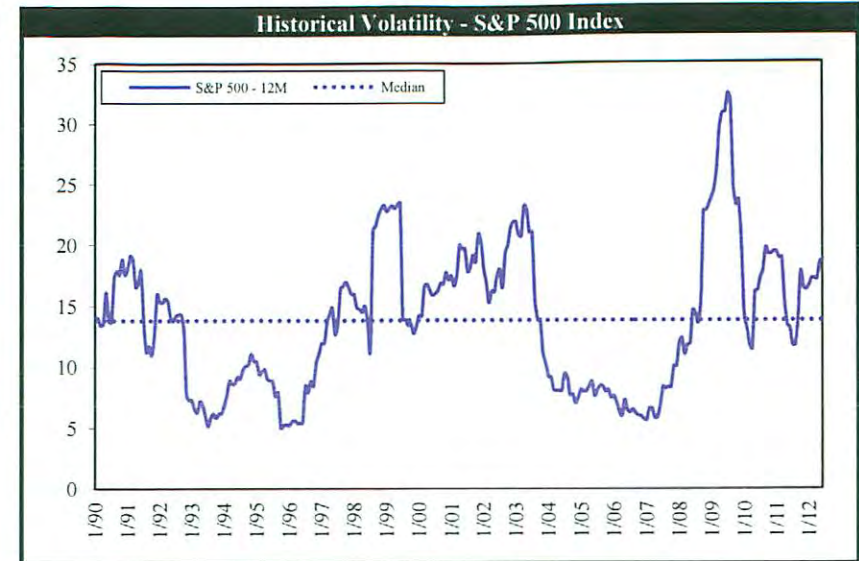
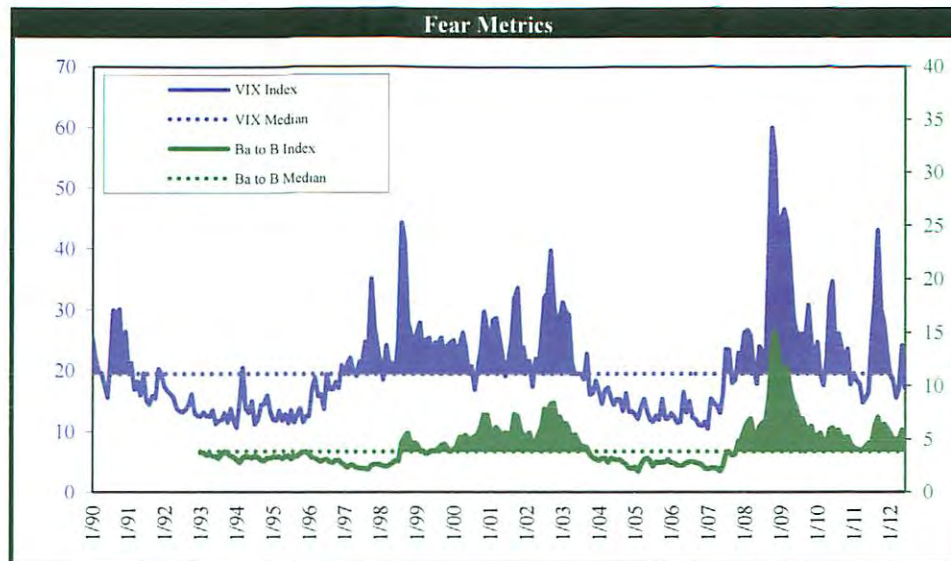
<sup>1</sup> All data courtesy of Bloomberg Professional Service.

<sup>2</sup> Source: Bloomberg and Robert J. Shiller, Irrational Exuberance, Second Edition. P/E for the S&P 500 Index is based on 10-year trailing real earnings. Small Cap is represented by the S&P 600 Small Cap Index, and Emerging is represented by the MSCI Emerging Markets Index. Due to limited history, only the current 10-year P/E is shown for Small Cap and Emerging.

<sup>3</sup> US REITs is represented by the MSCI US REITs Index and Global REITs is represented by the MSCI World Real Estate Index.



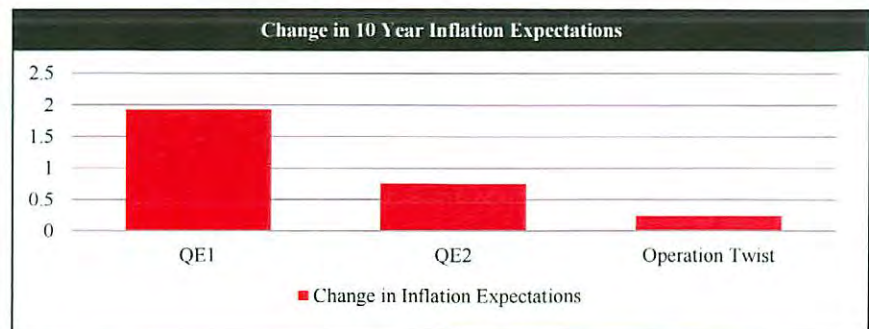
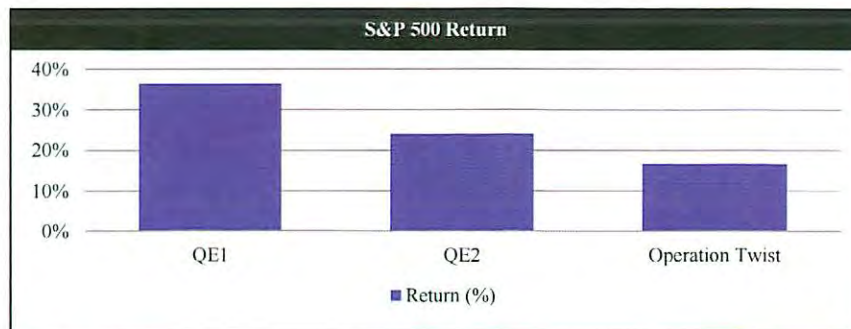
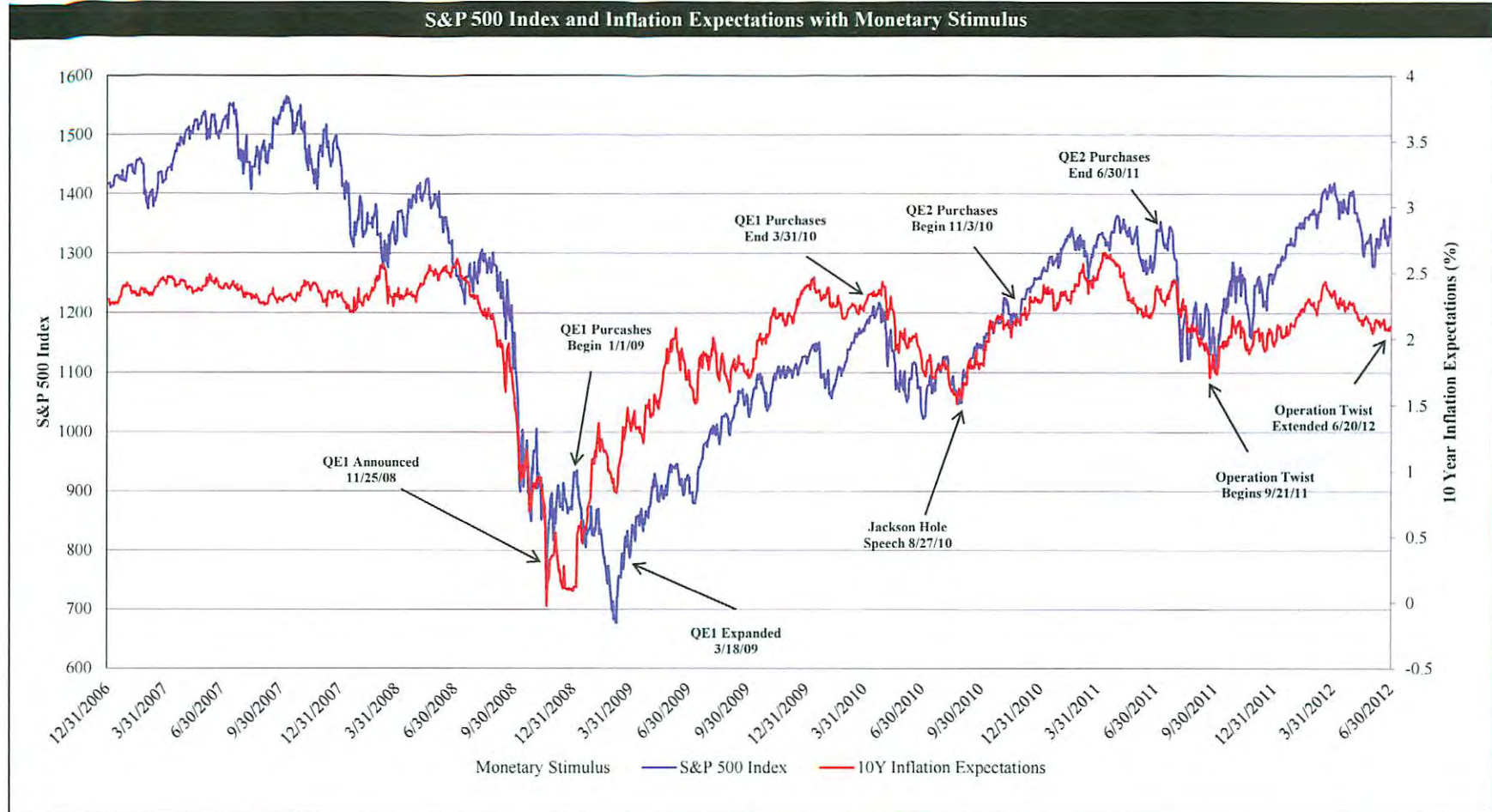
**Risk Metrics <sup>1</sup>**  
As of June 30, 2012



<sup>1</sup> All data courtesy of Bloomberg Professional Service.

<sup>2</sup> Common inception of November 2004 is based on historical data availability. Specific inception dates are as follows: 2- and 20-year (2004), 5-year (2002), 10- and 30-year (1998).

**S&P 500 Returns and Inflation Expectations**  
As of June 30, 2012



\*10Y inflation expectations are proxied using the difference between the yields on 10Y Treasuries and 10Y TIPS.

\*The length of the period for each bar graph corresponds to the shaded area above.



**Annual Asset Class Performance**  
**As of June 30, 2012**

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	YTD
Best ↑	28.58	66.42	31.84	12.35	25.91	62.14	33.16	34.54	35.97	39.78	8.44	79.02	28.60	22.49	14.90
	20.34	27.31	31.04	8.44	16.56	56.28	31.27	26.65	32.59	16.23	5.24	58.21	26.86	15.99	9.49
	16.42	24.69	16.16	7.89	14.81	47.25	25.95	21.39	26.86	15.97	2.06	47.32	22.40	13.56	8.53
	11.77	24.35	14.28	7.28	10.25	39.17	20.70	21.36	19.67	11.63	-2.35	32.46	19.20	9.24	7.27
	8.69	21.26	13.15	6.61	5.54	36.18	18.33	14.02	18.37	11.63	-10.01	28.60	16.84	7.84	5.47
	5.23	21.04	12.40	5.64	3.58	28.97	13.06	13.82	16.32	9.91	-20.47	27.18	16.36	4.98	5.20
	3.94	20.19	11.63	5.28	3.12	28.68	11.13	6.75	15.79	6.97	-26.16	26.46	15.12	2.11	5.04
	3.75	13.17	6.18	4.42	1.78	23.93	10.88	5.33	11.85	6.60	-33.79	18.91	15.06	0.10	4.13
	1.87	4.85	-3.02	2.49	-1.41	11.93	9.15	4.91	9.85	5.49	-35.65	11.41	10.16	-4.18	4.04
	-2.55	2.40	-5.86	-2.37	-6.00	9.28	8.56	4.55	4.85	5.00	-37.00	9.72	8.21	-5.55	3.38
	-17.01	2.39	-7.22	-11.89	-7.44	8.39	8.46	3.07	4.33	1.87	-39.20	5.93	6.54	-11.73	2.37
	-25.33	-0.82	-9.10	-12.11	-15.66	5.87	6.79	2.84	2.71	1.79	-43.06	1.92	6.31	-13.32	1.16
	-27.03	-2.58	-13.96	-19.51	-20.48	4.10	4.34	2.74	2.07	-1.57	-46.78	0.21	4.77	-15.66	0.04
Worst ↓	N/A	-7.65	-30.61	-21.21	-22.10	1.15	1.33	2.43	0.41	-17.55	-53.18	-29.76	0.13	-18.17	-3.71

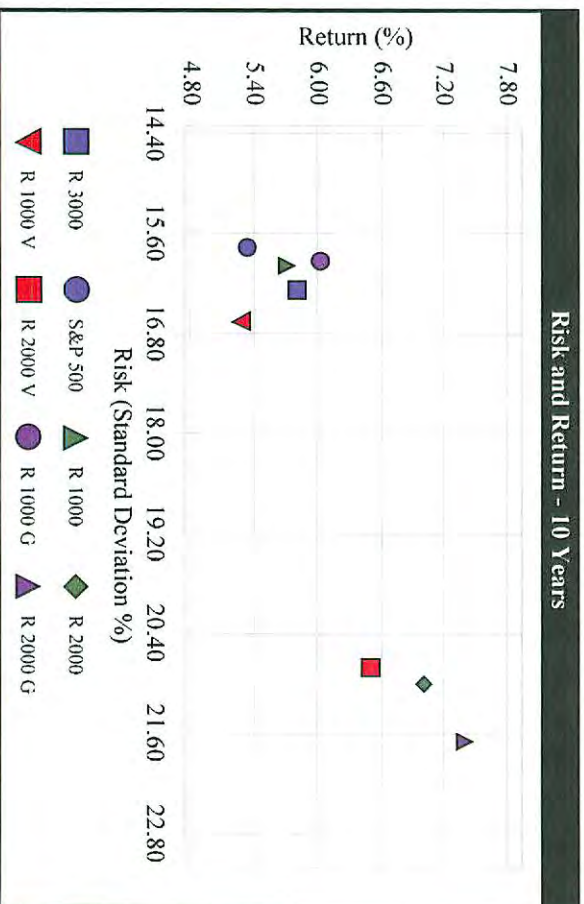
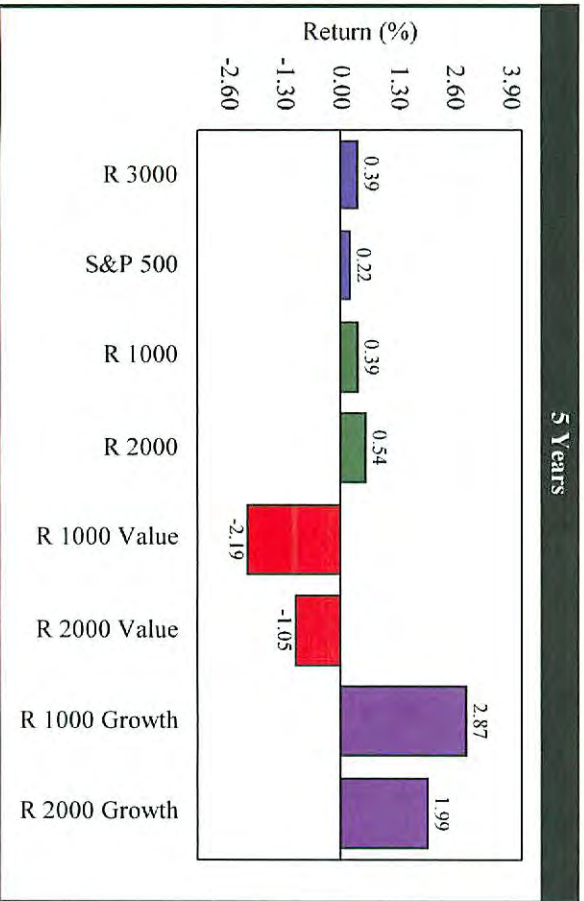
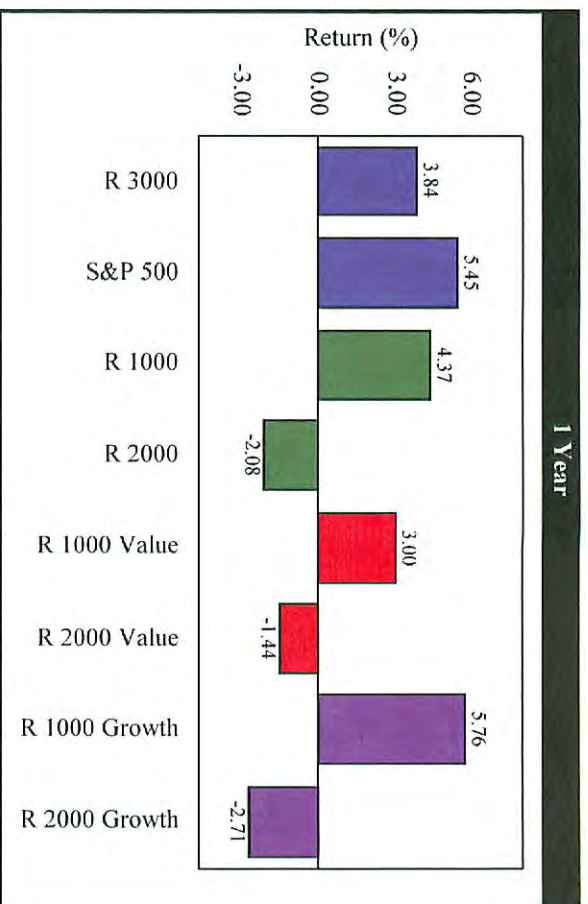
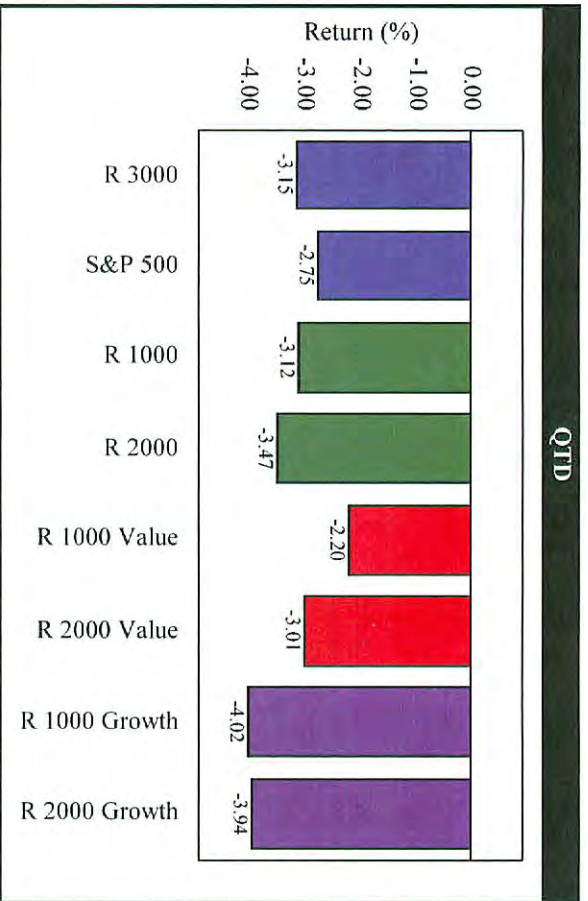
S&P 500 - US Large Cap	R 2000 - US Small Cap	MSCI EAFE (Gross) - Int'l Dev.	MSCI EAFE SC (Gross) - Int'l SC	MSCI EM (Gross) - Int'l Emg Mkts	Barclays US Agg Bond - FI	Barclays US Corp: Hi Yield - FI	Barclays US Trsy: US TIPS - FI	Barclays US Gov/Credit: Lng - FI	NCREIF ODCE (Gross) - Real Estate	Wilshire US REIT - REITs	HFN FOF Multi-Strat (Net) - ARS	DJ-UBS Cmdty (TR) - Commod.	BofA ML 3 Mo T-Bill - Cash Equiv
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**RVKuhns**

▶ ▶ ▶ & ASSOCIATES, INC.



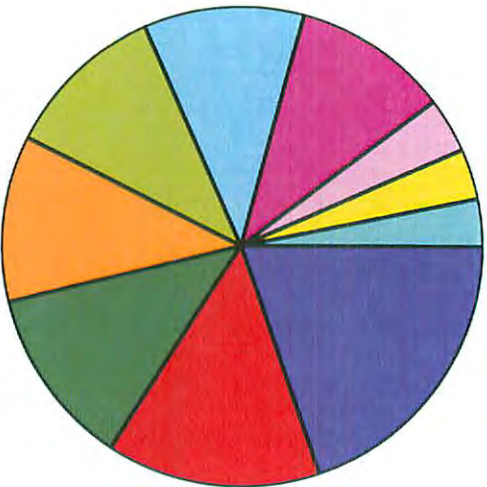
# Domestic Equity Market Performance and Risk As of June 30, 2012



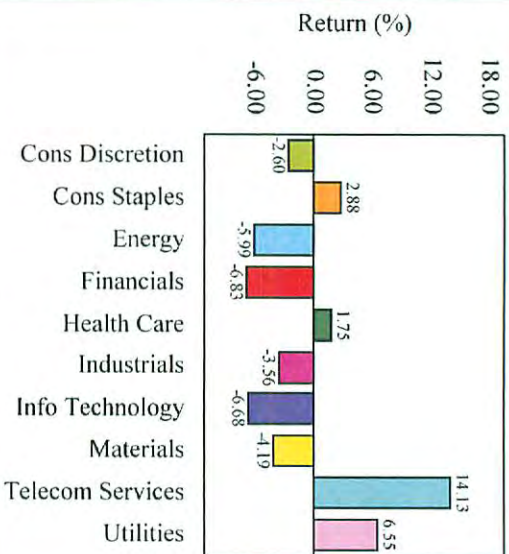
Performance is annualized for periods greater than one year. Calculation is based on monthly periodicity.

Domestic Equity Sector Weights and Returns  
As of June 30, 2012

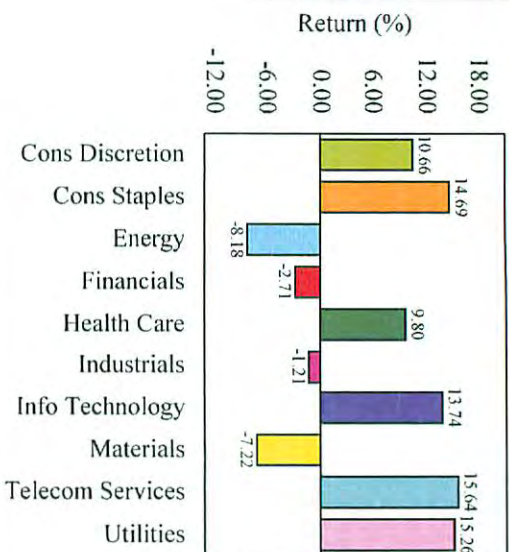
S&P 500 Sector Weights



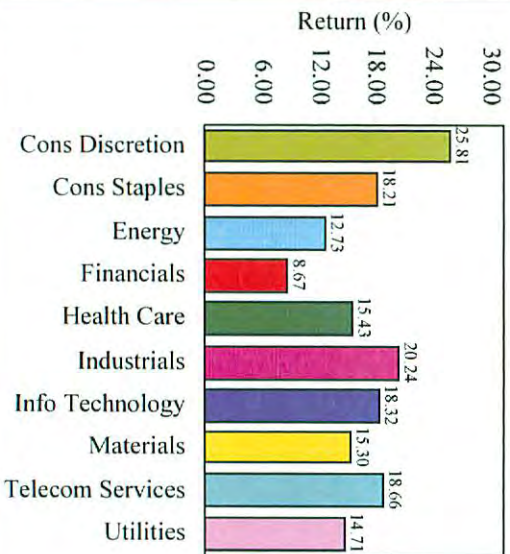
S&P 500 Sector Returns - QTD



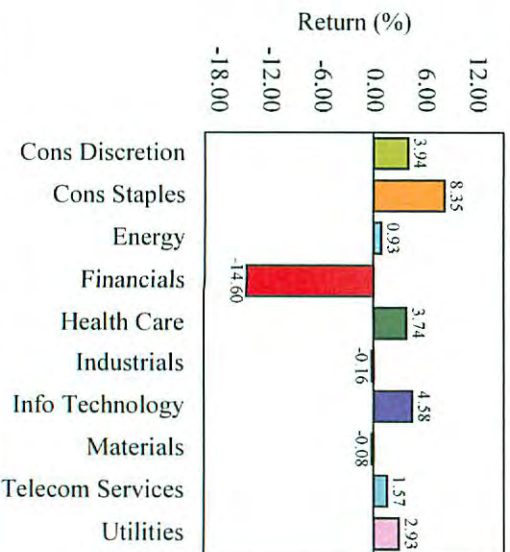
S&P 500 Sector Returns - 1 Year



S&P 500 Sector Returns - 3 Years



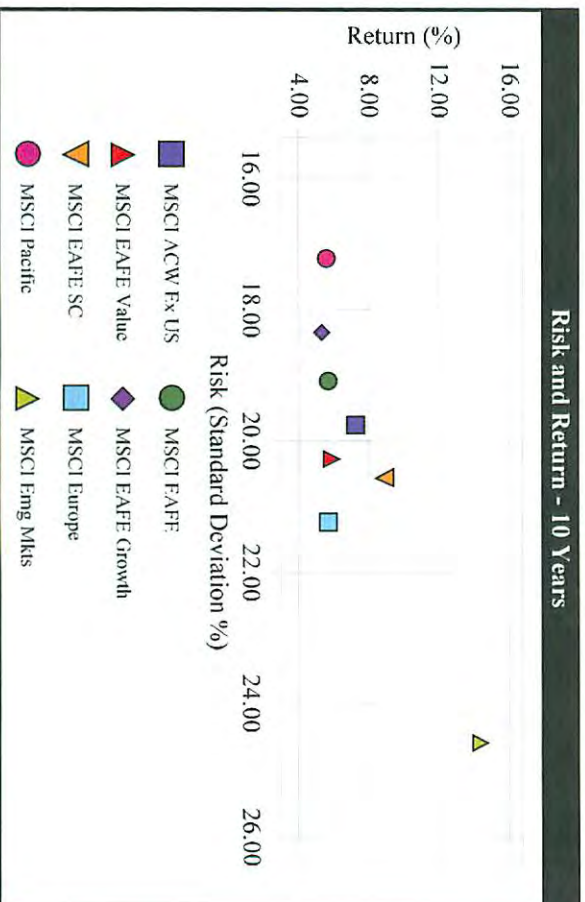
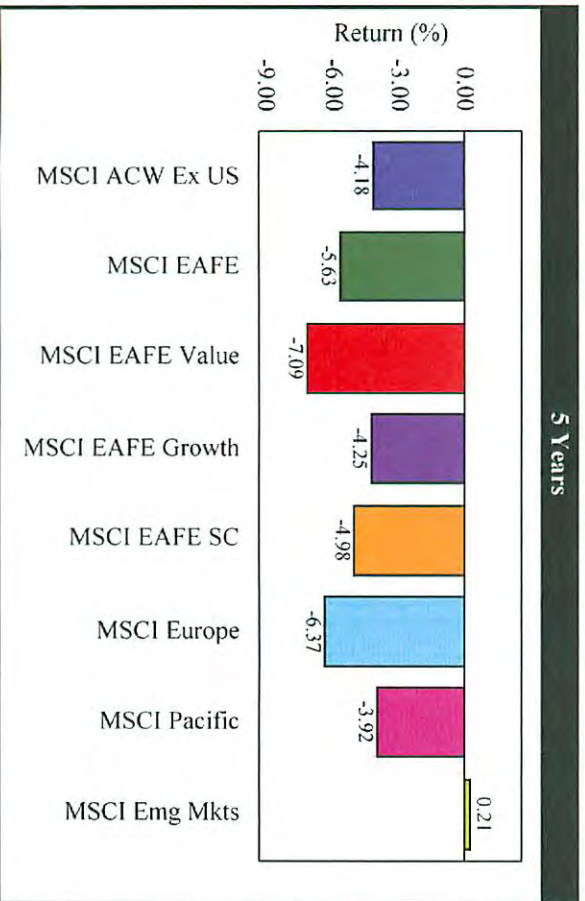
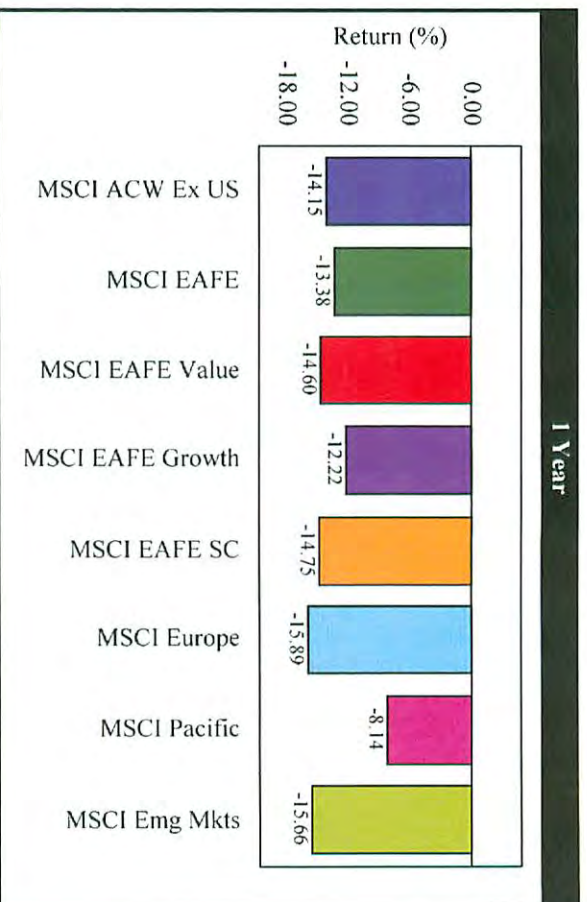
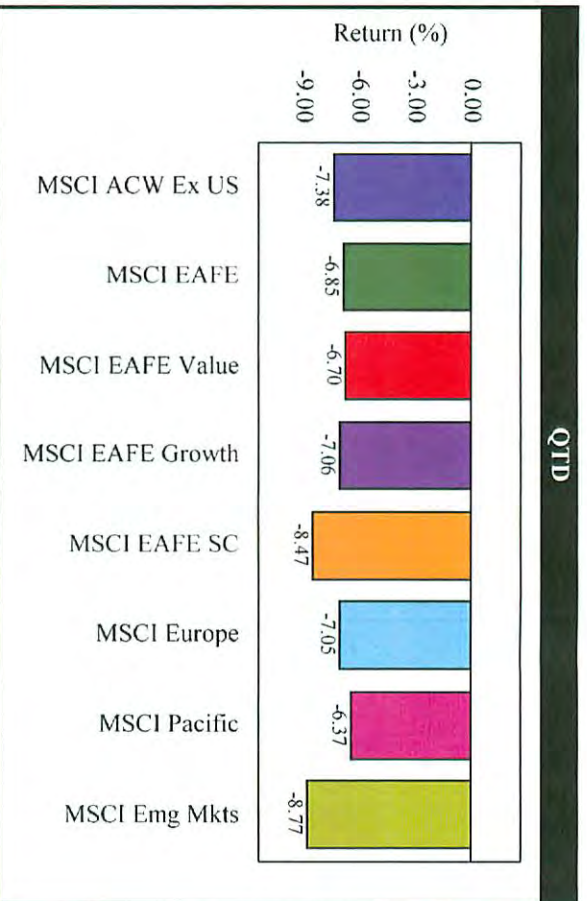
S&P 500 Sector Returns - 5 Years



Allocations shown may not sum up to 100% exactly due to rounding. Performance is annualized for periods greater than one year. Returns provided by MFP Stylus, allocations provided by Standard & Poor's.



# International Equity Market Performance and Risk As of June 30, 2012



Performance is annualized for periods greater than one year. Calculation is based on monthly periodicity. All returns are shown gross of foreign taxes on dividends.

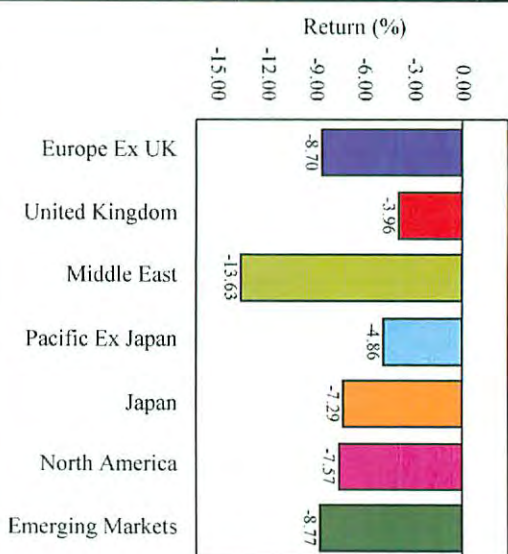


International Equity Region Weights and Returns  
As of June 30, 2012

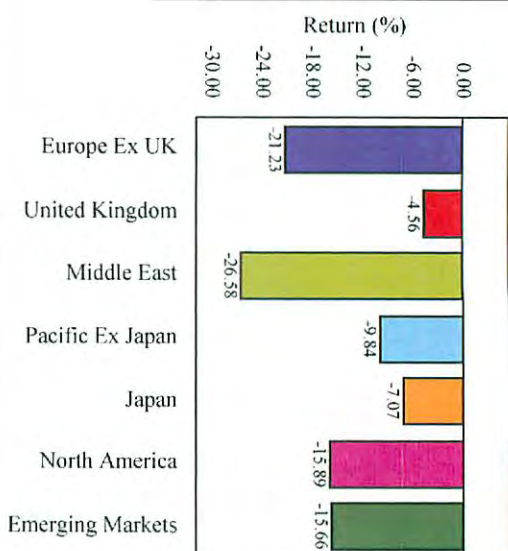
MSCI ACW Ex US Region Weights



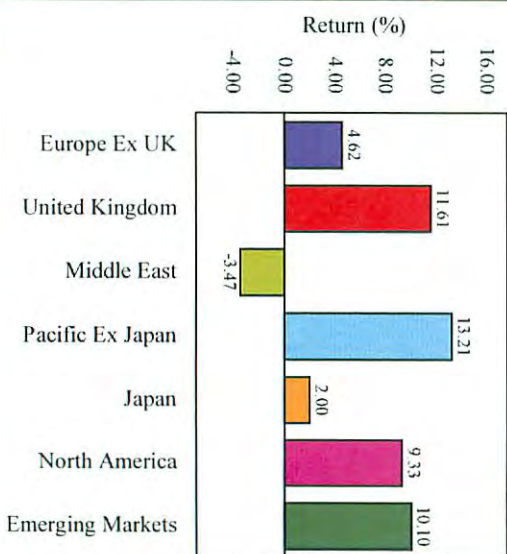
MSCI ACW Ex US Region Returns - QTD



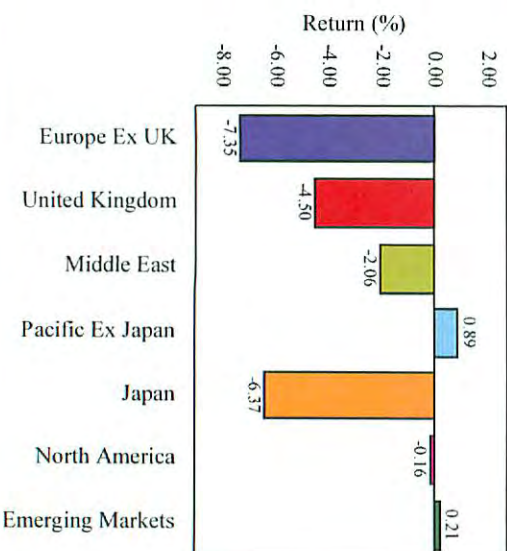
MSCI ACW Ex US Region Returns - 1 Year



MSCI ACW Ex US Region Returns - 3 Years



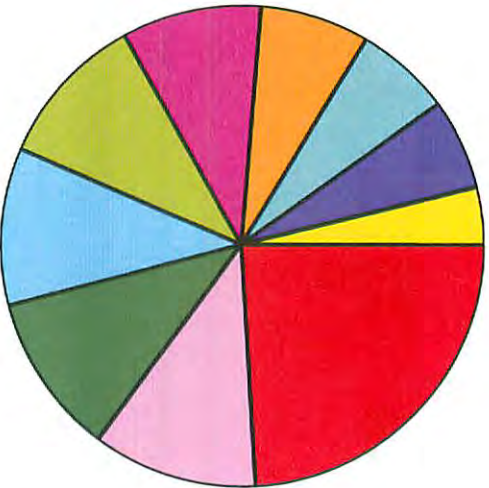
MSCI ACW Ex US Region Returns - 5 Years



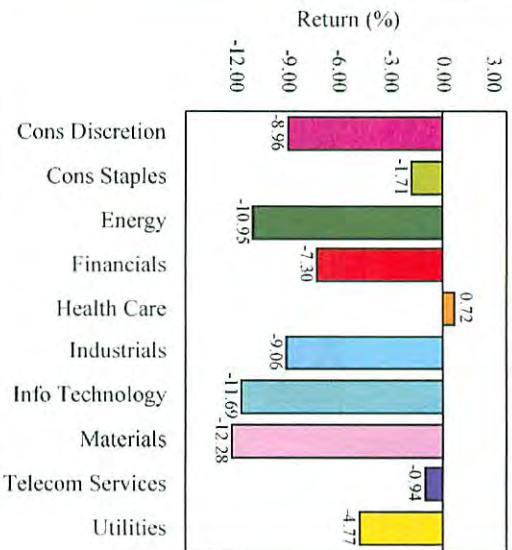
Allocations shown may not sum up to 100% exactly due to rounding. Performance is annualized for periods greater than one year. Returns and allocations provided by MSCI Barra. All returns are shown gross of foreign taxes on dividends.

International Equity Sector Weights and Returns  
As of June 30, 2012

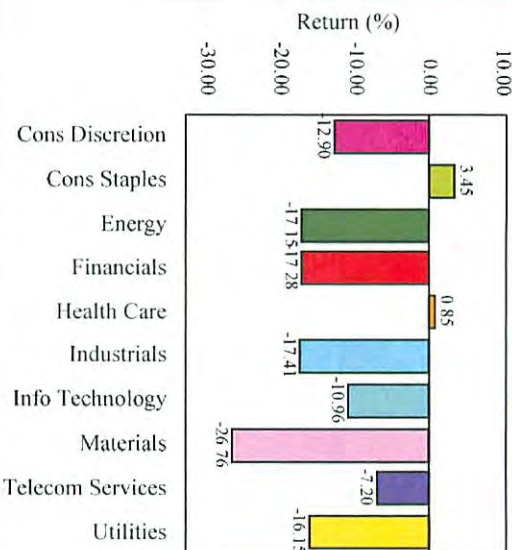
MSCI ACW Ex US Sector Weights



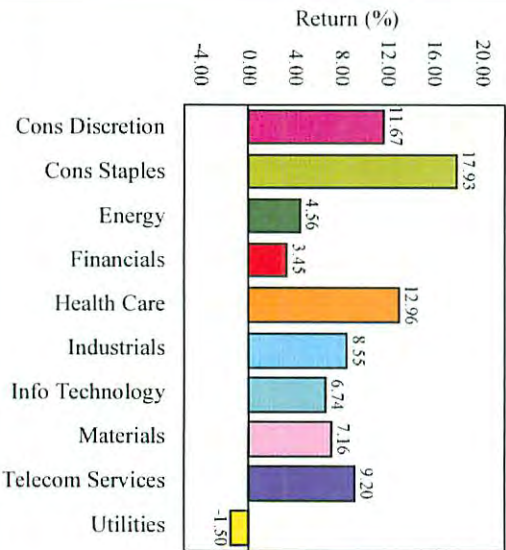
MSCI ACW Ex US Sector Returns - QTD



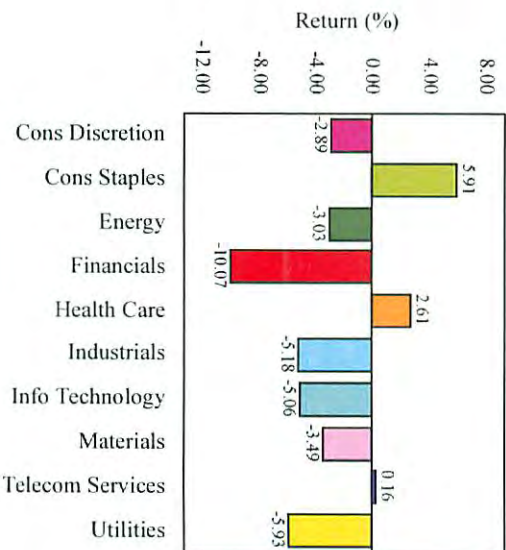
MSCI ACW Ex US Sector Returns - 1 Year



MSCI ACW Ex US Sector Returns - 3 Years



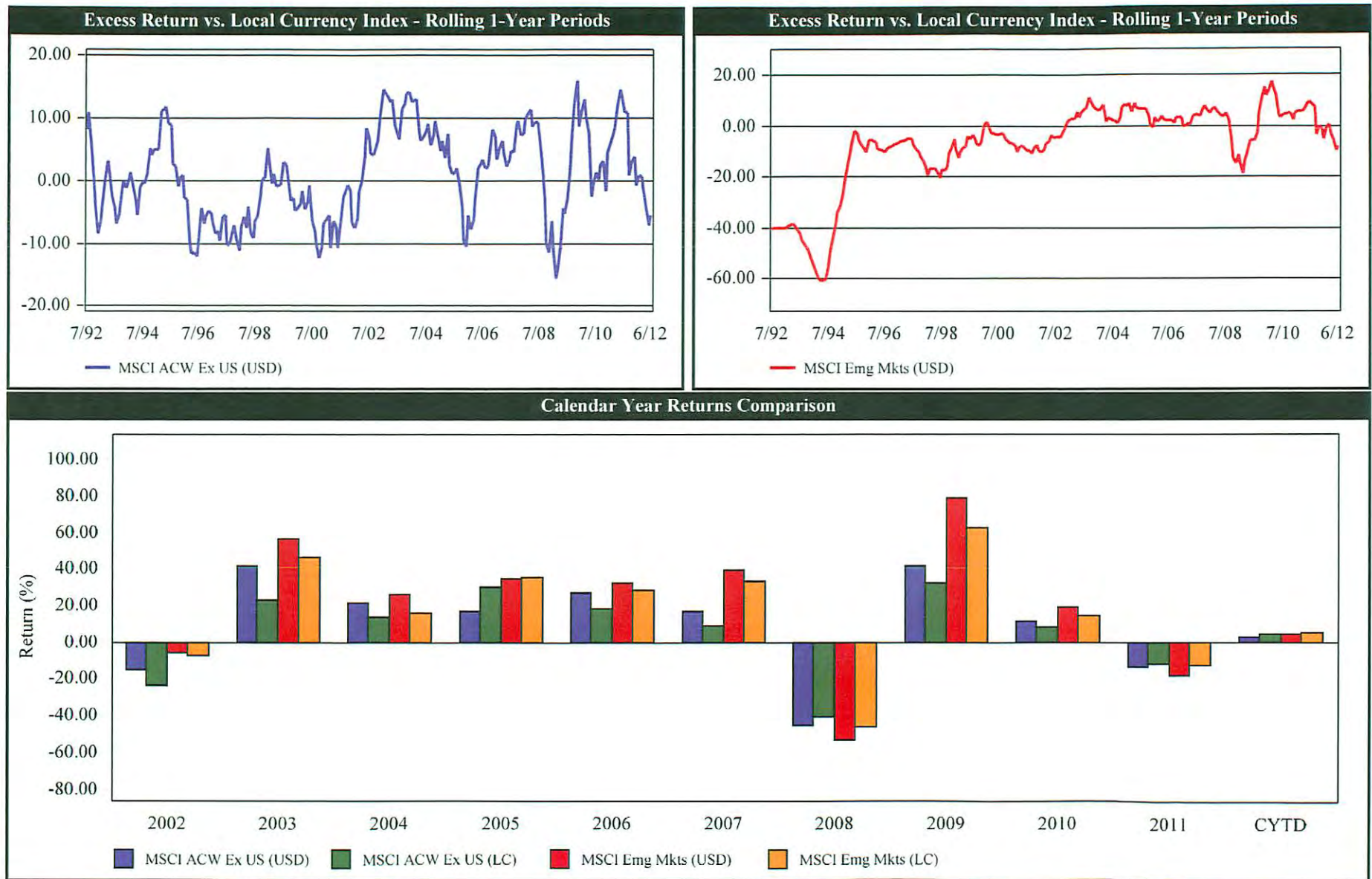
MSCI ACW Ex US Sector Returns - 5 Years



Allocations shown may not sum up to 100% exactly due to rounding. Performance is annualized for periods greater than one year. Returns and allocations provided by MSCI Barra. All returns are shown gross of foreign taxes on dividends.

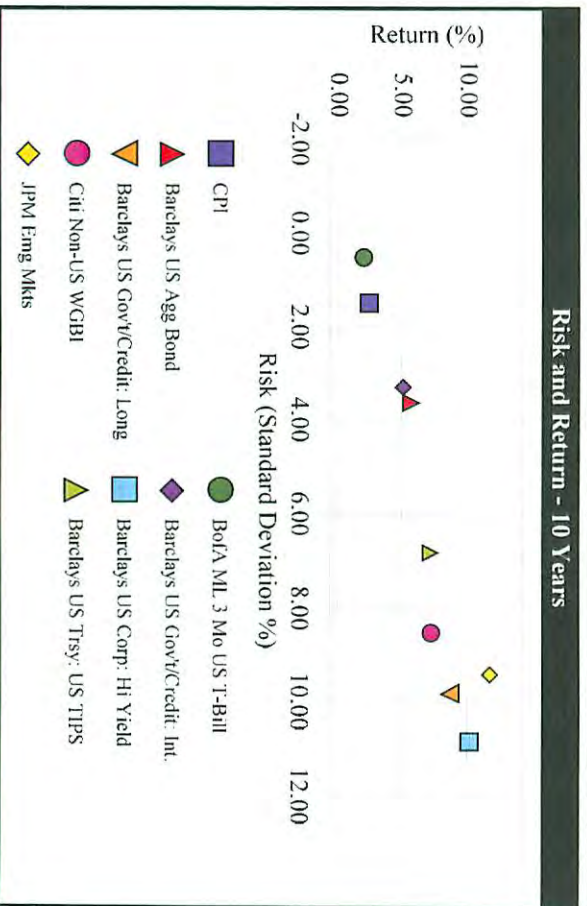
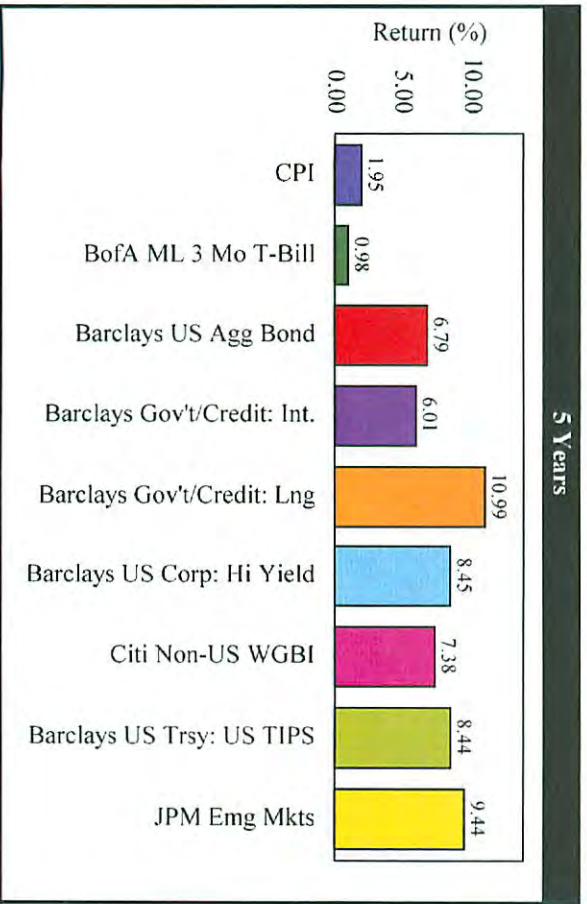
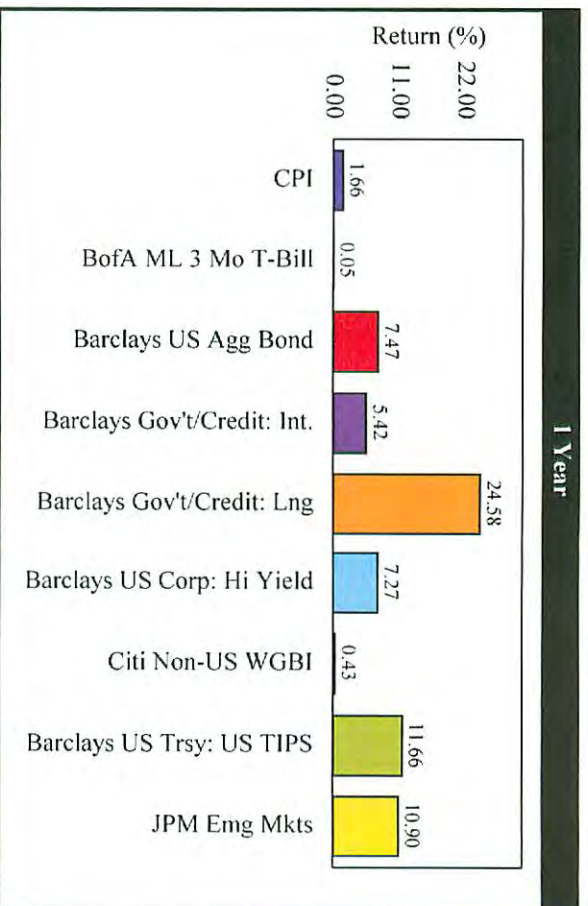
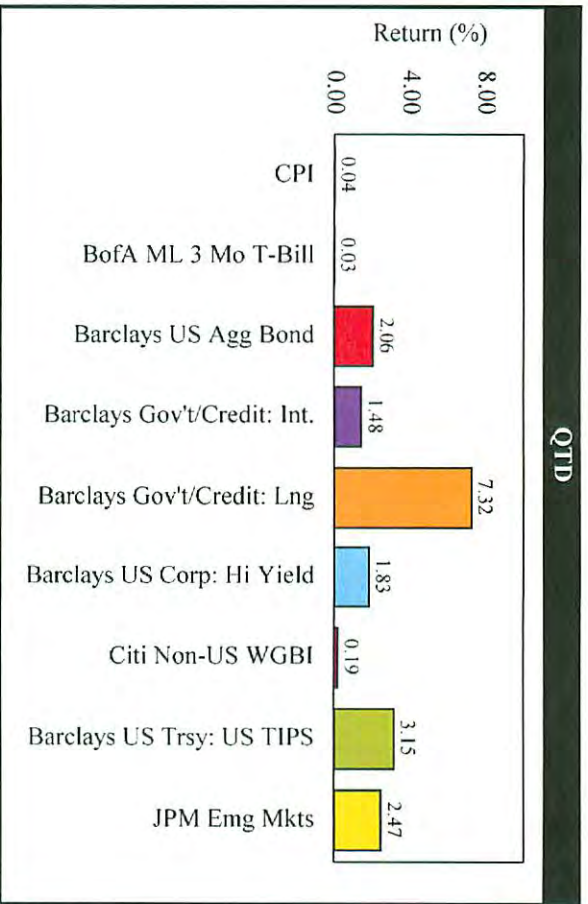


**Effect of Currency on International Equity Performance**  
As of June 30, 2012



Performance is annualized for periods greater than one year. Calculation is based on monthly periodicity.  
All returns are shown gross of foreign taxes on dividends.

# Fixed Income Market Performance and Risk As of June 30, 2012

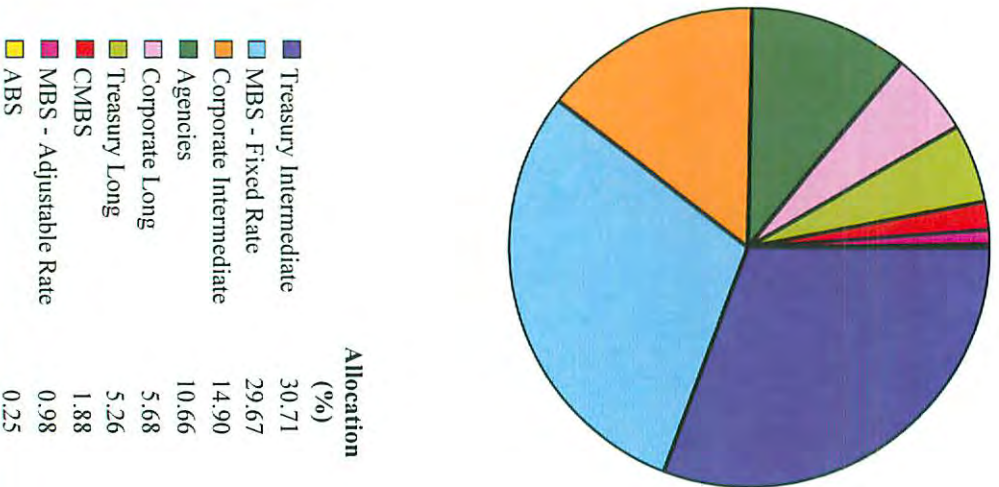


Performance is annualized for periods greater than one year. Calculation is based on monthly periodicity.

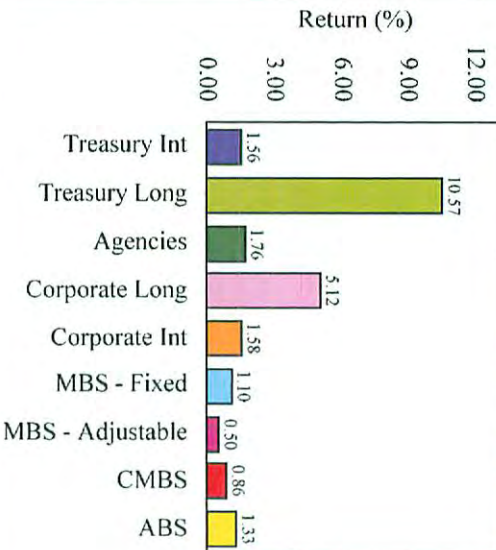


**Domestic Fixed Income Sector Weights and Returns**  
As of June 30, 2012

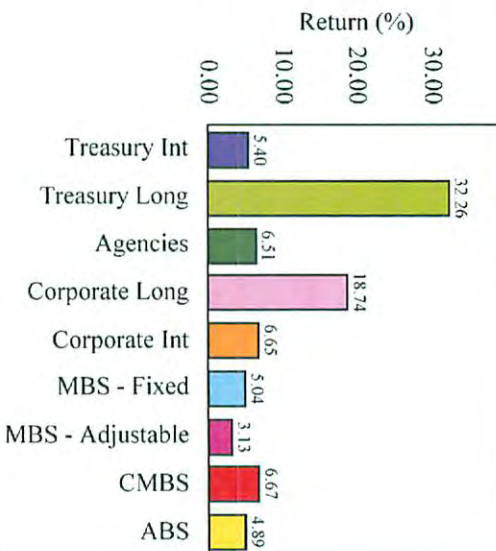
**Barclays US Agg Bond Sector Weights**



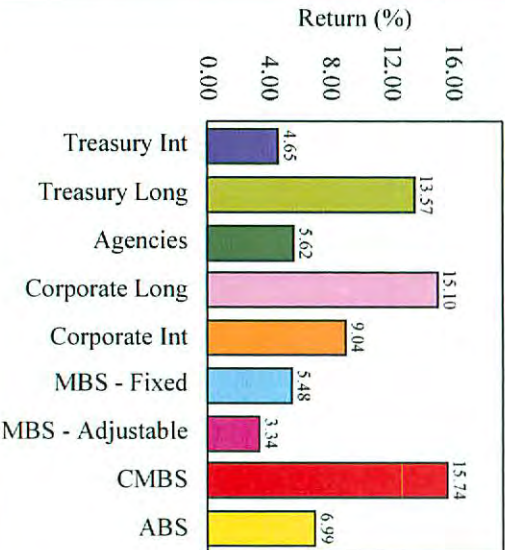
**Barclays US Agg Bond Sector Returns - QTD**



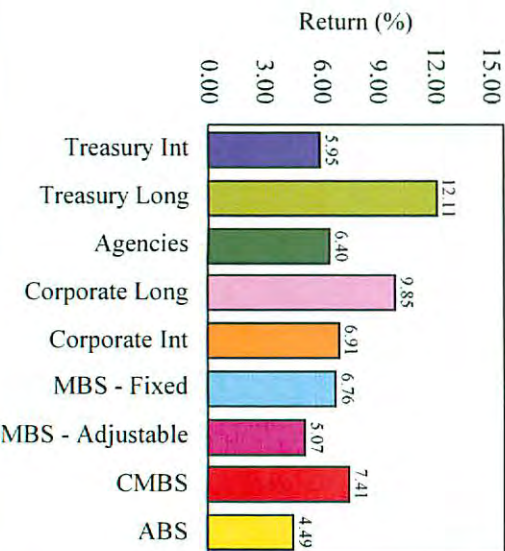
**Barclays US Agg Bond Sector Returns - 1 Year**



**Barclays US Agg Bond Sector Returns - 3 Years**



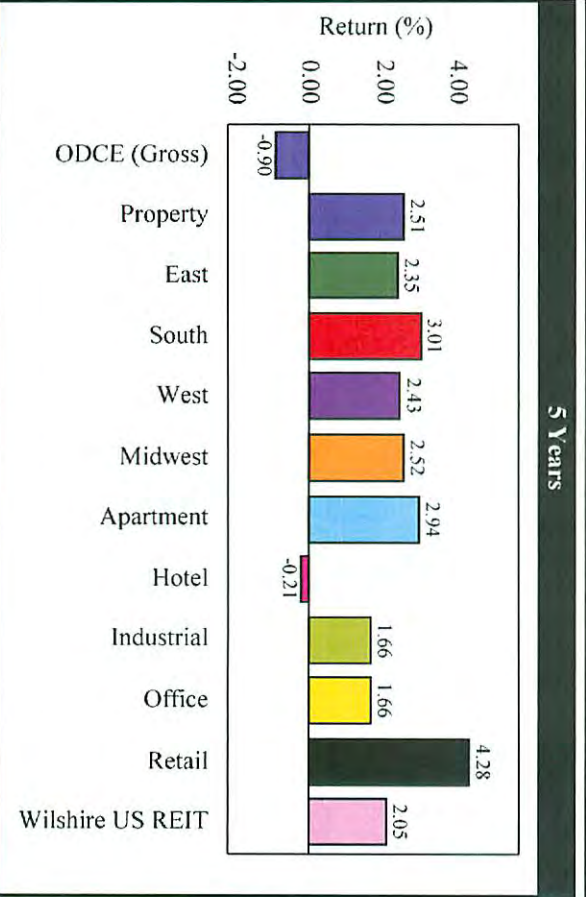
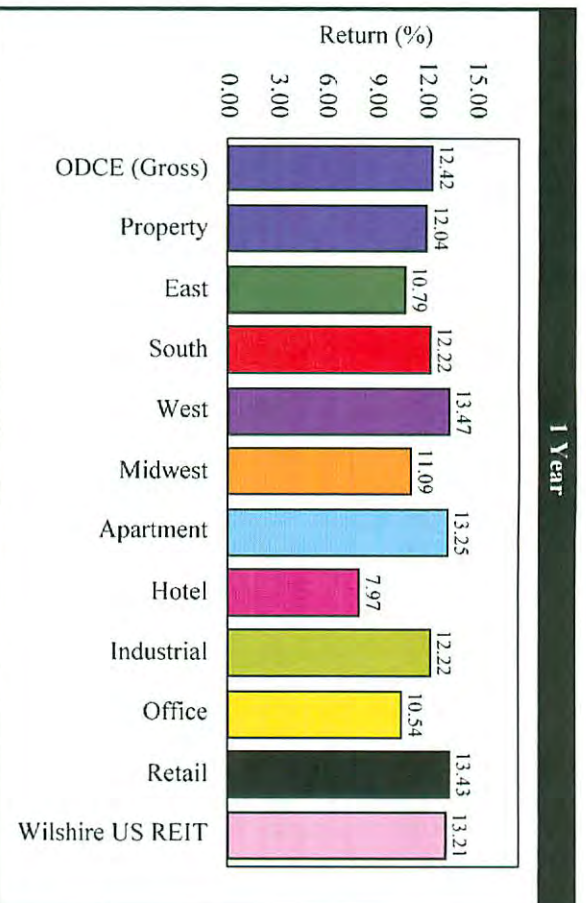
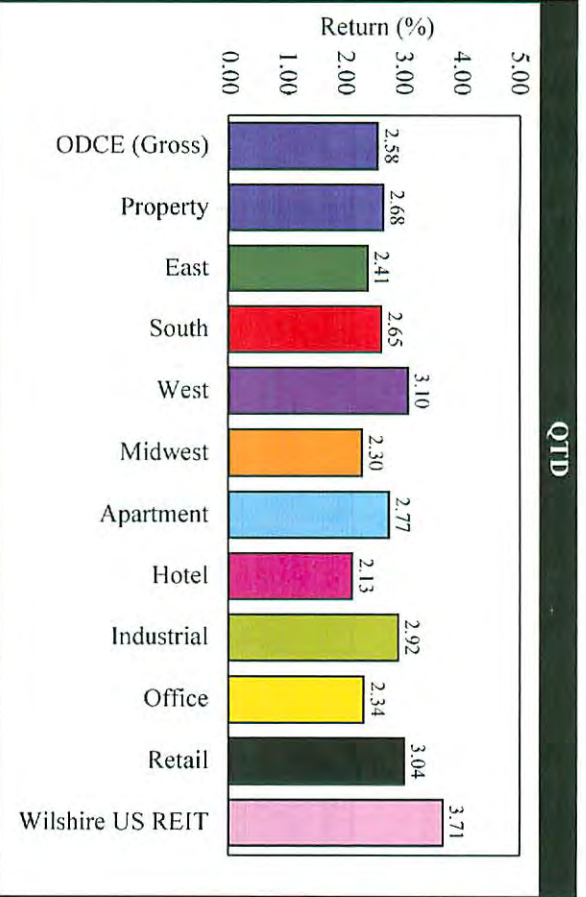
**Barclays US Agg Bond Sector Returns - 5 Years**



Allocations shown may not sum up to 100% exactly due to rounding. Performance is annualized for periods greater than one year. Returns and allocations provided by Barclays Indices.

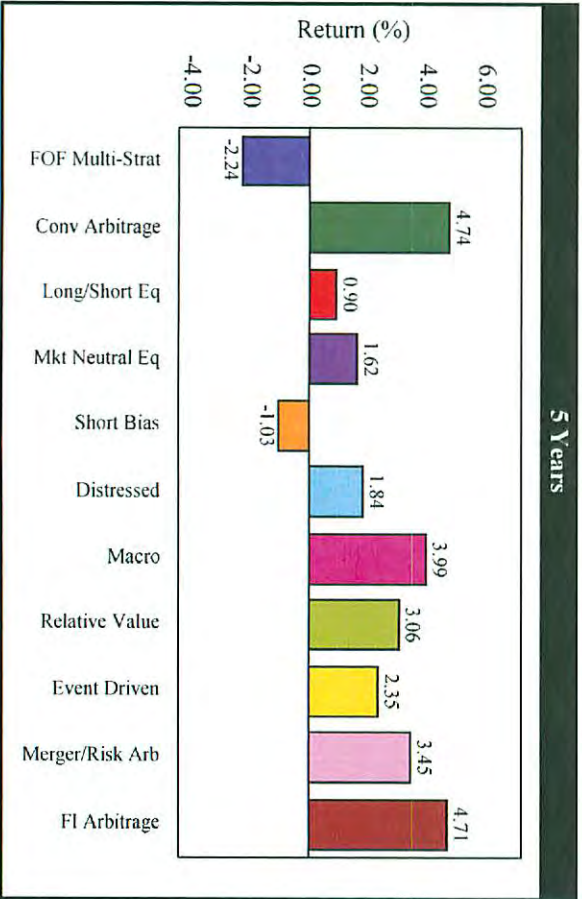
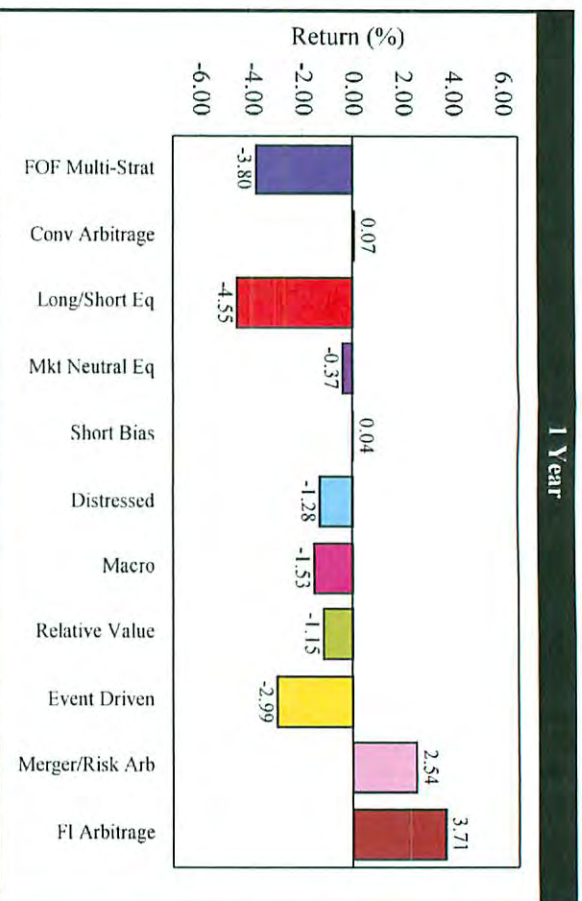
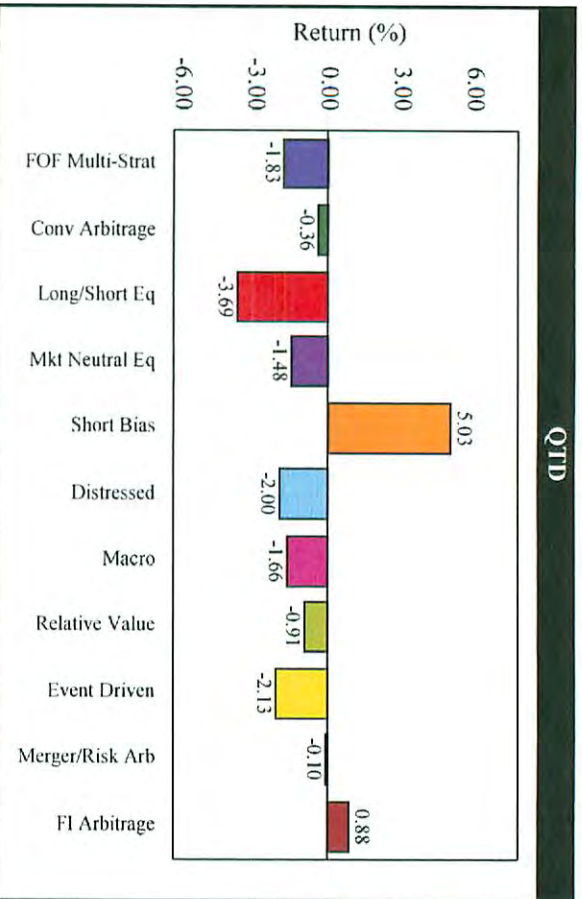


# Real Estate Market Performance and Risk As of June 30, 2012



Performance is annualized for periods greater than one year. Calculation is based on quarterly periodicity. All data shown represent NCREIF indices unless otherwise noted. Region and sector data represent the Property Index.

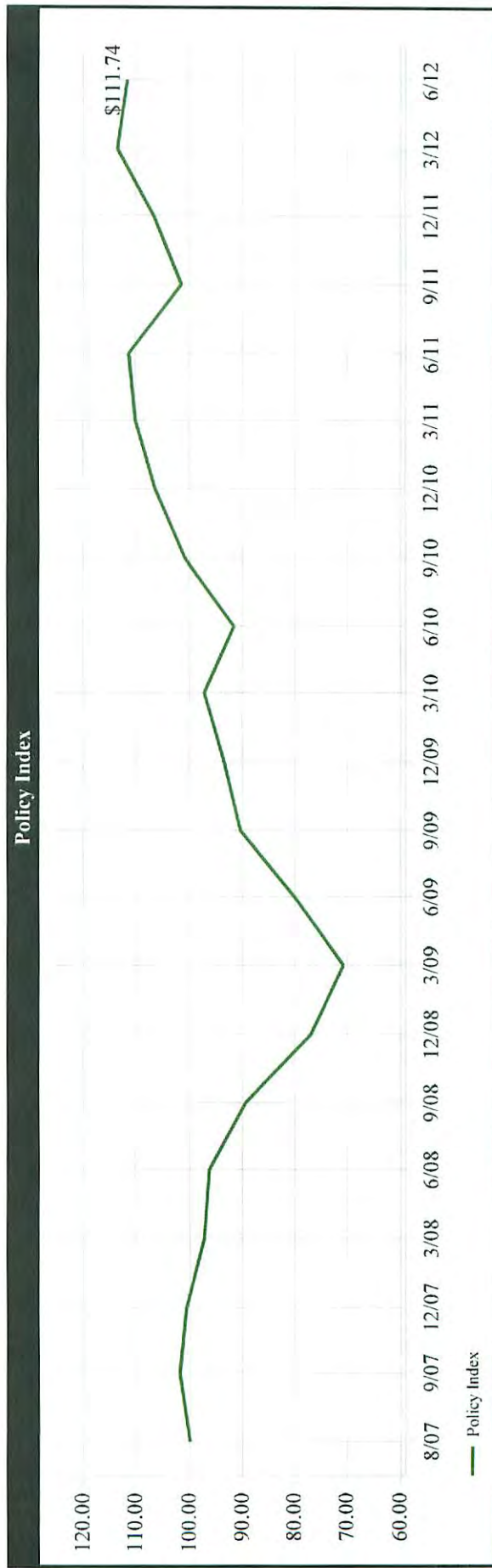
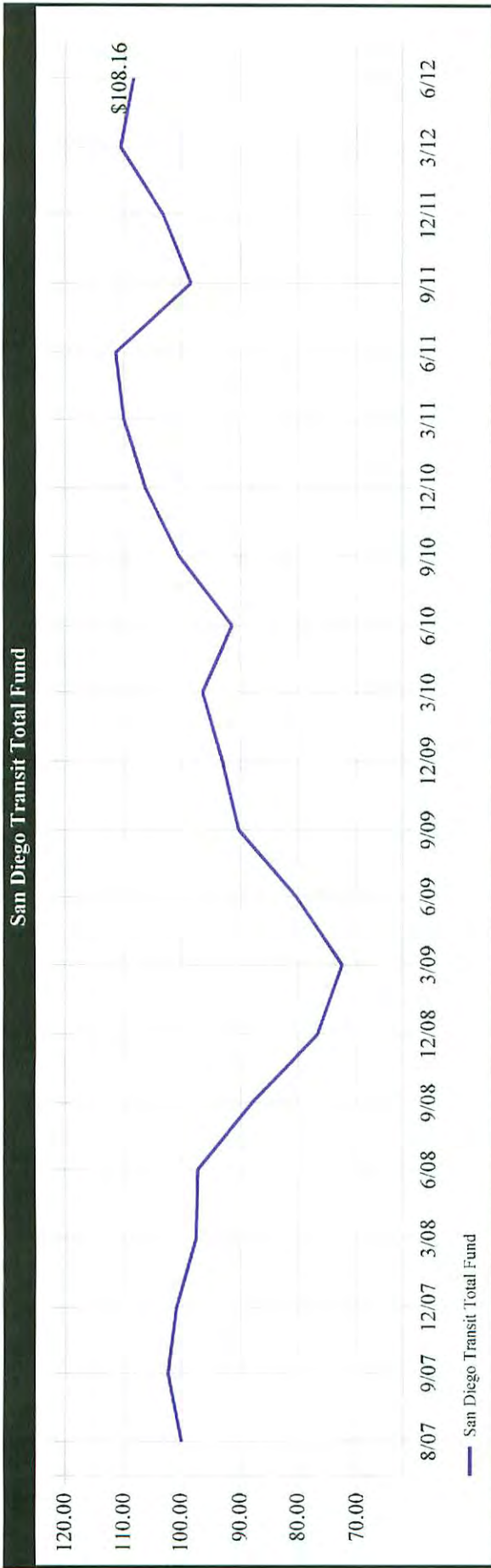
# Hedge Fund Market Performance and Risk As of June 30, 2012



Performance is annualized for periods greater than one year. Calculation is based on monthly periodicity. All data shown represent HFPI indices, net of fees. Values are preliminary and subject to change.

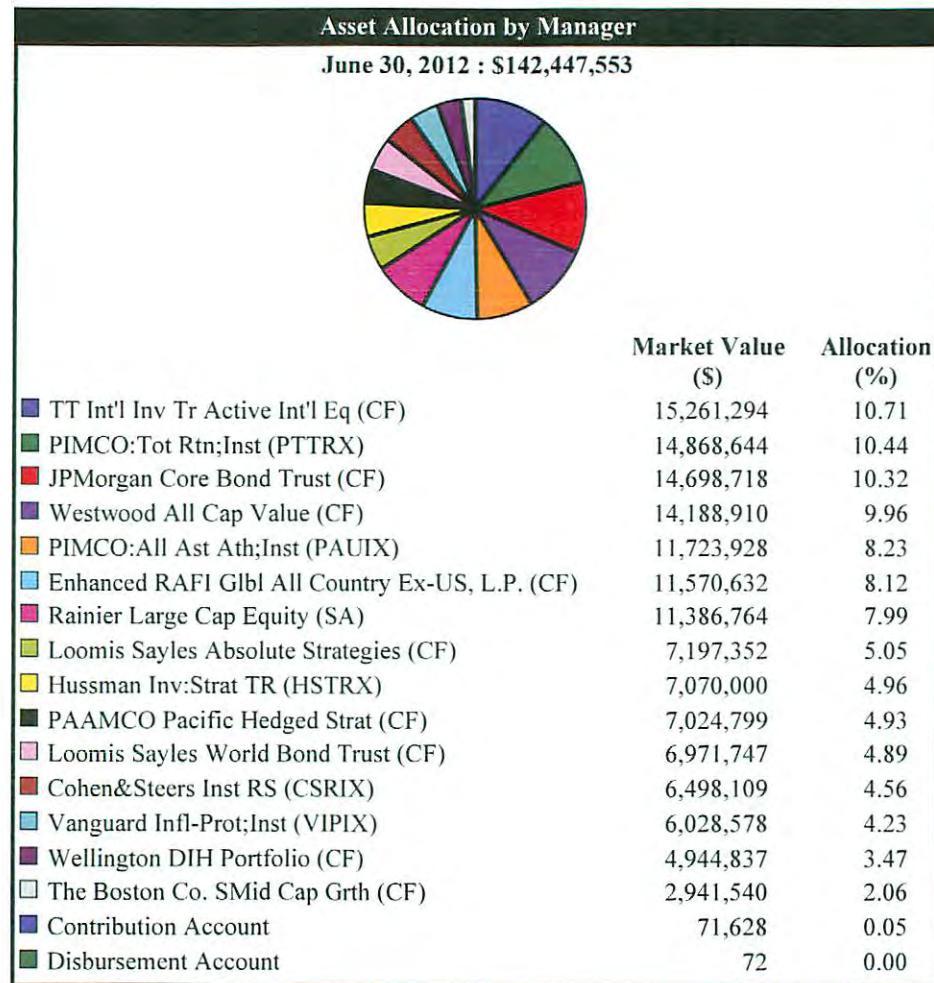


San Diego Transit Corporation Employees Retirement Plan  
 Growth of \$100  
 San Diego Transit Total Fund vs. Policy Index  
 5 Years Ending June 30, 2012

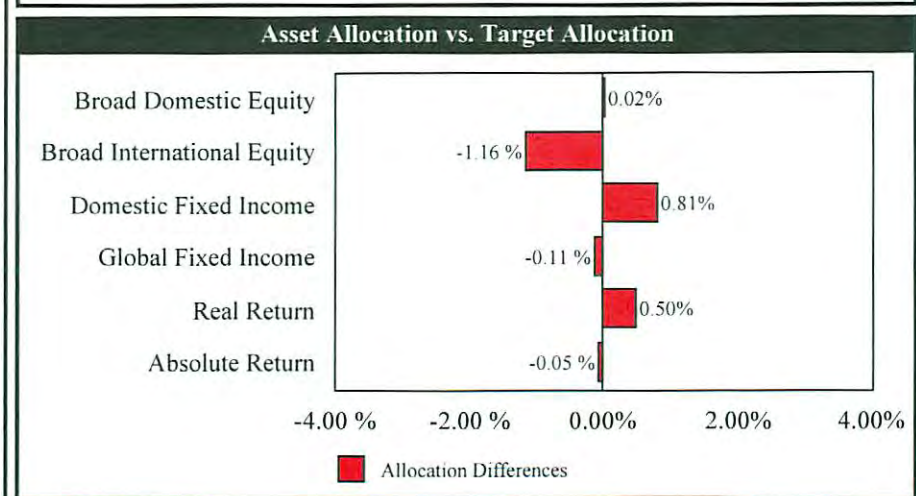


Data shown is based on gross of fees performance. Calculation is based on quarterly periodicity.

**San Diego Transit Corporation Employees Retirement Plan  
AA by Manager, AA vs. Target, and Schedule of Investable Assets  
As of June 30, 2012**



	<b>Market Value (\$)</b>	<b>Allocation (%)</b>	<b>Target (%)</b>
Broad Domestic Equity	28,517,214	20.02	20.00
Broad International Equity	26,831,926	18.84	20.00
Domestic Fixed Income	29,639,062	20.81	20.00
Global Fixed Income	6,971,747	4.89	5.00
Real Return	29,195,452	20.50	20.00
Absolute Return	21,292,151	14.95	15.00
Total Fund	142,447,553	100.00	100.00



Schedule of Investable Assets						
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
CYTD	137,383,772	-1,663,569	6,727,350	142,447,553	4.91	104.91

Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is gross of fees.



San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
San Diego Transit Total Fund  
10 Years Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2002	-	-	-	63,379,343	N/A	100.00
Sep-2002	63,379,343	-62,783	-6,894,336	56,422,224	-10.89	89.11
Dec-2002	56,422,224	-931,783	2,314,306	57,804,747	4.94	93.52
Mar-2003	57,804,747	-136,902	-1,152,421	56,515,424	-1.98	91.67
Jun-2003	56,515,424	-2,139,277	6,508,167	60,884,314	11.37	102.08
Sep-2003	60,884,314	-195,295	1,971,438	62,660,457	3.24	105.40
Dec-2003	62,660,457	-189,903	5,601,518	68,072,072	8.95	114.83
Mar-2004	68,072,072	-98,195	1,505,800	69,479,677	2.21	117.37
Jun-2004	69,479,677	-136,123	589,649	69,933,203	0.85	118.37
Sep-2004	69,933,203	-133,826	-622,742	69,176,635	-0.89	117.32
Dec-2004	69,176,635	74,698,772	8,814,778	152,690,186	7.81	126.47
Mar-2005	152,690,186	-3,449,347	-3,441,126	145,799,713	-2.09	123.84
Jun-2005	145,799,713	-289,860	4,993,549	150,503,402	3.43	128.08
Sep-2005	150,503,402	-236,880	5,372,913	155,639,435	3.57	132.65
Dec-2005	155,639,435	-336,445	3,114,567	158,417,557	2.01	135.32
Mar-2006	158,417,557	-4,611,370	6,124,214	159,930,401	3.96	140.67
Jun-2006	159,930,401	-3,400,919	-2,212,359	154,317,124	-1.42	138.67
Sep-2006	154,317,124	-1,797,194	5,106,618	157,626,548	3.34	143.30
Dec-2006	157,626,548	-48,741	7,614,415	165,192,222	4.83	150.22
Mar-2007	165,192,222	-1,698,690	3,362,066	166,855,598	2.05	153.30
Jun-2007	166,855,598	-2,766,935	5,929,124	170,017,788	3.55	158.75
Sep-2007	170,017,788	-274,708	3,777,477	173,520,558	2.23	162.28
Dec-2007	173,520,558	-390,659	-2,056,030	171,073,868	-1.19	160.35
Mar-2008	171,073,868	-1,881,998	-5,976,479	163,215,391	-3.50	154.75
Jun-2008	163,215,391	-4,706,455	-373,336	158,135,601	-0.29	154.31
Sep-2008	158,135,601	-212,898	-15,202,756	142,719,946	-9.62	139.46
Dec-2008	142,719,946	-4,322,517	-18,143,166	120,254,263	-12.75	121.68
Mar-2009	120,254,263	-1,919,040	-6,398,906	111,936,317	-5.39	115.12
Jun-2009	111,936,317	-2,532,970	12,088,880	121,492,227	10.81	127.56
Sep-2009	121,492,227	-1,495,428	14,649,794	134,646,592	12.10	142.99
Dec-2009	134,646,592	-1,908,941	4,286,346	137,023,997	3.20	147.57
Mar-2010	137,023,997	-306,583	5,163,223	141,880,637	3.78	153.14

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header. Performance shown is gross of fees. Calculation is based on quarterly periodicity.

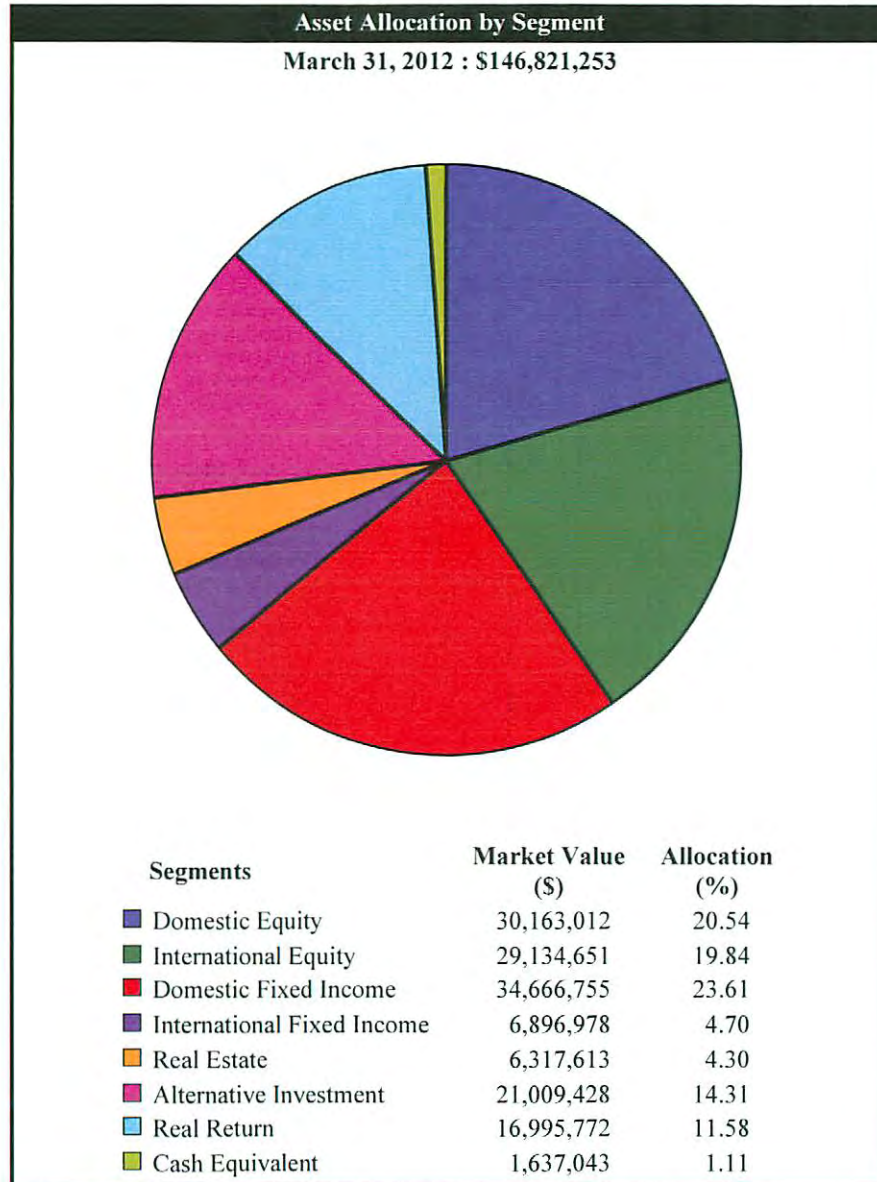


San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
San Diego Transit Total Fund  
10 Years Ending June 30, 2012

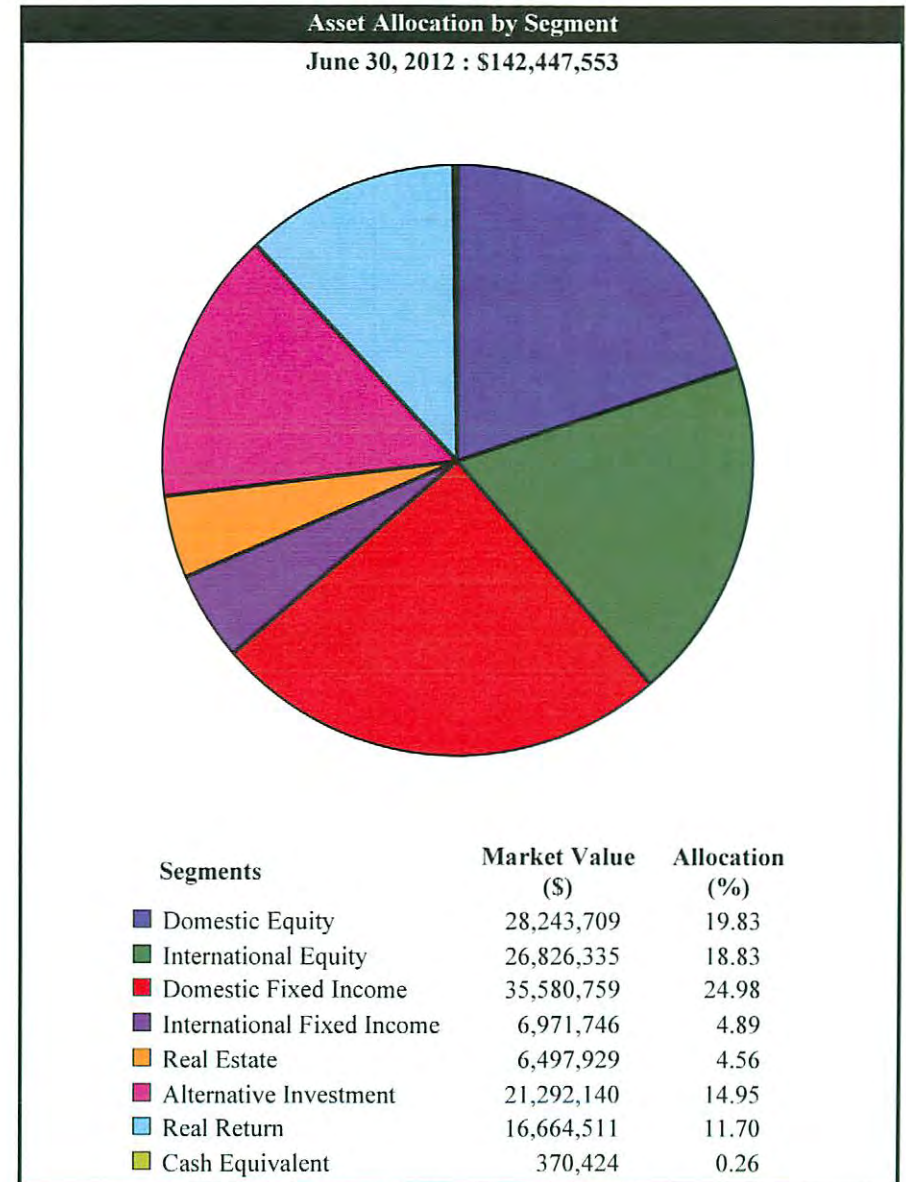
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2010	141,880,637	-3,808,615	-7,569,323	130,502,699	-5.47	144.77
Sep-2010	130,502,699	-2,173,976	12,814,622	141,143,344	10.04	159.30
Dec-2010	141,143,344	-1,629,802	8,384,513	147,898,056	5.98	168.84
Mar-2011	147,898,056	-1,692,714	5,066,002	151,271,344	3.44	174.65
Jun-2011	151,271,344	-2,032,934	1,896,458	151,134,868	1.23	176.81
Sep-2011	151,134,868	-1,803,960	-17,565,371	131,765,537	-11.76	156.01
Dec-2011	131,765,537	-838,417	6,456,652	137,383,772	4.91	163.66
Mar-2012	137,383,772	-357,251	9,794,732	146,821,253	7.13	175.33
Jun-2012	146,821,253	-1,306,317	-3,067,383	142,447,553	-2.07	171.70
	<b>63,379,343</b>	<b>16,442,120</b>	<b>62,626,091</b>	<b>142,447,553</b>	<b>5.55</b>	<b>171.70</b>

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header.  
Performance shown is gross of fees. Calculation is based on quarterly periodicity.

San Diego Transit Corporation Employees Retirement Plan  
 Asset Allocation by Segment  
 San Diego Transit Total Fund  
 As of June 30, 2012



Allocations shown may not sum up to 100% exactly due to rounding.



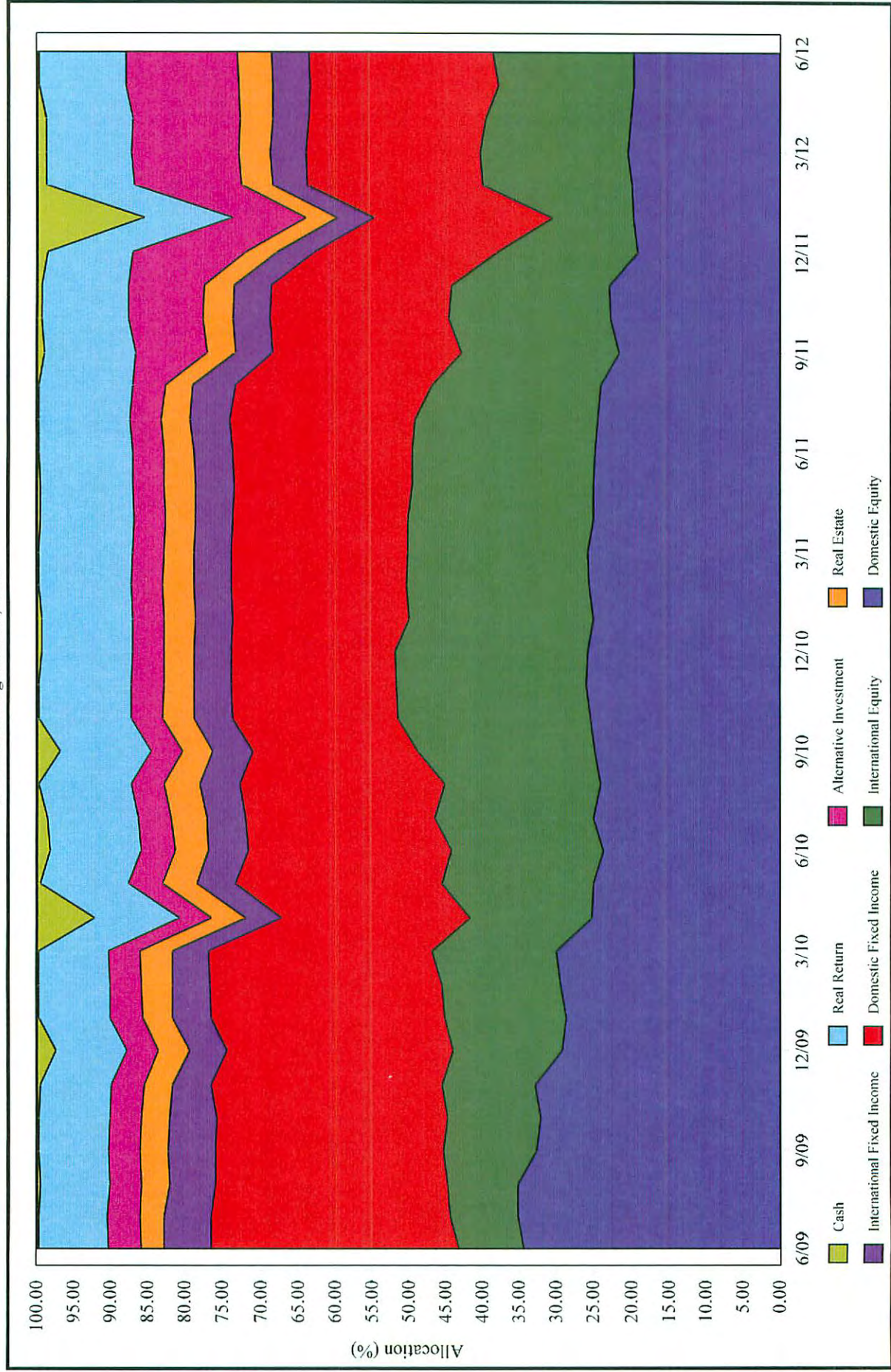
**San Diego Transit Corporation Employees Retirement Plan**  
**Asset Allocation**  
**(\$000)**  
**As of June 30, 2012**

	Domestic Equity		International Equity		Domestic Fixed Income		International Fixed Income		Real Estate		Alternative Investment		Real Return		Cash Equivalent		Total Fund	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%	(\$)	%
<b>Composite - Broad Domestic Equity</b>																		
Westwood All Cap Value (CF)	14,180	99.94	-	-	-	-	-	-	-	-	-	-	-	9	0.06	14,189	9.96	
Rainier Large Cap Equity (SA)	11,122	97.68	-	-	-	-	-	-	-	-	-	-	-	264	2.32	11,387	7.99	
The Boston Co. SMid Cap Grth (CF)	2,942	100.00	-	-	-	-	-	-	-	-	-	-	-	-	-	2,942	2.06	
<b>Total</b>	<b>28,244</b>	<b>99.04</b>	-	-	-	-	-	-	-	-	-	-	-	<b>274</b>	<b>0.96</b>	<b>28,517</b>	<b>20.02</b>	
<b>Composite - Broad International Equity</b>																		
Enhanced RAFT Gbl All Country Ex-US, L.P. (CF)	-	-	11,571	100.00	-	-	-	-	-	-	-	-	-	-	-	11,571	8.12	
TT Int'l Inv Tr Active Int'l Eq (CF)	-	-	15,256	99.96	-	-	-	-	-	-	-	-	-	6	0.04	15,261	10.71	
<b>Total</b>	-	-	<b>26,826</b>	<b>99.98</b>	-	-	-	-	-	-	-	-	-	<b>6</b>	<b>0.02</b>	<b>26,832</b>	<b>18.84</b>	
<b>TOTAL EQUITY</b>	<b>28,244</b>	<b>51.03</b>	<b>26,826</b>	<b>48.47</b>	=	=	=	=	=	=	=	=	=	=	<b>279</b>	<b>0.50</b>	<b>55,349</b>	<b>38.86</b>
<b>Composite - Domestic Fixed Income</b>																		
JPMorgan Core Bond Trust (CF)	-	-	-	-	14,699	100.00	-	-	-	-	-	-	-	-	-	14,699	10.32	
PIMCO Tot Rtn Inst (PTTRX)	-	-	-	-	14,853	99.90	-	-	-	-	-	-	-	15	0.10	14,869	10.44	
Contribution Account	-	-	-	-	-	-	-	-	-	-	-	-	-	72	100.00	72	0.05	
Disbursement Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00	-	0.00	
<b>Total</b>	-	-	-	-	<b>29,552</b>	<b>99.71</b>	-	-	-	-	-	-	-	<b>87</b>	<b>0.29</b>	<b>29,639</b>	<b>20.81</b>	
<b>Composite - Global Fixed Income</b>																		
Loomis Sayles World Bond Trust (CF)	-	-	-	-	-	-	6,972	100.00	-	-	-	-	-	-	0.00	6,972	4.89	
<b>Total</b>	-	-	-	-	-	-	<b>6,972</b>	<b>100.00</b>	-	-	-	-	-	-	<b>0.00</b>	<b>6,972</b>	<b>4.89</b>	
<b>TOTAL FIXED INCOME</b>	=	=	=	=	<b>29,552</b>	<b>89.72</b>	<b>6,972</b>	<b>19.04</b>	=	=	=	=	=	=	<b>87</b>	<b>0.24</b>	<b>36,611</b>	<b>25.70</b>
<b>Composite - Real Return</b>																		
Wellington DIH Portfolio (CF)	-	-	-	-	-	-	-	-	-	-	-	-	4,945	100.00	-	4,945	3.47	
PIMCO All Ast Ath Inst (PAUDX)	-	-	-	-	-	-	-	-	-	-	-	-	11,720	99.96	4	11,724	8.23	
Vanguard Infl-Prot Inst (VIPIX)	-	-	-	-	6,029	100.00	-	-	-	-	-	-	-	-	-	6,029	4.23	
Cohen&Steers Inst RS (CSRIX)	-	-	-	-	-	-	-	-	6,498	100.00	-	-	-	-	-	6,498	4.56	
<b>Total</b>	-	-	-	-	<b>6,029</b>	<b>20.65</b>	-	-	<b>6,498</b>	<b>22.26</b>	-	-	<b>16,665</b>	<b>57.08</b>	<b>4</b>	<b>29,195</b>	<b>20.50</b>	
<b>Composite - Absolute Return</b>																		
PAAMCO Pacific Hedged Strat (CF)	-	-	-	-	-	-	-	-	-	-	7,025	100.00	-	-	-	7,025	4.93	
Hussman Inv Strat TR (HSTRX)	-	-	-	-	-	-	-	-	-	-	7,070	100.00	-	-	-	7,070	4.96	
Loomis Sayles Absolute Strategies (CF)	-	-	-	-	-	-	-	-	-	-	7,197	100.00	-	-	-	7,197	5.05	
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	<b>21,292</b>	<b>100.00</b>	-	-	-	<b>21,292</b>	<b>14.95</b>	
<b>TOTAL ALTERNATIVES</b>	=	=	=	=	<b>6,029</b>	<b>11.94</b>	=	=	<b>6,498</b>	<b>12.87</b>	<b>21,292</b>	<b>42.17</b>	<b>16,665</b>	<b>33.01</b>	<b>4</b>	<b>50,488</b>	<b>35.44</b>	
<b>SAN DIEGO TRANSIT TOTAL FUND</b>	<b>28,244</b>	<b>19.83</b>	<b>26,826</b>	<b>18.83</b>	<b>35,581</b>	<b>24.98</b>	<b>6,972</b>	<b>4.89</b>	<b>6,498</b>	<b>4.56</b>	<b>21,292</b>	<b>14.95</b>	<b>16,665</b>	<b>11.70</b>	<b>370</b>	<b>0.26</b>	<b>142,448</b>	<b>100.00</b>

Allocations shown may not sum up to 100% exactly due to rounding.



San Diego Transit Corporation Employees Retirement Plan  
 Historical Asset Allocation by Segment  
 San Diego Transit Total Fund  
 3 Years Ending June 30, 2012





**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of June 30, 2012**

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2011	2010	2009	Since Incep.	Inception Date
<b>San Diego Transit Total Fund (Gross)</b>	<b>-2.07</b>	<b>4.91</b>	<b>-2.89</b>	<b>10.41</b>	<b>1.58</b>	<b>4.28</b>	<b>5.55</b>	<b>-3.07</b>	<b>14.41</b>	<b>21.28</b>	<b>9.64</b>	<b>10/01/1982</b>
Policy Index	-1.49	4.61	0.28	11.74	2.25	4.69	6.03	0.46	13.82	21.26	9.89	
Difference	-0.58	0.30	-3.17	-1.33	-0.67	-0.41	-0.48	-3.53	0.59	0.02	-0.25	
All Public Plans < \$500 Million (Custom Peer Group) Median	-1.95	6.04	1.11	11.27	2.37	4.72	5.50	0.05	12.67	19.36	N/A	
San Diego Transit Total Fund (Gross) Rank	54	80	98	80	82	76	49	97	19	33	N/A	
<b>Westwood - Composite</b>	<b>-6.75</b>	<b>4.07</b>	<b>-4.34</b>	<b>13.03</b>	<b>0.44</b>	<b>5.69</b>	<b>6.80</b>	<b>-1.68</b>	<b>16.78</b>	<b>21.66</b>	<b>10.63</b>	<b>07/01/1986</b>
R 3000 Value Index	-2.26	8.64	2.64	15.93	-2.10	2.95	5.37	-0.10	16.23	19.76	9.56	
Difference	-4.49	-4.57	-6.98	-2.90	2.54	2.74	1.43	-1.58	0.55	1.90	1.07	
IM U.S. All Cap Value Equity (SA+CF) Median	-4.00	6.26	-0.36	15.48	-0.41	4.44	7.67	-0.71	17.63	29.59	N/A	
Westwood - Composite Rank	89	90	82	82	40	35	65	57	59	89	N/A	
<b>Rainier Large Cap Equity (SA)</b>	<b>-5.84</b>	<b>8.06</b>	<b>-0.58</b>	<b>13.74</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-3.25</b>	<b>16.89</b>	<b>25.14</b>	<b>-0.99</b>	<b>09/01/2007</b>
R 1000 Growth Index	-4.02	10.08	5.76	17.50	2.87	5.51	6.03	2.64	16.71	37.22	2.97	
Difference	-1.82	-2.02	-6.34	-3.76	N/A	N/A	N/A	-5.89	0.18	-12.08	-3.96	
IM U.S. Large Cap Growth Equity (SA+CF) Median	-5.16	9.63	3.13	15.88	2.34	5.23	6.13	-0.09	16.11	34.67	2.42	
Rainier Large Cap Equity (SA) Rank	66	71	79	82	N/A	N/A	N/A	74	45	84	92	
<b>The Boston Co. SMid Cap Grth (CF)</b>	<b>-3.43</b>	<b>11.68</b>	<b>7.11</b>	<b>21.54</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>7.65</b>	<b>23.38</b>	<b>N/A</b>	<b>24.25</b>	<b>04/01/2009</b>
R 2500 Growth Index	-5.38	8.44	-3.19	19.38	2.35	6.29	8.35	-1.57	28.86	41.65	25.13	
Difference	1.95	3.24	10.30	2.16	N/A	N/A	N/A	9.22	-5.48	N/A	-0.88	
IM U.S. SMID Cap Growth Equity (SA+CF) Median	-5.84	8.02	-3.87	19.28	2.76	7.08	8.64	-2.15	29.46	38.66	24.11	
The Boston Co. SMid Cap Grth (CF) Rank	14	14	3	24	N/A	N/A	N/A	3	87	N/A	48	
<b>Enhanced RAFI Gbl All Country Ex-US, L.P. (CF)</b>	<b>-7.72</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-8.29</b>	<b>03/01/2012</b>
FTSE RAFI Dvl'd Ex US 1000 TR Index (Gross)	-9.19	0.41	-18.98	4.85	-5.40	3.50	6.86	-14.35	7.53	44.05	-10.24	
Difference	1.47	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.95	
IM International Equity (SA+CF) Median	-7.09	4.42	-13.14	8.77	-2.94	5.18	8.11	-13.11	15.03	38.67	-7.34	
Enhanced RAFI Gbl All Country Ex-US, L.P. (CF) Rank	62	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	61	
<b>TT Int'l Inv Tr Active Int'l Eq (CF)</b>	<b>-7.72</b>	<b>3.71</b>	<b>-17.14</b>	<b>6.01</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-17.15</b>	<b>13.18</b>	<b>31.59</b>	<b>-9.43</b>	<b>11/01/2007</b>
MSCI EAFE Index (Gross)	-6.85	3.38	-13.38	6.45	-5.63	2.79	5.62	-11.73	8.21	32.46	-7.24	
Difference	-0.87	0.33	-3.76	-0.44	N/A	N/A	N/A	-5.42	4.97	-0.87	-2.19	
IM International Equity (SA+CF) Median	-7.09	4.42	-13.14	8.77	-2.94	5.18	8.11	-13.11	15.03	38.67	-5.52	
TT Int'l Inv Tr Active Int'l Eq (CF) Rank	62	62	80	82	N/A	N/A	N/A	78	59	70	92	

Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees. Manager inception dates shown represent the first full month following initial funding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. For additional information, please see the Glossary.



**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of June 30, 2012**

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2011	2010	2009	Since Incep.	Inception Date
<b>JPMorgan Core Bond Trust (CF)</b>	<b>2.36</b>	<b>3.48</b>	<b>8.33</b>	<b>9.13</b>	<b>8.50</b>	<b>6.92</b>	<b>N/A</b>	<b>7.93</b>	<b>9.92</b>	<b>11.93</b>	<b>6.24</b>	<b>06/01/2003</b>
Barclays US Agg Bond Index	2.06	2.37	7.47	6.93	6.79	5.58	5.63	7.84	6.54	5.93	5.04	
Difference	0.30	1.11	0.86	2.20	1.71	1.34	N/A	0.09	3.38	6.00	1.20	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.16	3.18	7.94	8.12	7.34	6.01	6.03	7.85	7.22	9.81	5.44	
JPMorgan Core Bond Trust (CF) Rank	21	32	33	22	5	4	N/A	43	8	31	4	
<b>PIMCO:Tot Rtn;Inst (PTTRX)</b>	<b>2.79</b>	<b>5.74</b>	<b>6.96</b>	<b>8.70</b>	<b>9.24</b>	<b>7.15</b>	<b>N/A</b>	<b>4.16</b>	<b>8.89</b>	<b>13.87</b>	<b>6.36</b>	<b>06/01/2003</b>
Barclays US Agg Bond Index	2.06	2.37	7.47	6.93	6.79	5.58	5.63	7.84	6.54	5.93	5.04	
Difference	0.73	3.37	-0.51	1.77	2.45	1.57	N/A	-3.68	2.35	7.94	1.32	
IM U.S. Broad Market Core Fixed Income (MF) Median	1.98	3.41	7.07	8.27	6.45	5.19	5.30	6.55	7.50	13.16	4.65	
PIMCO:Tot Rtn;Inst (PTTRX) Rank	5	2	55	37	3	4	N/A	90	24	46	5	
<b>Loomis Sayles World Bond Trust (CF)</b>	<b>1.22</b>	<b>3.35</b>	<b>3.03</b>	<b>9.06</b>	<b>7.59</b>	<b>6.68</b>	<b>8.61</b>	<b>5.08</b>	<b>9.02</b>	<b>16.87</b>	<b>8.11</b>	<b>06/01/1998</b>
Citi Wrld Gov't Bond Index	0.92	0.41	2.67	5.35	7.30	5.53	6.81	6.35	5.17	2.56	6.08	
Difference	0.30	2.94	0.36	3.71	0.29	1.15	1.80	-1.27	3.85	14.31	2.03	
IM Global Fixed Income (SA+CF) Median	1.02	2.83	4.16	7.79	7.39	6.19	7.22	5.22	7.65	12.65	6.73	
Loomis Sayles World Bond Trust (CF) Rank	44	46	60	35	38	34	21	52	35	39	29	
<b>Wellington DIH Portfolio (CF)</b>	<b>-5.41</b>	<b>-0.51</b>	<b>-10.84</b>	<b>9.77</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-7.74</b>	<b>18.43</b>	<b>43.89</b>	<b>-6.22</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	1.27	4.20	6.75	7.19	7.05	7.51	7.59	8.11	6.57	7.86	6.49	
Difference	-6.68	-4.71	-17.59	2.58	N/A	N/A	N/A	-15.85	11.86	36.03	-12.71	
Wellington Dv'd Infl Hedge Comp Index	-5.06	-0.38	-7.83	9.43	2.19	7.52	N/A	-4.09	16.26	29.98	-2.63	
Difference	-0.35	-0.13	-3.01	0.34	N/A	N/A	N/A	-3.65	2.17	13.91	-3.59	
<b>PIMCO:All Ast Ath;Inst (PAUIX)</b>	<b>-0.30</b>	<b>6.63</b>	<b>4.31</b>	<b>11.71</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2.63</b>	<b>13.68</b>	<b>22.98</b>	<b>6.17</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	1.27	4.20	6.75	7.19	7.05	7.51	7.59	8.11	6.57	7.86	6.49	
Difference	-1.57	2.43	-2.44	4.52	N/A	N/A	N/A	-5.48	7.11	15.12	-0.32	
All Asset Composite Index	1.32	4.97	7.32	11.99	5.62	6.18	7.74	6.78	11.68	16.69	5.16	
Difference	-1.62	1.66	-3.01	-0.28	N/A	N/A	N/A	-4.15	2.00	6.29	1.01	
<b>Vanguard Infl-Prot;Inst (VIPIX)</b>	<b>3.21</b>	<b>3.98</b>	<b>11.86</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>13.31</b>	<b>N/A</b>	<b>N/A</b>	<b>10.03</b>	<b>08/01/2010</b>
Barclays US Trsy: US TIPS Index	3.15	4.04	11.66	9.63	8.44	6.30	7.23	13.56	6.31	11.41	10.04	
Difference	0.06	-0.06	0.20	N/A	N/A	N/A	N/A	-0.25	N/A	N/A	-0.01	
IM U.S. TIPS (MF) Median	2.92	3.65	10.75	9.07	7.51	5.50	6.89	11.94	5.86	10.24	9.11	
Vanguard Infl-Prot;Inst (VIPIX) Rank	20	27	7	N/A	N/A	N/A	N/A	11	N/A	N/A	9	

Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees. Manager inception dates shown represent the first full month following initial funding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. For additional information, please see the Glossary.



**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of June 30, 2012**

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2011	2010	2009	Since Incep.	Inception Date
<b>Cohen&amp;Steers Inst RS (CSRIX)</b>	<b>2.85</b>	<b>13.51</b>	<b>8.72</b>	<b>31.55</b>	<b>3.15</b>	<b>6.83</b>	<b>N/A</b>	<b>6.25</b>	<b>27.62</b>	<b>32.73</b>	<b>8.69</b>	<b>04/01/2005</b>
Wilshire US REIT Index	3.71	14.90	13.21	33.62	2.05	6.04	10.31	9.24	28.60	28.60	7.92	
Difference	-0.86	-1.39	-4.49	-2.07	1.10	0.79	N/A	-2.99	-0.98	4.13	0.77	
IM Real Estate Sector (MF) Median	3.26	14.16	11.63	31.46	2.11	5.77	10.08	7.98	27.43	28.91	7.32	
Cohen&Steers Inst RS (CSRIX) Rank	79	78	91	48	24	18	N/A	74	46	14	15	
<b>PAAMCO Pacific Hedged Strat (CF)</b>	<b>-1.09</b>	<b>2.12</b>	<b>-4.20</b>	<b>4.02</b>	<b>0.69</b>	<b>N/A</b>	<b>N/A</b>	<b>-4.69</b>	<b>6.13</b>	<b>18.64</b>	<b>0.80</b>	<b>06/01/2007</b>
3 Month LIBOR Index + 5%	1.35	2.73	5.45	5.39	6.53	7.58	7.36	5.34	5.36	5.79	6.60	
Difference	-2.44	-0.61	-9.65	-1.37	-5.84	N/A	N/A	-10.03	0.77	12.85	-5.80	
HFRI FOF Cnsvt Index	-1.25	1.20	-2.70	2.44	-1.85	1.47	2.70	-3.55	5.07	9.65	-1.73	
Difference	0.16	0.92	-1.50	1.58	2.54	N/A	N/A	-1.14	1.06	8.99	2.53	
<b>Hussman Inv:Strat TR (HSTRX)</b>	<b>1.13</b>	<b>0.95</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1.66</b>	<b>10/01/2011</b>
3 Month LIBOR Index + 5%	1.35	2.73	5.45	5.39	6.53	7.58	7.36	5.34	5.36	5.79	4.10	
Difference	-0.22	-1.78	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-2.44	
Barclays US Agg Bond Index	2.06	2.37	7.47	6.93	6.79	5.58	5.63	7.84	6.54	5.93	3.52	
Difference	-0.93	-1.42	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-1.86	
<b>Loomis Sayles Absolute Strategies (CF)</b>	<b>0.88</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1.36</b>	<b>03/01/2012</b>
3 Month LIBOR Index + 3%	0.86	1.74	3.44	3.38	4.50	5.53	5.31	3.34	3.35	3.77	1.15	
Difference	0.02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.21	

The Policy Index is calculated monthly and currently consists of 20% Russell 3000 Index, 20% MSCI ACW Ex US Index (Gross), 25% Barclays US Agg Bond Index, 20% Actual Allocation Index-Real Return, & 15% HFRI FOF Cnsvt Index.

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

PIMCO:All Ast Ath:Inst (PAUIX) performance prior to August 2011 is represented by PIMCO:All Asset:Inst (PAAIX).

Performance for Westwood - Composite consists of:

- Starting August, 2011: Westwood All Cap Value (CF).
- From July, 2008 through July 31, 2011: Westwood Large Cap Value (CF) and Westwood SMid Cap Equity (CF).
- From July, 1986 through June 30, 2008: Westwood Large Cap Value (CF).

Vanguard Intl-Prot:Inst (VIPIX) performance prior to June 2012 is representative of the Admiral share class.

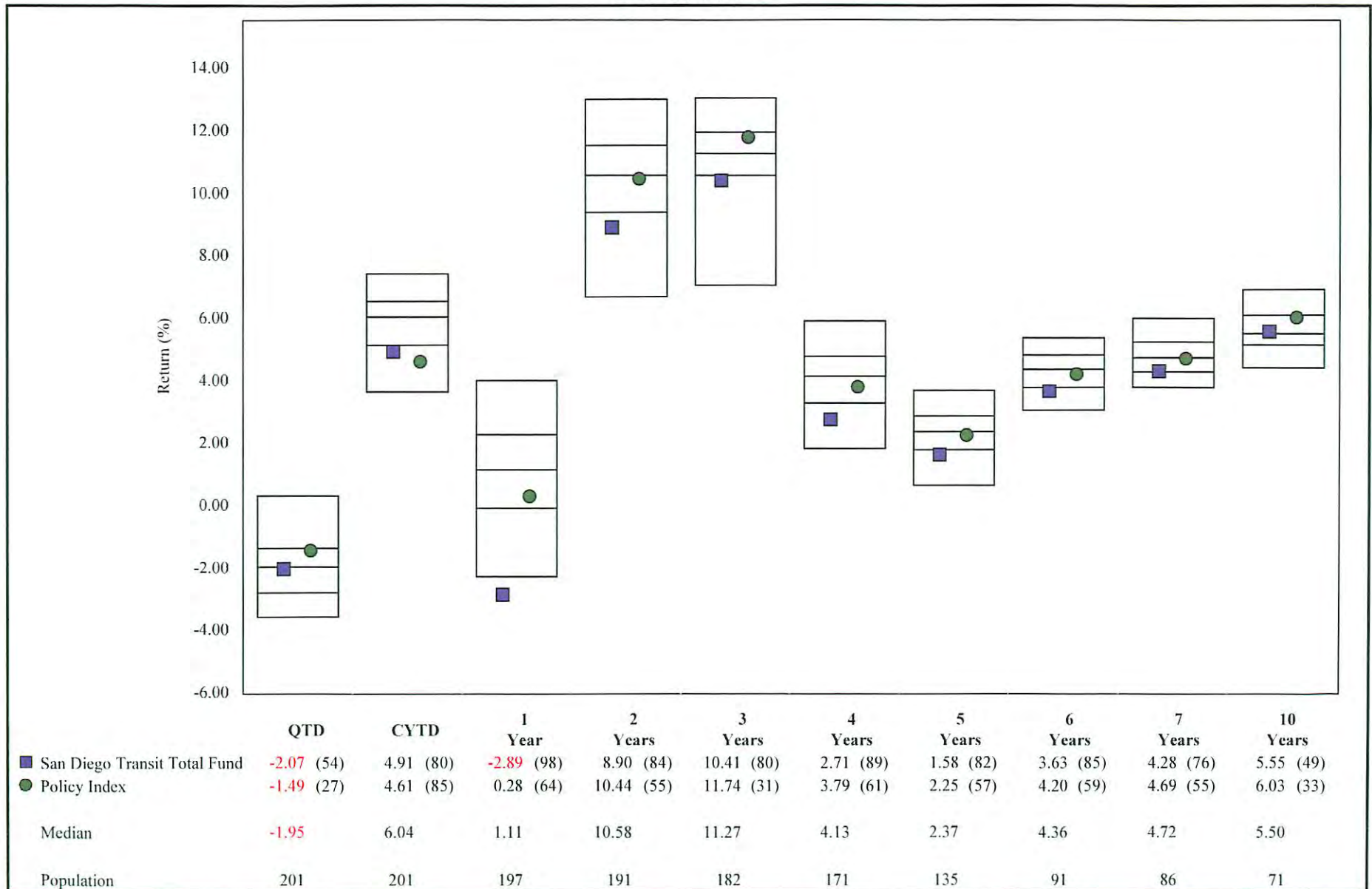
Performance shown for Wellington DIH Portfolio (CF) is gross of fees.

Performance shown for PIMCO:All Ast Ath:Inst (PAUIX), PAAMCO Pacific Hedged Strat (CF), Hussman Inv:Strat TR (HSTRX), and Loomis Sayles Absolute Strategies (CF) is net of fees.

Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees. Manager inception dates shown represent the first full month following initial funding. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. For additional information, please see the Glossary.

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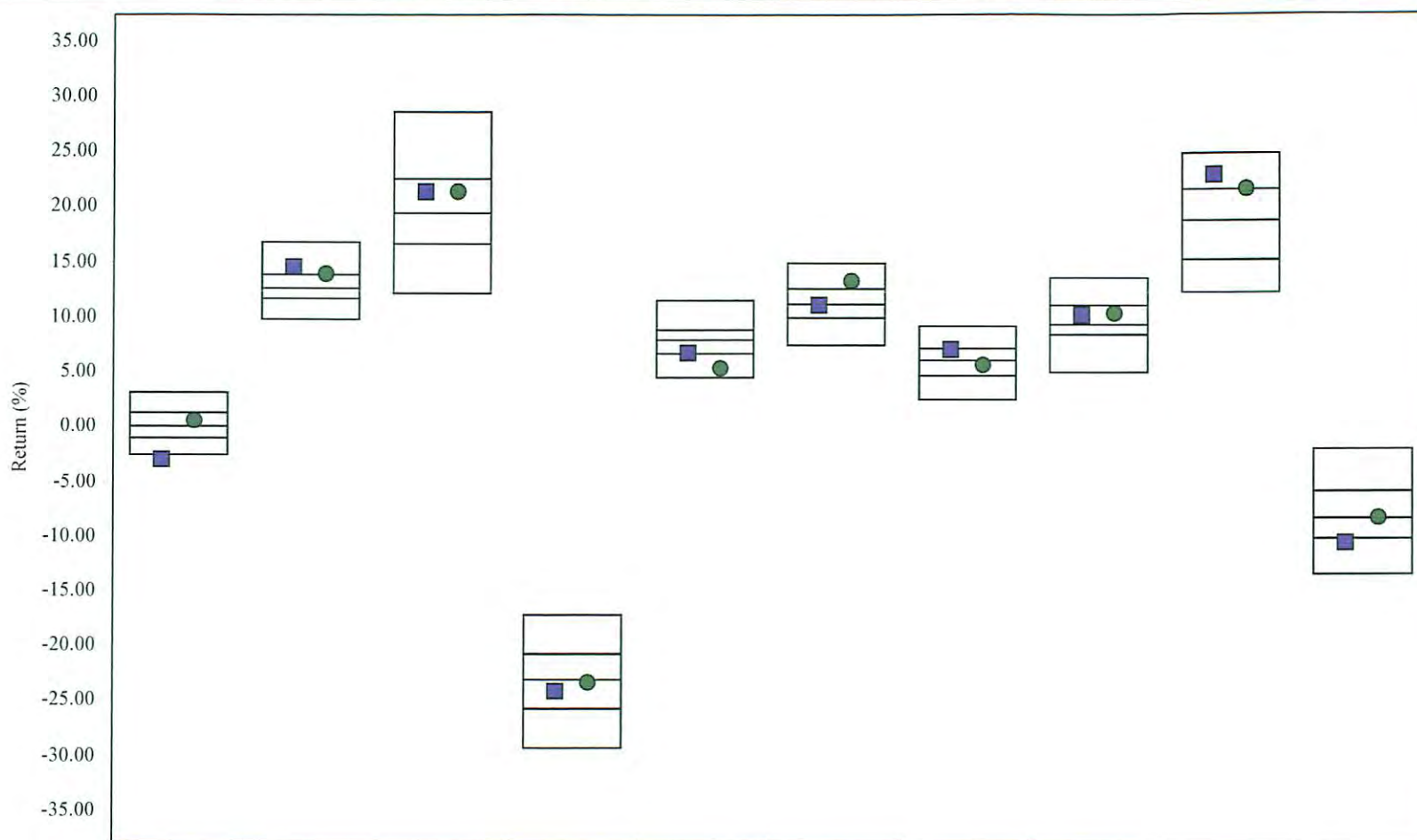
**San Diego Transit Corporation Employees Retirement Plan**  
**Plan Sponsor Peer Group Analysis**  
**All Public Plans < \$500 Million (Custom Peer Group)**  
**As of June 30, 2012**



Performance shown is gross of fees. Parentheses contain percentile ranks.



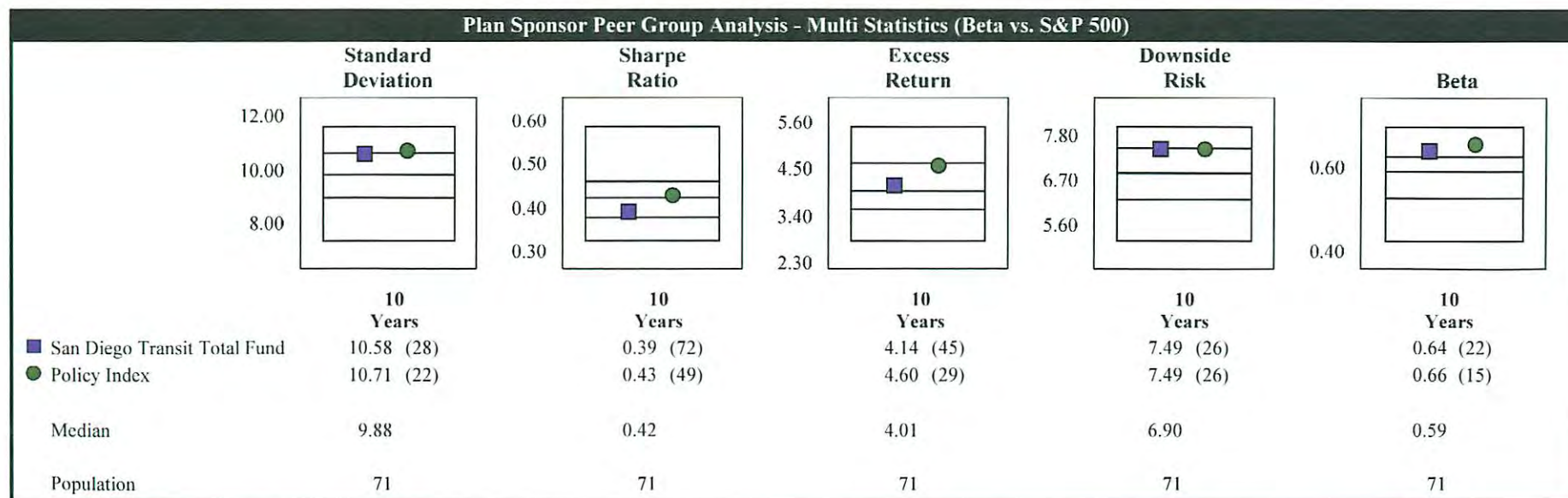
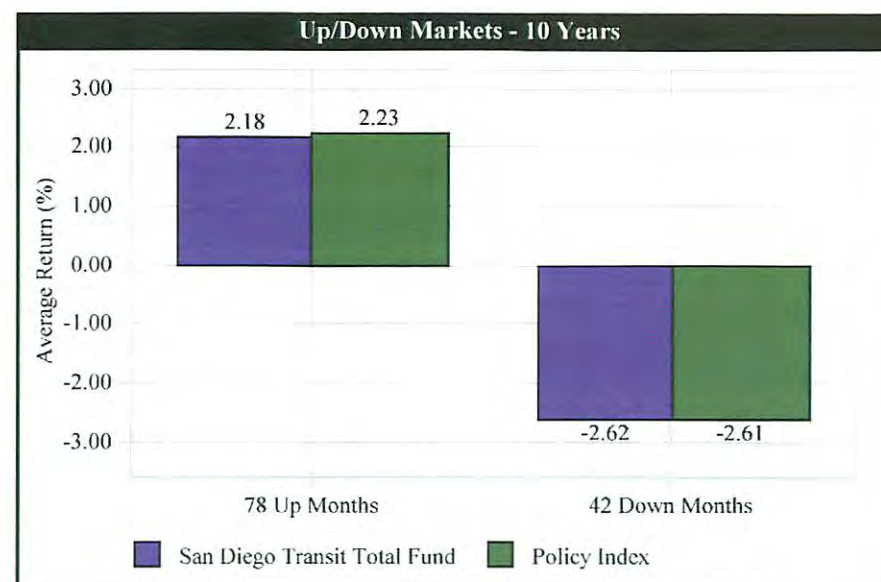
**San Diego Transit Corporation Employees Retirement Plan**  
**Plan Sponsor Peer Group Analysis**  
**All Public Plans < \$500 Million (Custom Peer Group)**  
**Calendar Year Periods**



	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
San Diego Transit Total Fund	-3.07 (97)	14.41 (19)	21.28 (33)	-24.12 (62)	6.74 (75)	11.02 (53)	6.99 (32)	10.14 (34)	22.79 (15)	-10.66 (80)
Policy Index	0.46 (41)	13.82 (27)	21.26 (33)	-23.43 (53)	5.33 (91)	13.18 (20)	5.56 (61)	10.36 (31)	21.68 (25)	-8.38 (50)
Median	0.05	12.67	19.36	-23.11	7.92	11.15	6.16	9.29	18.76	-8.40
Population	312	312	305	281	155	141	139	127	118	111

Performance shown is gross of fees. Parentheses contain percentile ranks.

**San Diego Transit Corporation Employees Retirement Plan**  
**San Diego Transit Total Fund vs. All Public Plans < \$500 Million (Custom Peer Group)**  
**As of June 30, 2012**

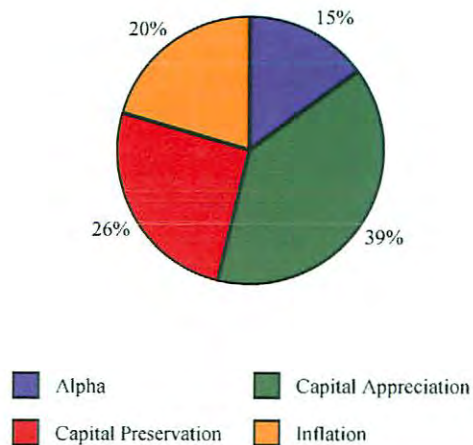


Performance shown is gross of fees. Calculation is based on monthly periodicity. Parentheses contain percentile ranks.

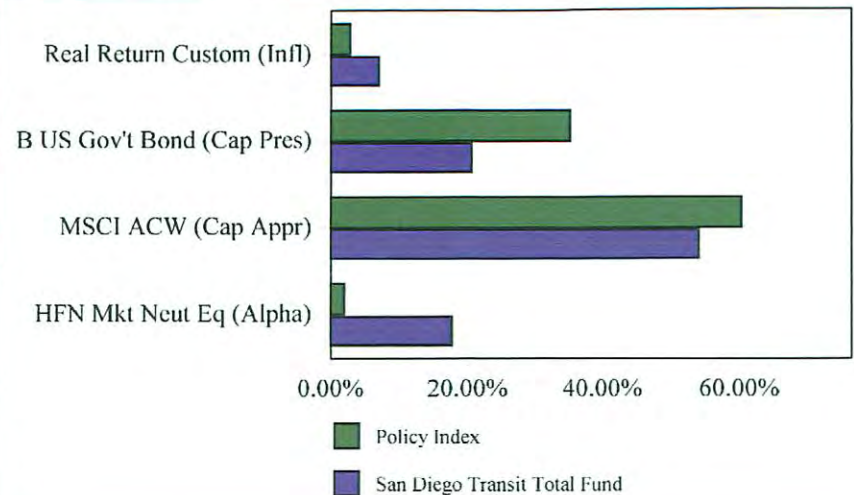


**San Diego Transit Corporation Employees Retirement Plan**  
**Total Fund Thematic and Liquidity Analysis**  
As of June 30, 2012

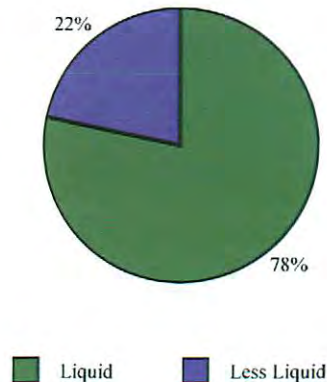
**Asset Allocation by Theme**



**Thematic Analysis - March 1, 1997 to June 30, 2012**



**Asset Allocation by Liquidity**



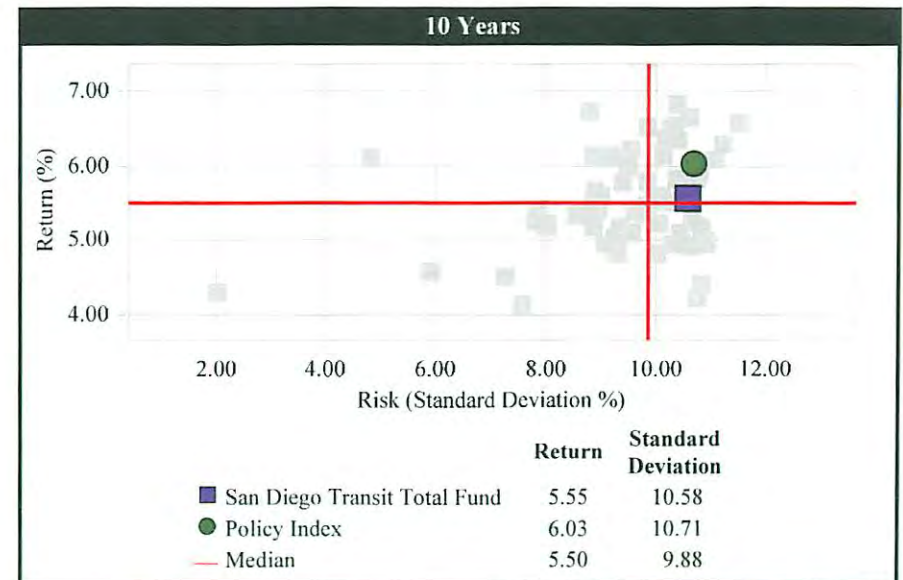
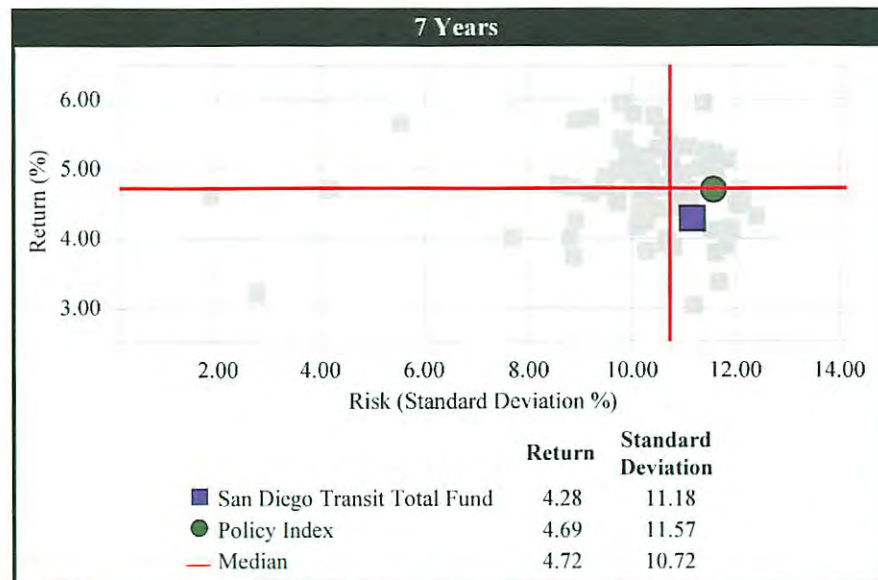
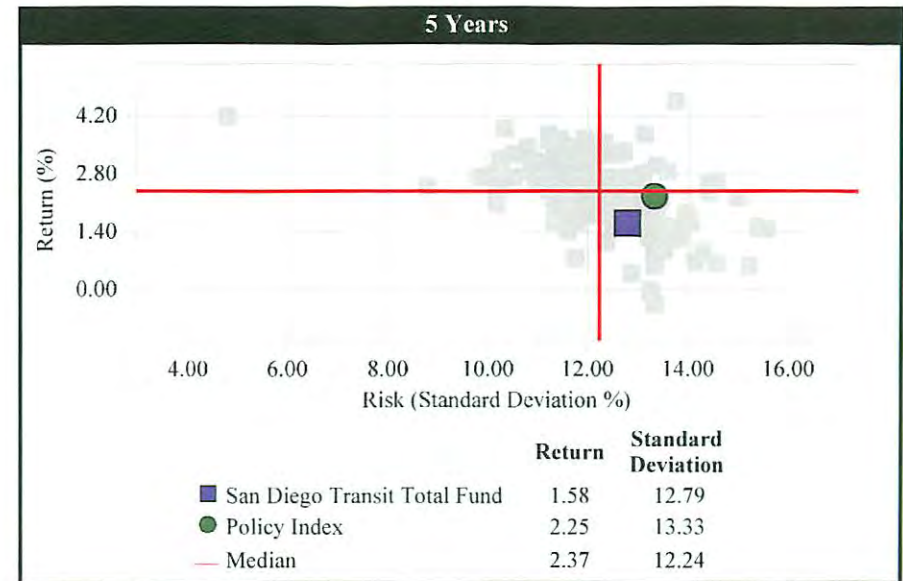
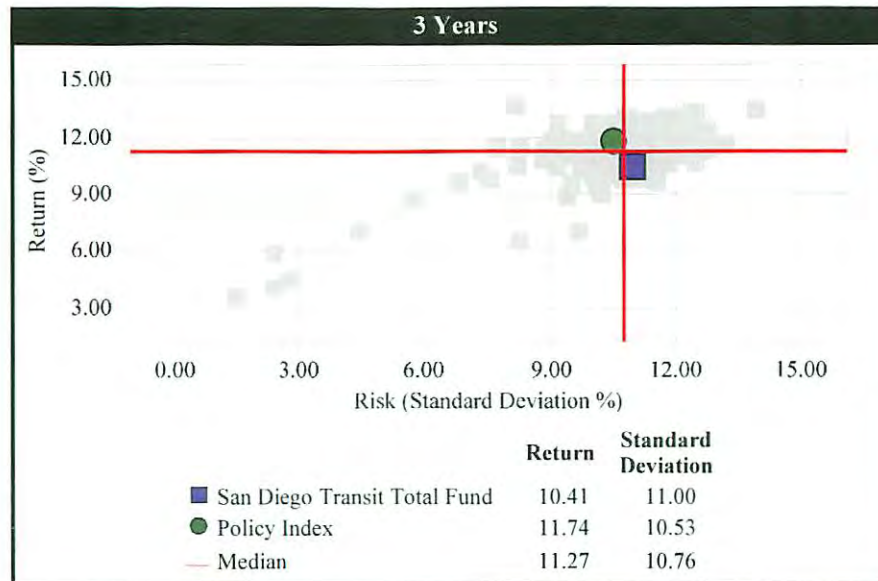
**Correlation Matrix - 10 Years**

	A	B	C	D
A	1.00			
B	0.56	1.00		
C	-0.21	-0.29	1.00	
D	0.60	0.79	0.01	1.00
A	= HFN Mkt Neut Eq Index (Alpha)			
B	= MSCI ACW Index (Capital Appreciation)			
C	= Barclays US Gov't Bond Index (Capital Preservation)			
D	= Real Return Custom Index (Inflation)			

**RVK Liquidity Rating** 79

Asset Allocation by Theme is based on dedicated manager allocations; as such, thematic allocations are approximations. The RVK Liquidity Rating is calculated using beginning of month investment weights applied to each corresponding asset class liquidity rating. Please see the Glossary for additional information regarding liquidity, thematic and custom index descriptions.

**San Diego Transit Corporation Employees Retirement Plan**  
**Plan Sponsor Scattergrams**  
**All Public Plans < \$500 Million (Custom Peer Group)**  
**As of June 30, 2012**

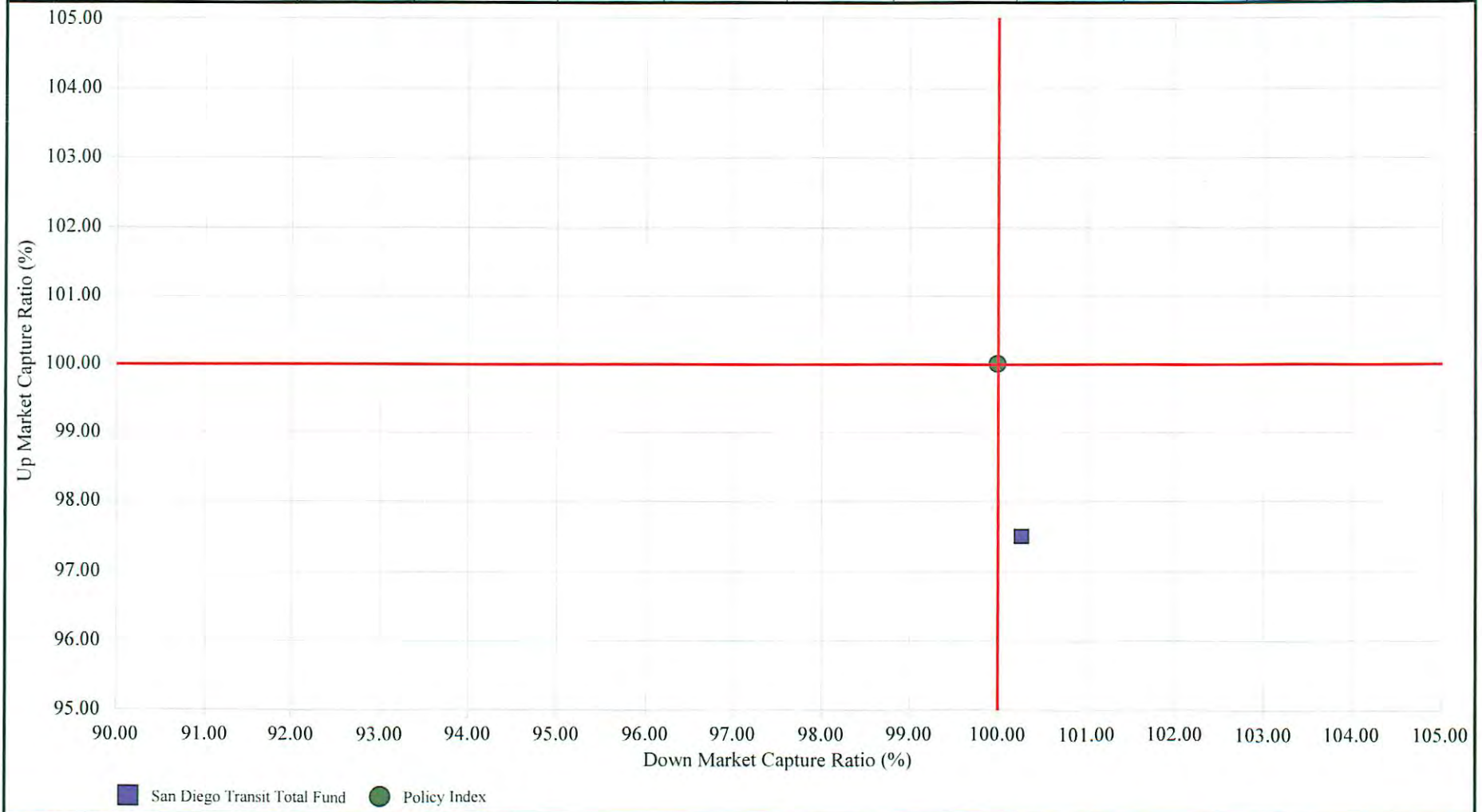


Performance shown is gross of fees. Calculation is based on monthly periodicity.



**San Diego Transit Corporation Employees Retirement Plan**  
**Up/Down Markets Versus Policy Index**  
**10 Years Ending June 30, 2012**

	Full Period Return		Months Benchmark Up(78)				Months Benchmark Down(42)			
			Portfolio Ahead		Portfolio Behind		Portfolio Ahead		Portfolio Behind	
	Portfolio	Benchmark	No. Months	Average Ahead	No. Months	Average Behind	No. Months	Average Ahead	No. Months	Average Behind
San Diego Transit Total Fund	5.55	6.03	33	0.32	45	-0.33	21	0.51	21	-0.52
Policy Index	6.03	6.03	78	0.00	0	0.00	42	0.00	0	0.00

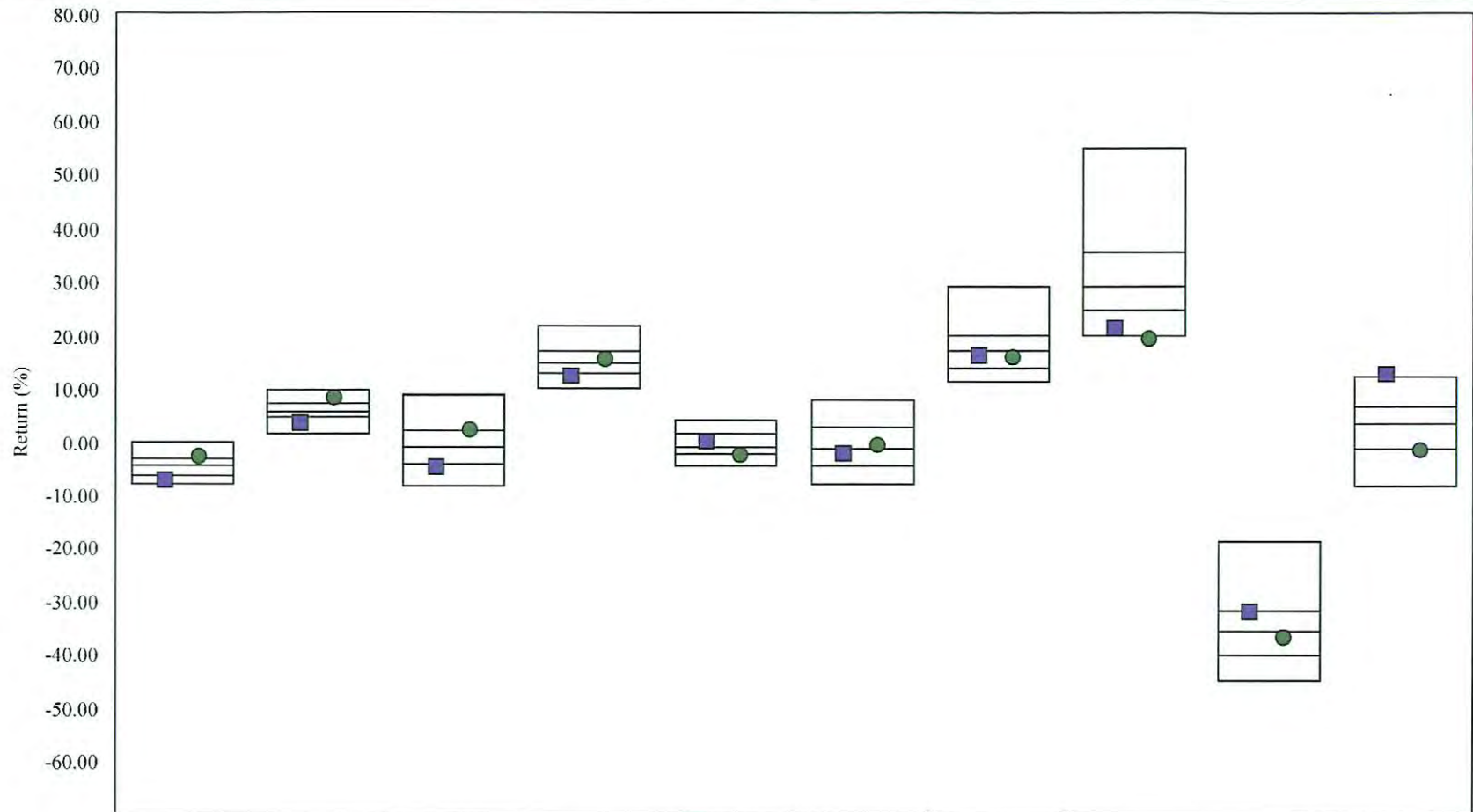


Performance shown is gross of fees. Calculation is based on monthly periodicity.

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**San Diego Transit Corporation Employees Retirement Plan**  
**Peer Group Analysis**  
**IM U.S. All Cap Value Equity (SA+CF)**  
**As of June 30, 2012**

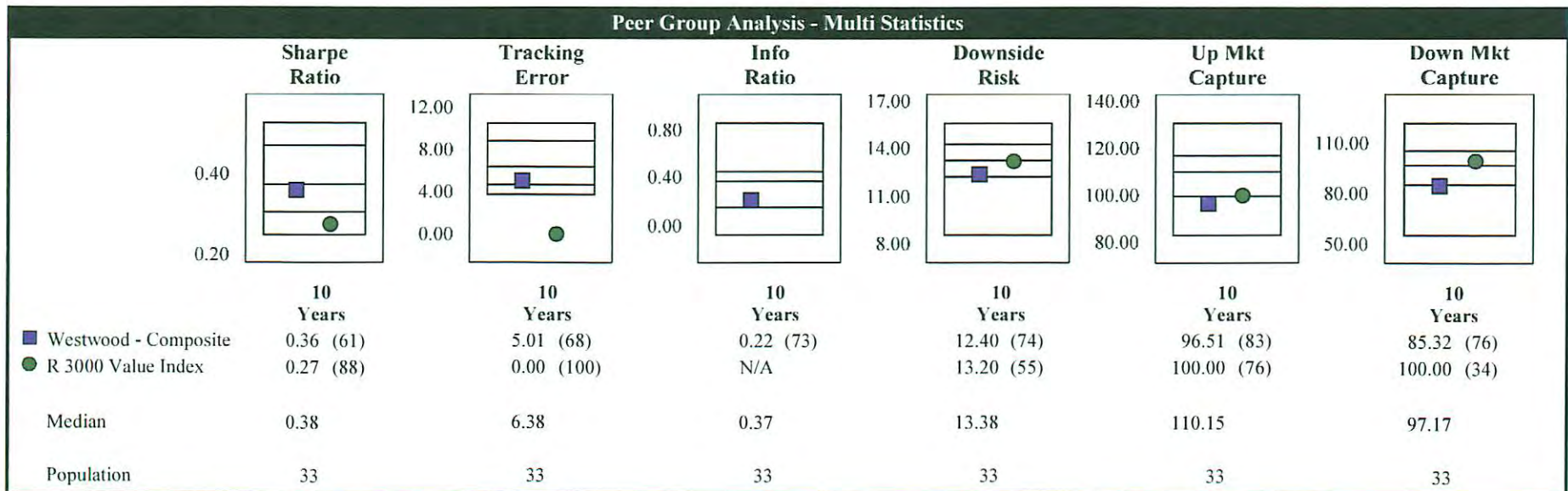
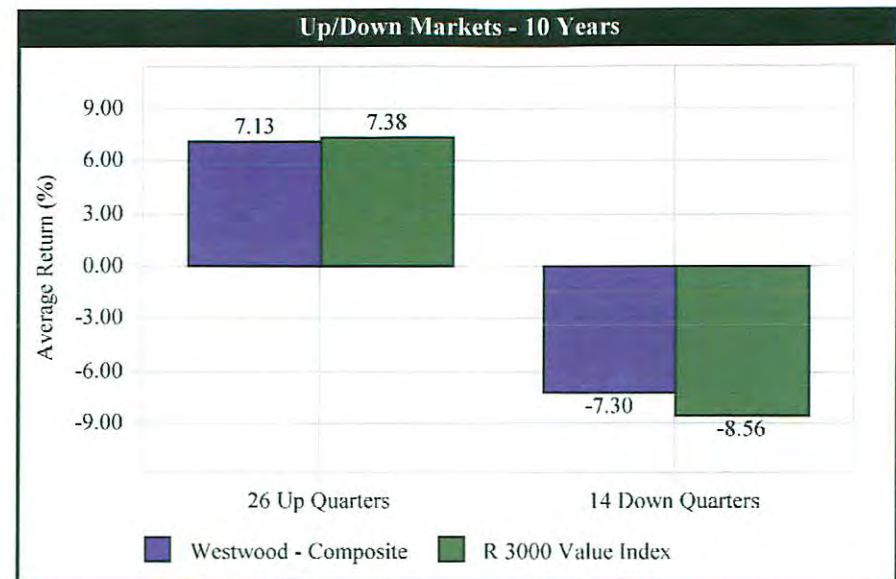
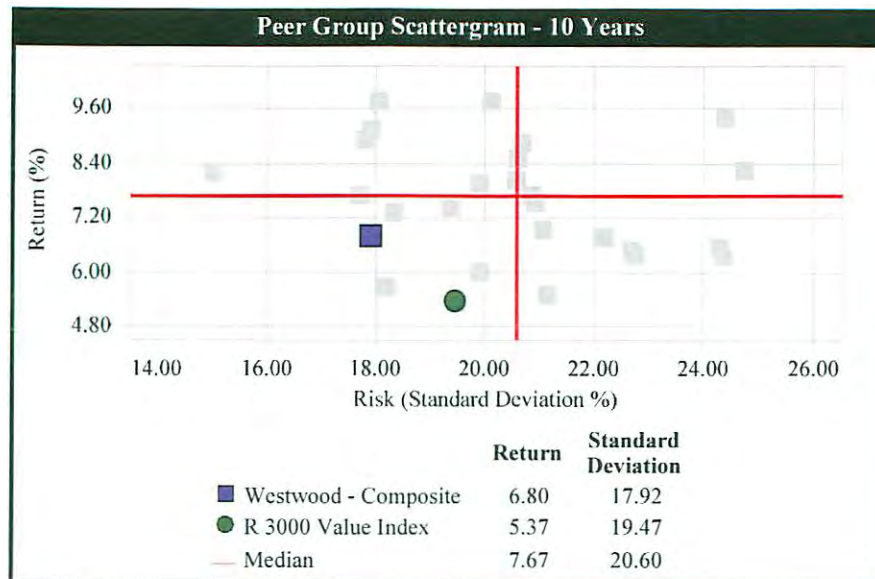


	QTD	CYTD	1 Year	3 Years	5 Years	2011	2010	2009	2008	2007
■ Westwood - Composite	-6.75 (89)	4.07 (90)	-4.34 (82)	13.03 (82)	0.44 (40)	-1.68 (57)	16.78 (59)	21.66 (89)	-31.62 (27)	13.08 (4)
● R 3000 Value Index	-2.26 (21)	8.64 (17)	2.64 (25)	15.93 (42)	-2.10 (85)	-0.10 (48)	16.23 (65)	19.76 (97)	-36.25 (59)	-1.01 (77)
Median	-4.00	6.26	-0.36	15.48	-0.41	-0.71	17.63	29.59	-35.23	3.88
Population	57	57	55	51	43	58	59	57	55	53

Performance shown is gross of fees. Parentheses contain percentile ranks. Westwood - Composite currently consists of Westwood All Cap Value (CF). For historical composition please reference the Addendum.



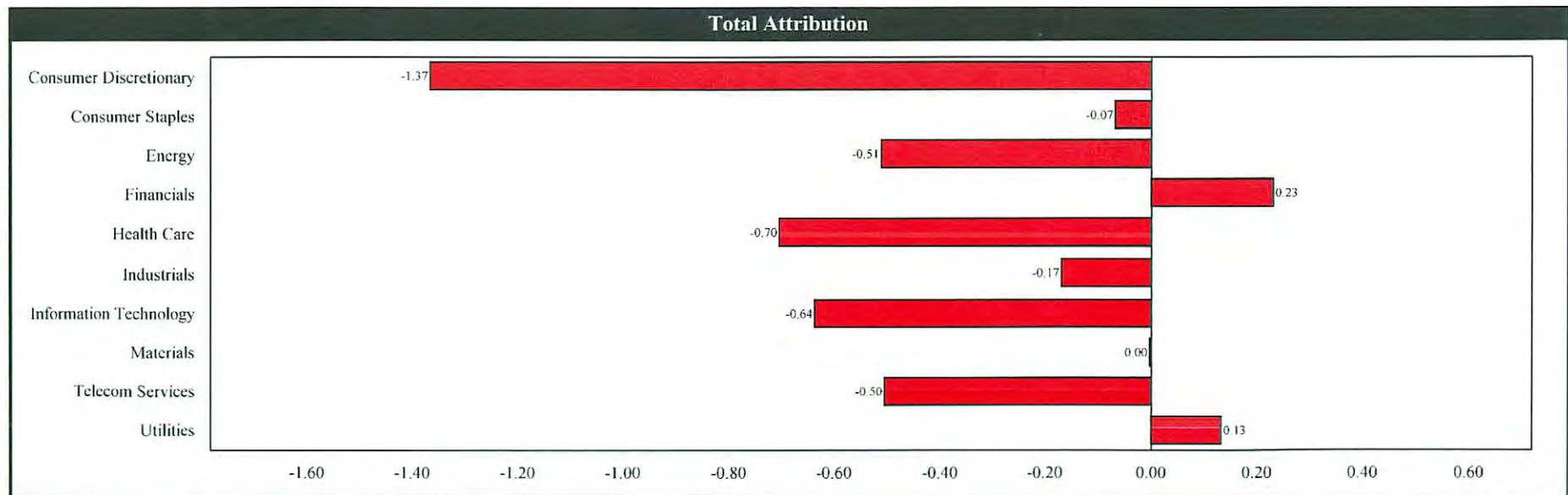
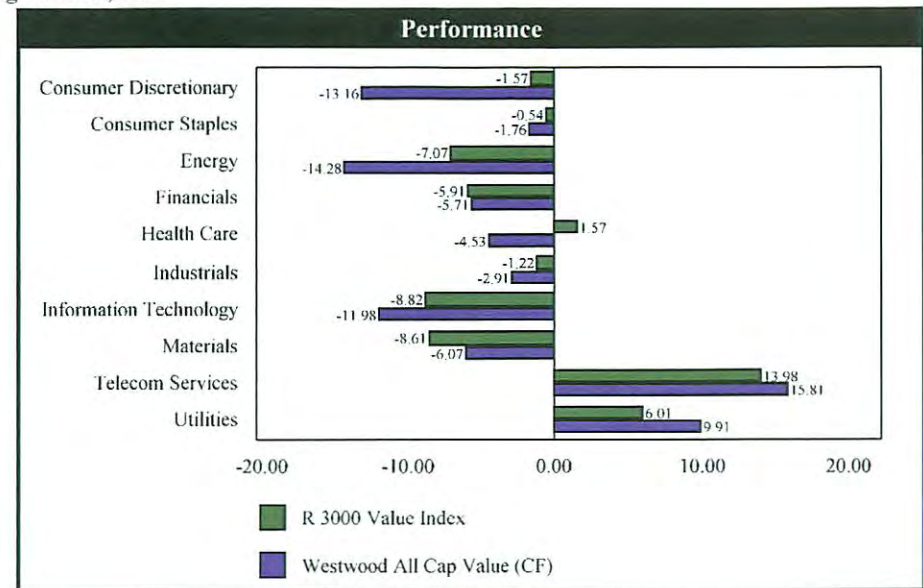
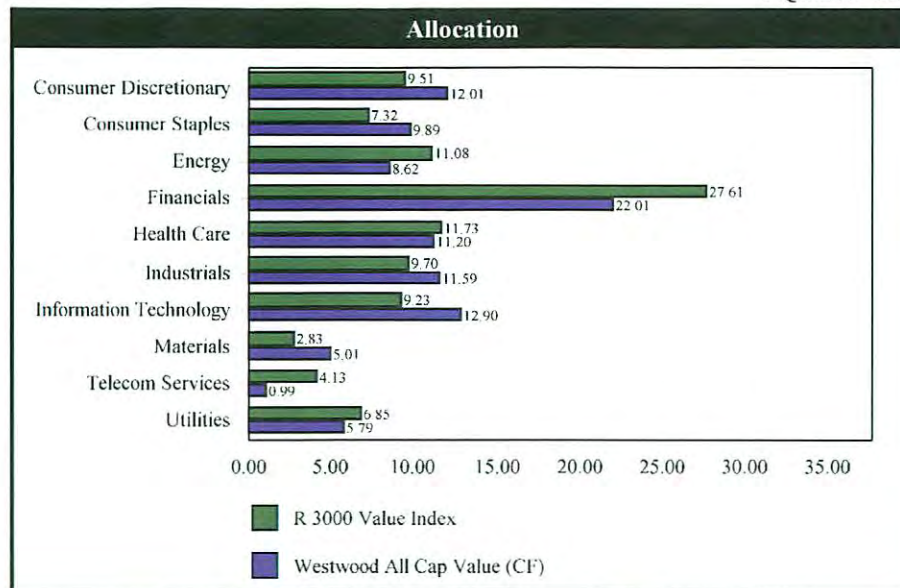
**San Diego Transit Corporation Employees Retirement Plan**  
**Westwood - Composite vs. IM U.S. All Cap Value Equity (SA+CF)**  
 As of June 30, 2012



Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.  
 Westwood - Composite currently consists of Westwood All Cap Value (CF). For historical composition please reference the Addendum.



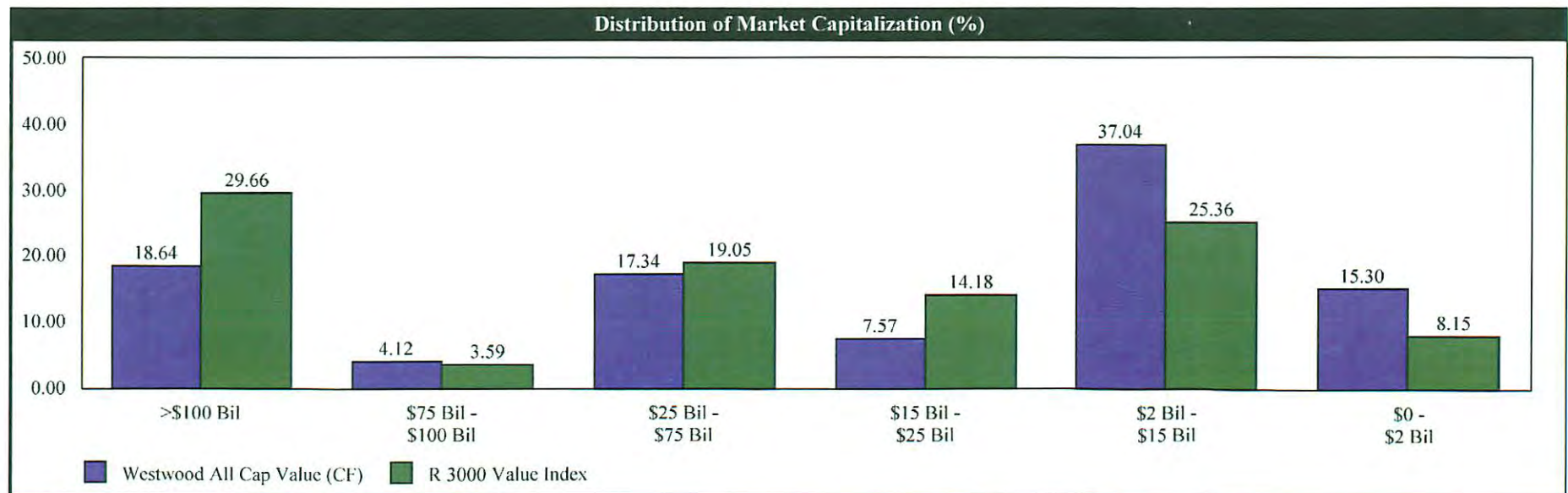
**San Diego Transit Corporation Employees Retirement Plan**  
**Westwood All Cap Value (CF) vs. R 3000 Value Index**  
**Buy and Hold Sector Attribution Graph**  
**1 Quarter Ending June 30, 2012**



**San Diego Transit Corporation Employees Retirement Plan**  
**Westwood All Cap Value (CF) vs. R 3000 Value Index**  
**Portfolio Characteristics**  
**As of June 30, 2012**

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Jpmorgan Chase & Co	3.11	1.79	1.32	-21.78
Occidental Petroleum Corp	2.57	0.92	1.65	-9.36
Marathon Oil Corp	2.56	0.24	2.32	-18.80
Anadarko Petroleum Corp	2.50	0.44	2.06	-15.37
Oracle Corp	2.15	0.00	2.15	2.06
Wells Fargo & Co	2.14	2.16	-0.02	-1.41
Boeing Co (the)	2.13	0.07	2.06	0.50
Vodafone Group Plc	2.13	0.00	2.13	5.78
Big Lots Inc	2.10	0.00	2.10	-5.18
Western Digital Corp	2.07	0.06	2.01	-26.36
% of Portfolio	23.46	5.68		

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	45,429	81,741
Median Mkt. Cap (\$M)	8,730	810
Price/Earnings Ratio	12.96	12.68
Price/Book Ratio	1.93	1.77
5 Yr. EPS Growth Rate (%)	4.42	0.54
Current Yield (%)	1.99	2.56
Beta	N/A	1.00
Number of Securities	54	2,109



Beta calculation requires three years of monthly performance history.

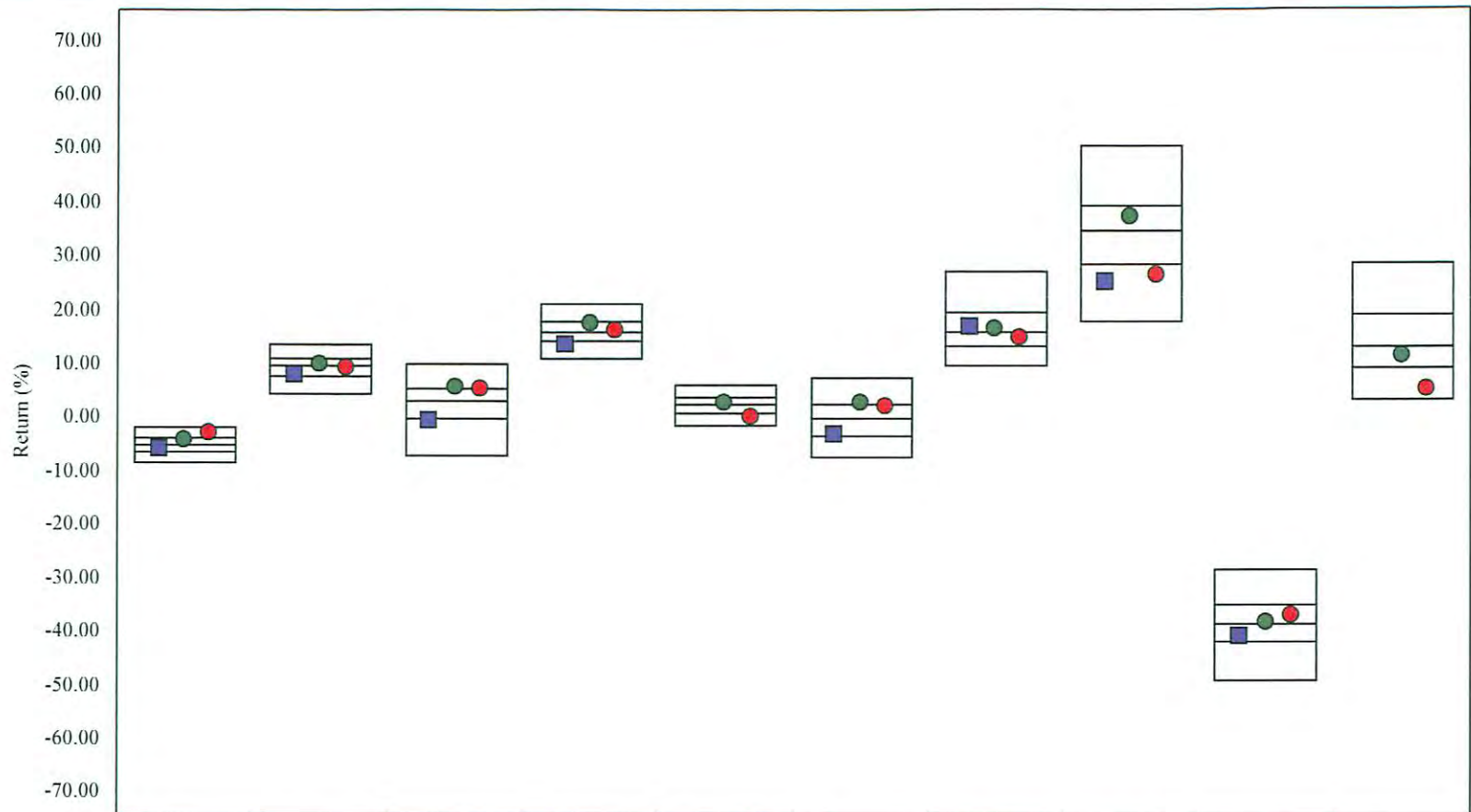


San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
Rainier Large Cap Equity (SA)  
3 Years Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2009	-	-	-	11,178,777	N/A	100.00
Sep-2009	11,178,777	-20,168	1,681,870	12,840,479	15.05	115.05
Dec-2009	12,840,479	-22,484	595,507	13,413,502	4.65	120.40
Mar-2010	13,413,502	-23,206	680,795	14,071,091	5.08	126.51
Jun-2010	14,071,091	-51	-1,807,646	12,263,394	-12.85	110.26
Sep-2010	12,263,394	-45,032	1,681,828	13,900,189	13.75	125.42
Dec-2010	13,900,189	-23,819	1,696,364	15,572,733	12.22	140.74
Mar-2011	15,572,733	-825,927	924,732	15,671,538	6.21	149.47
Jun-2011	15,671,538	-625,558	-139,984	14,905,995	-0.99	147.99
Sep-2011	14,905,995	-974,836	-2,226,788	11,704,371	-15.26	125.41
Dec-2011	11,704,371	-2,119,593	1,011,380	10,596,158	8.57	136.16
Mar-2012	10,596,158	-42,059	1,560,560	12,114,659	14.76	156.26
Jun-2012	12,114,659	-21,561	-706,334	11,386,764	-5.84	147.14
	<b>11,178,777</b>	<b>-4,744,295</b>	<b>4,952,282</b>	<b>11,386,764</b>	<b>13.74</b>	<b>147.14</b>

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header. Performance shown is gross of fees. Calculation is based on quarterly periodicity.

**San Diego Transit Corporation Employees Retirement Plan**  
**Peer Group Analysis**  
**IM U.S. Large Cap Growth Equity (SA+CF)**  
**As of June 30, 2012**

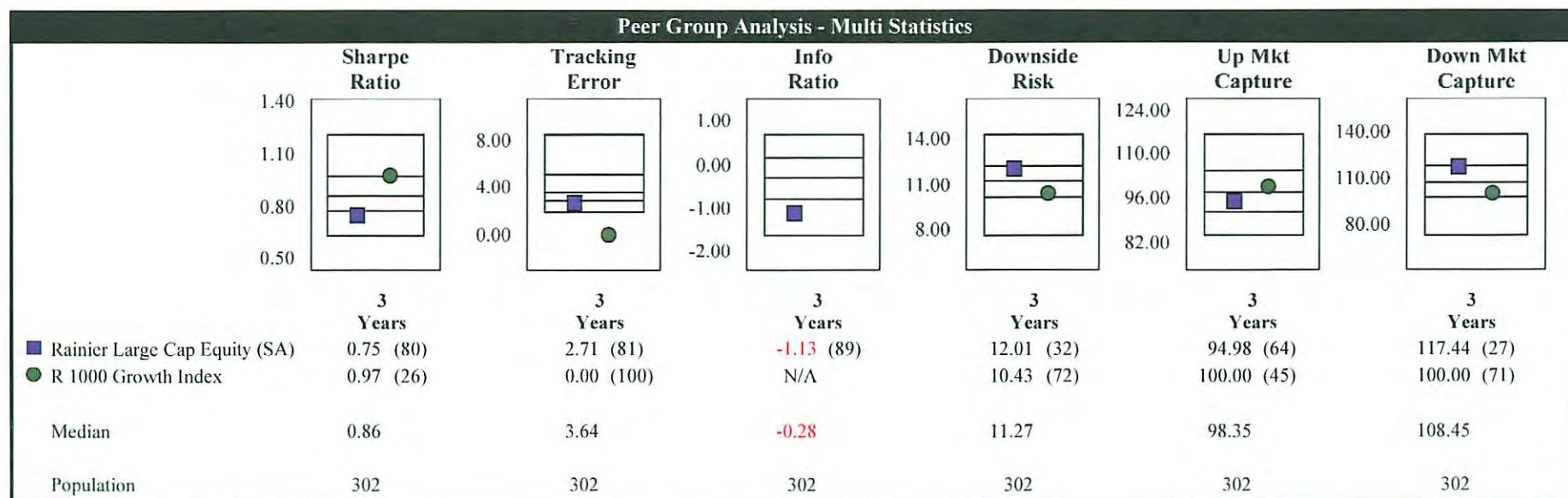
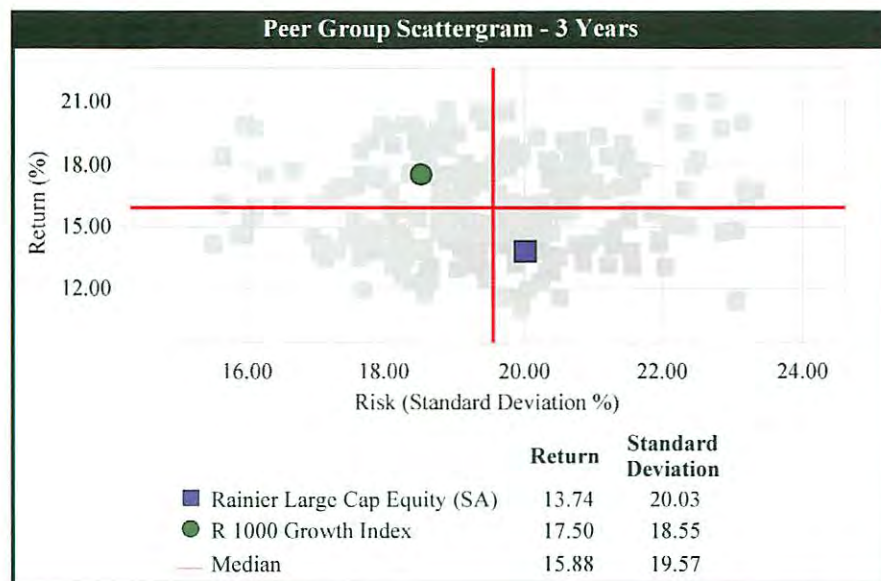


	QTD	CYTD	1 Year	3 Years	5 Years	2011	2010	2009	2008	2007
■ Rainier Large Cap Equity (SA)	-5.84 (66)	8.06 (71)	-0.58 (79)	13.74 (82)	N/A	-3.25 (74)	16.89 (45)	25.14 (84)	-40.86 (71)	N/A
● R 1000 Growth Index	-4.02 (29)	10.08 (44)	5.76 (23)	17.50 (32)	2.87 (39)	2.64 (25)	16.71 (46)	37.22 (35)	-38.44 (49)	11.81 (60)
● S&P 500 Index (Cap Wtd)	-2.75 (13)	9.49 (54)	5.45 (26)	16.40 (46)	0.22 (85)	2.11 (29)	15.06 (61)	26.46 (81)	-37.00 (41)	5.49 (90)
Median	-5.16	9.63	3.13	15.88	2.34	-0.09	16.11	34.67	-38.56	13.36
Population	314	314	312	302	282	351	379	418	448	462

Performance shown is gross of fees. Parentheses contain percentile ranks.



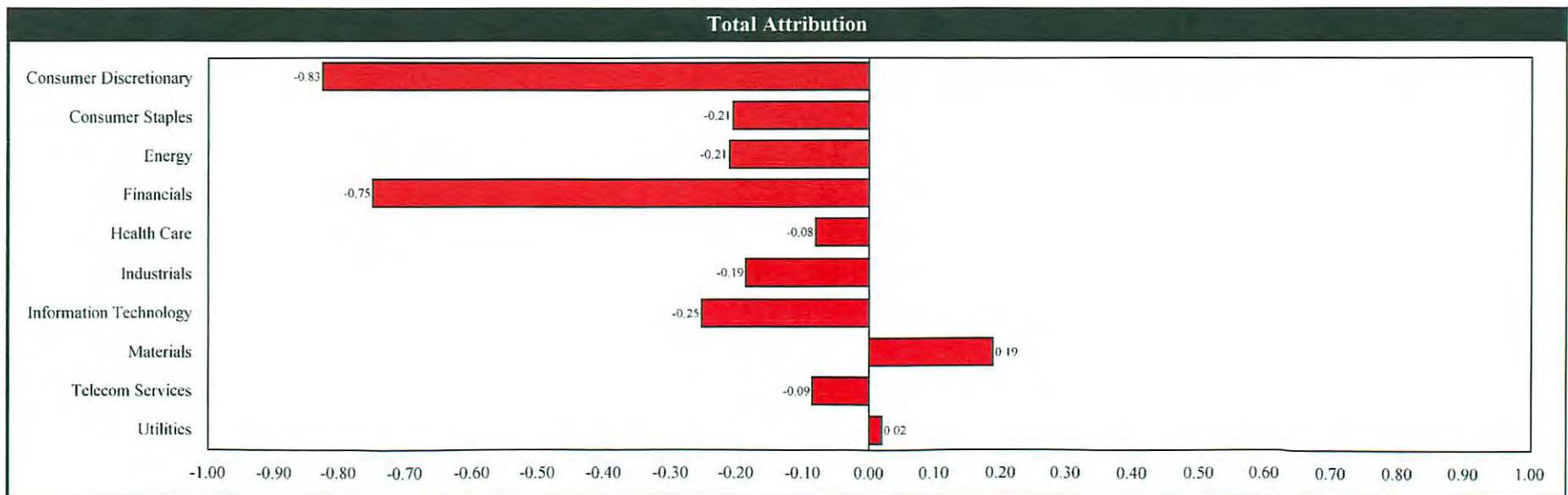
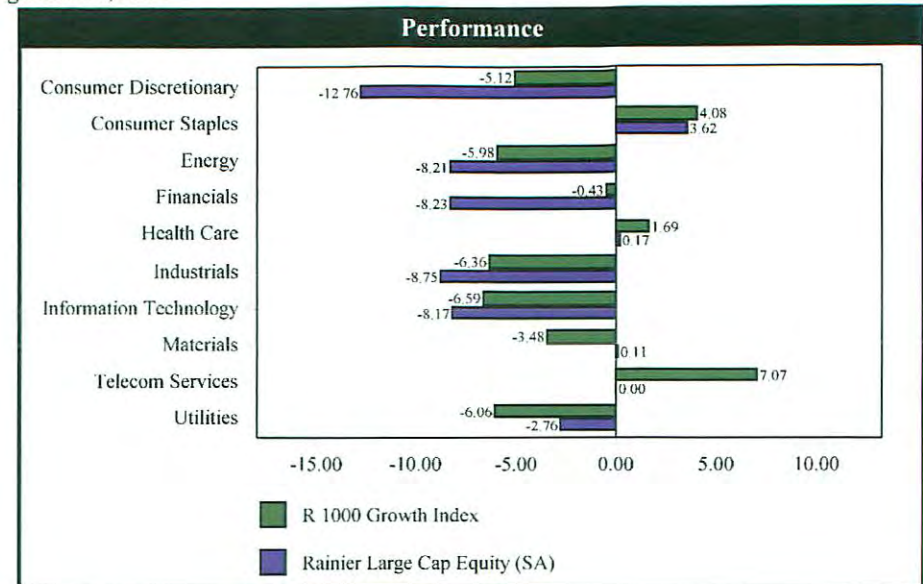
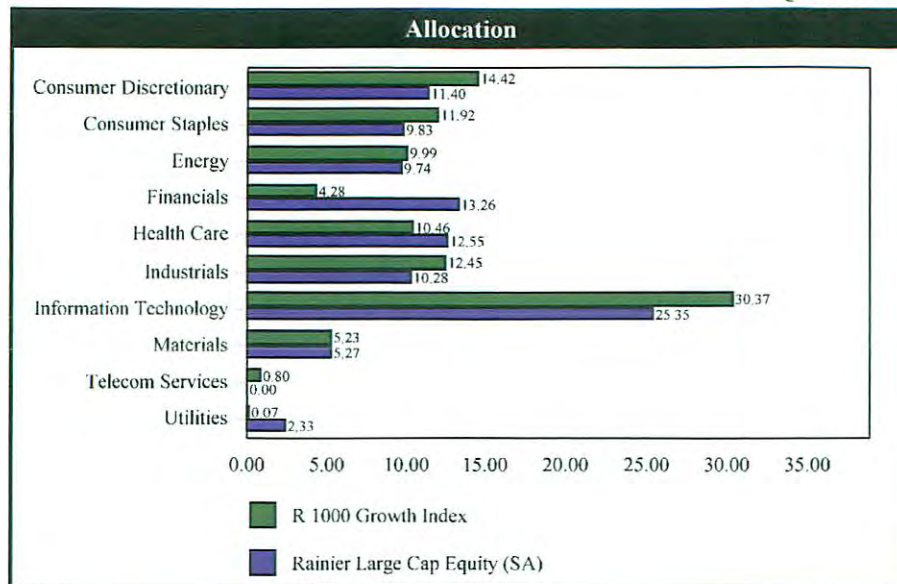
**San Diego Transit Corporation Employees Retirement Plan**  
**Rainier Large Cap Equity (SA) vs. IM U.S. Large Cap Growth Equity (SA+CF)**  
As of June 30, 2012



Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.



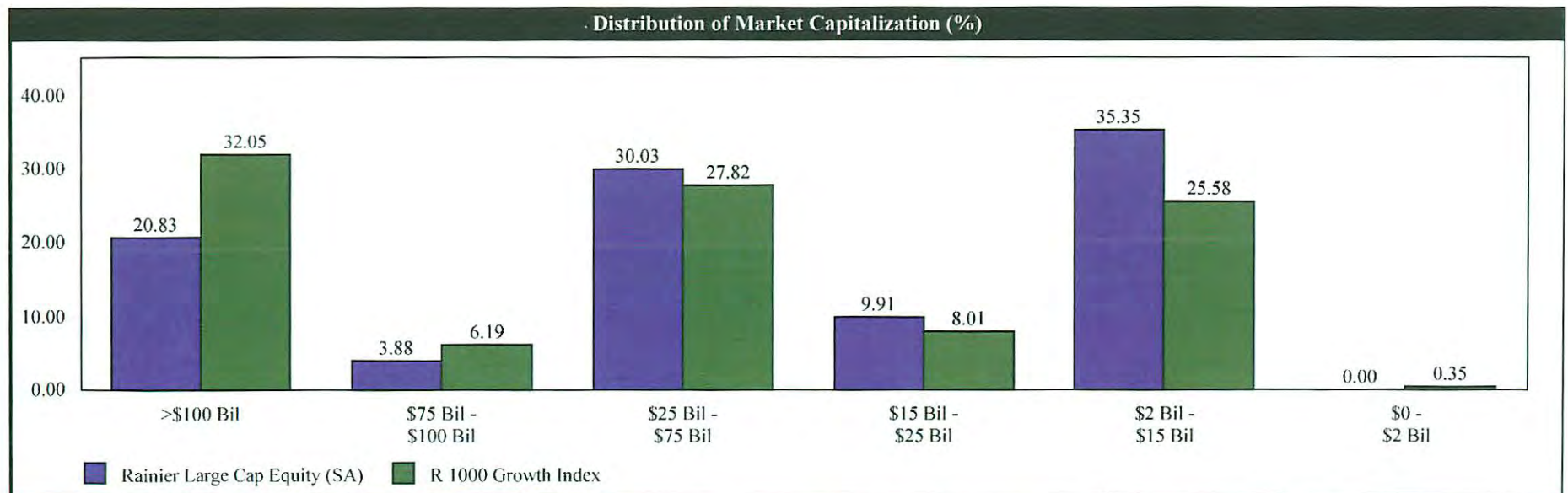
**San Diego Transit Corporation Employees Retirement Plan  
Rainier Large Cap Equity (SA) vs. R 1000 Growth Index  
Buy and Hold Sector Attribution Graph  
1 Quarter Ending June 30, 2012**



**San Diego Transit Corporation Employees Retirement Plan**  
**Rainier Large Cap Equity (SA) vs. R 1000 Growth Index**  
**Portfolio Characteristics**  
**As of June 30, 2012**

<b>Top Ten Equity Holdings</b>				
	<b>Portfolio Weight (%)</b>	<b>Benchmark Weight (%)</b>	<b>Active Weight (%)</b>	<b>Quarterly Return (%)</b>
Apple Inc	4.94	7.94	-3.00	-2.59
Chevron Corp	3.96	0.00	3.96	-0.71
Jpmorgan Chase & Co	2.31	0.00	2.31	-21.78
Costco Wholesale Corp	2.03	0.60	1.43	4.97
Precision Castparts Corp.	2.01	0.35	1.66	-4.85
Coca-cola Co (the)	2.00	2.21	-0.21	6.37
Microsoft Corp	1.96	3.35	-1.39	-4.53
Ebay Inc.	1.92	0.71	1.21	13.85
American Tower Corp	1.84	0.40	1.44	11.66
Wells Fargo & Co	1.80	0.00	1.80	-1.41
% of Portfolio	24.77	15.56		

<b>Portfolio Characteristics</b>		
	<b>Portfolio</b>	<b>Benchmark</b>
Wtd. Avg. Mkt. Cap (\$M)	77,832	106,601
Median Mkt. Cap (\$M)	14,280	5,735
Price/Earnings Ratio	17.01	17.79
Price/Book Ratio	3.13	4.20
5 Yr. EPS Growth Rate (%)	19.29	18.61
Current Yield (%)	1.29	1.63
Beta (3 Years, Monthly)	1.07	1.00
Number of Securities	98	572



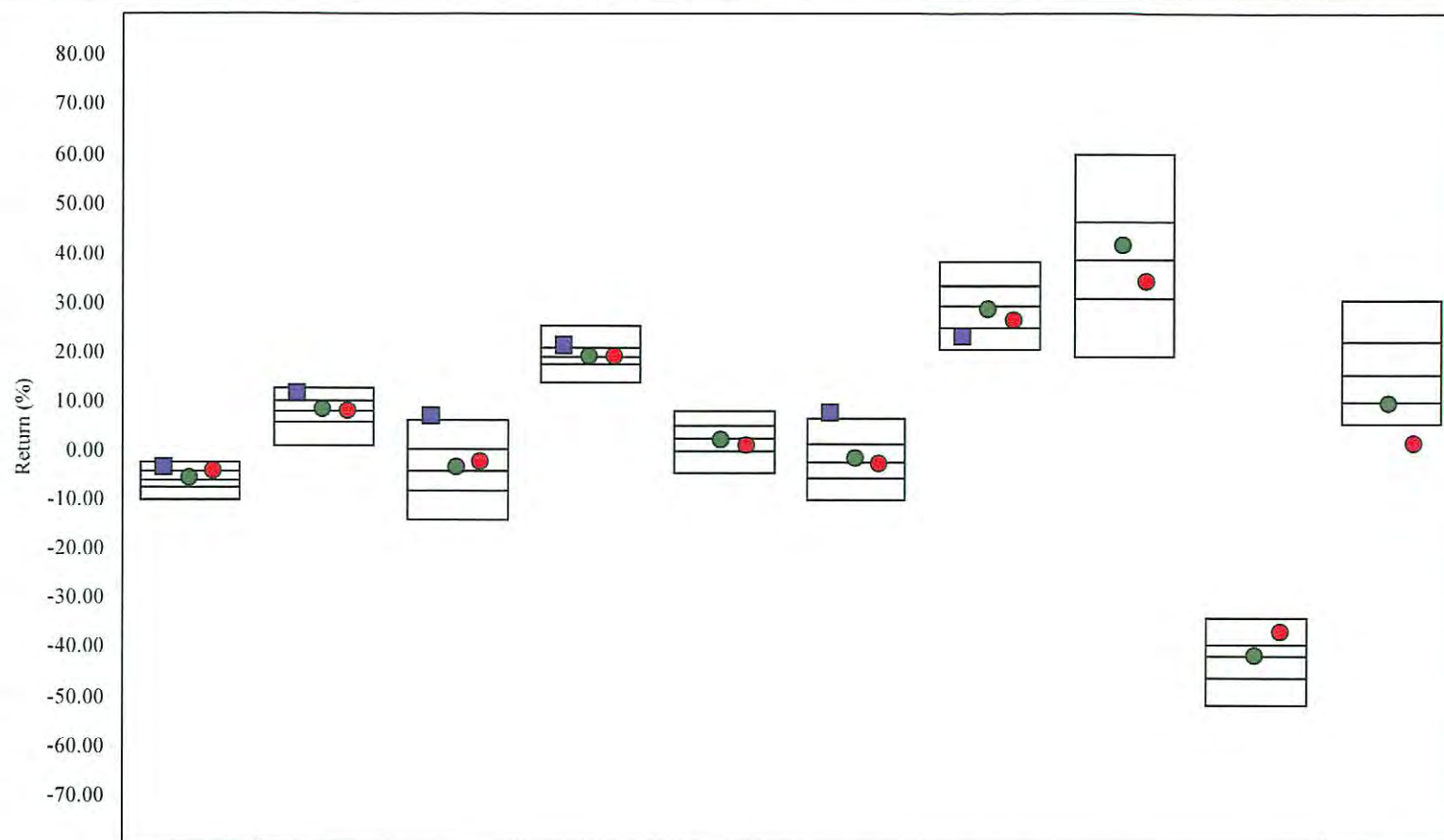


San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
The Boston Co. SMid Cap Grth (CF)  
3 Years Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2009	-	-	-	8,132,022	N/A	100.00
Sep-2009	8,132,022	-16,038	1,341,356	9,457,341	16.50	116.50
Dec-2009	9,457,341	-3,021,279	379,312	6,815,374	3.90	121.05
Mar-2010	6,815,374	-21,938	505,664	7,299,101	7.43	130.04
Jun-2010	7,299,101	-3,816,423	-146,299	3,336,378	-9.68	117.45
Sep-2010	3,336,378	-10,326	372,435	3,698,488	11.19	130.60
Dec-2010	3,698,488	-8,322	530,343	4,220,509	14.36	149.35
Mar-2011	4,220,509	-418,632	388,026	4,189,903	10.16	164.52
Jun-2011	4,189,903	-518,269	80,617	3,752,251	1.89	167.63
Sep-2011	3,752,251	-206,825	-598,860	2,946,565	-16.28	140.34
Dec-2011	2,946,565	-713,832	419,923	2,652,657	14.55	160.77
Mar-2012	2,652,657	-14,192	414,502	3,052,967	15.65	185.93
Jun-2012	3,052,967	-6,704	-104,722	2,941,540	-3.43	179.54
	<b>8,132,022</b>	<b>-8,772,779</b>	<b>3,582,297</b>	<b>2,941,540</b>	<b>21.54</b>	<b>179.54</b>

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header.  
Performance shown is gross of fees. Calculation is based on quarterly periodicity.

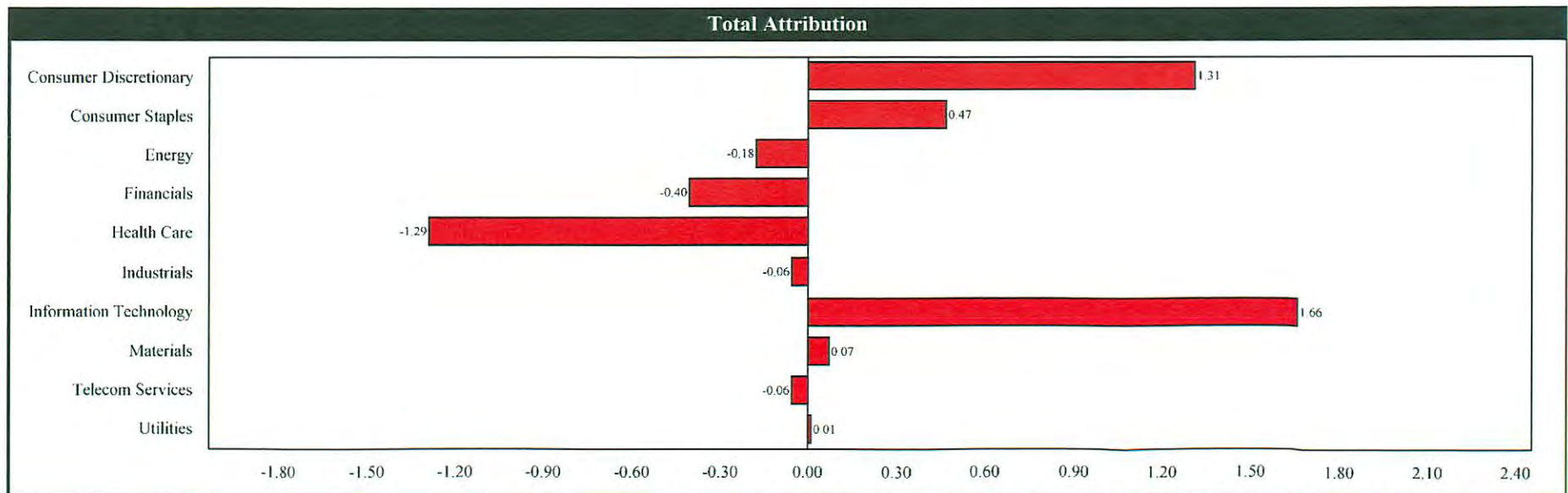
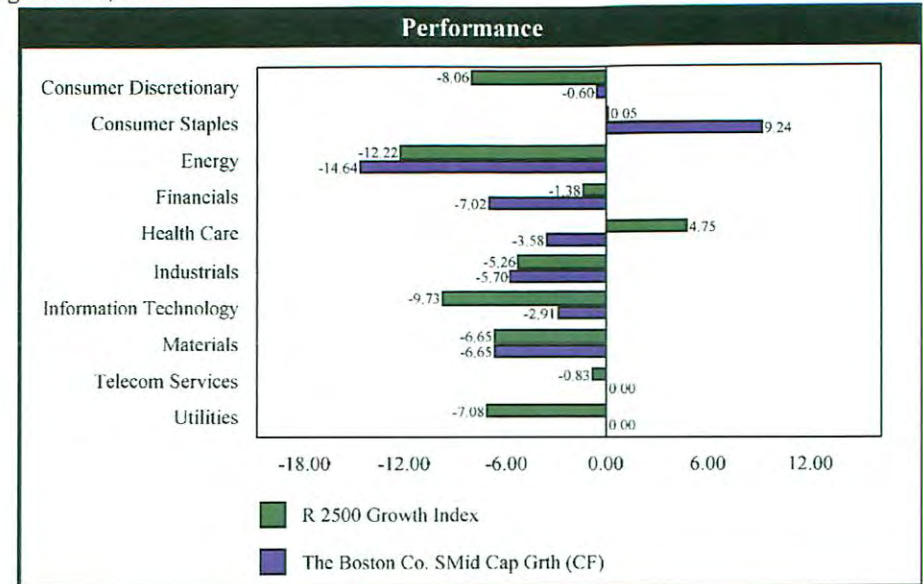
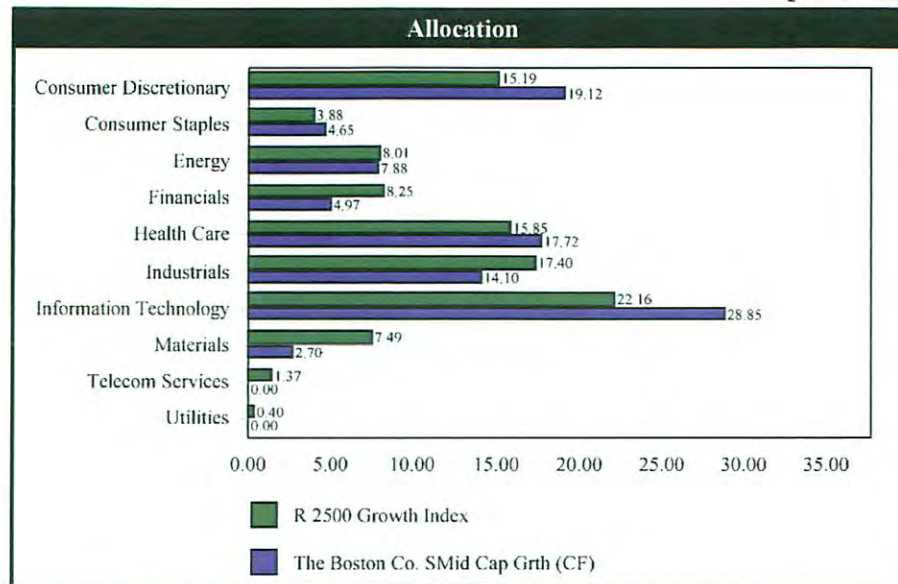
**San Diego Transit Corporation Employees Retirement Plan**  
**Peer Group Analysis**  
**IM U.S. SMID Cap Growth Equity (SA+CF)**  
**As of June 30, 2012**



	QTD	CYTD	1 Year	3 Years	5 Years	2011	2010	2009	2008	2007
■ The Boston Co. SMid Cap Grth (CF)	-3.43 (14)	11.68 (14)	7.11 (3)	21.54 (24)	N/A	7.65 (3)	23.38 (87)	N/A	N/A	N/A
● R 2500 Growth Index	-5.38 (47)	8.44 (48)	-3.19 (43)	19.38 (49)	2.35 (60)	-1.57 (45)	28.86 (52)	41.65 (40)	-41.50 (48)	9.69 (78)
● R 2500 Index	-4.14 (23)	8.31 (48)	-2.29 (39)	19.06 (52)	1.18 (71)	-2.51 (52)	26.71 (66)	34.39 (66)	-36.79 (11)	1.38 (100)
Median	-5.84	8.02	-3.87	19.28	2.76	-2.15	29.46	38.66	-41.63	15.36
Population	67	67	67	64	54	75	80	85	90	89

Performance shown is gross of fees. Parentheses contain percentile ranks.

**San Diego Transit Corporation Employees Retirement Plan  
The Boston Co. SMid Cap Grth (CF) vs. R 2500 Growth Index  
Buy and Hold Sector Attribution Graph  
1 Quarter Ending June 30, 2012**





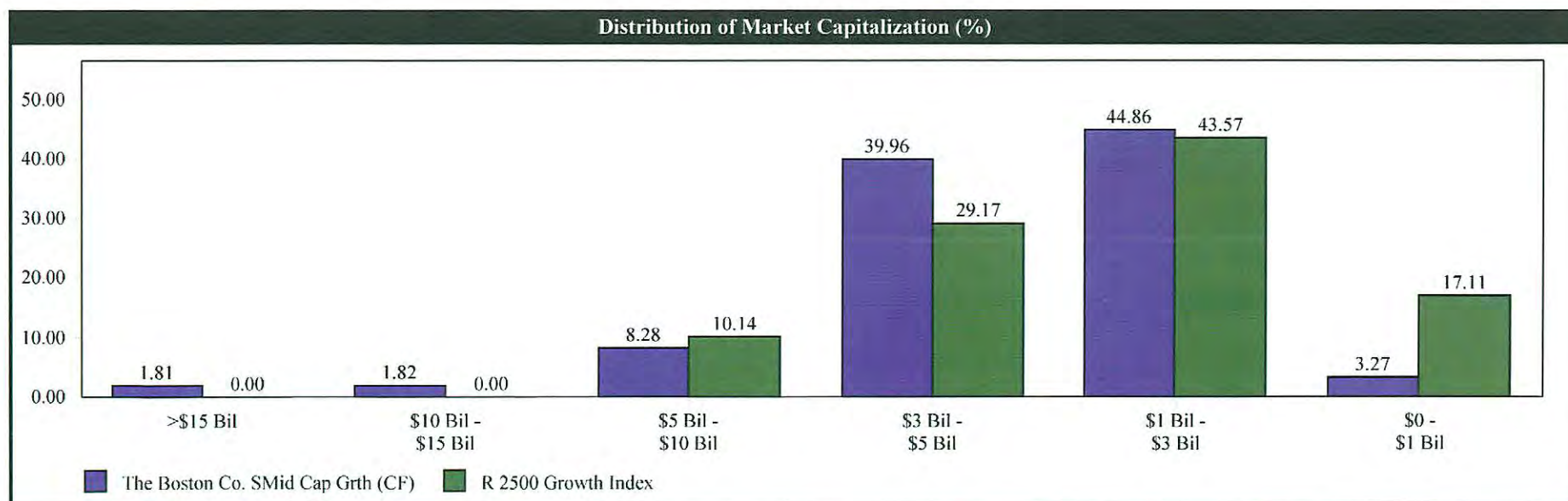
**San Diego Transit Corporation Employees Retirement Plan  
The Boston Co. SMid Cap Grth (CF) vs. R 2500 Growth Index**

**Portfolio Characteristics**

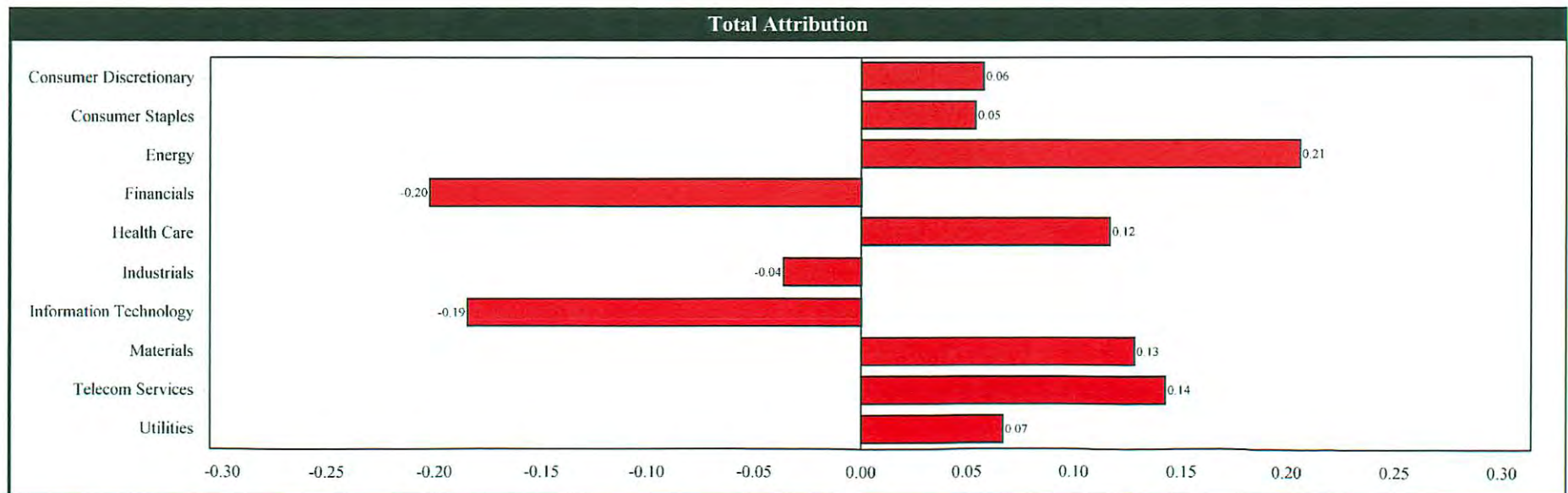
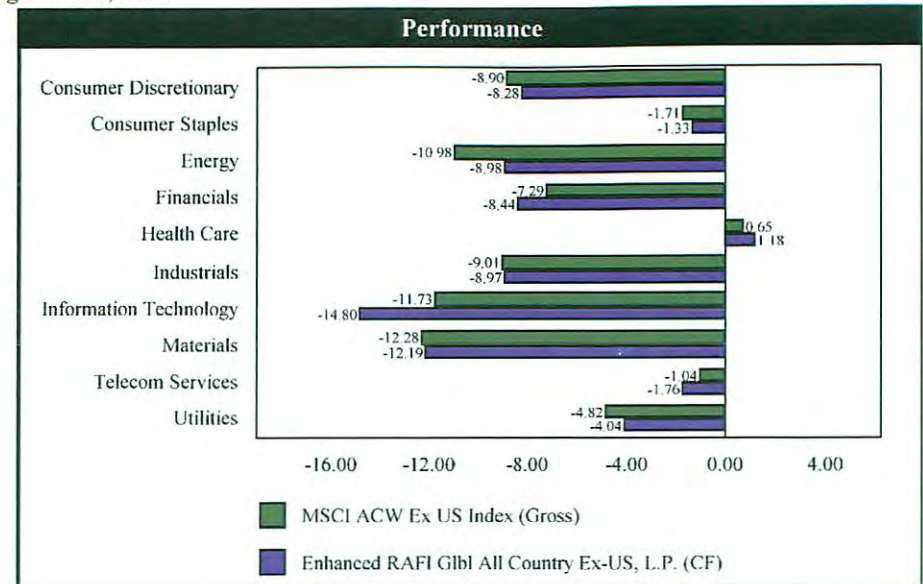
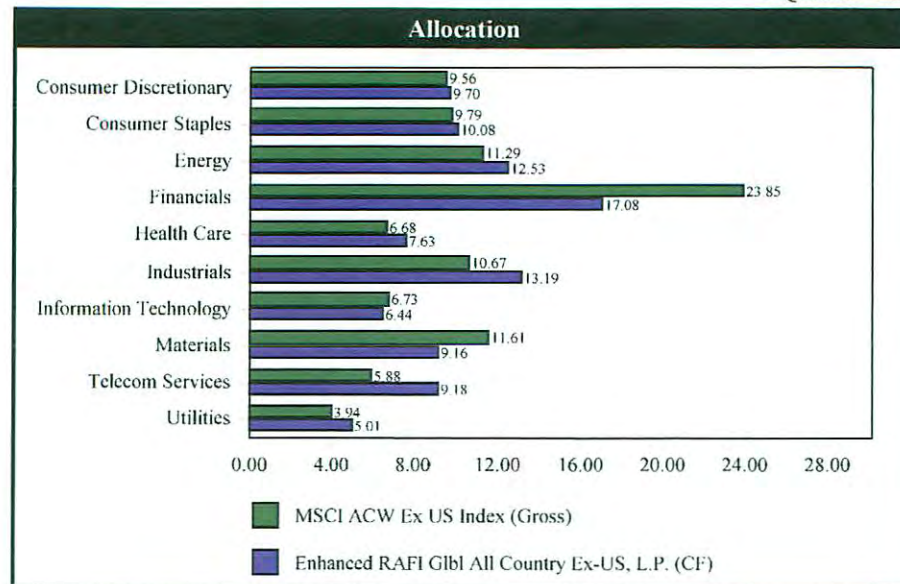
As of June 30, 2012

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Ishares Trust Russell 200	5.34	0.00	5.34	-3.89
Vantiv Inc	2.00	0.08	1.92	18.64
Questcor Pharmaceuticals	1.86	0.24	1.62	41.52
Urban Outfitters Inc	1.85	0.25	1.60	-5.22
Synopsys Inc	1.69	0.03	1.66	-4.01
Jacobs Engineering Group	1.64	0.00	1.64	-14.67
International Game Techno	1.61	0.00	1.61	-5.82
American Eagle Outfitters	1.60	0.25	1.35	15.44
Mentor Graphics Corp	1.54	0.06	1.48	0.94
Nuance Communications Inc	1.47	0.49	0.98	-6.88
% of Portfolio	20.60	1.40		

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	3,668	2,698
Median Mkt. Cap (\$M)	2,858	773
Price/Earnings Ratio	20.55	20.75
Price/Book Ratio	2.66	3.47
5 Yr. EPS Growth Rate (%)	9.59	12.64
Current Yield (%)	0.59	0.83
Beta (3 Years, Monthly)	0.82	1.00
Number of Securities	100	1,407



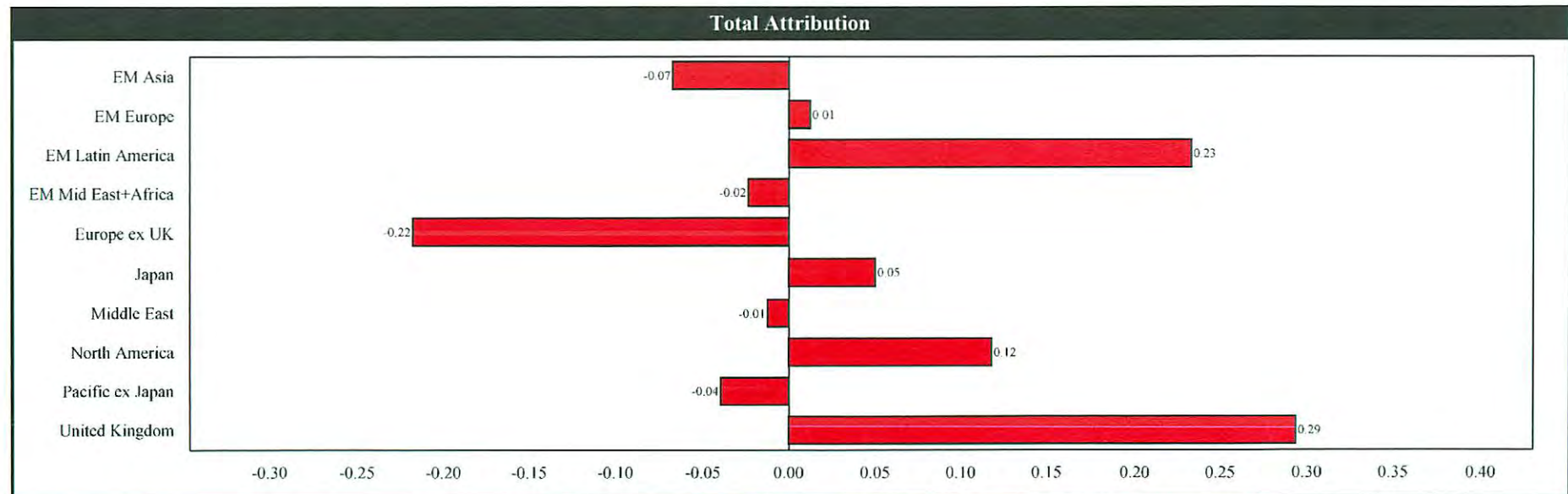
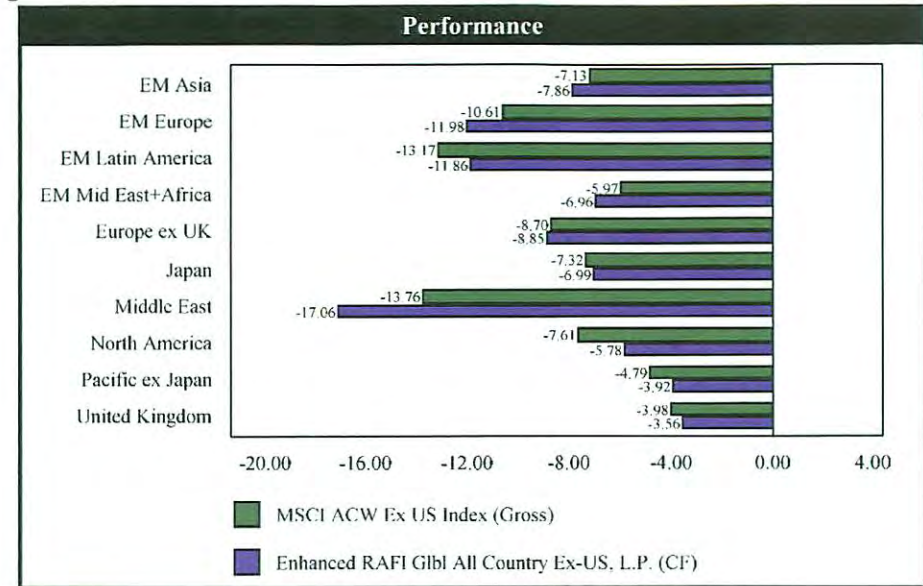
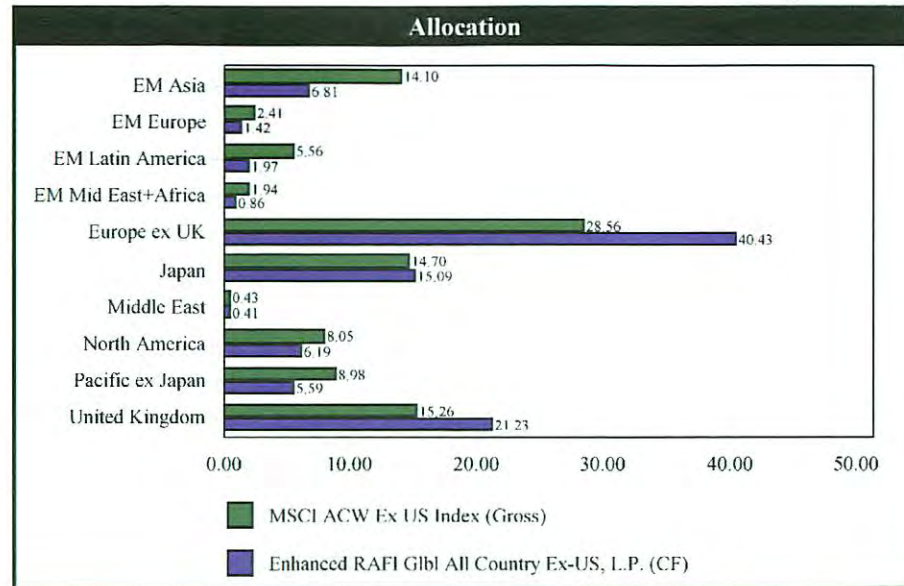
**San Diego Transit Corporation Employees Retirement Plan**  
**Enhanced RAFI Gbl All Country Ex-US, L.P. (CF) vs. MSCI ACW Ex US Index (Gross)**  
**Buy and Hold Sector Attribution Graph**  
**1 Quarter Ending June 30, 2012**



Holdings are not available for FTSE RAFI Dvl'd Ex US 1000 TR Index (Gross). The MSCI ACW Ex US Index (Gross) is used as a proxy.



**San Diego Transit Corporation Employees Retirement Plan**  
**Enhanced RAFI Gbl All Country Ex-US, L.P. (CF) vs. MSCI ACW Ex US Index (Gross)**  
**Buy and Hold Region Attribution Graph**  
**1 Quarter Ending June 30, 2012**

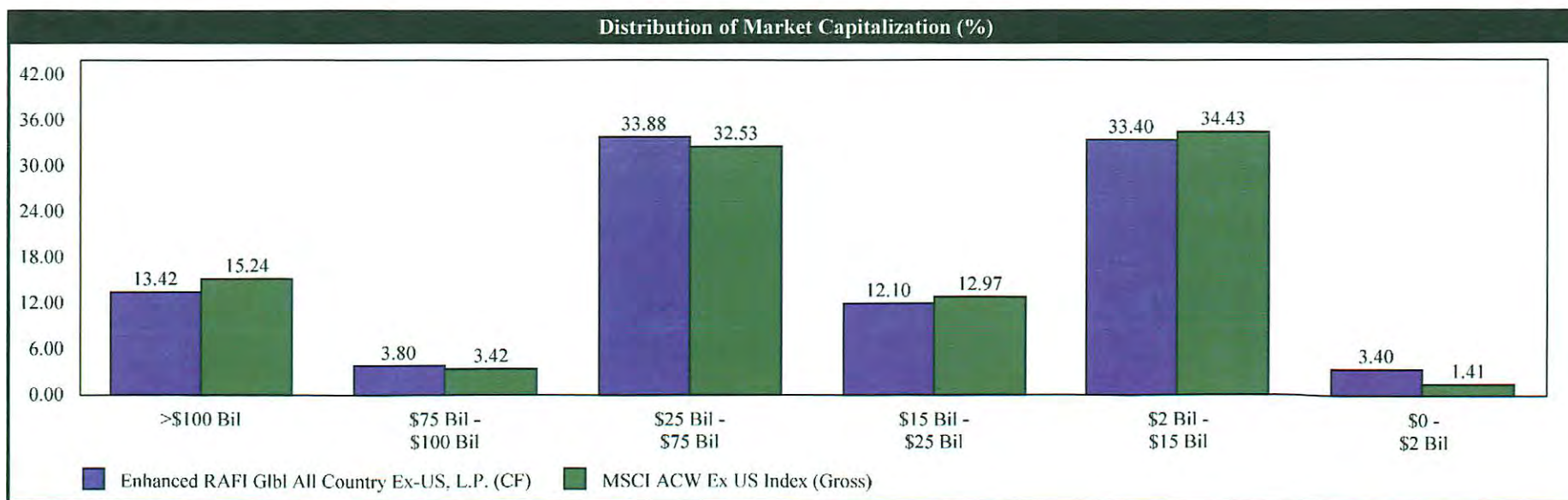


Holdings are not available for FTSE RAFI Div'd Ex US 1000 TR Index (Gross). The MSCI ACW Ex US Index (Gross) is used as a proxy.

**San Diego Transit Corporation Employees Retirement Plan**  
**Enhanced RAFI Gbl All Country Ex-US, L.P. (CF) vs. MSCI ACW Ex US Index (Gross)**  
**Portfolio Characteristics**  
**As of June 30, 2012**

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Royal Dutch Shell Plc	2.35	0.87	1.48	-2.08
Bp Plc	2.34	0.89	1.45	-9.31
Total	1.64	0.68	0.96	-10.06
Glaxosmithkline Plc	1.43	0.81	0.62	1.71
Nestle Sa, Cham Und Vevey	1.22	1.40	-0.18	-1.57
Bhp Billiton Plc	1.09	0.42	0.67	-7.06
Vodafone Group Plc	1.07	0.99	0.08	6.09
Eni Spa	1.01	0.36	0.65	-6.00
Roche Holding Ag	0.93	0.86	0.07	-0.54
Sanofi	0.93	0.65	0.28	2.44
% of Portfolio	14.01	7.93		

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	40,012	45,354
Median Mkt. Cap (\$M)	5,606	5,648
Price/Earnings Ratio	10.80	11.36
Price/Book Ratio	1.74	1.90
5 Yr. EPS Growth Rate (%)	0.03	3.69
Current Yield (%)	4.18	3.58
Beta	N/A	1.00
Number of Securities	1,538	1,840



Beta calculation requires three years of monthly performance history.

Holdings are not available for FTSE RAFI Dv'd Ex US 1000 TR Index (Gross). The MSCI ACW Ex US Index (Gross) is used as a proxy.

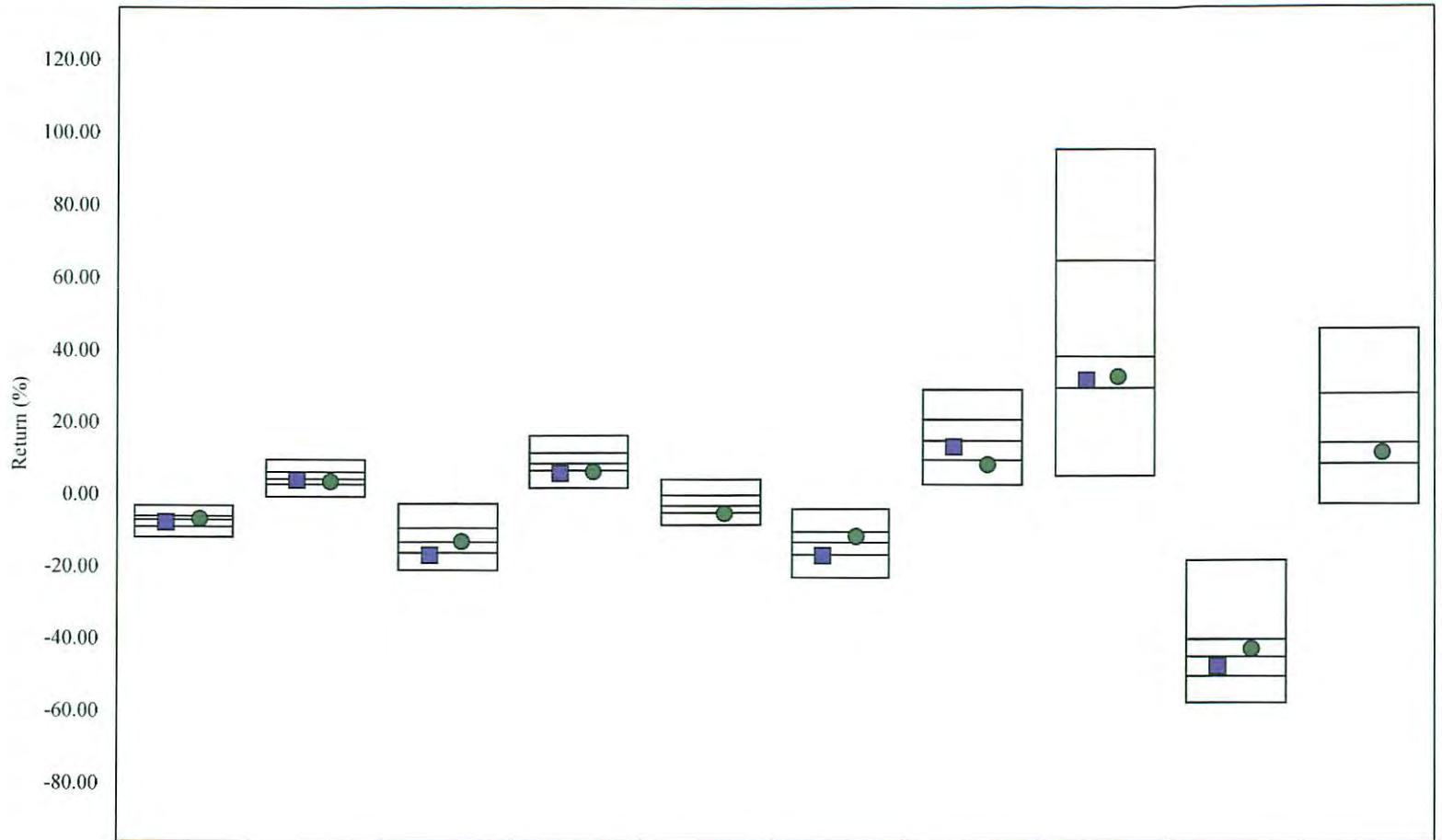


San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
TT Int'l Inv Tr Active Int'l Eq (CF)  
3 Years Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2009	-	-	-	6,998,267	N/A	100.00
Sep-2009	6,998,267	-19,064	1,571,279	8,550,482	22.47	122.47
Dec-2009	8,550,482	2,978,936	3,493	11,532,911	0.04	122.52
Mar-2010	11,532,911	-27,841	409,896	11,914,966	3.57	126.89
Jun-2010	11,914,966	3,465,971	-2,221,327	13,159,611	-14.52	108.47
Sep-2010	13,159,611	2,665,345	2,370,543	18,195,499	18.03	128.02
Dec-2010	18,195,499	-46,171	1,512,013	19,661,340	8.32	138.67
Mar-2011	19,661,340	-1,385,426	173,046	18,448,960	0.89	139.91
Jun-2011	18,448,960	-47,565	513,900	18,915,295	2.78	143.80
Sep-2011	18,915,295	-44,738	-4,227,394	14,643,163	-22.37	111.63
Dec-2011	14,643,163	-277,645	423,261	14,788,779	2.92	114.89
Mar-2012	14,788,779	-39,150	1,831,729	16,581,358	12.39	129.12
Jun-2012	16,581,358	-39,235	-1,280,829	15,261,294	-7.72	119.15
	<b>6,998,267</b>	<b>7,183,418</b>	<b>1,079,609</b>	<b>15,261,294</b>	<b>6.01</b>	<b>119.15</b>

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header.  
Performance shown is gross of fees. Calculation is based on quarterly periodicity.

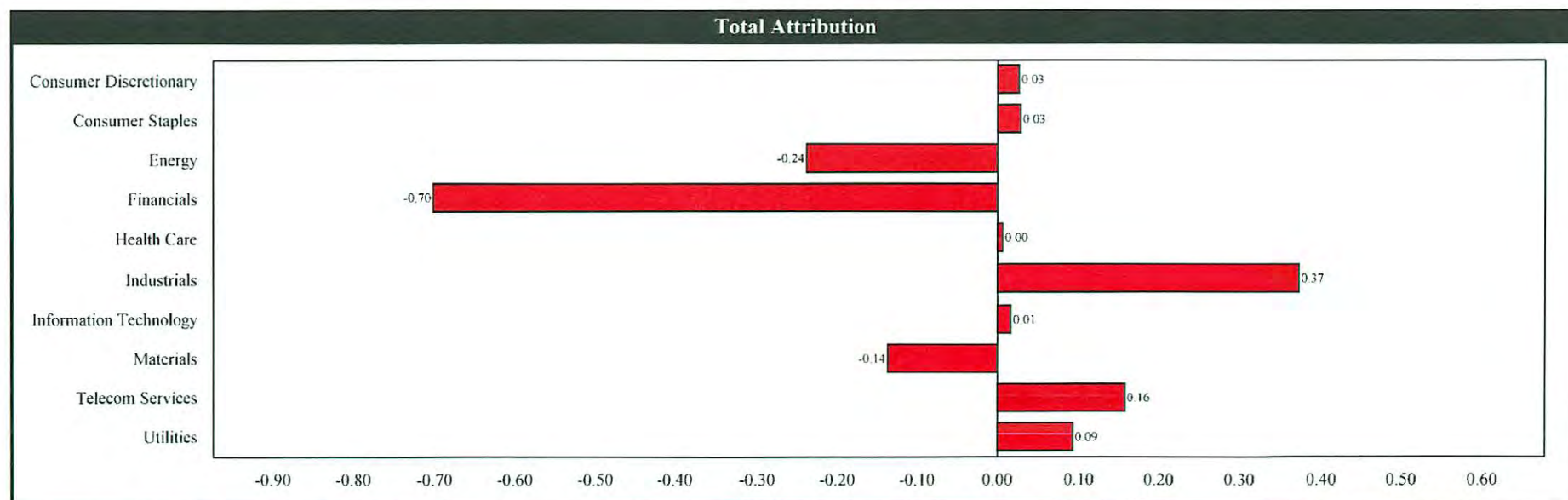
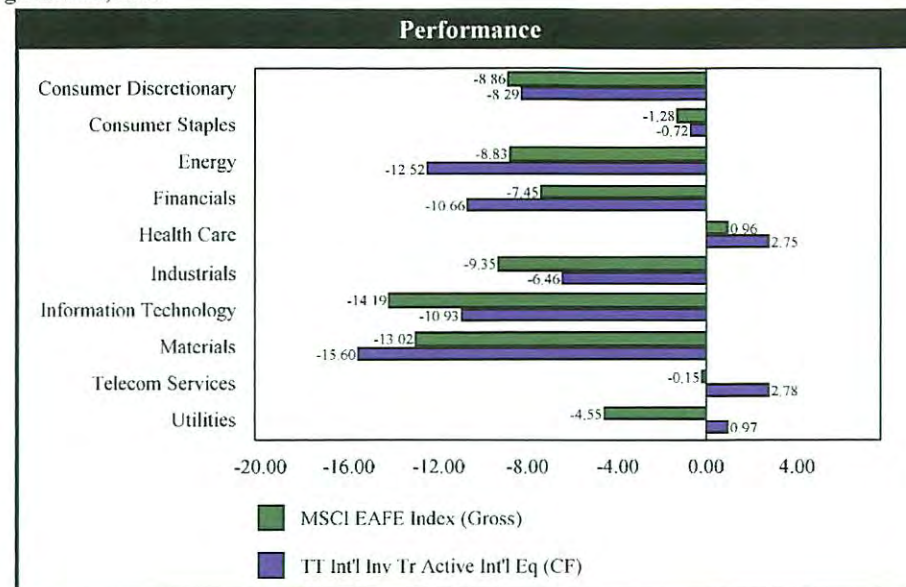
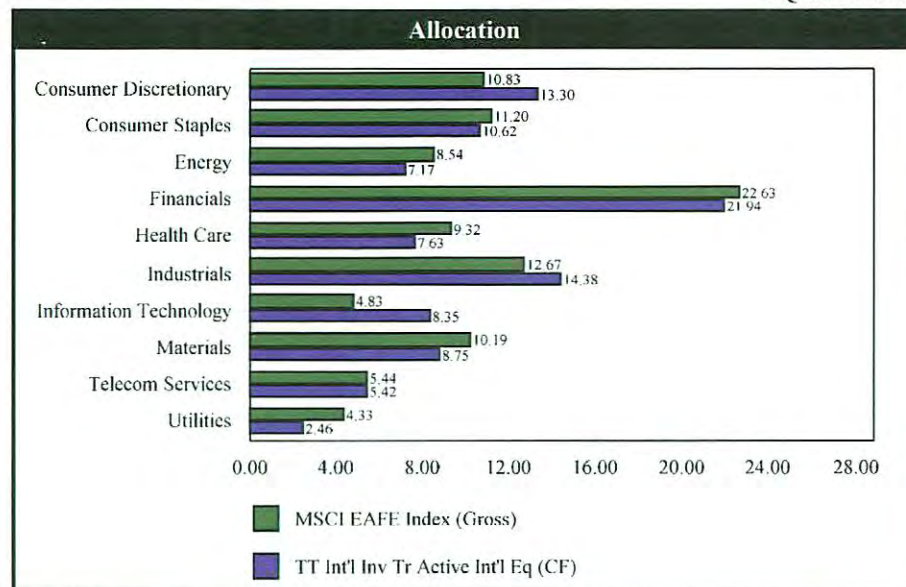
**San Diego Transit Corporation Employees Retirement Plan**  
**Peer Group Analysis**  
**IM International Equity (SA+CF)**  
**As of June 30, 2012**



	QTD	CYTD	1 Year	3 Years	5 Years	2011	2010	2009	2008	2007
■ TT Int'l Inv Tr Active Int'l Eq (CF)	-7.72 (62)	3.71 (62)	-17.14 (80)	6.01 (82)	N/A	-17.15 (78)	13.18 (59)	31.59 (70)	-47.90 (66)	N/A
● MSCI EAFE Index (Gross)	-6.85 (45)	3.38 (67)	-13.38 (54)	6.45 (77)	-5.63 (80)	-11.73 (40)	8.21 (81)	32.46 (68)	-43.06 (40)	11.63 (61)
Median	-7.09	4.42	-13.14	8.77	-2.94	-13.11	15.03	38.67	-44.85	14.45
Population	866	865	852	798	708	927	966	1,019	1,022	998

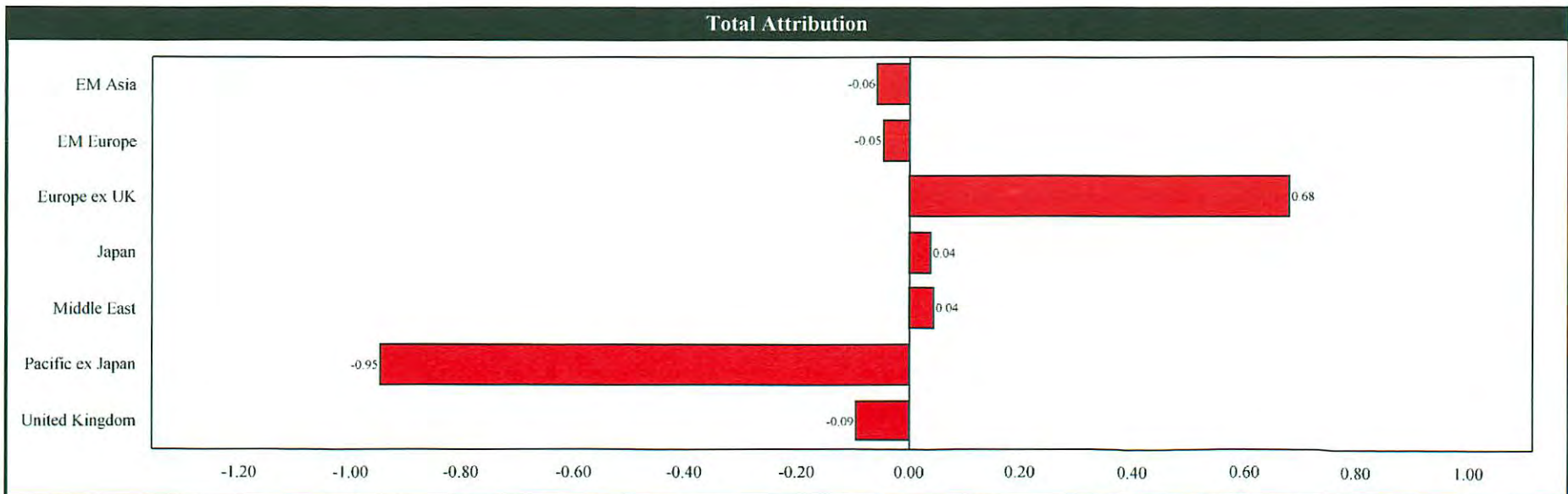
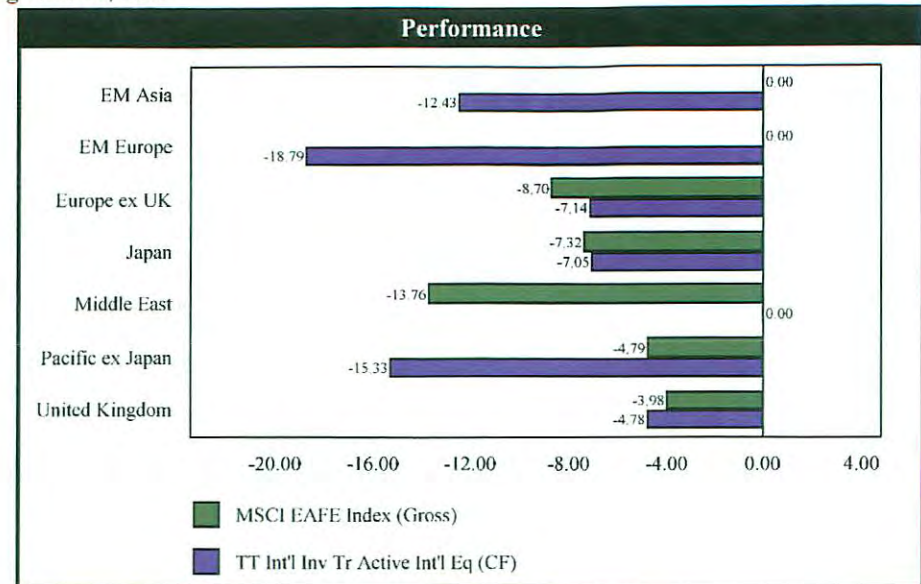
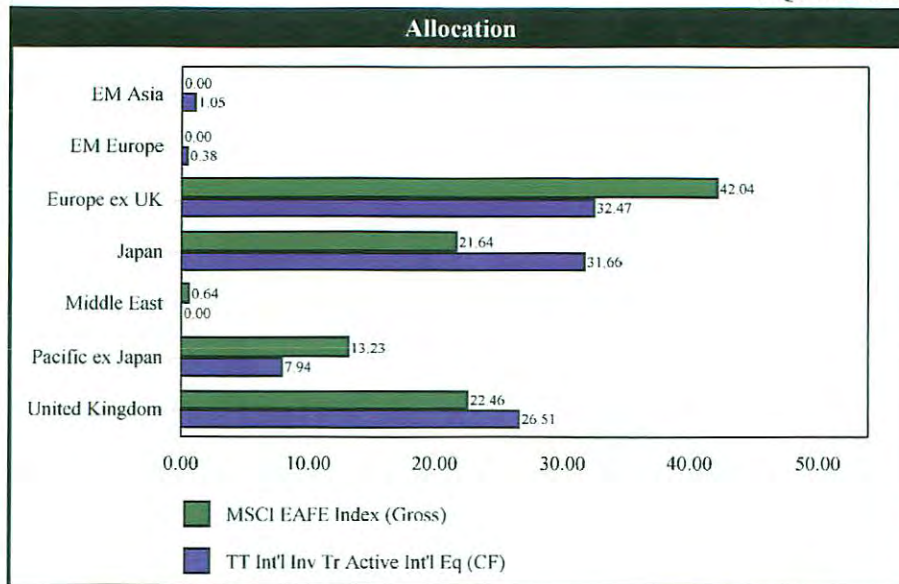
Performance shown is gross of fees. Parentheses contain percentile ranks.

**San Diego Transit Corporation Employees Retirement Plan**  
**TT Int'l Inv Tr Active Int'l Eq (CF) vs. MSCI EAFE Index (Gross)**  
**Buy and Hold Sector Attribution Graph**  
**1 Quarter Ending June 30, 2012**





**San Diego Transit Corporation Employees Retirement Plan**  
**TT Int'l Inv Tr Active Int'l Eq (CF) vs. MSCI EAFE Index (Gross)**  
**Buy and Hold Region Attribution Graph**  
**1 Quarter Ending June 30, 2012**





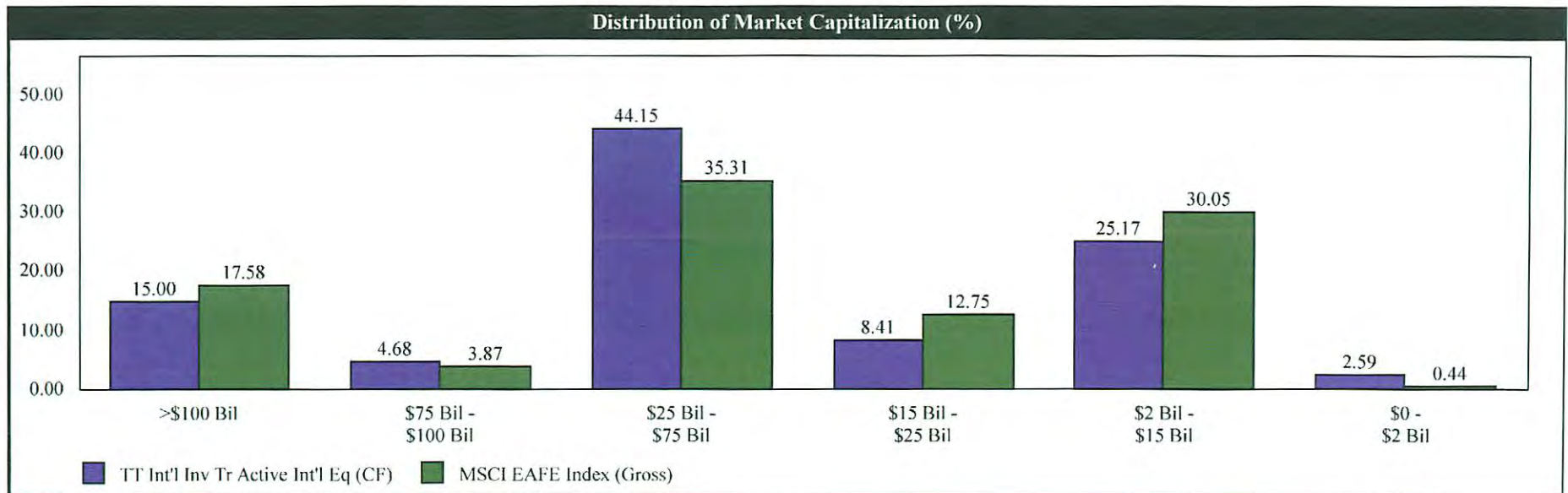
**San Diego Transit Corporation Employees Retirement Plan**  
**TT Int'l Inv Tr Active Int'l Eq (CF) vs. MSCI EAFE Index (Gross)**

**Portfolio Characteristics**

As of June 30, 2012

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Roche Holding Ag	3.61	1.26	2.35	-0.54
Sumitomo Mitsui Financial	3.47	0.46	3.01	-1.07
Nestle Sa, Cham Und Vevey	3.44	2.05	1.39	-1.57
Bayer Ag	3.29	0.62	2.67	5.80
Vodafone Group Plc	3.27	1.46	1.81	6.09
Toyota Motor Corp	2.89	1.15	1.74	-7.85
Imperial Tobacco Group Plc	2.78	0.40	2.38	-4.94
British American Tobacco Plc	2.50	1.04	1.46	1.00
Diageo Plc	2.47	0.67	1.80	7.27
Volkswagen Ag, Wolfsburg	2.35	0.24	2.11	-7.73
% of Portfolio	30.07	9.35		

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	51,220	50,617
Median Mkt. Cap (\$M)	16,656	6,681
Price/Earnings Ratio	11.77	11.65
Price/Book Ratio	1.97	1.83
5 Yr. EPS Growth Rate (%)	1.16	1.38
Current Yield (%)	3.10	3.81
Beta (3 Years, Monthly)	1.05	1.00
Number of Securities	80	919



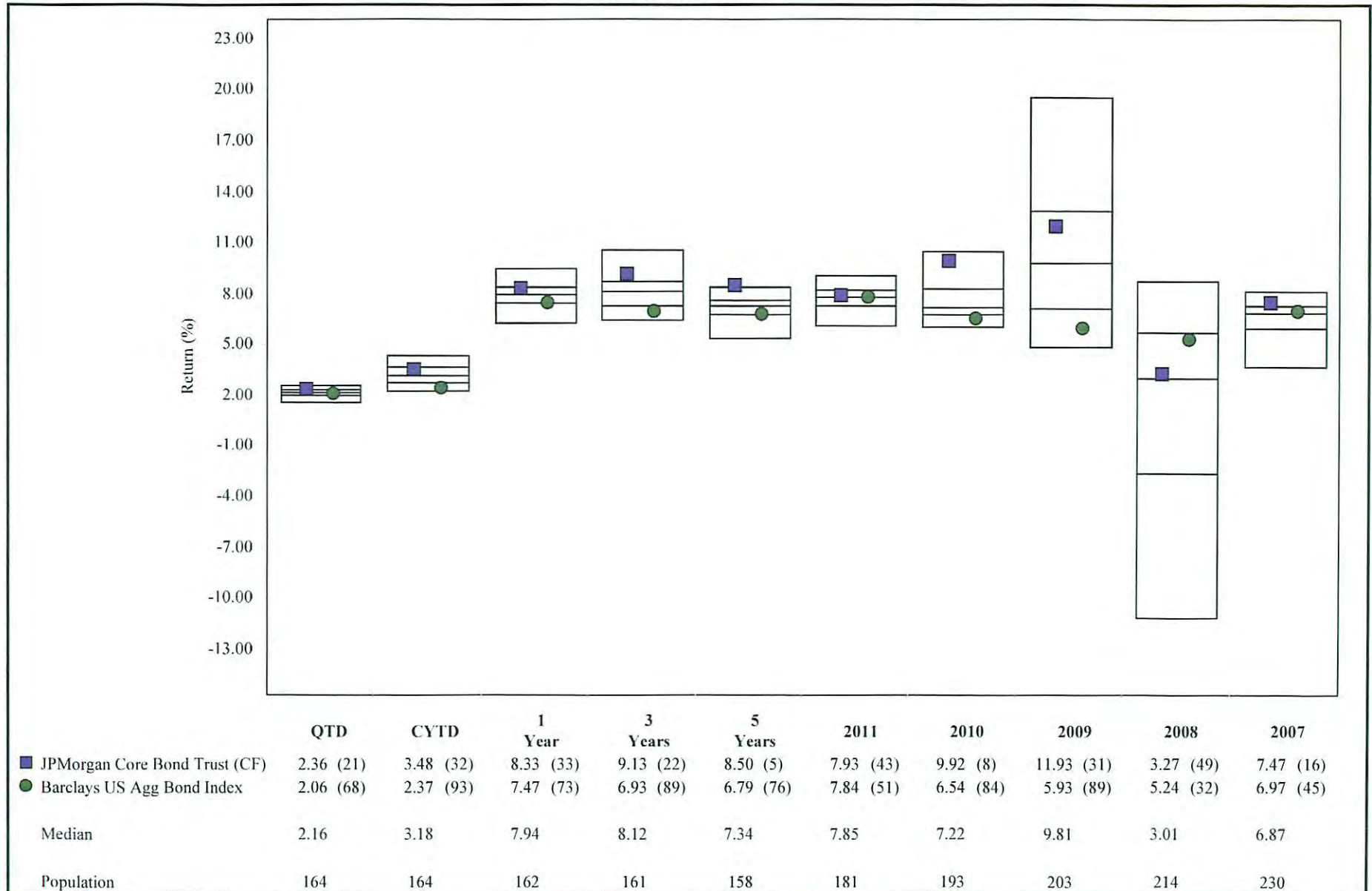
San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
JPMorgan Core Bond Trust (CF)  
7 Years Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2005	-	-	-	26,024,854	N/A	100.00
Sep-2005	26,024,854	-	-267,838	25,757,016	-0.54	99.46
Dec-2005	25,757,016	-9,664	156,489	25,903,841	0.61	100.07
Mar-2006	25,903,841	-19,546	-119,765	25,764,530	-0.46	99.60
Jun-2006	25,764,530	-16,050	41,077	25,789,557	0.16	99.76
Sep-2006	25,789,557	-29,261	968,952	26,729,248	3.76	103.51
Dec-2006	26,729,248	-20,210	311,627	27,020,664	1.17	104.72
Mar-2007	27,020,664	74,928	485,285	27,580,878	1.80	106.60
Jun-2007	27,580,878	-4,670,812	-103,941	22,806,124	-0.39	106.19
Sep-2007	22,806,124	-26,885	705,127	23,484,366	3.09	109.47
Dec-2007	23,484,366	-26,563	658,009	24,115,813	2.80	112.54
Mar-2008	24,115,813	-2,033,463	550,423	22,632,773	2.28	115.11
Jun-2008	22,632,773	-25,961	-154,875	22,451,937	-0.68	114.32
Sep-2008	22,451,937	-16,811	-350,459	22,084,667	-1.56	112.54
Dec-2008	22,084,667	-1,774,099	646,312	20,956,880	3.28	116.23
Mar-2009	20,956,880	-949,723	498,794	20,505,951	2.48	119.11
Jun-2009	20,505,951	-1,164,016	637,865	19,979,801	3.18	122.89
Sep-2009	19,979,801	-722,660	935,801	20,192,941	4.74	128.71
Dec-2009	20,192,941	-15,292	215,554	20,393,203	1.07	130.09
Mar-2010	20,393,203	-23,223	567,218	20,937,197	2.78	133.71
Jun-2010	20,937,197	-2,861,527	693,513	18,769,183	3.73	138.70
Sep-2010	18,769,183	-5,221,867	597,391	14,144,708	3.50	143.55
Dec-2010	14,144,708	-17,805	-55,254	14,071,649	-0.39	142.99
Mar-2011	14,071,649	-22,483	128,625	14,177,792	0.91	144.30
Jun-2011	14,177,792	-10,752	308,094	14,475,134	2.17	147.43
Sep-2011	14,475,134	-891,627	507,814	14,091,320	3.50	152.59
Dec-2011	14,091,320	-10,578	160,348	14,241,090	1.14	154.33
Mar-2012	14,241,090	-21,678	156,277	14,375,690	1.10	156.02
Jun-2012	14,375,690	-16,255	339,284	14,698,718	2.36	159.71
	<b>26,024,854</b>	<b>-20,543,881</b>	<b>9,217,745</b>	<b>14,698,718</b>	<b>6.92</b>	<b>159.71</b>

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header. Performance shown is gross of fees. Calculation is based on quarterly periodicity.

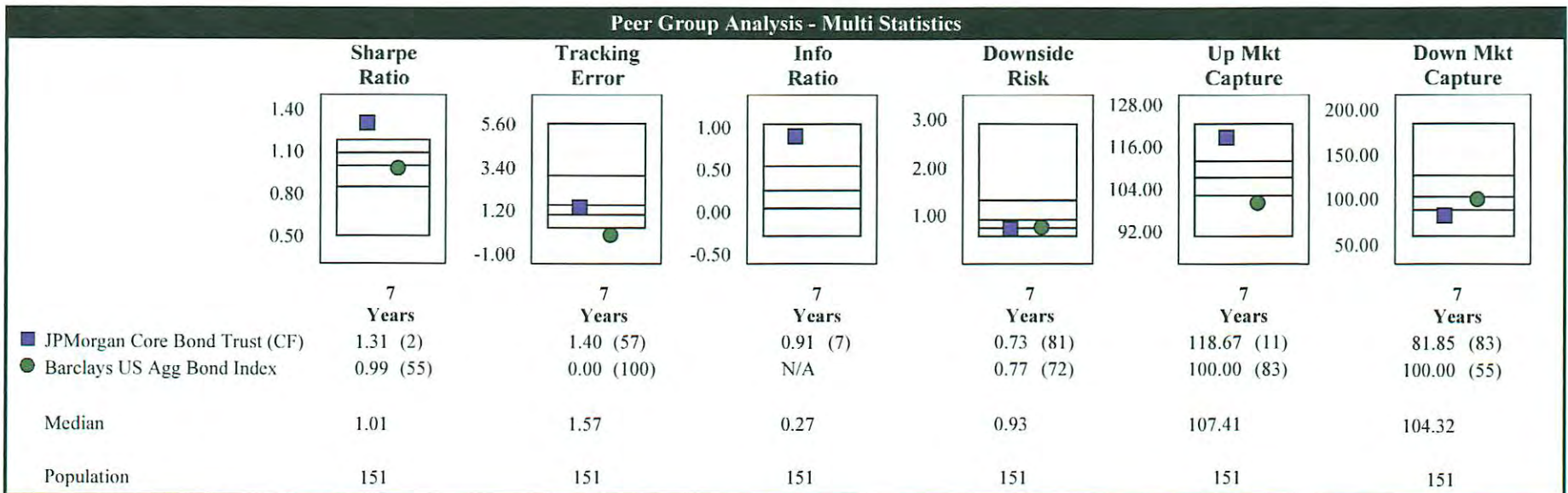
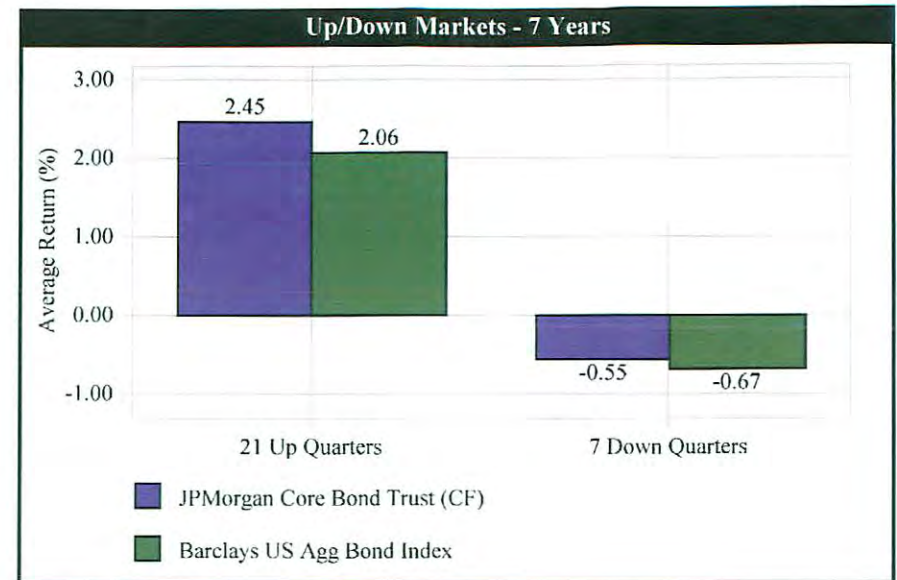
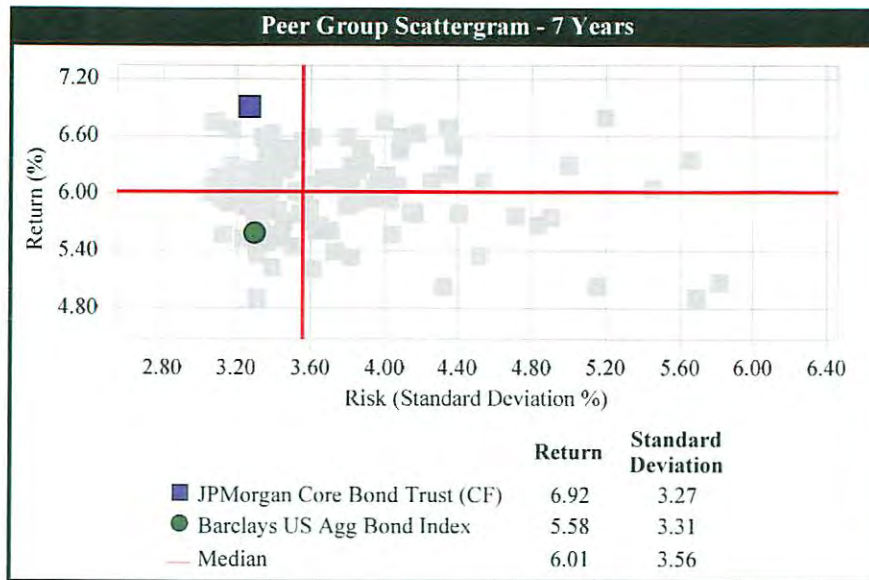


**San Diego Transit Corporation Employees Retirement Plan**  
**Peer Group Analysis**  
**IM U.S. Broad Market Core Fixed Income (SA+CF)**  
**As of June 30, 2012**



Performance shown is gross of fees. Parentheses contain percentile ranks.

**San Diego Transit Corporation Employees Retirement Plan**  
**JPMorgan Core Bond Trust (CF) vs. IM U.S. Broad Market Core Fixed Income (SA+CF)**  
As of June 30, 2012



Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.

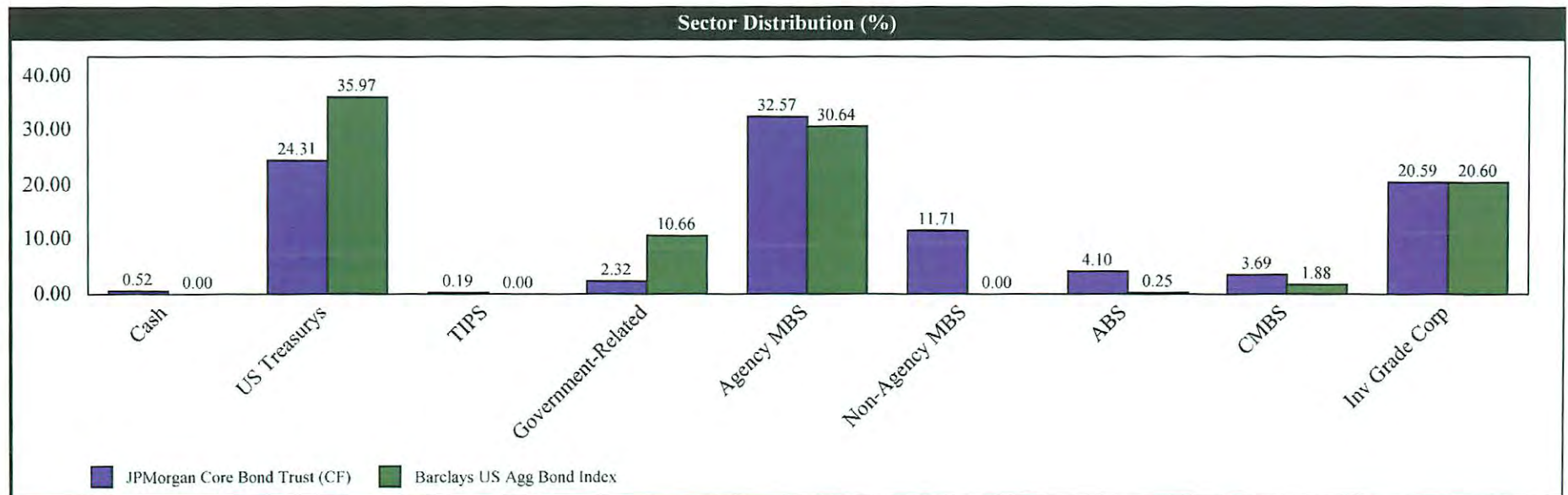


**San Diego Transit Corporation Employees Retirement Plan  
JPMorgan Core Bond Trust (CF) vs. Barclays US Agg Bond Index**

**Portfolio Characteristics**

As of June 30, 2012

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.73	5.07
Modified Duration	4.84	4.98
Convexity	<b>-0.29</b>	<b>-0.22</b>
Avg. Maturity	6.01	7.05
Avg. Quality	-	AA1/AA2
Coupon Rate (%)	4.25	3.78
Yield To Worst (%)	1.74	1.98



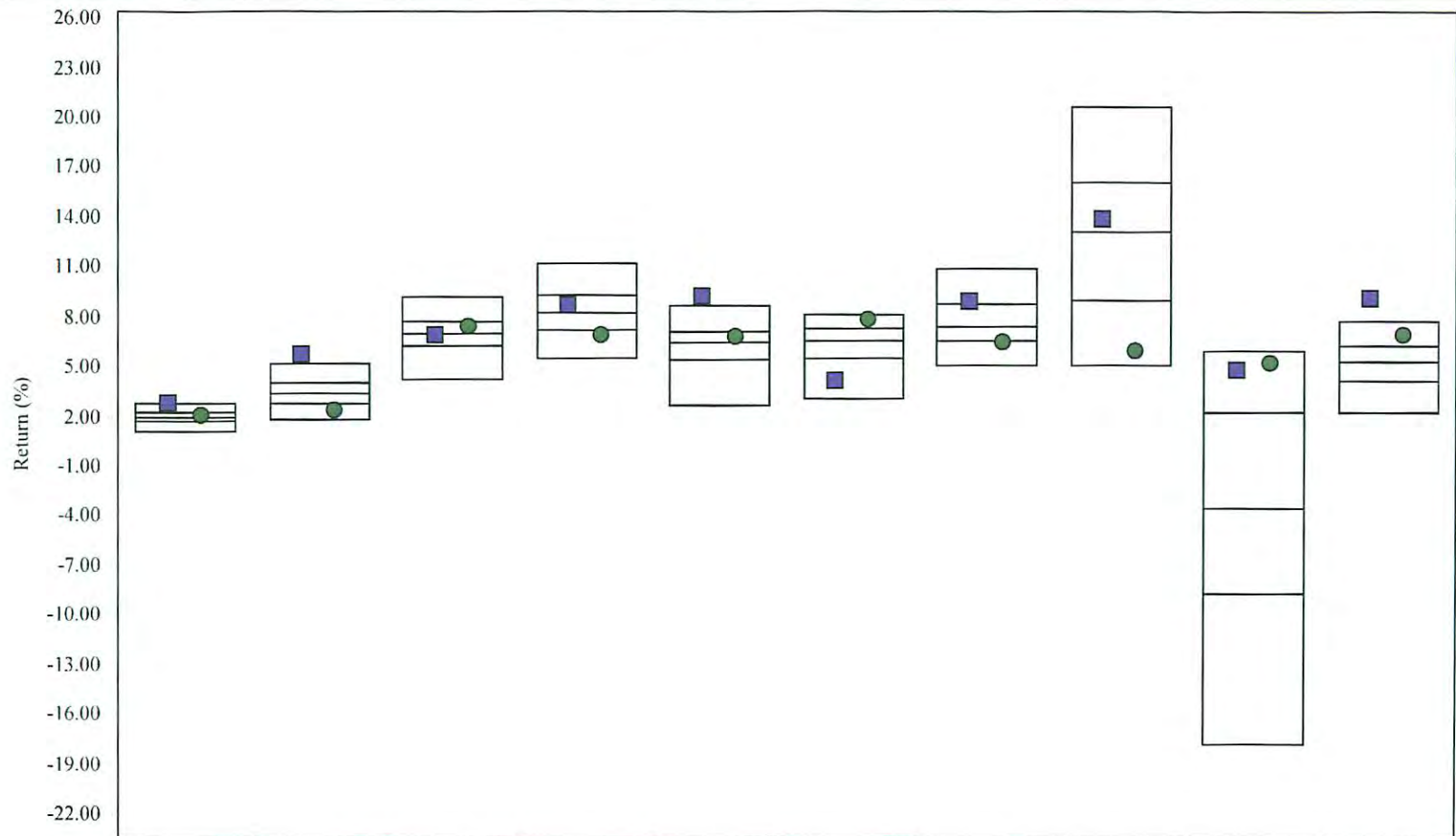
San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
PIMCO:Tot Rtn;Inst (PTTRX)  
7 Years Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2005	-	-	-	24,622,304	N/A	100.00
Sep-2005	24,622,304	-	-128,316	24,493,988	-0.52	99.48
Dec-2005	24,493,988	-	104,348	24,598,336	0.43	99.90
Mar-2006	24,598,336	1,420,355	-148,770	25,869,921	-0.56	99.34
Jun-2006	25,869,921	-	-76,038	25,793,883	-0.29	99.05
Sep-2006	25,793,883	-	1,005,398	26,799,281	3.90	102.91
Dec-2006	26,799,281	-	243,008	27,042,289	0.91	103.84
Mar-2007	27,042,289	107,376	471,736	27,621,401	1.74	105.65
Jun-2007	27,621,401	-4,670,800	-345,247	22,605,354	-1.33	104.25
Sep-2007	22,605,354	-	1,036,531	23,641,884	4.59	109.03
Dec-2007	23,641,884	-	927,028	24,568,912	3.92	113.31
Mar-2008	24,568,912	-2,559,346	807,560	22,817,126	3.29	117.03
Jun-2008	22,817,126	-	-298,657	22,518,469	-1.31	115.50
Sep-2008	22,518,469	-	-466,753	22,051,717	-2.07	113.10
Dec-2008	22,051,717	-1,750,000	1,000,487	21,302,204	4.98	118.74
Mar-2009	21,302,204	-926,589	320,037	20,695,652	1.55	120.58
Jun-2009	20,695,652	-1,148,790	963,615	20,510,477	4.71	126.27
Sep-2009	20,510,477	-700,000	1,218,453	21,028,930	6.03	133.88
Dec-2009	21,028,930	-	208,721	21,237,651	0.99	135.21
Mar-2010	21,237,651	-	630,439	21,868,090	2.97	139.22
Jun-2010	21,868,090	-5,447,881	546,260	16,966,470	2.80	143.12
Sep-2010	16,966,470	-3,500,000	646,621	14,113,091	3.82	148.59
Dec-2010	14,113,091	-	-129,856	13,983,235	-0.92	147.23
Mar-2011	13,983,235	-	154,349	14,137,584	1.10	148.85
Jun-2011	14,137,584	-	262,975	14,400,560	1.86	151.62
Sep-2011	14,400,560	-500,000	-145,118	13,755,442	-1.05	150.02
Dec-2011	13,755,442	-	305,493	14,060,935	2.22	153.36
Mar-2012	14,060,935	-	404,108	14,465,044	2.87	157.76
Jun-2012	14,465,044	-	403,600	14,868,644	2.79	162.17
	<b>24,622,304</b>	<b>-19,675,675</b>	<b>9,922,015</b>	<b>14,868,644</b>	<b>7.15</b>	<b>162.17</b>

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header. Performance shown is net of fees. Calculation is based on quarterly periodicity.



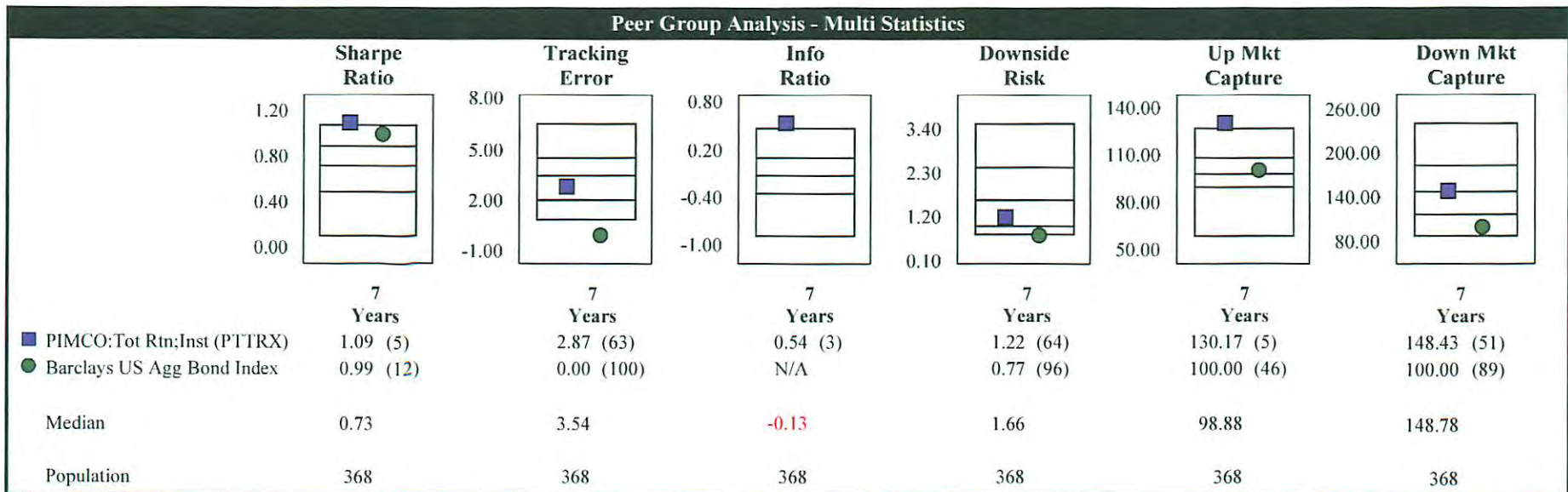
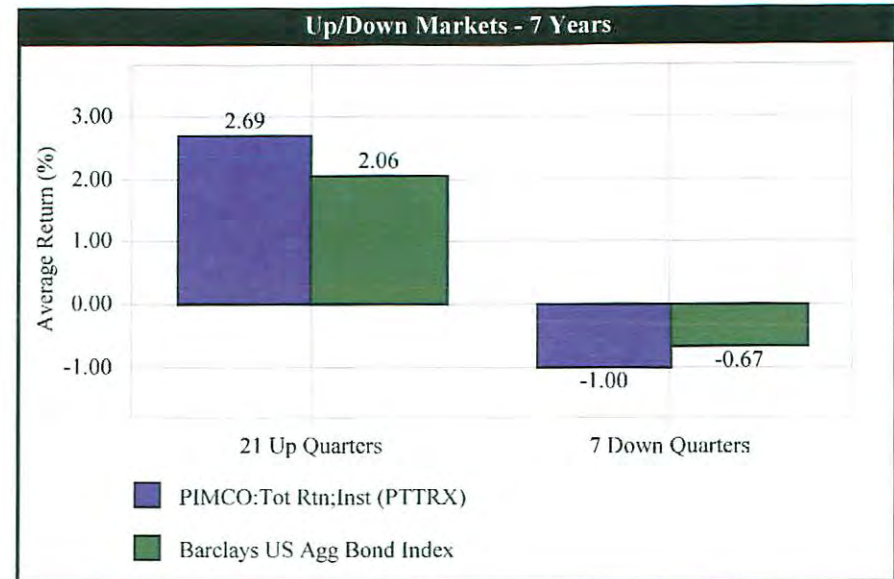
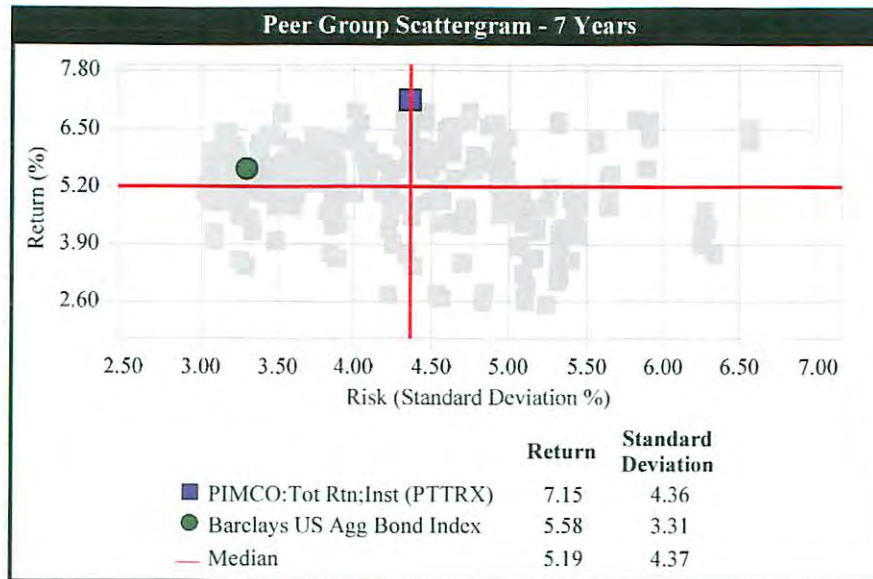
**San Diego Transit Corporation Employees Retirement Plan**  
**Peer Group Analysis**  
**IM U.S. Broad Market Core Fixed Income (MF)**  
**As of June 30, 2012**



	QTD	CYTD	1 Year	3 Years	5 Years	2011	2010	2009	2008	2007
■ PIMCO:Tot Rtn;Inst (PTTRX)	2.79 (5)	5.74 (2)	6.96 (55)	8.70 (37)	9.24 (3)	4.16 (90)	8.89 (24)	13.87 (46)	4.80 (14)	9.11 (1)
● Barclays US Agg Bond Index	2.06 (42)	2.37 (87)	7.47 (35)	6.93 (81)	6.79 (37)	7.84 (10)	6.54 (76)	5.93 (92)	5.24 (10)	6.97 (11)
Median	1.98	3.41	7.07	8.27	6.45	6.55	7.50	13.16	-3.49	5.29
Population	608	603	597	517	439	594	586	566	580	567

Performance shown is net of fees. Parentheses contain percentile ranks.

**San Diego Transit Corporation Employees Retirement Plan**  
**PIMCO:Tot Rtn;Inst (PTTRX) vs. IM U.S. Broad Market Core Fixed Income (MF)**  
As of June 30, 2012



Performance shown is net of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.

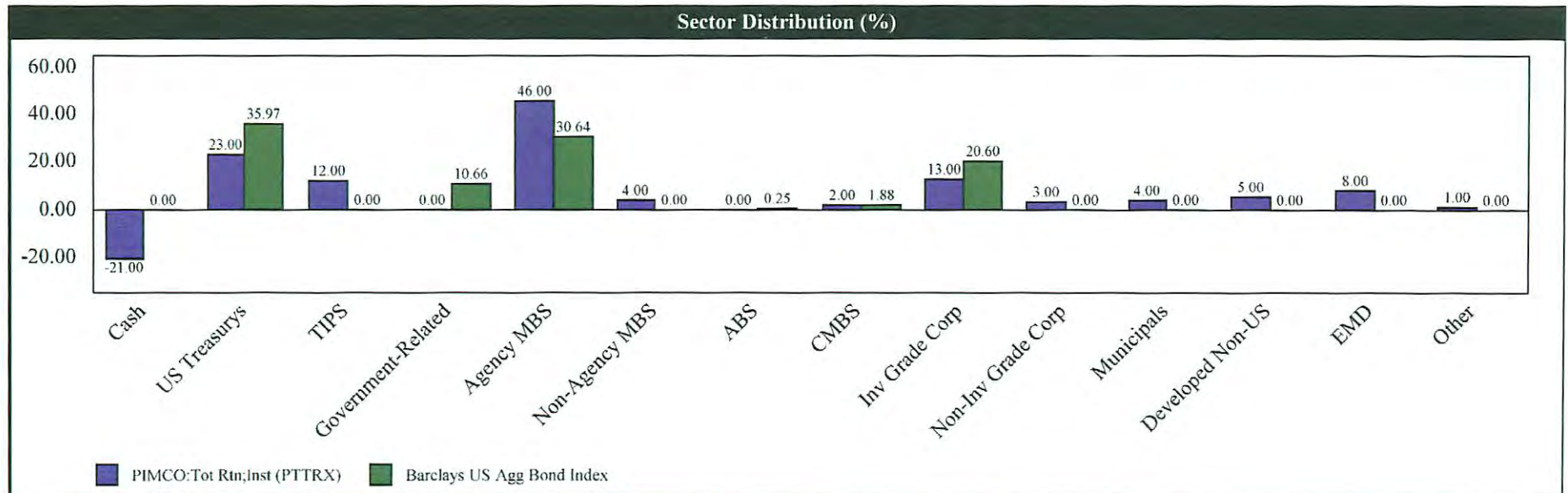


**San Diego Transit Corporation Employees Retirement Plan  
PIMCO:Tot Rtn;Inst (PTTRX) vs. Barclays US Agg Bond Index**

**Portfolio Characteristics**

As of June 30, 2012

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	4.82	5.07
Spread Duration	2.39	5.21
Avg. Maturity	6.99	7.05
Avg. Quality	AA-	AA1/AA2
Yield To Maturity (%)	2.64	1.99
Coupon Rate (%)	3.70	3.78
Holdings Count	6,121	7,921



Allocation to "Other" consists of 1% Euro/Yankee bonds. Negative sector allocation reflects manager's use of derivatives. Cash equivalents are defined as any security with duration under one year.

**RVKuhns**

▶ ▶ ▶ & ASSOCIATES, INC.

San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
Loomis Sayles World Bond Trust (CF)  
10 Years Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2002	-	-	-	3,768,615	N/A	100.00
Sep-2002	3,768,615	-7,531	86,415	3,847,498	2.30	102.30
Dec-2002	3,847,498	-7,752	289,600	4,129,347	7.54	110.00
Mar-2003	4,129,347	-8,459	217,520	4,338,408	5.26	115.79
Jun-2003	4,338,408	-9,014	346,125	4,675,519	7.98	125.03
Sep-2003	4,675,519	-9,094	82,242	4,748,666	1.77	127.24
Dec-2003	4,748,666	-9,523	270,384	5,009,527	5.70	134.49
Mar-2004	5,009,527	-10,074	115,946	5,115,399	2.32	137.61
Jun-2004	5,115,399	-109,925	-157,267	4,848,207	-3.07	133.38
Sep-2004	4,848,207	-9,796	213,945	5,052,357	4.42	139.28
Dec-2004	5,052,357	3,725,568	511,113	9,289,037	6.96	148.97
Mar-2005	9,289,037	-2,018,452	-167,481	7,103,104	-2.11	145.83
Jun-2005	7,103,104	-14,248	-26,341	7,062,515	-0.37	145.28
Sep-2005	7,062,515	-14,161	-21,914	7,026,440	-0.31	144.83
Dec-2005	7,026,440	-13,887	-57,606	6,954,946	-0.82	143.65
Mar-2006	6,954,946	-14,056	75,816	7,016,707	1.09	145.21
Jun-2006	7,016,707	-13,382	170,129	7,173,454	2.42	148.73
Sep-2006	7,173,454	-13,605	170,355	7,330,204	2.38	152.26
Dec-2006	7,330,204	-13,901	211,693	7,527,996	2.89	156.66
Mar-2007	7,527,996	-13,939	121,477	7,635,534	1.62	159.19
Jun-2007	7,635,534	-14,165	-34,675	7,586,694	-0.46	158.47
Sep-2007	7,586,694	-14,208	395,578	7,968,063	5.22	166.74
Dec-2007	7,968,063	-14,941	210,111	8,163,234	2.64	171.14
Mar-2008	8,163,234	-14,943	366,125	8,514,416	4.49	178.81
Jun-2008	8,514,416	-14,401	-132,244	8,367,771	-1.76	175.67
Sep-2008	8,367,771	-5,981	-639,778	7,722,012	-7.65	162.23
Dec-2008	7,722,012	-610,612	91,510	7,202,911	1.77	165.09
Mar-2009	7,202,911	-9,904	-278,012	6,914,995	-3.86	158.72
Jun-2009	6,914,995	-9,508	757,665	7,663,152	10.97	176.12
Sep-2009	7,663,152	-10,537	734,120	8,386,735	9.59	193.01
Dec-2009	8,386,735	-1,611,532	45,133	6,820,337	-0.04	192.94
Mar-2010	6,820,337	-9,378	-17	6,810,942	0.00	192.94

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header. Performance shown is gross of fees. Calculation is based on quarterly periodicity.

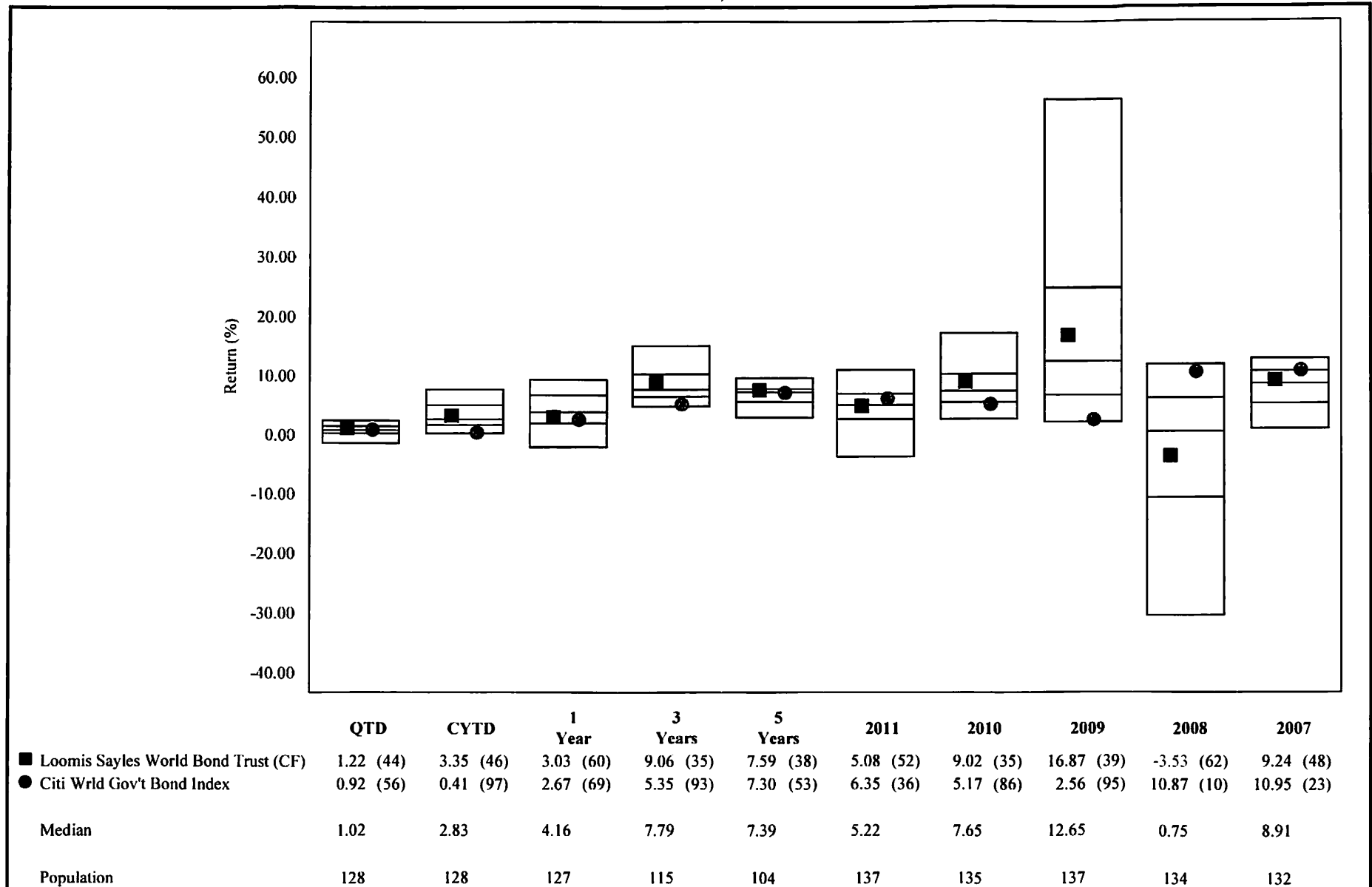


San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
Loomis Sayles World Bond Trust (CF)  
10 Years Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2010	6,810,942	-9,365	-6,257	6,795,320	-0.09	192.76
Sep-2010	6,795,320	-9,344	667,992	7,453,968	9.84	211.73
Dec-2010	7,453,968	-10,249	-48,378	7,395,341	-0.65	210.35
Mar-2011	7,395,341	-10,169	114,998	7,500,171	1.56	213.62
Jun-2011	7,500,171	-10,313	284,486	7,774,344	3.79	221.72
Sep-2011	7,774,344	-980,000	-100,567	6,693,777	-1.63	218.10
Dec-2011	6,693,777	-19,894	90,043	6,763,926	1.34	221.03
Mar-2012	6,763,926	-9,300	142,353	6,896,979	2.10	225.69
Jun-2012	6,896,979	-9,483	84,252	6,971,747	1.22	228.44
	<b>3,768,615</b>	<b>-1,993,455</b>	<b>5,196,587</b>	<b>6,971,747</b>	<b>8.61</b>	<b>228.44</b>

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header.  
Performance shown is gross of fees. Calculation is based on quarterly periodicity.

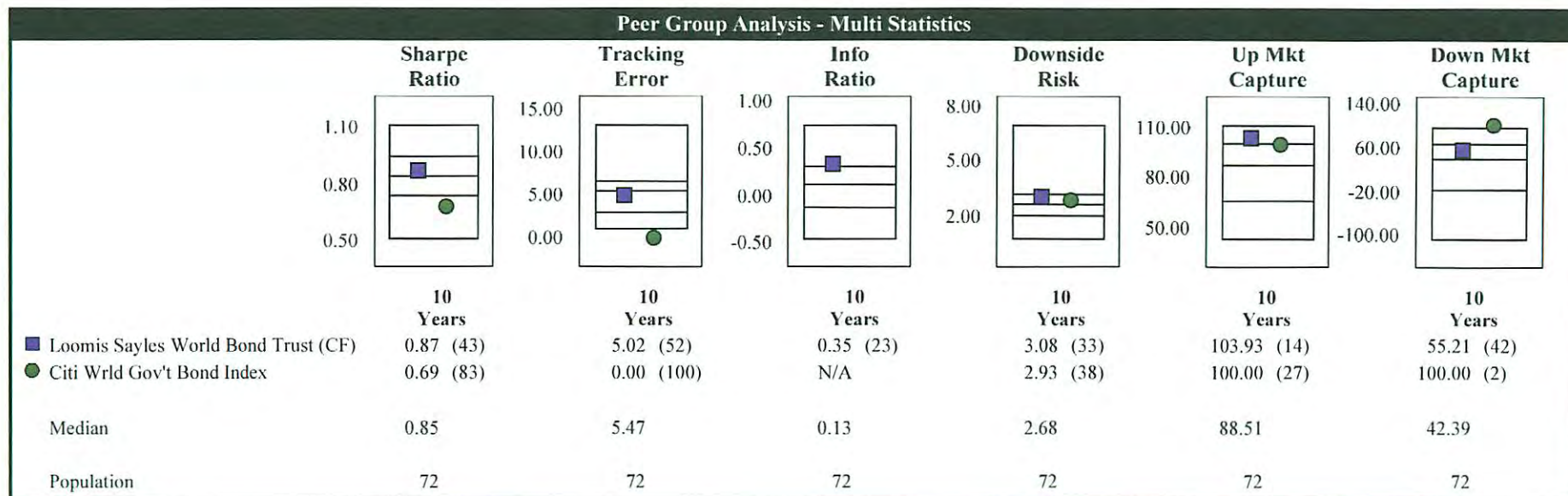
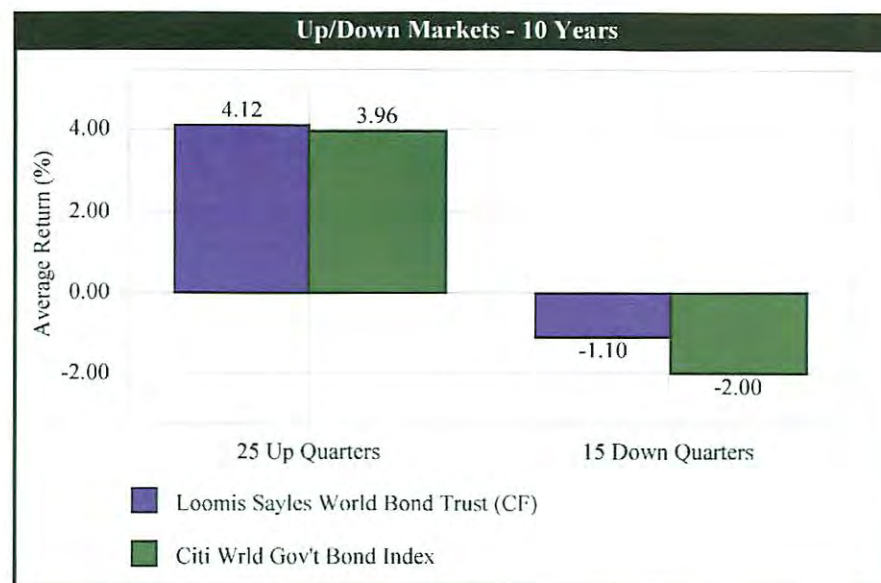
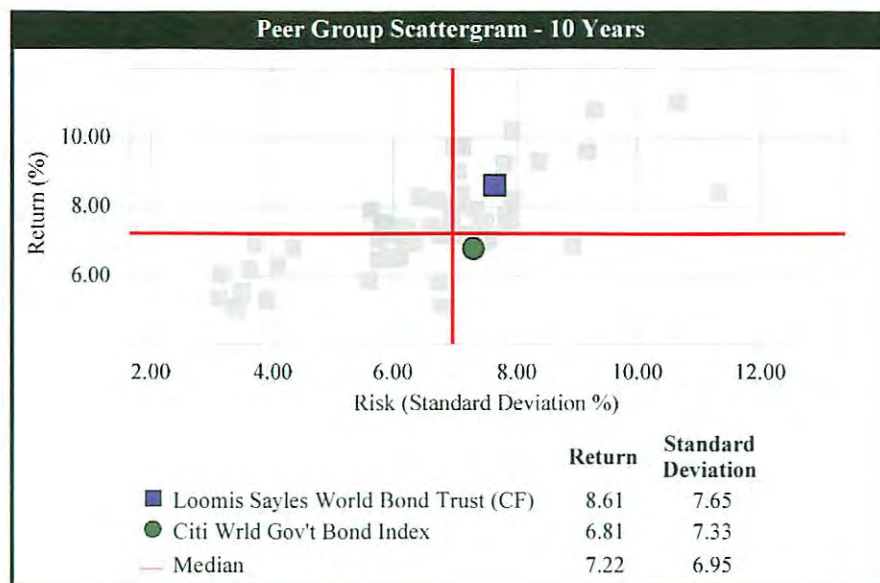
**San Diego Transit Corporation Employees Retirement Plan**  
**Peer Group Analysis**  
**IM Global Fixed Income (SA+CF)**  
**As of June 30, 2012**



Performance shown is gross of fees. Parentheses contain percentile ranks.



**San Diego Transit Corporation Employees Retirement Plan**  
**Loomis Sayles World Bond Trust (CF) vs. IM Global Fixed Income (SA+CF)**  
As of June 30, 2012



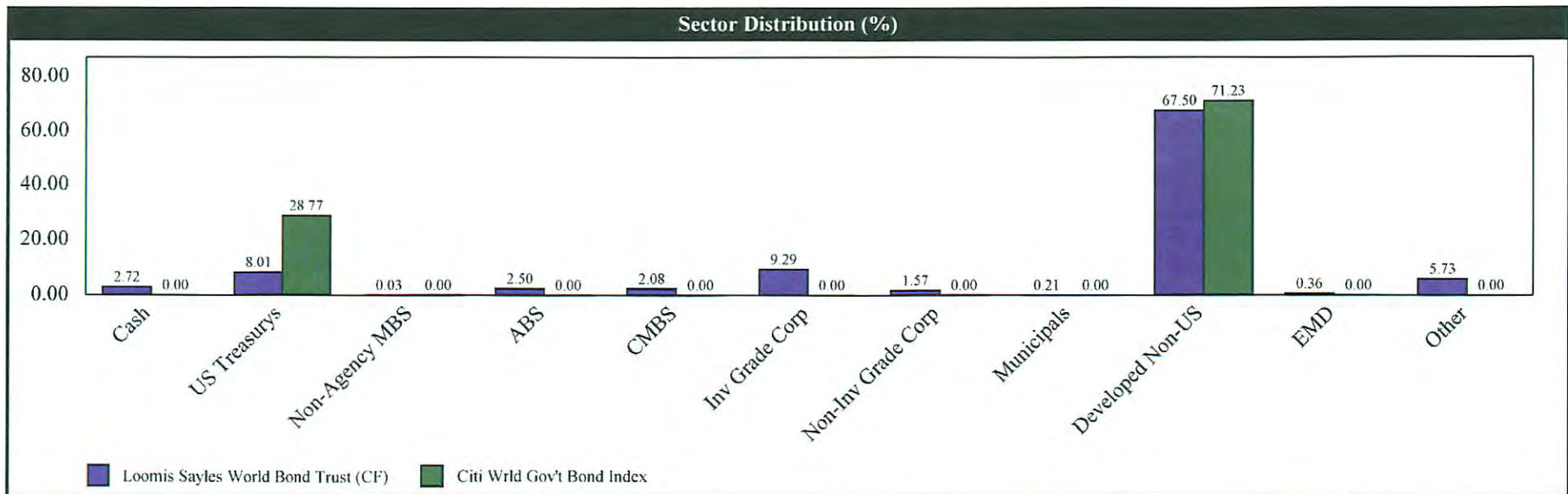
Performance shown is gross of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.

**San Diego Transit Corporation Employees Retirement Plan  
Loomis Sayles World Bond Trust (CF) vs. Citi Wrld Gov't Bond Index**

**Portfolio Characteristics**

As of June 30, 2012

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	6.41	6.82
Modified Duration	6.27	6.65
Convexity	0.77	-
Avg. Maturity	9.10	-
Avg. Quality	A1	AA
Yield To Maturity (%)	2.54	1.45
Coupon Rate (%)	3.38	2.66
Current Yield (%)	3.00	-
Holdings Count	173	-



Allocation to "Other" consists of 1.20% Non-US ABS, 4.26% Bank Loans, and 0.27% Convertibles.



**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**Real Return Comparison**  
**As of June 30, 2012**

	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	10 Years	2011	2010	2009	Since Incep.	Inception Date
<b>Wellington DIH Portfolio (CF)</b>	<b>-5.43</b>	<b>-0.52</b>	<b>-10.84</b>	<b>9.77</b>	<b>-0.51</b>	<b>7.00</b>	<b>N/A</b>	<b>-7.74</b>	<b>18.44</b>	<b>43.92</b>	<b>7.61</b>	<b>01/01/2005</b>
Wellington Dvfd Infl Hedge Comp Index	-5.06	-0.38	-7.83	9.43	2.19	7.52	N/A	-4.09	16.26	29.98	7.93	
Difference	-0.37	-0.14	-3.01	0.34	-2.70	-0.52	N/A	-3.65	2.18	13.94	-0.32	
<b>PIMCO:All Ast Ath;Inst (PAUIX)</b>	<b>-0.30</b>	<b>6.63</b>	<b>5.07</b>	<b>9.71</b>	<b>7.78</b>	<b>6.65</b>	<b>N/A</b>	<b>3.01</b>	<b>10.67</b>	<b>19.35</b>	<b>7.78</b>	<b>11/01/2003</b>
All Asset Composite Index	1.32	4.97	7.32	11.99	5.62	6.18	7.74	6.78	11.68	16.69	7.04	
Difference	-1.62	1.66	-2.25	-2.28	2.16	0.47	N/A	-3.77	-1.01	2.66	0.74	
<b>Fidelity Strat RI Rtn (FSRRX)</b>	<b>0.84</b>	<b>4.02</b>	<b>2.53</b>	<b>11.54</b>	<b>3.84</b>	<b>N/A</b>	<b>N/A</b>	<b>1.68</b>	<b>13.94</b>	<b>28.41</b>	<b>3.82</b>	<b>10/01/2005</b>
Fidelity Strat Real Return Comp Index	0.75	3.78	3.04	11.65	4.50	N/A	N/A	2.75	13.65	29.90	4.32	
Difference	0.09	0.24	-0.51	-0.11	-0.66	N/A	N/A	-1.07	0.29	-1.49	-0.50	
<b>Dreyfus Global Alpha;I (AVGRX)</b>	<b>-2.43</b>	<b>2.55</b>	<b>-1.55</b>	<b>11.79</b>	<b>-0.91</b>	<b>N/A</b>	<b>N/A</b>	<b>0.43</b>	<b>13.68</b>	<b>25.12</b>	<b>1.57</b>	<b>06/01/2006</b>
60% MSCI World/40% Citi WGBI	-2.60	3.86	-1.53	9.06	1.54	4.52	6.21	-0.64	9.50	18.73	3.53	
Difference	0.17	-1.31	-0.02	2.73	-2.45	N/A	N/A	1.07	4.18	6.39	-1.96	
<b>UBS Dynamic Alpha;Y (BNAYX)</b>	<b>-0.46</b>	<b>5.53</b>	<b>6.57</b>	<b>8.23</b>	<b>0.78</b>	<b>2.38</b>	<b>N/A</b>	<b>-1.28</b>	<b>2.22</b>	<b>27.33</b>	<b>2.54</b>	<b>02/01/2005</b>
60% MSCI World/40% Citi WGBI	-2.60	3.86	-1.53	9.06	1.54	4.52	6.21	-0.64	9.50	18.73	4.25	
Difference	2.14	1.67	8.10	-0.83	-0.76	-2.14	N/A	-0.64	-7.28	8.60	-1.71	
<b>SSgA Real Asset Strategy (SA)</b>	<b>-2.16</b>	<b>2.87</b>	<b>-3.54</b>	<b>13.41</b>	<b>1.54</b>	<b>4.62</b>	<b>N/A</b>	<b>-0.24</b>	<b>16.12</b>	<b>26.91</b>	<b>5.05</b>	<b>04/01/2005</b>
SSgA Real Asset Blend Index	-2.13	3.00	-3.58	13.34	1.08	4.25	N/A	-0.43	16.19	25.90	4.72	
Difference	-0.03	-0.13	0.04	0.07	0.46	0.37	N/A	0.19	-0.07	1.01	0.33	

The Wellington Dvfd Infl Hedge Comp Index return is received directly from Wellington and currently consists of 25% MSCI World Energy >\$3B, 5% MSCI World Metals & Mining >\$3B, 7% MSCI World Agriculture Products, Fertilizers & Agricultural Chemicals, and Forest Products, 3% MSCI World Construction & Farm Machinery, Packaged Food & Meats, and Paper Product, 3% MSCI World Utilities, 1% MSCI World Oil & Gas, Storage & Transport, 0.5% MSCI World Telecommunications, 0.5% MSCI World Air Freight, Logistics, and Airlines, 3.5% MSCI ACW IMI Gold & Precious Metals, 1.5% S&P GSCI Precious Metals Total Return, 25% S&P GSCI Commodity Equal Sector Weight, 20% Barclays US TIPS 1-10 Year, 5% Barclays Emerging Markets Tradable Government Inflation-Linked Bond.

The All Asset Composite Index is an equal-weighted hybrid of the 14 benchmarks for each of the core funds held by PIMCO:All Ast Ath;Inst (PAUIX). RVK began calculating the benchmark in January 2007. Prior performance was calculated by PIMCO.

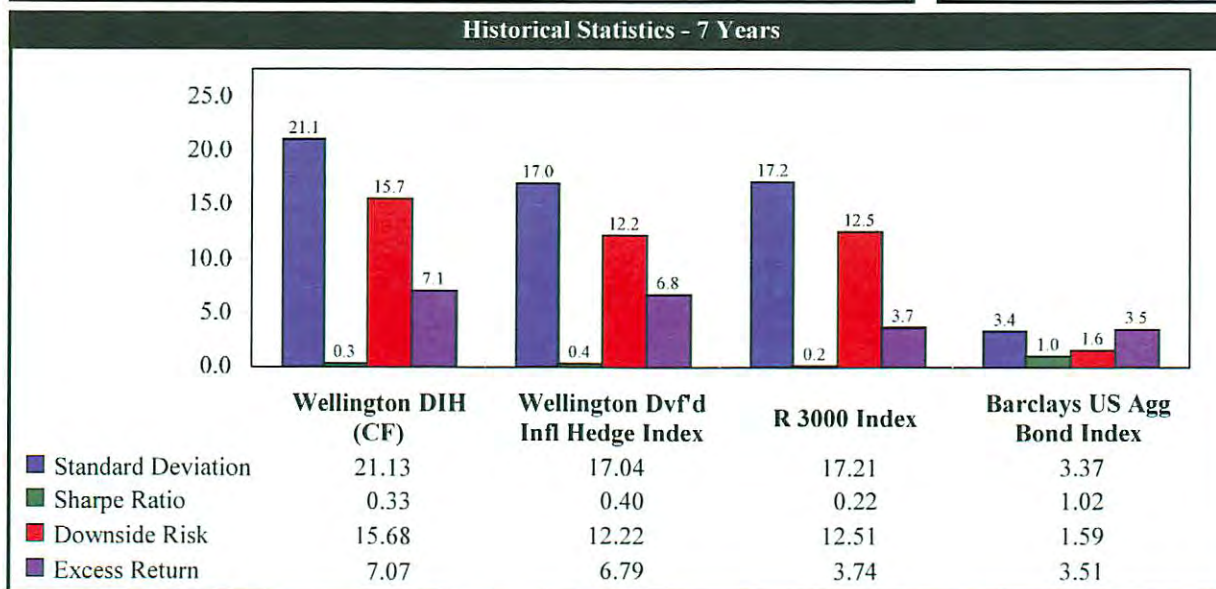
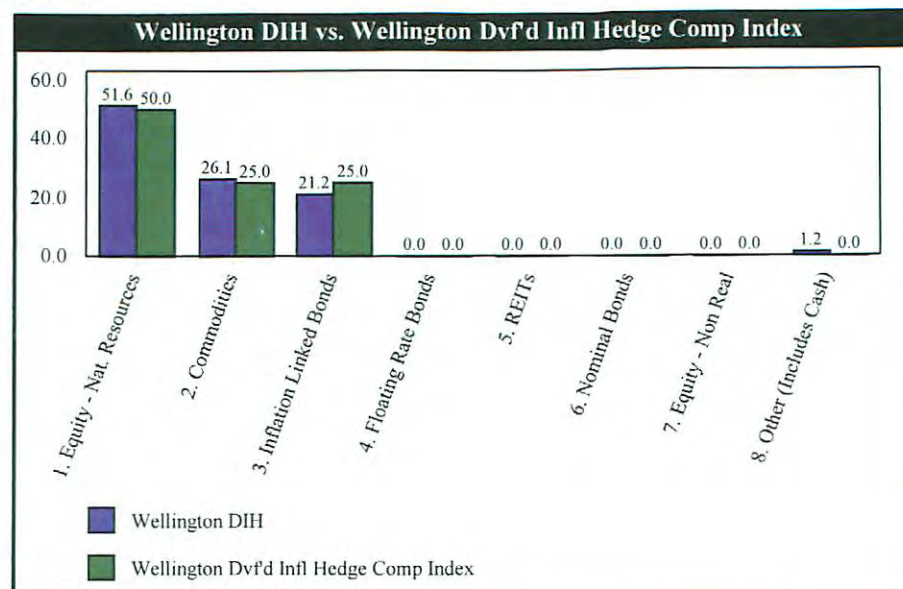
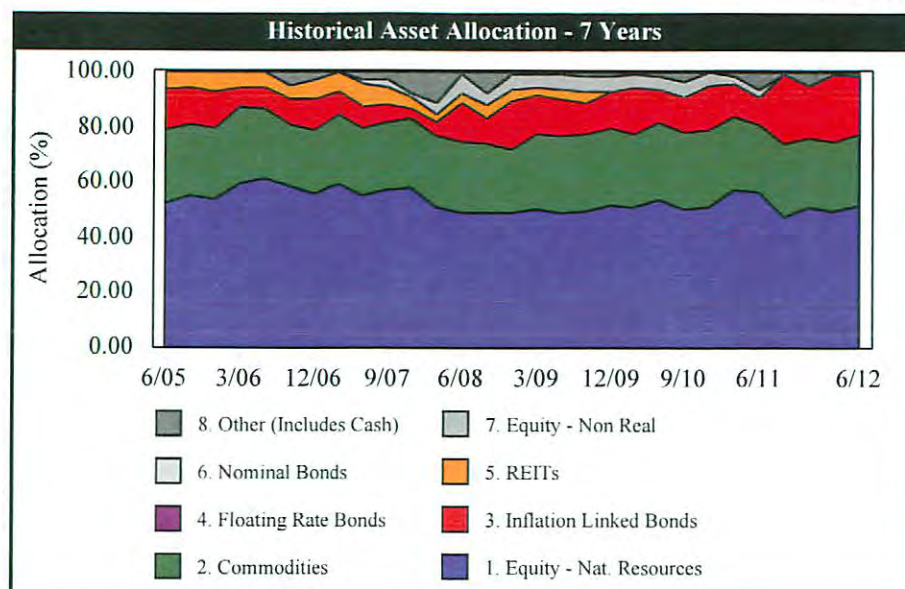
The Fidelity Strat Real Return Comp Index currently consists of 30% Barclays US Trsy: US TIPS Index, 25% DJ-UBS Cmdty Index (TR), 25% S&P/LSTA Leveraged Loan Index, 12% DJ US Select RE Index, and 8% BofA ML RE Corp Bond Index.

The SSgA Real Asset Blend Index currently consists of 30% DJ US Select REIT Index, 25% S&P GS Commodity Index, 25% MSCI Custom World Natural Resources Index (Net), and 20% Barclays US Trsy: US TIPS Index.

Performance shown is net of fees except for Wellington DIH Portfolio (CF) and SSgA Real Asset Strategy (SA), which are shown gross of fees. Performance shown is product-specific. Inception dates represent actual fund inception dates.



**San Diego Transit Corporation Employees Retirement Plan**  
**Wellington DIH Portfolio (CF)**  
**Asset Allocation & Statistics**  
**As of June 30, 2012**



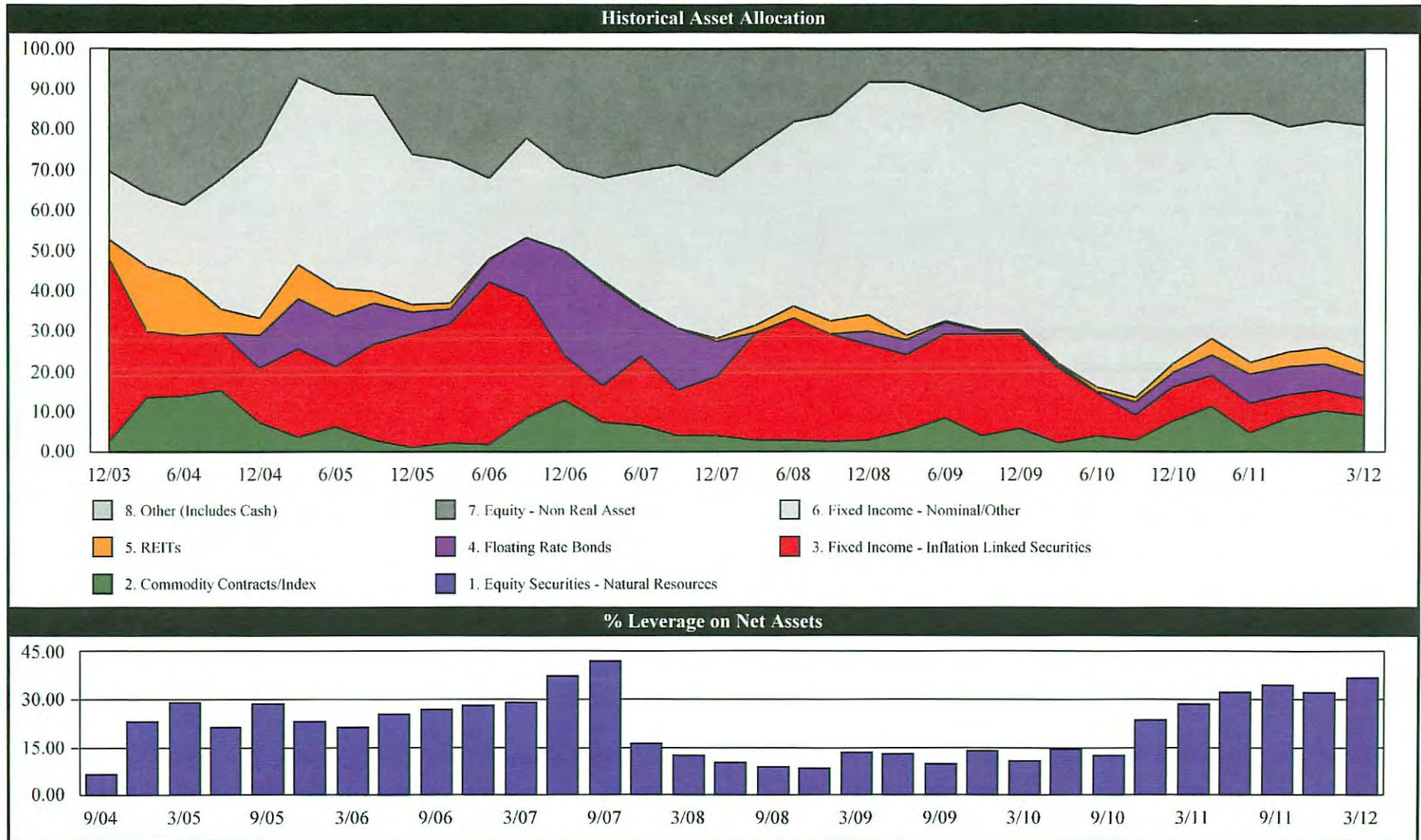
**Actual Correlation - 7 Years**

	Actual Correlation
Wellington Dvf'd Infl Hedge Index	0.99
R 3000 Index	0.78
MSCI ACW Ex US Index (Gross)	0.88
Barclays US Agg Bond Index	0.08
Barclays US Trsy: US TIPS Index	0.36
Wilshire US REIT Index	0.57
HFN FOF Multi-Strat Index (Net)	0.87
DJ-UBS Cmdty Index (TR)	0.89
BofA ML 3 Mo US T-Bill Index	0.00
Consumer Price Index	0.27

Primary Real Return strategies and asset classes are represented by the colored shades and are denoted by categories 1 through 5.  
Please see the Addendum for custom index definitions.  
Statistics are based on monthly net of fees returns and are product-specific. Calculation is based on monthly periodicity.



**PIMCO:All Ast Ath;Inst (PAUIX)**  
**Historical Asset Allocation**  
**As of June 30, 2012**



The PIMCO All Asset All Authority Fund may use leverage up to one-half of net assets. This is accomplished through a line of credit from external banks, the proceeds of which are used to gain incremental exposure to the desired underlying fund(s). Current allocations sum to 137.26%, due to the use of 37.26% leverage on net assets.

Historical allocations shown are available at a one-quarter lag due to the disclosure guidelines set by the investment manager for the underlying fund strategies. For a detailed listing of current underlying fund strategies, please see the Addendum. Primary Real Return strategies and asset classes are represented by the colored shades and are denoted by categories 1 through 5.

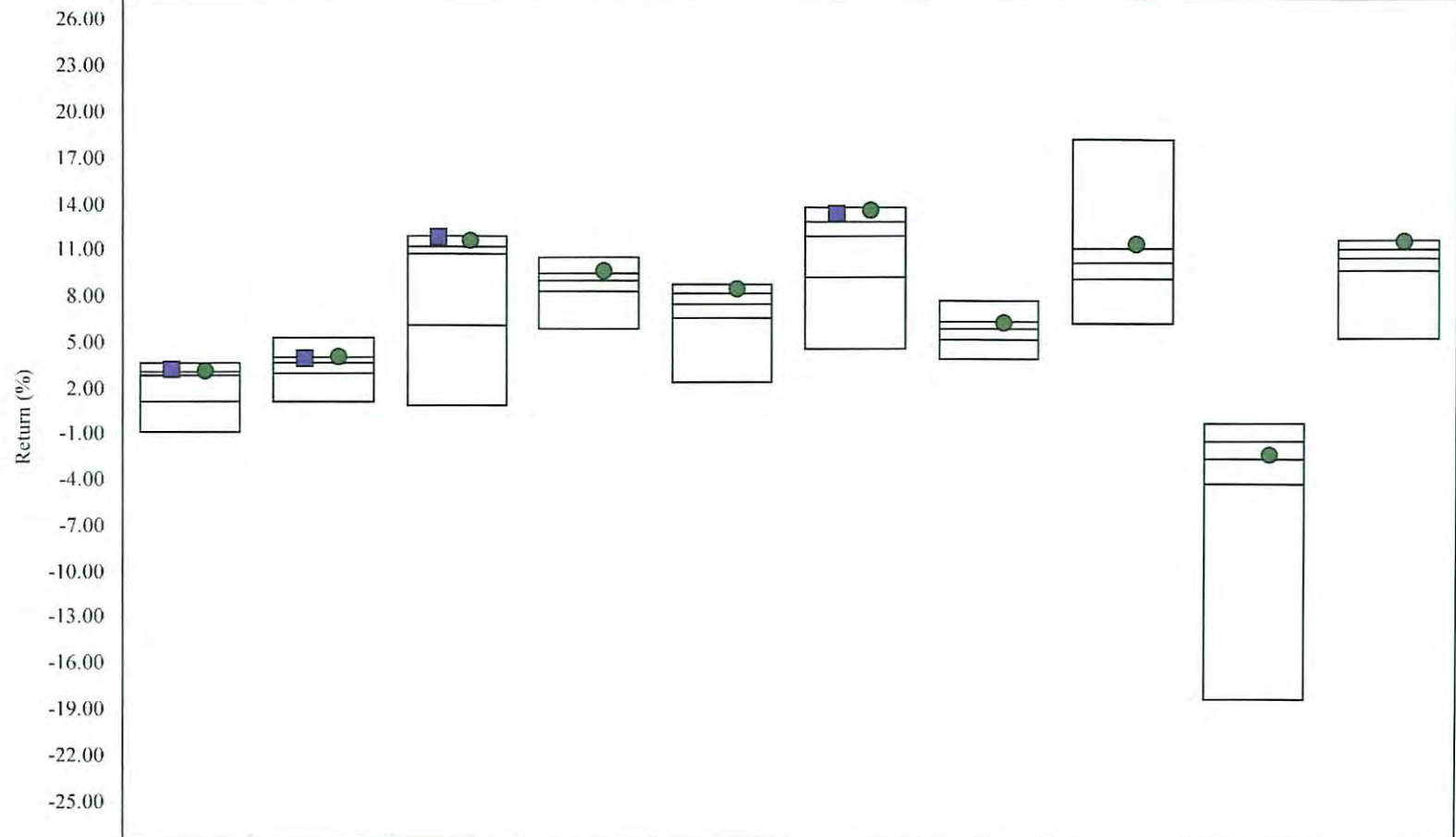
San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
Vanguard Infl-Prot;Inst (VIPIX)  
1 Year Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2011	-	-	-	7,719,624	N/A	100.00
Sep-2011	7,719,624	-2,460,000	391,987	5,651,611	4.86	104.86
Dec-2011	5,651,611	-	146,347	5,797,958	2.59	107.58
Mar-2012	5,797,958	-	43,243	5,841,201	0.75	108.38
Jun-2012	5,841,201	-	187,377	6,028,578	3.21	111.86
	<b>7,719,624</b>	<b>-2,460,000</b>	<b>768,954</b>	<b>6,028,578</b>	<b>11.86</b>	<b>111.86</b>

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header.  
Performance shown is net of fees. Calculation is based on quarterly periodicity.



**San Diego Transit Corporation Employees Retirement Plan**  
**IM U.S. TIPS (MF)**  
**Peer Group Analysis**  
**As of June 30, 2012**



	QTD	CYTD	1 Year	3 Years	5 Years	2011	2010	2009	2008	2007
■ Vanguard Infi-Prot:Inst (VIPIX)	3.21 (20)	3.98 (27)	11.86 (7)	N/A	N/A	13.31 (11)	N/A	N/A	N/A	N/A
● Barclays US Trsy: US TIPS Index	3.15 (26)	4.04 (24)	11.66 (12)	9.63 (18)	8.44 (16)	13.56 (7)	6.31 (29)	11.41 (23)	-2.35 (47)	11.63 (8)
Median	2.92	3.65	10.75	9.07	7.51	11.94	5.86	10.24	-2.56	10.62
Population	180	178	176	132	122	168	140	132	135	131

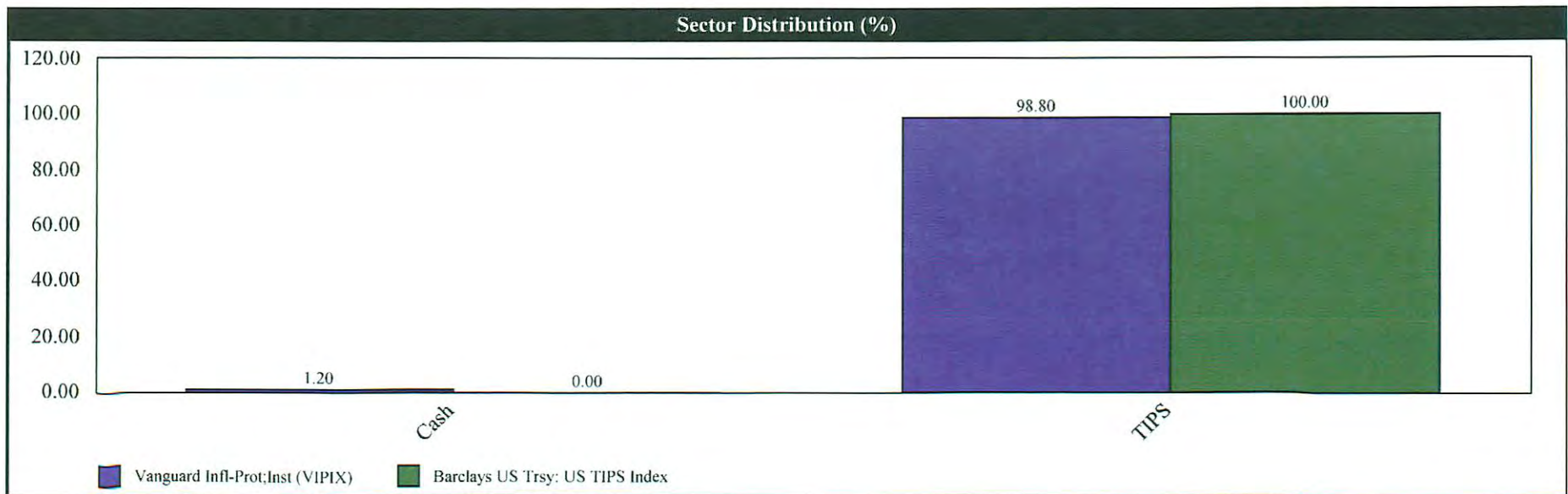
Performance shown is net of fees. Parentheses contain percentile ranks.

**San Diego Transit Corporation Employees Retirement Plan  
Vanguard Infl-Prot;Inst (VIPIX) vs. Barclays US Trsy: US TIPS Index**

**Portfolio Characteristics**

As of June 30, 2012

Portfolio Characteristics		
	Portfolio	Benchmark
Effective Duration	8.60	8.28
Avg. Maturity	9.60	9.27
Avg. Quality	Aaa	AAA
Yield To Maturity (%)	1.50	1.50
Coupon Rate (%)	1.58	1.61
Holdings Count	37	33



**RVKuhns**

▶ ▶ ▶ & ASSOCIATES, INC.

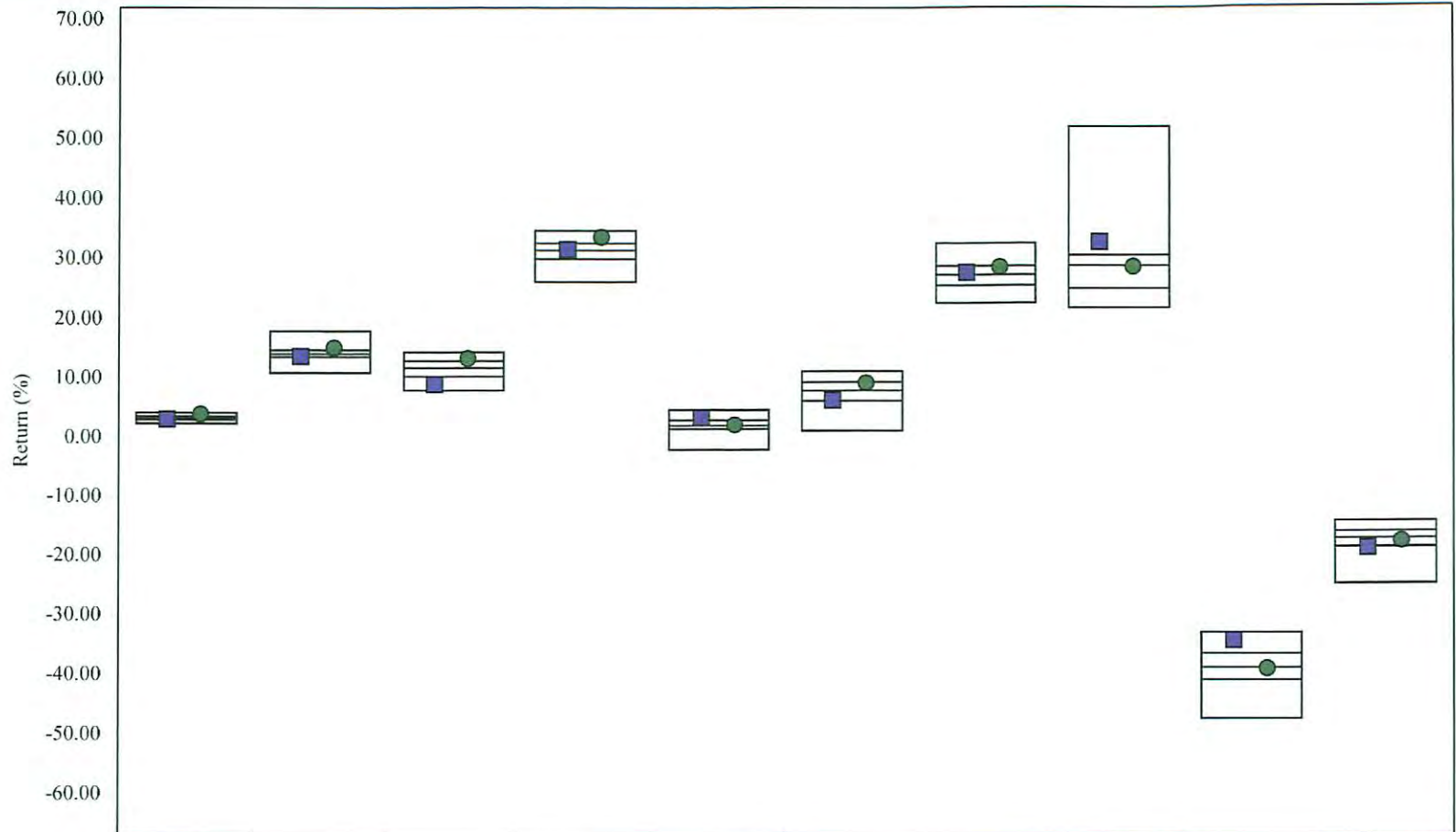


San Diego Transit Corporation Employees Retirement Plan  
Schedule of Investable Assets  
Cohen&Steers Inst RS (CSRIX)  
7 Years Ending June 30, 2012

Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
Jun-2005	-	-	-	8,412,339	N/A	100.00
Sep-2005	8,412,339	-	333,185	8,745,524	3.96	103.96
Dec-2005	8,745,524	-	269,401	9,014,926	3.08	107.16
Mar-2006	9,014,926	-1,023,128	1,199,855	9,191,653	14.67	122.89
Jun-2006	9,191,653	-706,826	-81,241	8,403,586	-0.76	121.96
Sep-2006	8,403,586	-350,000	763,265	8,816,851	9.09	133.04
Dec-2006	8,816,851	-	863,508	9,680,358	9.79	146.08
Mar-2007	9,680,358	-1,246,000	231,641	8,665,999	2.25	149.37
Jun-2007	8,665,999	-445,000	-737,418	7,483,581	-8.96	135.99
Sep-2007	7,483,581	-	179,506	7,663,087	2.40	139.25
Dec-2007	7,663,087	-	-1,139,017	6,524,070	-14.86	118.55
Mar-2008	6,524,070	-	209,345	6,733,415	3.21	122.35
Jun-2008	6,733,415	-	-359,054	6,374,361	-5.33	115.83
Sep-2008	6,374,361	-	274,629	6,648,990	4.31	120.82
Dec-2008	6,648,990	-	-2,370,464	4,278,526	-35.65	77.75
Mar-2009	4,278,526	-	-1,314,457	2,964,069	-30.72	53.86
Jun-2009	2,964,069	-	875,226	3,839,295	29.53	69.76
Sep-2009	3,839,295	-	1,376,370	5,215,664	35.85	94.77
Dec-2009	5,215,664	-	463,105	5,678,769	8.88	103.19
Mar-2010	5,678,769	-	551,491	6,230,260	9.71	113.21
Jun-2010	6,230,260	-	-291,760	5,938,500	-4.68	107.91
Sep-2010	5,938,500	-1,100,000	757,464	5,595,964	12.64	121.55
Dec-2010	5,595,964	-100,000	466,527	5,962,492	8.34	131.69
Mar-2011	5,962,492	-	410,409	6,372,901	6.88	140.76
Jun-2011	6,372,901	-400,000	227,821	6,200,722	3.79	146.09
Sep-2011	6,200,722	-260,000	-936,863	5,003,859	-16.28	122.31
Dec-2011	5,003,859	-	720,756	5,724,615	14.40	139.92
Mar-2012	5,724,615	-	593,178	6,317,793	10.36	154.42
Jun-2012	6,317,793	-	180,316	6,498,109	2.85	158.83
	<b>8,412,339</b>	<b>-5,630,954</b>	<b>3,716,724</b>	<b>6,498,109</b>	<b>6.83</b>	<b>158.83</b>

The last row shown in bold at the end of the table contains aggregate values pertaining to the period specified in the header. Performance shown is net of fees. Calculation is based on quarterly periodicity.

**San Diego Transit Corporation Employees Retirement Plan**  
**Peer Group Analysis**  
**IM Real Estate Sector (MF)**  
**As of June 30, 2012**

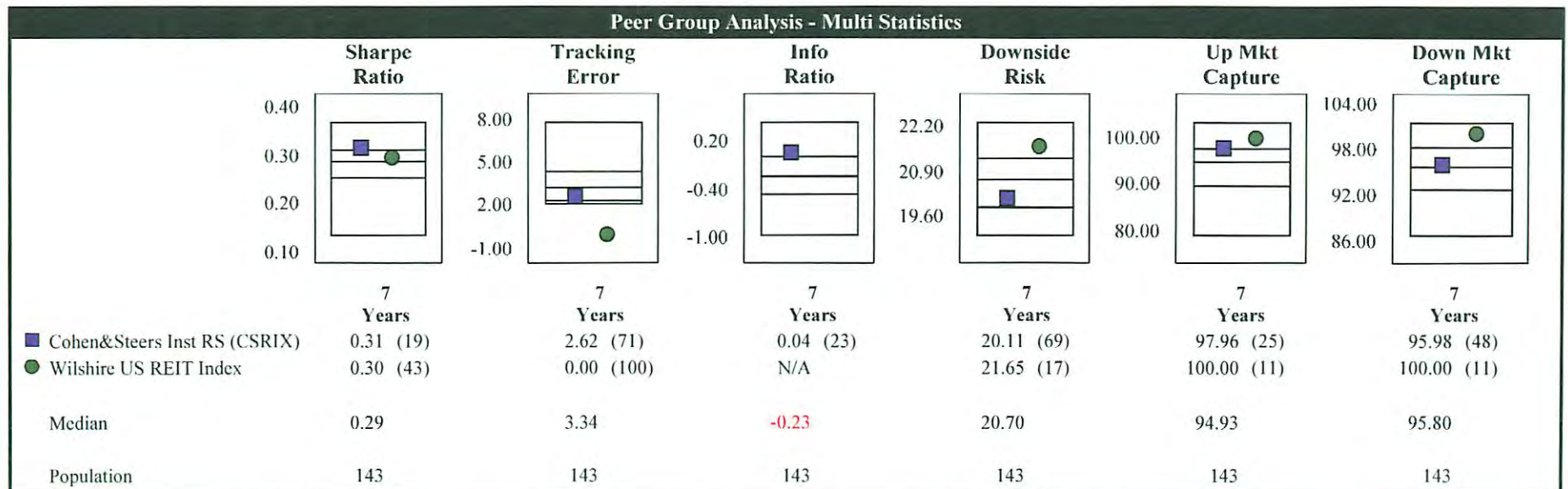
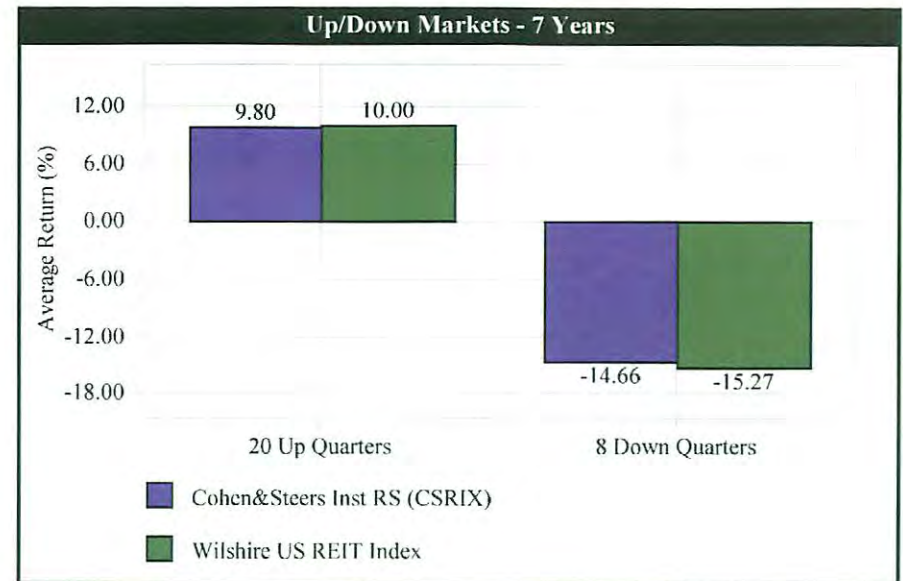
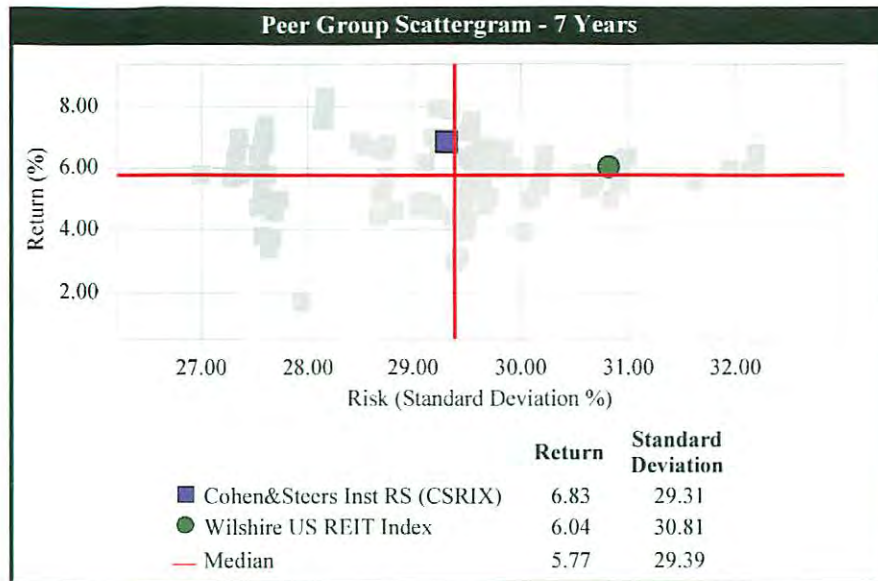


	QTD	CYTD	1 Year	3 Years	5 Years	2011	2010	2009	2008	2007
■ Cohen&Steers Inst RS (CSRIX)	2.85 (79)	13.51 (78)	8.72 (91)	31.55 (48)	3.15 (24)	6.25 (74)	27.62 (46)	32.73 (14)	-34.42 (9)	-18.84 (79)
● Wilshire US REIT Index	3.71 (20)	14.90 (17)	13.21 (17)	33.62 (11)	2.05 (52)	9.24 (27)	28.60 (28)	28.60 (54)	-39.20 (55)	-17.55 (57)
Median	3.26	14.16	11.63	31.46	2.11	7.98	27.43	28.91	-38.91	-17.18
Population	232	232	213	182	165	208	211	207	212	208

Performance shown is net of fees. Parentheses contain percentile ranks.



**San Diego Transit Corporation Employees Retirement Plan**  
**Cohen&Steers Inst RS (CSRIX) vs. IM Real Estate Sector (MF)**  
As of June 30, 2012



Performance shown is net of fees. Calculation is based on quarterly periodicity. Parentheses contain percentile ranks.

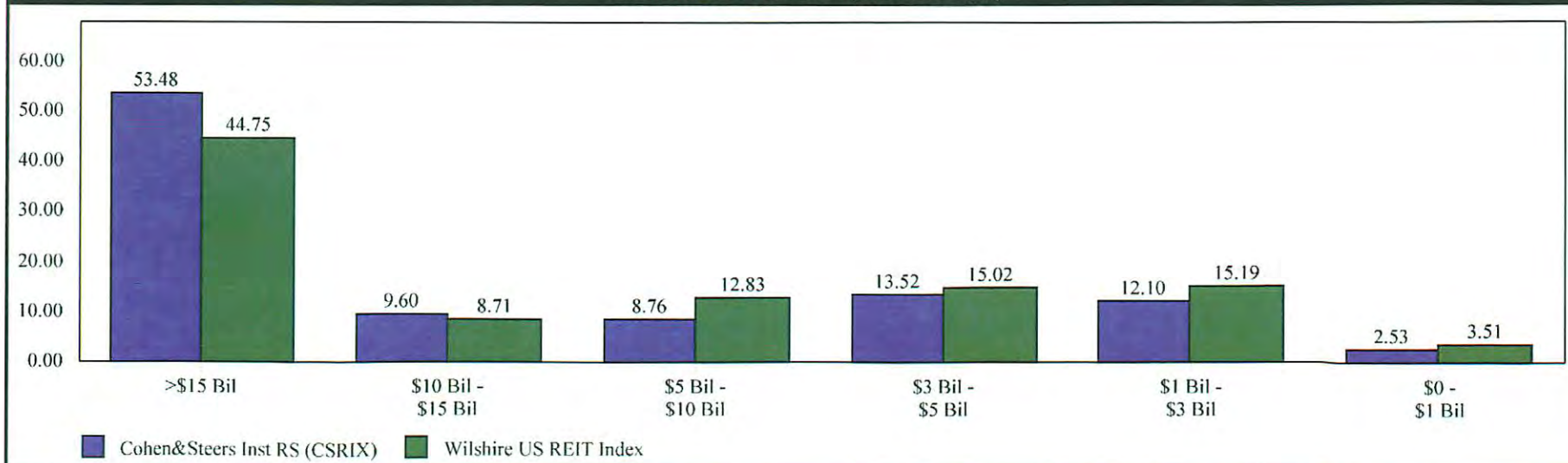
**San Diego Transit Corporation Employees Retirement Plan  
Cohen&Steers Inst RS (CSRIX) vs. Wilshire US REIT Index**

**Portfolio Characteristics  
As of June 30, 2012**

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Simon Property Group Inc.	12.15	11.01	1.14	7.55
Vornado Realty Trust	6.50	3.63	2.87	0.53
Prologis Inc	6.40	3.57	2.83	-6.93
Public Storage	5.97	5.78	0.19	5.36
Equity Residential	5.55	4.37	1.18	0.14
General Growth Properties	4.30	3.96	0.34	7.11
Hcp Inc	3.82	4.32	-0.50	13.26
Boston Properties Inc	3.69	3.79	-0.10	3.77
Ventas Inc.	3.26	4.33	-1.07	11.73
Avalonbay Communities Inc.	2.95	3.15	-0.20	0.80
% of Portfolio	54.59	47.91		

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$M)	16,365	14,738
Median Mkt. Cap (\$M)	4,471	2,201
Price/Earnings Ratio	35.97	44.35
Price/Book Ratio	2.48	2.33
5 Yr. EPS Growth Rate (%)	29.21	19.95
Current Yield (%)	2.90	3.34
Beta (5 Years, Monthly)	0.94	1.00
Number of Securities	48	99

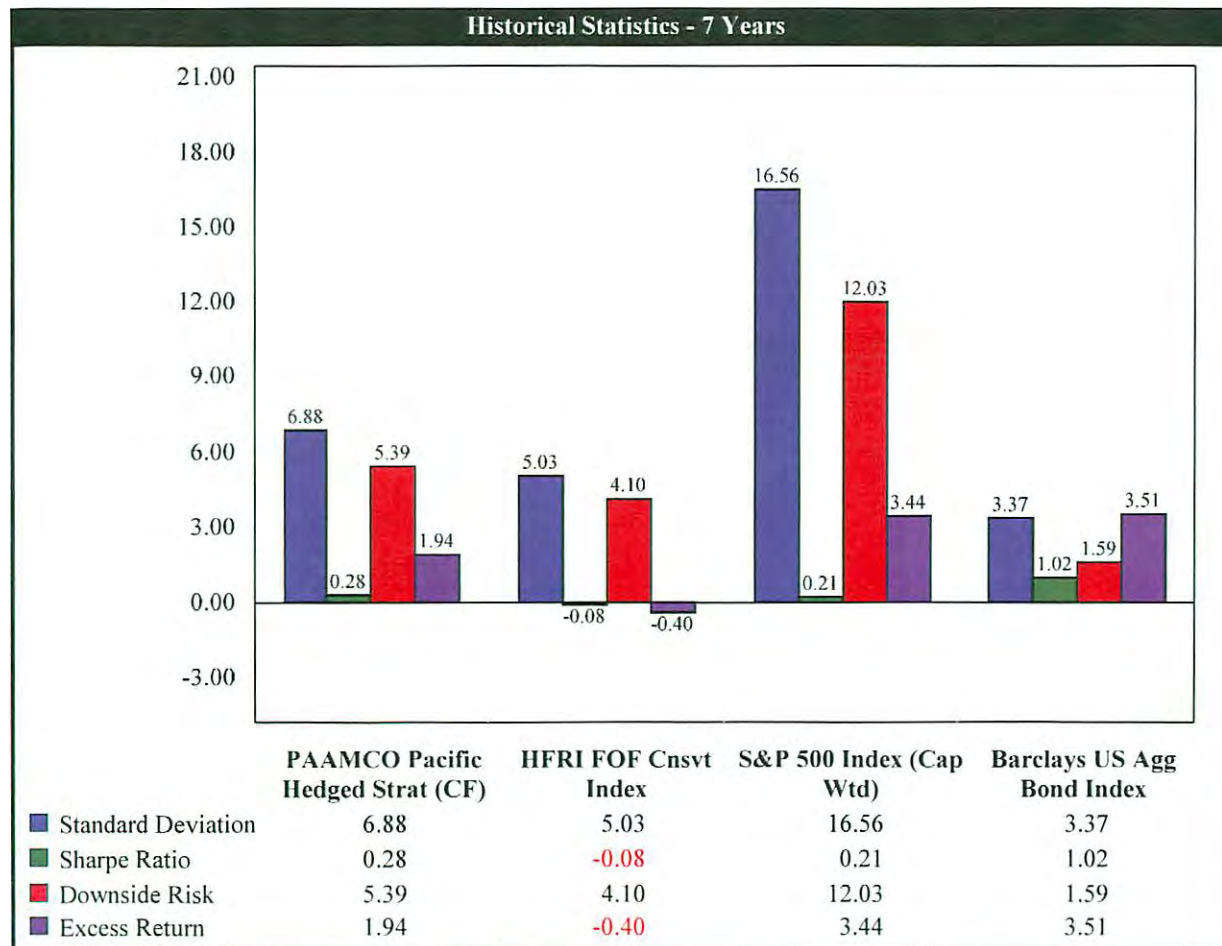
**Distribution of Market Capitalization (%)**





**San Diego Transit Corporation Employees Retirement Plan**  
**PAAMCO Pacific Hedged Strat (CF)**  
As of June 30, 2012

Comparative Performance												
	QTD	CYTD	1 Year	3 Years	5 Years	7 Years	2011	2010	2009	2008	Since Incep.	Inception Date
PAAMCO Pacific Hedged Strat (CF)	-1.09	2.12	-4.20	4.02	0.62	3.75	-4.66	6.10	18.64	-21.94	3.75	08/01/2004
HFRI FOF Cnsvt Index	-1.25	1.20	-2.70	2.44	-1.85	1.47	-3.55	5.07	9.65	-19.86	1.89	
Difference	0.16	0.92	-1.50	1.58	2.47	2.28	-1.11	1.03	8.99	-2.08	1.86	



Historical Statistics - 7 Years	
	Actual Correlation
HFRI FOF Cnsvt Index	0.95
3 Month LIBOR Index + 5%	0.05
S&P 500 Index (Cap Wtd)	0.60
R 2000 Index	0.55
MSCI EAFE Index (Gross)	0.68
MSCI Emg Mkts Index (Gross)	0.74
Barclays US Agg Bond Index	0.00
Barclays US Trsy: US TIPS Index	0.29
Wilshire US REIT Index	0.37
DJ-UBS Cndty Index (TR)	0.67
BofA ML 3 Mo US T-Bill Index	0.03
Consumer Price Index	0.36

Performance shown is net of fees and is product-specific. Calculation is based on monthly periodicity. Since Inception date refers to the actual fund inception date.

**PAAMCO Pacific Hedged Strategies, LLC**  
**Absolute Return Fund Statistics**  
As of March 31, 2012

**Firm Statistics**

Year Firm Established	2000
Firm AUM (\$M)	\$8,383
Percentage Employee Owned	74.60%

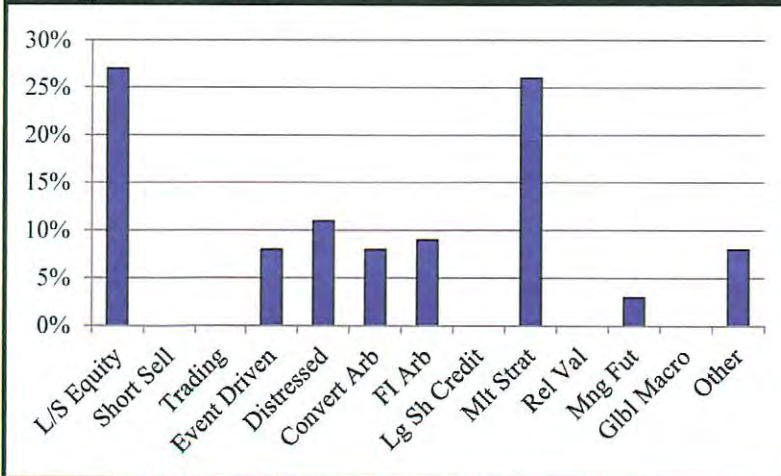
**Investment Strategy**

PAAMCO focuses on returns which are targeted to be independent of traditional markets and builds portfolios which aim to diversify sources of idiosyncratic returns. PAAMCO believes in being open to new investment ideas and that investment decisions should be based on independent, fundamental assessments. PAAMCO attempts to avoid conflicts and maintain the highest ethical standards in evaluating investment opportunities.

**Fund Statistics**

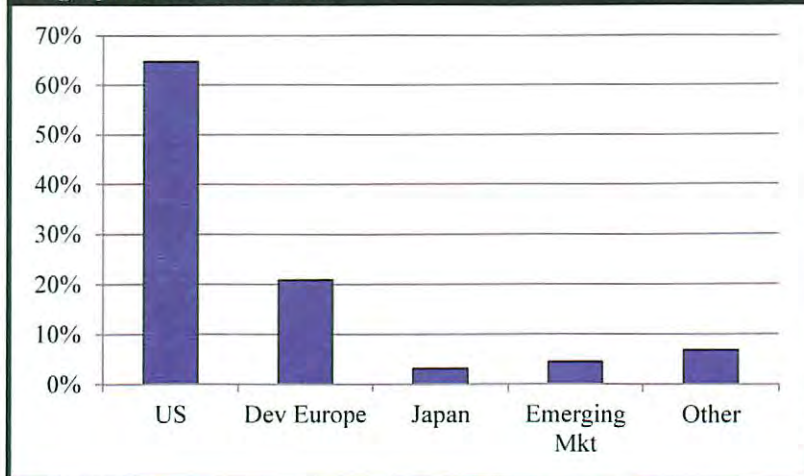
Fund Inception	2002
Fund Size (\$M)	\$266
Number of Underlying Managers	48
Maximum Weighting of an Underlying Manager	5.00%
Current Leverage (Assets/Equity)	1.53x
Annual Manager Turnover	20.00%
Annual Management Fee	1.00%
Performance Fee	5.00%
Hurdle	No
Initial Lock-Up Period	12 Months
Redemption Frequency	Quarterly
Notification Period	90 Days

**Strategy Allocation Chart**



Allocation to "Other" consists of long-only funds and stubs.

**Geographic Allocation Chart**

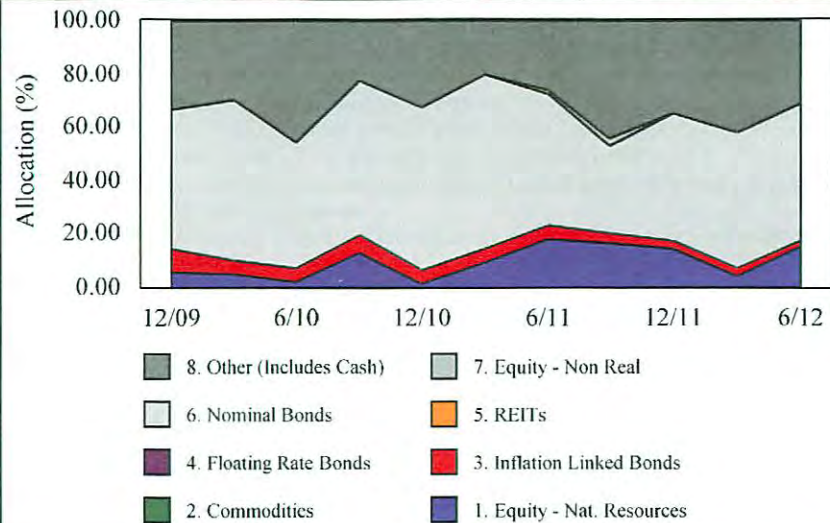


Fund statistics shown are provided by the investment manager and are as of the most recently available quarter end.  
Actual management and performance fees may be lower based on the invested assets or other manager concessions.



**San Diego Transit Corporation Employees Retirement Plan**  
**Hussman Inv:Strat TR (HSTRX)**  
**Asset Allocation & Statistics**  
**As of June 30, 2012**

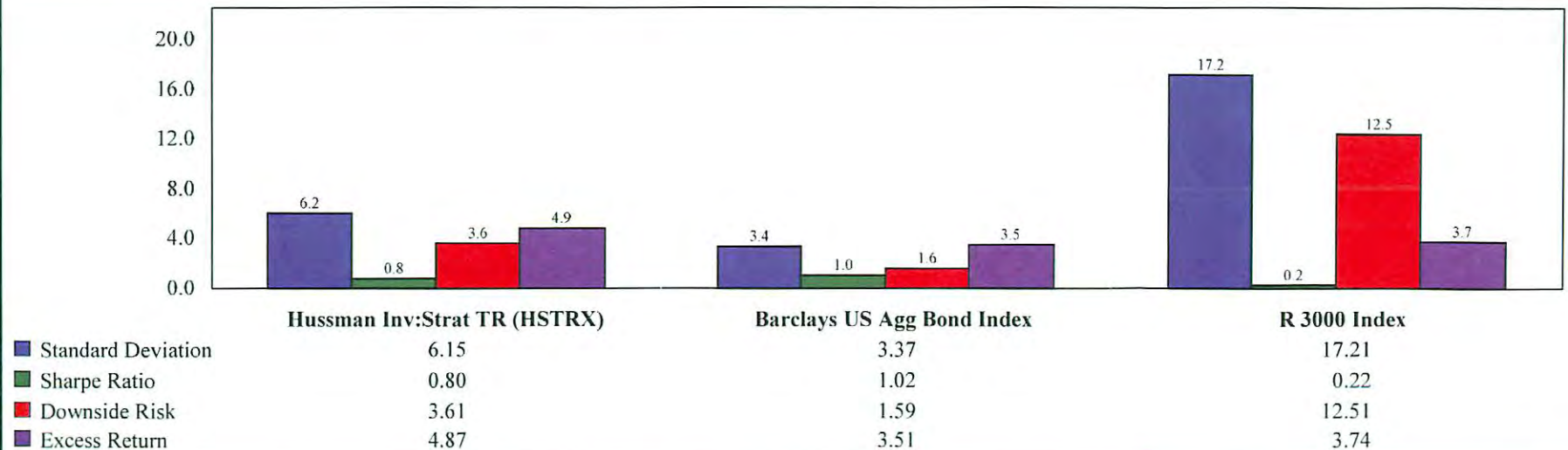
**Historical Asset Allocation - December 31, 2009 to June 30, 2012**



**Historical Statistics - 7 Years**

	Actual Correlation
Barclays US Agg Bond Index	0.60
R 3000 Index	0.16
MSCI ACW Ex US Index (Gross)	0.29
Barclays US Trsy: US TIPS Index	0.72
Wilshire US REIT Index	0.18
HFN FOF Multi-Strat Index (Net)	0.26
DJ-UBS Cmdty Index (TR)	0.46
BofA ML 3 Mo US T-Bill Index	0.11
Consumer Price Index	-0.04

**Actual Correlation - 7 Years**



Primary Real Return strategies and asset classes are represented by the colored shades and are denoted by categories 1 through 5. Statistics are based on monthly net of fees returns and are product-specific. Calculation is based on monthly periodicity.

**San Diego Transit Corporation Employees Retirement Plan**  
**Addendum**  
**As of June 30, 2012**

**Performance Related Comments**

- Performance versus SA+CF or plan sponsor peer groups is shown gross of fees, while performance versus MF peer groups is shown net of fees.
- Performance for Loomis Sayles World Bond Trust (CF) consists of Loomis Sayles Global Bond Fund (LSGBX) thru June 2008 and Loomis Sayles World Bond Trust (CF) thereafter.
- RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. For additional information, please see the Glossary.
- PIMCO:All Ast Ath;Inst (PAUIX) performance prior to August 2011 is represented by PIMCO:All Asset;Inst (PAAIX).
- Vanguard Infl-Prot;Inst (VIPIX) performance prior to June 2012 is representative of the Admiral share class.
- Performance for Westwood - Composite consists of:
  - Starting August, 2011 Westwood All Cap Value (CF).
  - From July, 2008 through July 31, 2011: Westwood Large Cap Value (CF) and Westwood SMid Cap Equity (CF).
  - From July, 1986 through June 30, 2008: Westwood Large Cap Value (CF).

**Manager Transition Comments**

- Enhanced RAFI Gbl All Country Ex-US, L.P. (CF) and Loomis Sayles Absolute Strategies (CF) were funded in Feb-2012.
- Artio Int'l Equity II Group Trust (CF) and Loomis Sayles:Abs Str;Y (LASYX) were liquidated in Jan-2012.
- Loomis Sayles:Abs Str;Y (LASYX) was funded in Dec-2011.
- Hussman Inv:Strat TR (HISTRX) was funded in Sep-2011.
- Westwood Large Cap Value (CF) and Westwood SMidCap Equity (CF) were liquidated in Jul-2011, and the funds were used to purchase Westwood All Cap Value (CF).
- PIMCO:All Asset;Inst (PAAIX) transferred to PIMCO:All Ast Ath;Inst (PAUIX) in Jul-2011.
- Vanguard Infl-Prot;Adm (VAIPX) was funded in Jul-2010.
- Brandes Global Equity (SA) was sold at the end of Dec-2005 to transition into the Brandes Global Equity (CF) equivalent, and thus historical data prior to Jan-2006 is from the (SA) vehicle.
- Kayne Anderson (SA) was liquidated in Mar-2006. The proceeds were used to purchase GMO US SMid Value Fund (GMSUX).
- UBS Dynamic Alpha Fund (BNAYX) and PAAMCO Pacific Hedged Strategies Portfolio (CF) were both funded in May-2007.
- TCW Large Cap Growth (SA) was liquidated in Aug-2007. The proceeds were used to fund Rainier Large Cap Equity (SA).
- Nicholas-Applegate Global Select Fund (NACHX) was liquidated in Oct-2007. The proceeds were used to fund TT Int'l Investment Trust Active Int'l Equity (CF).
- UBS Dynamic Alpha Fund (BNAYX) was liquidated in May-2008. The proceeds were used to purchase PIMCO:All Asset;Inst (PAAIX) and Wellington Diversified Inflation Hedges (CF).
- Loomis Sayles Gbl Bond Fund (LSGBX) was sold at the end of Jun-2008 to transition into Loomis Sayles World Bond Trust (CF), thus historical data prior to Jul-2008 is from (LSGBX).
- GMO US SMid Value Fund (GMSUX) was liquidated in Jun-2008. The proceeds were used to fund Westwood SMidCap Equity (CF).
- Vanguard Explorer;Adm (VEXRX) was liquidated in Mar-2009. The proceeds were used to fund The Boston Co. SMid Cap Growth (CF).
- Brandes Global Equity (CF) was liquidated in Sep-2009. The proceeds were used to fund Artio Int'l Equity II Group Trust (CF).

**Miscellaneous Comments**

- The PIMCO All Asset All Authority Fund currently consists of the following underlying strategies which have been classified by RVK into eight broad categories:
  - *Equity - Nat. Resources:* None
  - *Commodities:* Commodity Real Return Strategy Fund, CommoditiesPLUS Strategy Fund
  - *Inflation Linked Bonds:* Real Return Fund, Real Return Asset Fund
  - *Floating Rate Bonds:* Floating Income Fund, Senior Floating Rate Fund
  - *REITs:* Real Estate Real Return Strategy Fund
  - *Nominal Bonds:* Low Duration Fund, Short Term Fund, Investment Grade Corporate Bond Fund, Long Duration Total Return Fund, Long Term Credit Fund, Long Term US Government Fund, Total Return Fund, Convertible Fund, Emerging Markets Currency, Diversified Income Fund, Emerging Local Bond Fund, Emerging Markets Bond Fund, Foreign Bond Fund (Unhedged), Fundamental Advantage Total Return Strategy Fund, Global Advantage Strategy Fund, High Yield Fund, High Yield Spectrum Fund, Income Fund, Unconstrained Bond Fund, Credit Absolute Return Fund
  - *Equity - Non Real:* EM Fundamental IndexPLUS TR Fund, Fundamental IndexPLUS TR, Int'l StocksPLUS TR Fund (US Dollar Hedged), Int'l StocksPLUS TR Fund (Unhedged), International Fundamental IndexPLUS TR Strategy Fund, Small Company Fundamental IndexPLUS TR Strategy Fund, Small Cap StocksPLUS TR Fund, StocksPLUS Fund, StocksPLUS Total Return Fund, EqS Pathfinder Fund, EqS Emerging Markets Fund, EqS Dividend Fund, StocksPLUS Short Strategy Fund
  - *Other (Includes Cash):* None



**San Diego Transit Corporation Employees Retirement Plan**  
**Addendum**  
**As of June 30, 2012**

- Effective May 1, 2012 the Wellington Diversified Inflation Hedges Composite Index consists of:
  - 25% MSCI World Energy >\$3B
  - 5% MSCI World Metals & Mining >\$3B
  - 7% MSCI World Agriculture Products, Fertilizers & Agricultural Chemicals, and Forest Products
  - 3% MSCI World Construction & Farm Machinery, Packaged Food & Meats, and Paper Product
  - 3% MSCI World Utilities
  - 1% MSCI World Oil & Gas, Storage & Transport
  - 0.5% MSCI World Telecommunications
  - 0.5% MSCI World Air Freight, Logistics, and Airlines
  - 3.5% MSCI ACW IMI Gold & Precious Metals
  - 1.5% S&P GSCI Precious Metals Total Return
  - 25% S&P GSCI Commodity Equal Sector Weight
  - 20% Barclays US TIPS 1-10 Year
  - 5% Barclays Emerging Markets Tradable Government Inflation-Linked Bond

**Investment Manager Fee Schedule**

<b><u>Manager Name</u></b>	<b><u>Product Type</u></b>	<b><u>Ticker/CUSIP</u></b>	<b><u>Annual Expense Ratio</u></b>
1. Cohen & Steers Institutional Realty Shares	Mutual Fund	CSRIX	0.75%
2. Enhanced RAFI Global All Country Ex-US	Commingled Fund	0RAFIGBL5	0.65%
3. Hussman Strategic Total Return	Mutual Fund	HSTRX	0.64%
4. JPMorgan Core Bond Trust	Commingled Fund	62826M921	0.30%
5. Loomis Sayles Absolute Strategies	Commingled Fund	431114883S	0.60% (a)
6. Loomis Sayles World Bond Trust	Commingled Fund	5434LSWB3	0.55% (b)
7. PAAMCO Pacific Hedged Strategies	Limited Partnership	69347PHS3	1.00% (c)
8. PIMCO All Asset All Authority Fund	Mutual Fund	PAUIX	1.11%
9. PIMCO Total Return Fund	Mutual Fund	PTTRX	0.46%
10. Rainier Large Cap Equity Portfolio	Separate Account	N/A	0.71% (d)
11. The Boston Company Small/Mid Cap Growth Equity	Commingled Fund	585BCP993	0.90% (e)
12. TT Int'l Investment Trust Active Int'l Equity	Commingled Fund	707TTI995	1.00%
13. Vanguard Inflation-Protected Securities	Mutual Fund	VIPIX	0.07%
14. Wellington Diversified Inflation Hedges Portfolio	Commingled Fund	959WTC996	0.90%
15. Westwood Trust All Cap Value Equity - EB Fund	Commingled Fund	9617WWAV8	0.75%

(a) The annual expense ratio for the **Loomis Sayles Absolute Strategies** is based on the portfolio's assets at the end of the quarter using the following fee schedule:

- 0.60% on the first \$20 million; 0.50% on the next \$30 million; 0.40% on assets over \$50 million; Minimum annual fee is \$30,000

(b) The annual expense ratio for the **Loomis Sayles World Bond Trust** is based on the portfolio's assets at the end of the quarter using the following fee schedule:

- 0.55% on the first \$10 million; 0.35% on the next \$65 million; and 0.25% thereafter

(c) **PAAMCO Pacific Hedged Strategies** has a fee structure of 1.00% management fee plus an incentive fee of 5.00% of appreciation, taken quarterly, and subject to a loss carry forward (high-water mark). The 5.00% incentive fee was waived for all RVK clients beginning in June 2012.

## San Diego Transit Corporation Employees Retirement Plan

### Addendum

As of June 30, 2012

(d) The annual expense ratio for the **Rainier Large Cap Equity Portfolio** is based on the fund's assets at the end of the quarter using the following fee schedule:

- 0.75% on the first \$10 million; and 0.50% thereafter

(e) The annual expense ratio for **The Boston Company Small/Mid Cap Growth Equity** is based on the fund's assets at the end of the quarter using the following fee schedule:

- 0.90% on the first \$25 million; and 0.75% thereafter

**Policy Index** - The static custom index for the San Diego Transit Total Fund is calculated monthly and consists of:

- From Dec-2011 through present: **20% Russell 3000 Index, 20% MSCI ACW Ex US Index (Gross), 25% Barclays US Agg Bond Index, 20% Actual Allocation Index-Real Return<sup>1</sup>, & 15% HFRI FOF Cnsvt Index.**
- From Aug-2011 through Nov-2011: **22.5% Russell 3000 Index, 22.5% MSCI ACW Ex US Index (Gross), 25% Barclays US Agg Bond Index, 20% Actual Allocation Index-Real Return<sup>1</sup>, & 10% HFRI FOF Cnsvt Index.**
- From July-2010 through July-2011: **20% S&P 500 Index, 5% Russell 2500 Index, 12.5% MSCI ACW Ex US Index (Gross), 12.5% MSCI EAFE Index (Gross), 20% Barclays US Agg Bond Index, 5% Barclays US Trsy: US TIPS Index, 5% Citi Wrld Gov't Bond Index, 4% Wilshire US REIT Index, 6% All Asset Composite Index, 6% Wellington Dvfd Infl Hedge Comp Index, & 4% HFRI FOF Cnsvt Index.**
- From Oct-2009 through June-2010: **20% S&P 500 Index, 15% Russell 2500 Index, 7.5% MSCI ACW Ex US Index (Gross), 7.5% MSCI EAFE Index (Gross), 27.5% Barclays US Agg Bond Index, 5% Citi Wrld Gov't Bond Index, 5% Wilshire US REIT Index, 4.5% All Asset Composite Index, 4.5% Wellington Dvfd Infl Hedge Comp Index, & 3.5% HFRI FOF Cnsvt Index.**
- From Jun-2008 through Sept-2009: **20% S&P 500 Index, 15% Russell 2500 Index, 7.5% MSCI World Index (Gross), 7.5% MSCI EAFE Index (Gross), 27.5% Barclays US Agg Bond Index, 5% Citi Wrld Gov't Bond Index, 5% Wilshire US REIT Index, 4.5% All Asset Composite Index, 4.5% Wellington Dvfd Infl Hedge Comp Index, & 3.5% HFRI FOF Cnsvt Index.**
- From Nov-2007 through May-2008: **20% S&P 500 Index, 15% Russell 2500 Index, 7.5% MSCI World Index (Gross), 7.5% MSCI EAFE Index (Gross), 27.5% Barclays US Agg Bond Index, 5% Citi Wrld Gov't Bond Index, 5% Wilshire US REIT Index, 9% Consumer Price Index + 5%, & 3.5% HFRI FOF Cnsvt Index.**
- From June-2007 through Oct-2007: **20% S&P 500 Index, 15% Russell 2500 Index, 15% MSCI World Index (Gross), 27.5% Barclays US Agg Bond Index, 5% Citi Wrld Gov't Bond Index, 5% Wilshire US REIT Index, 9% Consumer Price Index + 5%, & 3.5% HFRI FOF Cnsvt Index.**
- From Apr-2006 through May-2007: **25% S&P 500 Index, 15% Russell 2500 Index, 15% MSCI World Index (Gross), 35% Barclays US Agg Bond Index, 5% Citi Wrld Gov't Bond Index, & 5% Wilshire US REIT Index.**
- From Apr-2005 through Mar-2006: **25% S&P 500 Index, 7.5% Russell 2500 Index, 7.5% Russell 2000 Index, 15% MSCI World Index (Gross), 35% Barclays US Agg Bond Index, 5% Citi Wrld Gov't Bond Index, & 5% Wilshire US REIT Index.**
- From Jan-2002 through Mar-2005: **25.2% S&P 500 Index, 4.2% Russell 2500 Index, 4.2% Russell 2000 Index, 26.4% MSCI World Index (Gross), 35% Barclays US Agg Bond Index, & 5% Citi Wrld Gov't Bond Index.**
- From Oct-1998 through Dec-2001: **35% S&P 500 Index, 10% Russell 2000 Index, 15% MSCI EAFE Index (Net), 35% Barclays US Agg Bond Index, & 5% Citi Wrld Gov't Bond Index.**
- From Oct-1996 through Sep-1998: **27% S&P 500 Index, 10% Russell 2000 Index, 10% MSCI EAFE Index (Net), 13% MSCI World Index (Net), 36% Barclays US Agg Bond Index, & 4% Citi Wrld Gov't Bond Index.**
- From Jan-1994 through Sep-1996: **37% S&P 500 Index, 10% MSCI EAFE Index (Net), 13% MSCI World Index (Net), 36% Barclays US Agg Bond Index, & 4% Citi Wrld Gov't Bond Index.**
- From Jan-1989 through Dec-1993: **50% S&P 500 Index, 10% MSCI EAFE Index (Net), & 40% Barclays US Agg Bond Index.**
- From Jul-1982 through Dec-1988: **60% S&P 500 Index & 40% Barclays US Agg Bond Index.**

<sup>1</sup>Actual Allocation Index-Real Return is an active index which is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark within the Real Return Composite.

## Glossary

**Alpha** - A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market or a portfolio's non-systematic return.

**Alpha Ratio** - A measure of a portfolio's non-systematic return per unit of downside risk. It is measured by dividing the alpha of a portfolio by the downside risk. The non-systematic return is a measure of a portfolio's historical performance not explained by movements of the market.

**Average Quality** - Bond quality ratings are reported using the investment managers' and the index providers' preferred rating agency. There are two primary rating agencies in the US. *Moody's* assigns ratings on a system that employs up to four symbols (consisting of letters and numbers) such as, Aaa, Aa2, etc., with Aaa being the highest or safest rating. *Standard & Poor's (S&P)* employs a system that uses + and - along with letters such as AAA, AA+, etc. The two rating agencies' systems are summarized below:

<u>S&amp;P</u>	<u>Moody's</u>	<u>Explanation</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Explanation</u>
<b>Higher Credit Quality – Investment Grade</b>			<b>Lower Credit Quality – Below Investment Grade</b>		
AAA	Aaa	Prime/Highest credit quality	BB+	Ba1	Speculative/Low credit quality
AA+	Aa1	High credit quality	BB	Ba2	
AA	Aa2		BB-	Ba3	
AA-	Aa3		B+	B1	Highly speculative
A+	A1	Upper-medium credit quality	B	B2	
A	A2		B-	B3	
A-	A3		CCC+	Caa1	Substantial credit/default risk
BBB+	Baa1	Lower-medium credit quality	CCC	Caa2	Extremely speculative
BBB	Baa2		CCC-	Caa3	
BBB-	Baa3		CC	Ca	Vulnerable to default
			C	Ca	
			D	C	In default

**Beta** - A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.

**Buy and Hold Attribution** - At the beginning of the time period under analysis, the manager and benchmark portfolios are broken down into segments (i.e., styles, sectors, countries, and regions) based on the desired type of attribution. The formula assumes zero turn-over to the manager and benchmark portfolios throughout the period and calculates the segment returns ("buy and hold returns") to arrive at performance attribution. Due to portfolio turnover, buy and hold attribution may not accurately represent quarterly performance relative to the benchmark. Country, region, sector, and style allocations are as of the date one quarter prior to the reporting date, and the returns shown are for those segments throughout the quarter reported. Due to disclosure guidelines set by each investment manager, equity characteristics shown are as of the most recent date available. The following is the methodology for segment classification:

**Sector** - Attribution is calculated using the Global Industry Classification Standard (GICS) which is a detailed and comprehensive structure for sector and industry analysis. Stocks are classified by their primary sector, as defined by S&P Capital IQ data.

**Country/Region** - Attribution is calculated using the Morgan Stanley Capital International (MSCI) region standards. Stocks are classified by their domicile country/region, as defined by S&P Capital IQ data.

**Style** - Stocks are classified into the following style boxes: large/mid/small vs. growth/neutral/value. Stocks are classified along large/mid/small categories at the time of the Russell index rebalancing, using the index market cap boundaries as cutoff points. Stocks are classified along growth/neutral/value categories at the time of the Russell index rebalancing, using the price/book ratio as supplied by S&P Capital IQ. Stocks in the Russell 3000 Index portfolio are sorted by price/book ratio; names with the highest price/book ratio that make up 1/3 of the total market capitalization are assigned to the growth category, names that make up the subsequent 1/3 of the total market capitalization are assigned to the neutral category, while the balance of the names are assigned to the value category.

Portfolio Characteristics and Buy and Hold Attribution reports utilize product-specific data for all mutual funds and commingled funds.

## Glossary

### Capital Markets Review -

**Baltic Dry Index** - Measures the demand for shipping capacity versus the supply of dry bulk carriers. As the supply of cargo ships is inelastic, the Baltic Dry Index provides an assessment of the price of moving major raw materials by sea.

**Breakeven Inflation** - Measures the expected inflation rate at each stated maturity by taking the difference between the real yield of the inflation-linked maturity curve and the yield of the closest nominal Treasury maturity.

**Capacity Utilization** - Measures the extent to which a country efficiently utilizes installed productive capacity. It measures the difference between the output that is produced using the installed equipment versus the output that *could* be produced using the installed equipment.

**Consumer Confidence** - Measures domestic consumer confidence as defined by the degree of optimism on the state of the economy that consumers express through saving and spending.

**Consumer Price Index (CPI)** - Measures the change in the price level of consumer goods and services.

**Disposable Personal Income** - The difference between total personal income and personal income tax payments.

**Disposable Producer Price Index (PPI)** - Measures the average change in selling prices received by US producers for their output.

**M2** - Measures the amount of money in circulation and is often used as an indicator for forecasting inflation.

**Option-Adjusted Spread** - Measures the flat spread of an index or bond to the Treasury yield curve after removing the effect of any embedded options.

**Personal Consumption Expenditures** - Measures the average increase in prices for all domestic personal consumption.

**Personal Savings** - Percentage of personal saving within the US as a percentage of disposable personal income.

**Purchasing Managers Index (PMI)** - Measures economic activity by surveying purchasing managers on a monthly basis as to whether business conditions have improved, worsened, or stayed the same.

**Relative Strength Index (RSI)** - Measures the current and historical strength or weakness of a stock market based on the closing prices of the most recent 14-day period. RSI is classified as a momentum oscillator and measures the velocity and magnitude of directional price movements. RSI levels at or above 70 may indicate that a market is "overbought" while RSI levels below 30 may indicate that a market is "oversold."

**Shiller 20 City YoY** - Measures the yearly change in housing prices for 20 major metropolitan areas within the US.

### US Credit Market Debt as a Percentage of GDP -

**Business** - Non-financial corporate business and non-corporate business.

**Financials** - Commercial banks, savings institutions and credit unions, government-sponsored enterprises, agency- and GSE-backed mortgage pools, ABS issuers, life insurance companies, REITs, and financial companies.

**Foreign** - US credit market instruments owed by non-US entities and debt issued by foreign companies in the US.

**Government** - Savings bonds, Treasury securities, budget agency securities, insurance reserves, and non-marketable securities held by retirement plans.

**Household** - Home mortgages, consumer credit, municipal securities, bank loans, and commercial mortgages.

**US Dollar Total Weighted Index** - Measures the value of the US Dollar relative to a basket of other world currencies. It is calculated as the weighted geometric mean of the dollar's value versus the EUR, GBP, CAD, SEK, CHF, and JPY.

**VIX** - Measures the implied volatility of S&P 500 Index options by looking at the market's expectation of the S&P 500 Index volatility over the next 30 day period. Commonly referred to as the "fear index" or the "fear gauge."

**Consistency** - The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.

**Convexity** - A measure of the shape of the curve that describes the relationship between bond prices and bond yields.

**Correlation** - A statistical measure of the relationship between asset class returns. A value of 1.00 is a perfect correlation; that is, the asset classes always move in the same direction. A value of -1.00 indicates a perfect negative correlation, in which the asset classes always move in opposite directions of each other. A value of 0 indicates there is no relationship between the direction of returns of the two asset classes. Correlation calculations only consider the direction of changes relative to two variables and not the magnitude of those changes.

**Coupon Rate** - The percentage rate of interest paid on a bond or fixed income security; it is typically paid twice per year.

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**Current Yield** - The annual income of a security divided by the security's current price.

**Down Market Capture** - Down market by definition is negative benchmark return and down market capture represents the ratio in % terms of the average portfolios return over the benchmark during the down market period. The lower the value of the down market capture the better the product's performance.

**Downside Risk** - A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the factor, the riskier the product.

**Earnings Per Share** - It is backward looking, calculated using the one year current EPS divided by the one year EPS five years ago.

**Effective Duration** - The weighted average duration of all the bonds in a given portfolio, weighted by their dollar values.

**Excess Return vs. Market** - Average of the monthly arithmetic difference between the manager's return and the benchmark return over a specified time period, shown on an annualized basis.

**Excess Return vs. Risk Free** - Average of the monthly arithmetic difference between the manager's return and the risk-free return (i.e., BofA ML 3 Mo US T-Bill Index unless specified otherwise) over a specified time period, shown on an annualized basis.

**Excess Risk** - A measure of the standard deviation of a portfolio's performance relative to the risk free return.

**Expense Ratios** - Morningstar is the source for mutual fund expense ratios.

**Gain/Loss** - The net increase or decrease in the market value of a portfolio excluding its Net Cash Flow for a given period.

**Indices** - All indices and related information are considered intellectual property and are licensed by each index provider. The indices may not be copied, used or distributed without the index provider's prior written approval. Index providers make no warranties and bear no liability with respect to the indices, any related data, their quality, accuracy, suitability and/or completeness.

**Information Ratio** - Measured by dividing the active rate of return by the tracking error. The higher the information ratio, the more value-added contribution by the manager.

**Liability Driven Investing (LDI)** - A method to optimally structure asset investments relative to liabilities. The change in liabilities is estimated by the Ryan Labs Generic PPA Index of appropriate duration for that Plan. This benchmark is based on generic data and is therefore an approximation. RVK is not an actuarial firm, and does not have actuarial expertise.

**Estimated Funded Status** - The estimated ratio of a Plan's assets relative to its future liabilities. This is calculated by dividing the Plan's asset market value by the estimated present value of its liabilities. The higher the estimated funded status, the better the Plan's ability to cover its projected benefit obligations. An estimated funded status of 100% indicates a Plan that is fully funded.

**Estimated PV of Liabilities** - An estimate of a Plan's future liabilities in present value terms. The beginning of the period liability is provided by the Plan's actuary. The period-end present value liability estimate provided in this report is derived by applying the estimated percentage change generated using the Ryan Labs Generic PPA Index with duration similar to that reported on the most recent actuarial valuation report.

**Duration of Liabilities** - The sensitivity of the value of a Plan's liabilities to changes in interest rates, as calculated by the Plan's actuary.

**Duration of Assets** - The dollar-weighted average duration of all the individual Plan assets.

**Estimated Plan Hedge Ratio** - The estimate of how well a Plan's investment portfolio is hedged against changes in interest rates - a primary driver of funded status movements. This is calculated by dividing the dollar-weighted values of both the Plan asset duration by the liability duration and multiplying by the estimated funded status. An estimated plan hedge ratio of zero indicates that the Plan's liabilities have not been hedged, whereas a value of one indicates fully hedged.

**Modified Duration** - The approximate percentage change in a bond's price for a 100 basis point change in yield.

**Net Cash Flow** - The sum, in dollars, of a portfolio's contributions and withdrawals. This includes all management fees and expenses only when performance shown is gross of fees.

## Glossary

### Peer Groups -

**Plan Sponsor Peer Groups** - RVK utilizes the Mellon Analytical Solutions Trust Universe along with the Investment Metrics Plan Sponsor Universe. The combined Mellon Analytical Solutions Trust Universe and Investment Metrics Plan Sponsor Universe is used for comparison of total fund composite results and utilizes actual client returns compiled from consultant and custodial data. The Plan Sponsor Peer Group database includes performance and other quantitative data for over 2,100 plans which include corporate, endowment, foundation, public, and Taft Hartley plans. Plan Sponsor Peer Groups are gross of fees.

**Institutional Peer Groups (Separate Account and Commingled Fund)** - RVK utilizes the Investment Metrics Separate Account and Commingled Fund Manager Peer Groups for peer comparison and rankings. The Separate Account and Commingled Fund Peer Group database includes performance and other quantitative data for over 1,000 investment management firms, 6,400 investment products, across more than 145 standard peer groups. Separate Account and Commingled Fund Peer Groups are gross of fees.

**Mutual Fund (MF) Peer Groups** - RVK utilizes the Lipper Mutual Fund Manager Peer Groups for peer comparison and rankings. The Lipper Manager Peer Group database includes performance and other quantitative data for over 700 investment management firms and 24,500 investment products, across 125 standard peer groups. Mutual Fund Peer Groups are net of fees.

**Percentile Rankings** - Percentile rank compares an individual fund's performance with those of other funds within a defined peer group of managers possessing a similar investment style. Percentile rank identifies the percentage of a fund's peer group that has a higher return (or other comparative measurement) than the fund being ranked. Conversely, 100 minus the individual fund's ranking will identify the percentage of funds within the peer group that have a lower return than the fund being ranked.

1 - Highest Statistical Value      100 - Lowest Statistical Value

*Example: American Funds AMCP;R-4 (RAFEX) is ranked in the 4<sup>th</sup> percentile within the IM US Equity Large-Cap Growth Funds (MF) Peer Group for the Sharpe Ratio. Within the IM US Equity Large-Cap Growth Funds peer group, 4% of the other funds performed better than American Funds AMCP;R-4 (RAFEX), while 96% of the funds performed worse.*

**Performance Methodology** - RVK endorses the Global Investment Performance Standards (GIPS) and calculates performance for investment managers and composites using different methodologies. Investment manager performance is calculated by revaluing the portfolio on the date of all large external cash flows while composite performance is calculated using the Modified Dietz calculation methodology. According to the CFA Institute, "Only investment management firms that actually manage assets can claim compliance with the Standards. Plan Sponsors and consultants cannot make a claim of compliance unless they actually manage assets for which they are making a claim of compliance. They can claim to endorse the Standards and/or require that their investment managers comply with the Standards."

**Investment Managers** - Performance is calculated for interim periods between all large external cash flows for a given month and geometrically linked to calculate period returns. An external cash flow is defined as cash, securities, or assets that enter or exit a portfolio. RVK defines a "large cash flow" as a net aggregate cash flow of  $\geq 10\%$  of the beginning-period portfolio market value or any cash flow that causes RVK calculated performance to deviate from manager/custodian reported performance in excess of 5 basis points for a given month.

**Composites** - The Modified Dietz methodology is utilized to calculate asset class, sub-asset class, and total fund composite performance. The Modified Dietz method calculates a time-weighted total rate of return that considers the timing of external cash flows; however, it does not utilize interim period performance to mitigate the impact of significant cash in- and outflows to the composite.

RVK calculates performance beginning with the first full month following inception. Since inception performance may vary from manager reported performance due to RVK using the first full month of returns as the inception date. Performance for both managers and composites is annualized for periods greater than one year.

**Portfolio Characteristics** - Due to disclosure guidelines set by each investment manager, portfolio characteristics shown are as of the most recent date available.

**Private Equity Quartile Ranks** - Private Equity quartile ranks are generated using vintage year peer group data provided by Thomson Reuters, and are based on each fund's annualized, since inception internal rate of return (IRR). Three Private Equity peer groups are available via Thomson Reuters: Buyout, Venture, and All Private Equity. Ranks are available quarterly, at a one-quarter lag.

**Return** - Compounded rate of return for the period.

**%Return** - The time-weighted rate of return of a portfolio for a given period.

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## Glossary

**R-Squared** - The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio's performance to the appropriate benchmark.

**Risk Free Benchmark** - BofA ML 3 Mo US T-Bill Index unless specified otherwise.

**RVK Liquidity Rating** - A qualitative method for determining the relative amount of liquidity in a portfolio. The characteristics considered when determining relative liquidity include trading volume, gates for redemption, leverage, nature of transactions, and pricing mechanisms. The RVK Liquidity Rating is calculated using beginning of month investment weights applied to each corresponding asset class liquidity rating.

<u>Asset Class</u>	<u>RVK Liquidity Rating</u>	<u>Asset Class</u>	<u>RVK Liquidity Rating</u>
<u>Liquid Investments</u>		<u>Less Liquid Investments</u>	
T-Bills and Treasuries	100	Fixed Income Plus Sector	50
Cash Equivalents	98	Diversified Real Return	50
TIPS	95	Global Tactical Asset Allocation	50
US Large Cap Equity	95	Stable Value (Plan Sponsor Directed)	50
Stable Value (Participant Directed)	91	Absolute Return Strategies	35
Non-US Large Cap Equity	90	<u>Not Liquid Investments</u>	
US Small Cap Equity	85	Core Real Estate	25
REITS	85	Core Plus Real Estate	15
Non-US Small Cap Equity	85	Plus Only Real Estate	5
Emerging Markets Equity	85	Private Equity Funds of Funds	5
Core Fixed Income	85		
Core Plus Fixed Income	80		

**Sharpe Ratio** - Represents the excess rate of return over the risk-free return (i.e., BofA ML 3 Mo US T-Bill Index unless specified otherwise), divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.

**Simple Alpha** - The difference between the manager's return and the benchmark's return.

**Spread Duration** - A measure of the price sensitivity of a bond to a 100 basis-point movement of the bond's spread relative to Treasuries.

**Standard Deviation** - A statistical measure of the range of a portfolio's performance. The variability of a return around its average return over a specified time period.

**Time Period Abbreviations** - QTD - Quarter-to-Date. CYTD - Calendar Year-to-Date. FYTD - Fiscal Year-to-Date. YOY - Year Over Year.

## Glossary

**Thematic Classification** - Represents dedicated manager allocations; as such, thematic allocations are approximations. RVK categorizes the following asset classes as Alpha, Capital Appreciation, Capital Preservation, and Inflation:

<u>Alpha</u>	<u>Capital Appreciation</u>	<u>Capital Preservation</u>	<u>Inflation</u>
Absolute Return Strategies	Public Equity	Core Fixed Income	TIPS
Currency Overlay	Private Equity	CMBS Fixed Income	Core Real Estate
	Preferred Securities	Asset Backed Fixed Income	Real Return
	High Yield	Domestic Core Plus Fixed Income	Inflation Hedges
	Convertible Fixed Income	Mortgage Backed Fixed Income	REITS
	TALF Funds	International Developed Fixed Income	Commodities
	Distressed Debt	Cash Equivalents	
	Emerging Market Fixed Income	Stable Value	
	Value Added Real Estate		
	Opportunistic Real Estate		

**Total Fund Attribution** - A method for identifying the sources of a total fund's over- or underperformance relative to its benchmark. The calculation identifies the contributions of positive or negative total fund excess return caused by allocation differences relative to the total fund's custom benchmark, and performance differences of the investment managers relative to the benchmark components that represent them.

### **Total Fund Performance -**

**Total Fund** - The percentage return of the total fund for the specified time period.

**Total Fund Benchmark** - The percentage return of the total fund benchmark for the specified time period; calculated using the target asset allocation and the corresponding benchmark returns.

**Total Value Added** - The percentage of over- or underperformance of the total fund as compared to the total fund benchmark.

### **Total Value Added -**

**Asset Allocation** - Shows how the variance of the total fund's actual allocation from its target allocation added to or subtracted from fund performance.

**Manager Value Added** - The portion of the total value added attributable to the outperformance or underperformance of the fund's investment managers, relative to the individual benchmarks that represent them in the total fund benchmark.

**Market Timing/Other** - The contribution of other residual factors, including estimation error and transaction timing.

**Total Fund Beta** - Total Fund Beta is calculated using the S&P 500 as the benchmark. It represents a measure of the sensitivity of the total fund to movements in the S&P 500 and is a measure of the Total Fund's non-diversifiable or systematic risk.

**Tracking Error** - A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.

**Treynor Ratio** - Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Treynor ratio represents the excess rate of return over the risk-free rate (i.e., BofA ML 3 Mo US T-Bill Index unless specified otherwise) divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better historical risk-adjusted performance.

**Unit Value** - The dollar value of a portfolio, assuming an initial nominal investment of \$100, growing at the compounded rate of %Return for a given period.

**Up Market Capture** - Up market by definition is positive benchmark return and up market capture represents the ratio in % terms of the average portfolios return over the benchmark during the up market period. The higher the value of the up market capture the better the product's performance.

**Yield to Maturity** - The rate of return achieved on a bond or other fixed income security assuming the security is bought and held to maturity and that the coupon interest paid over the life of the bond will be reinvested at the same rate of return.

**Yield to Worst** - The bond yield calculated by using the worst possible yield taking into consideration all call, put, and optional sink dates.

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# San Diego Transit Corporation Employees Retirement Plan

Investment Performance Analysis

Month Ended  
**September 30, 2012**

**RVKuhns**  
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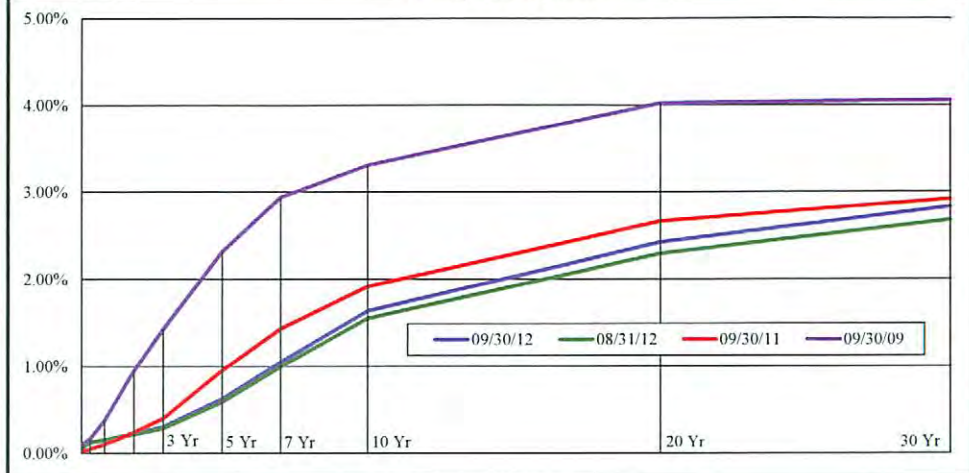


## Capital Markets Review As of September 30, 2012

### General Market Commentary

- The Federal Reserve's Open Market Committee voted to purchase \$40 billion of agency mortgage-backed securities per month until the labor market improves. Additionally, the committee extended their forecast through mid-2015 for low levels of the federal funds rate.
- According to the Census Bureau, the average price for new homes increased to the highest level since August 2008. The 30-year fixed rate mortgage rate registered another all-time low at 3.40%.
- Equity markets posted positive returns in September as the S&P 500 (Cap Wtd) Index returned 2.58% and the MSCI EAFE (Gross) Index returned 2.99%. Emerging markets returned 6.05% as measured by the MSCI EM (Gross) Index.
- The Barclays US Aggregate Bond Index returned 0.14% in September, outperforming the Barclays US Treasury return of -0.03%, as measured by the Barclays US Treasury Intermediate Term Index. International fixed income markets returned 1.88%, as measured by the Citi Non-US World Government Bond Index.
- Public real estate, as measured by the Wilshire US REIT Index, returned -1.83% in September and 1.73% over the five-year period.
- The Venture Economics All Private Equity Index returned 9.59% for the trailing one-year period and 6.35% for the trailing five-year period ending March 2012.
- The return for absolute return strategies, as measured by the HFN FOF Multi-Strat Index, is currently unavailable.
- Crude oil's price fell by 4.44% during the month but has increased by 16.40% over one year.

### Treasury Yield Curve



Market Indicators	09/30/12	08/31/12	09/30/11	20 Yr	40 Yr
Federal Funds Rate	0.09%	▼ 0.13%	0.06%	3.27%	5.96%
Breakeven Inflation - 1 Year	1.36%	▲ 1.11%	0.86%	1.18%	1.18%
Breakeven Inflation - 5 Year	2.08%	▲ 1.95%	1.43%	1.92%	1.92%
Breakeven Inflation - 10 Year	2.42%	▲ 2.26%	1.76%	2.03%	2.03%
Breakeven Inflation - 30 Year	2.37%	▲ 2.26%	1.87%	2.33%	2.33%
Barclays US Agg Bond Index - Yield	1.61%	▼ 1.74%	2.35%	5.27%	1.18%
Barclays US Agg Bond Index - OAS	0.49%	▼ 0.64%	0.90%	0.72%	1.92%
Barclays US Agg Credit Index - OAS	1.44%	▼ 1.58%	2.18%	1.59%	2.03%
Barclays US Corp: HY Index - OAS	5.51%	▼ 5.75%	8.07%	6.07%	2.33%
Capacity Utilization	N/A	N/A	78.20%	77.20%	79.20%
Unemployment Rate	7.80%	▼ 8.10%	9.00%	6.00%	6.40%
PMI - Manufacturing	51.50%	▲ 49.60%	52.50%	52.10%	52.20%
Baltic Dry Index - Shipping	766	▲ 703	1,899	1,600	1,455
Consumer Conf (Conf Board)	70.30	▲ 61.30	46.40	93.00	96.00
CPI YoY (Headline)	N/A	N/A	1.70%	3.90%	2.50%
CPI YoY (Core)	N/A	N/A	1.90%	2.00%	2.30%
PPI YoY	N/A	N/A	2.00%	7.00%	2.30%
M2 YoY	N/A	N/A	6.30%	9.70%	5.50%
US Dollar Total Weighted Index	72.71	▼ 73.58	72.81	87.63	95.36
WTI Crude Oil per Barrel	\$92	▼ \$96	\$79	\$41	\$36
Gold Spot per Oz	\$1,772	▲ \$1,692	\$1,624	\$303	\$329


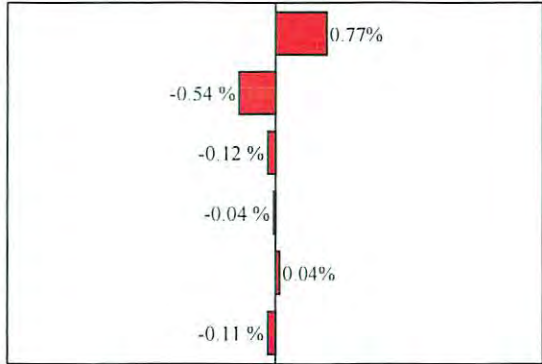
Treasury Yield Curve	09/30/12	08/31/12	09/30/11	09/30/09
3 Month	0.09%	0.07%	0.02%	0.11%
6 Month	0.13%	0.13%	0.05%	0.17%
1 Year	0.15%	0.16%	0.10%	0.38%
3 Year	0.31%	0.29%	0.40%	1.42%
5 Year	0.63%	0.59%	0.95%	2.31%
7 Year	1.05%	1.00%	1.43%	2.94%
10 Year	1.63%	1.55%	1.92%	3.31%
20 Year	2.42%	2.29%	2.66%	4.02%
30 Year	2.82%	2.67%	2.91%	4.05%

Market Performance	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	10 Yr
S&P 500 (Cap Wtd)	2.58	6.35	16.44	30.20	13.20	1.05	8.01
R 2000	3.28	5.25	14.23	31.90	12.98	2.21	10.17
MSCI EAFE (Gross)	2.99	6.98	10.59	14.33	2.59	-4.77	8.69
MSCI EAFE SC (Gross)	4.72	7.94	13.55	12.97	5.09	-2.64	11.65
MSCI EM (Gross)	6.05	7.89	12.34	17.34	5.96	-0.98	17.37
Barclays US Agg Bond	0.14	1.58	3.99	5.16	6.19	6.53	5.32
BofA ML 3 Mo US T-Bill	0.01	0.03	0.07	0.07	0.11	0.72	1.82
NCREIF ODCE (Gross)	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wilshire US REIT	-1.83	-0.15	14.74	32.43	20.72	1.73	11.35
HFN FOF Multi-Strat	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DJ-UBS Cndty (TR)	N/A	N/A	N/A	N/A	N/A	N/A	N/A

All data courtesy of Bloomberg Professional Service. Performance is annualized for periods greater than one year. 20- and 40-year average Gold spot prices are adjusted for inflation. CPI figures are seasonally adjusted. NCREIF performance is reported quarterly; MTD and QTD returns are shown as "N/A" on interim-quarter months.



**San Diego Transit Corporation Employees Retirement Plan**  
**AA by Manager, AA vs. Target, and Schedule of Investable Assets**  
**As of September 30, 2012**

Asset Allocation by Manager			Asset Allocation vs. Target Allocation			
September 30, 2012 : \$146,203,709				Market Value (\$)	Allocation (%)	Target (%)
			Broad Domestic Equity	30,369,997	20.77	20.00
			Broad International Equity	28,446,543	19.46	20.00
			Domestic Fixed Income	29,061,859	19.88	20.00
			Global Fixed Income	7,256,501	4.96	5.00
			Real Return	29,305,338	20.04	20.00
			Absolute Return	21,763,471	14.89	15.00
			Total Fund	146,203,709	100.00	100.00
	Market Value (\$)	Allocation (%)	Asset Allocation vs. Target Allocation Differences			
TT Int'l Inv Tr Active Int'l Eq (CF)	15,936,591	10.90	Broad Domestic Equity			
Westwood All Cap Value (CF)	15,122,304	10.34	Broad International Equity	-0.54 %		
PIMCO:Tot Rtn:Inst (PTTRX)	14,424,572	9.87	Domestic Fixed Income	-0.12 %		
JPMorgan Core Bond Trust (CF)	14,391,285	9.84	Global Fixed Income	-0.04 %		
Enhanced RAFI Global AC Ex-US, L.P. (CF)	12,509,952	8.56	Real Return	0.04 %		
Analytic US Low Volatility Equity (CF)	12,158,810	8.32	Absolute Return	-0.11 %		
PIMCO:All Ast Ath;Inst (PAUIX)	12,132,495	8.30				
Loomis Sayles Strategic Alpha (CF)	7,416,310	5.07				
Loomis Sayles World Bond Trust (CF)	7,256,501	4.96				
PAAMCO Pacific Hedged Strat (CF)	7,198,752	4.92				
Hussman Inv:Strat TR (HSTRX)	7,148,409	4.89				
Vanguard Infl-Prot;Inst (VIPIX)	5,957,384	4.07				
Cohen&Steers Inst RS (CSRIX)	5,898,371	4.03				
Wellington DIH Portfolio (CF)	5,317,087	3.64				
The Boston Co. SMid Cap Grth (CF)	3,088,883	2.11				
Disbursement Account	238,623	0.16				
Contribution Account	7,379	0.01				
Schedule of Investable Assets						
Periods Ending	Beginning Market Value (\$)	Net Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	%Return	Unit Value
CYTD	137,383,772	-4,421,352	13,241,289	146,203,709	9.77	109.77

Allocations shown may not sum up to 100% exactly due to rounding. Performance shown is gross of fees.  
Performance and market values are preliminary and subject to change.  
Rainier Large Cap Equity (SA) was liquidated and the proceeds were used to fund Analytic US Low Volatility Equity (CF) at the end of Sep-2012.



**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of September 30, 2012**

	MTD	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	2011	2010	2009	Since Incep.	Inception Date
<b>San Diego Transit Total Fund</b>	<b>1.64</b>	<b>4.63</b>	<b>9.77</b>	<b>15.16</b>	<b>7.90</b>	<b>2.05</b>	<b>7.26</b>	<b>-3.07</b>	<b>14.41</b>	<b>21.28</b>	<b>9.72</b>	<b>10/01/1982</b>
Policy Index	1.48	4.04	8.74	14.43	8.71	2.69	7.49	0.42	13.79	21.19	9.95	
Difference	0.16	0.59	1.03	0.73	-0.81	-0.64	-0.23	-3.49	0.62	0.09	-0.23	
<b>Westwood All Cap Value (CF)</b>	<b>1.88</b>	<b>6.77</b>	<b>11.12</b>	<b>26.21</b>	<b>10.63</b>	<b>1.18</b>	<b>9.61</b>	<b>-1.68</b>	<b>16.78</b>	<b>21.66</b>	<b>10.80</b>	<b>07/01/1986</b>
R 3000 Value Index	3.20	6.44	15.64	31.05	11.83	-0.72	8.28	-0.10	16.23	19.76	9.73	
Difference	-1.32	0.33	-4.52	-4.84	-1.20	1.90	1.33	-1.58	0.55	1.90	1.07	
<b>Analytic US Low Volatility Equity (CF)</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>10/01/2012</b>
R 1000 Index	2.57	6.31	16.28	30.05	13.28	1.23	8.35	1.50	16.10	28.43	N/A	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
<b>The Boston Co. SMid Cap Grth (CF)</b>	<b>2.22</b>	<b>5.47</b>	<b>17.79</b>	<b>34.94</b>	<b>17.58</b>	<b>N/A</b>	<b>N/A</b>	<b>7.65</b>	<b>23.38</b>	<b>N/A</b>	<b>24.22</b>	<b>04/01/2009</b>
R 2500 Growth Index	2.32	5.22	14.10	29.52	15.17	3.26	11.23	-1.57	28.86	41.65	24.94	
Difference	-0.10	0.25	3.69	5.42	2.41	N/A	N/A	9.22	-5.48	N/A	-0.72	
<b>Enhanced RAFI Global AC Ex-US, L.P. (CF)</b>	<b>3.53</b>	<b>8.29</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>-0.68</b>	<b>03/01/2012</b>
FTSE RAFI Dvl'd Ex US 1000 TR Index	3.34	7.42	7.87	10.90	-0.91	-4.48	9.93	-14.35	7.53	44.05	-3.57	
Difference	0.20	0.87	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.89	
MSCI ACW Ex US Index (Gross)	3.77	7.49	10.86	15.04	3.63	-3.67	10.32	-13.33	11.60	42.14	-1.75	
Difference	-0.24	0.80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1.07	
<b>TT Int'l Inv Tr Active Int'l Eq (CF)</b>	<b>1.89</b>	<b>4.68</b>	<b>8.57</b>	<b>11.74</b>	<b>0.61</b>	<b>N/A</b>	<b>N/A</b>	<b>-17.15</b>	<b>13.18</b>	<b>31.59</b>	<b>-8.12</b>	<b>11/01/2007</b>
MSCI EAFE Index (Gross)	2.99	6.98	10.59	14.33	2.59	-4.77	8.69	-11.73	8.21	32.46	-5.60	
Difference	-1.10	-2.30	-2.02	-2.59	-1.98	N/A	N/A	-5.42	4.97	-0.87	-2.52	
<b>JPMorgan Core Bond Trust (CF)</b>	<b>0.30</b>	<b>2.13</b>	<b>5.69</b>	<b>6.89</b>	<b>8.21</b>	<b>8.30</b>	<b>N/A</b>	<b>7.93</b>	<b>9.92</b>	<b>11.93</b>	<b>6.30</b>	<b>06/01/2003</b>
Barclays US Agg Bond Index	0.14	1.58	3.99	5.16	6.19	6.53	5.32	7.84	6.54	5.93	5.08	
Difference	0.16	0.55	1.70	1.73	2.02	1.77	N/A	0.09	3.38	6.00	1.22	
<b>PIMCO:Tot Rtn;Inst (PTTRX)</b>	<b>0.95</b>	<b>3.29</b>	<b>9.47</b>	<b>12.03</b>	<b>8.21</b>	<b>9.43</b>	<b>N/A</b>	<b>4.64</b>	<b>9.39</b>	<b>14.39</b>	<b>7.01</b>	<b>06/01/2003</b>
Barclays US Agg Bond Index	0.14	1.58	3.99	5.16	6.19	6.53	5.32	7.84	6.54	5.93	5.08	
Difference	0.81	1.71	5.48	6.87	2.02	2.90	N/A	-3.20	2.85	8.46	1.93	
<b>Loomis Sayles World Bond Trust (CF)</b>	<b>1.62</b>	<b>4.22</b>	<b>7.72</b>	<b>9.17</b>	<b>7.25</b>	<b>7.38</b>	<b>8.81</b>	<b>5.08</b>	<b>9.02</b>	<b>16.87</b>	<b>8.27</b>	<b>06/01/1998</b>
Citi Wrld Gov't Bond Index	1.25	2.99	3.41	3.28	4.29	6.45	6.71	6.35	5.17	2.56	6.19	
Difference	0.37	1.23	4.31	5.89	2.96	0.93	2.10	-1.27	3.85	14.31	2.08	

Performance shown is gross of fees with the exception of PAAMCO Pacific Hedged Strat (CF), Hussman Inv:Strat TR (HISTRX), and Loomis Sayles Strategic Alpha (CF) which are shown net of fees. Performance is preliminary and subject to change. RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. See Addendum for the history of Westwood All Cap Value (CF).



**San Diego Transit Corporation Employees Retirement Plan**  
**Comparative Performance**  
**As of September 30, 2012**

	MTD	QTD	CYTD	1 Year	3 Years	5 Years	10 Years	2011	2010	2009	Since Incep.	Inception Date
<b>Wellington DIH Portfolio (CF)</b>	<b>3.04</b>	<b>7.76</b>	<b>7.21</b>	<b>12.63</b>	<b>8.27</b>	N/A	N/A	<b>-7.74</b>	<b>18.43</b>	<b>43.89</b>	<b>-4.24</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.11	6.57	7.86	N/A	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-15.85</b>	11.86	36.03	N/A	
Wellington Dv'd Infl Hedge Comp Index	2.86	7.69	7.28	13.61	8.69	2.08	N/A	<b>-4.09</b>	16.26	29.98	<b>-0.80</b>	
Difference	0.18	0.07	<b>-0.07</b>	<b>-0.98</b>	<b>-0.42</b>	N/A	N/A	<b>-3.65</b>	2.17	13.91	<b>-3.44</b>	
<b>PIMCO:All Ast Ath;Inst (PAUIX)</b>	<b>2.43</b>	<b>7.30</b>	<b>15.04</b>	<b>20.96</b>	<b>11.87</b>	N/A	N/A	<b>3.64</b>	<b>14.66</b>	<b>24.03</b>	<b>8.47</b>	<b>06/01/2008</b>
Consumer Price Index + 5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	8.11	6.57	7.86	N/A	
Difference	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>-4.47</b>	8.09	16.17	N/A	
All Asset Composite Index	0.81	3.67	8.82	14.00	9.97	5.64	8.03	6.78	11.68	16.69	5.73	
Difference	1.62	3.63	6.22	6.96	1.90	N/A	N/A	<b>-3.14</b>	2.98	7.34	2.74	
<b>Vanguard Infl-Prot;Inst (VIPIX)</b>	<b>0.54</b>	<b>2.19</b>	<b>6.31</b>	<b>9.09</b>	N/A	N/A	N/A	<b>13.44</b>	N/A	N/A	<b>10.03</b>	<b>08/01/2010</b>
Barclays US Trsy: US TIPS Index	0.51	2.12	6.25	9.10	9.29	7.93	6.64	13.56	6.31	11.41	9.89	
Difference	0.03	0.07	0.06	<b>-0.01</b>	N/A	N/A	N/A	<b>-0.12</b>	N/A	N/A	0.14	
<b>Cohen&amp;Steers Inst RS (CSRIX)</b>	<b>-1.49</b>	<b>0.19</b>	<b>14.14</b>	<b>30.82</b>	<b>19.66</b>	<b>3.44</b>	N/A	<b>7.05</b>	<b>28.57</b>	<b>33.71</b>	<b>9.21</b>	<b>04/01/2005</b>
FTSE NAREIT Eq REITs TR Index	<b>-1.78</b>	0.16	15.09	32.61	20.38	2.11	11.39	8.29	27.96	27.99	7.72	
Difference	0.29	0.03	<b>-0.95</b>	<b>-1.79</b>	<b>-0.72</b>	1.33	N/A	<b>-1.24</b>	0.61	5.72	1.49	
<b>PAAMCO Pacific Hedged Strat (CF)</b>	<b>0.79</b>	<b>2.49</b>	<b>4.65</b>	<b>5.19</b>	<b>2.76</b>	<b>0.48</b>	N/A	<b>-4.69</b>	<b>6.13</b>	<b>18.64</b>	<b>1.22</b>	<b>06/01/2007</b>
3 Month LIBOR Index + 5%	0.44	1.34	4.10	5.50	5.38	6.27	7.32	5.34	5.36	5.79	6.54	
Difference	0.35	1.15	0.55	<b>-0.31</b>	<b>-2.62</b>	<b>-5.79</b>	N/A	<b>-10.03</b>	0.77	12.85	<b>-5.32</b>	
HFRI FOF Cnsvt Index	0.31	1.65	2.36	2.42	1.60	<b>-1.54</b>	2.88	<b>-3.55</b>	5.07	9.65	<b>-1.44</b>	
Difference	0.48	0.84	2.29	2.77	1.16	2.02	N/A	<b>-1.14</b>	1.06	8.99	2.66	
<b>Hussman Inv:Strat TR (HSTRX)</b>	<b>0.62</b>	<b>1.11</b>	<b>2.07</b>	<b>2.79</b>	N/A	N/A	N/A	N/A	N/A	N/A	<b>2.79</b>	<b>10/01/2011</b>
3 Month LIBOR Index + 5%	0.44	1.34	4.10	5.50	5.38	6.27	7.32	5.34	5.36	5.79	5.50	
Difference	0.18	<b>-0.23</b>	<b>-2.03</b>	<b>-2.71</b>	N/A	N/A	N/A	N/A	N/A	N/A	<b>-2.71</b>	
Barclays US Agg Bond Index	0.14	1.58	3.99	5.16	6.19	6.53	5.32	7.84	6.54	5.93	5.16	
Difference	0.48	<b>-0.47</b>	<b>-1.92</b>	<b>-2.37</b>	N/A	N/A	N/A	N/A	N/A	N/A	<b>-2.37</b>	
<b>Loomis Sayles Strategic Alpha (CF)</b>	<b>1.25</b>	<b>3.04</b>	<b>8.50</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>8.50</b>	<b>01/01/2012</b>
3 Month LIBOR Index + 3%	0.28	0.85	2.61	3.49	3.38	4.25	5.28	3.34	3.35	3.77	2.61	
Difference	0.97	2.19	5.89	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.89	

Performance shown is gross of fees with the exception of PAAMCO Pacific Hedged Strat (CF), Hussman Inv:Strat TR (HSTRX), and Loomis Sayles Strategic Alpha (CF) which are shown net of fees. Performance is preliminary and subject to change. RVK endorses GPS and calculates performance for composites and investment managers using different methodologies. See Addendum for the history of Westwood All Cap Value (CF).

**San Diego Transit Corporation Employees Retirement Plan**  
**Addendum**  
**As of September 30, 2012**

**Performance Related and Miscellaneous Comments**

- Manager inception dates shown represent the first full month following initial funding.
- Performance is annualized for periods greater than one year.
- RVK endorses GIPS and calculates performance for composites and investment managers using different methodologies. For additional information, please see the "Performance Methodology" definition in the Glossary of the most recent quarterly performance report.
- The Contribution Account was added on Oct-2011.
- Westwood All Cap Value (CF) performance prior to Aug-2011 is represented by a beginning of month weighted average between Westwood Large Cap Value (CF) and Westwood SMid Cap Equity (CF), and prior to Jul-2008 is represented by Westwood Large Cap Value (CF).
- Loomis Sayles World Bond Trust (CF) performance prior to Jul-2008 is represented by the mutual fund vehicle Loomis Sayles:GB;Inst (LSGBX).
- PIMCO:All Ast Ath;Inst (PAUIX) performance prior to Aug-2011 is represented by PIMCO:All Asset;Inst (PAAIX).
- Vanguard Infl-Prot;Inst (VIPIX) performance prior to Jun-2012 is represented by Vanguard Infl-Prot;Adm (VAIPX).
- Loomis Sayles Strategic Alpha (CF) performance prior to Feb-2012 is represented by the mutual fund vehicle Loomis Sayles:Strat Alpha:Y(LASYX). The account was out of the market for 1 business day during the transition from mutual fund to commingled fund. The product name for both vehicles of this strategy changed from Loomis Sayles Absolute Strategies to Loomis Sayles Strategic Alpha on September 28, 2012.
- The benchmark for Cohen&Steers Inst RS (CSRIX) was retroactively changed from Wilshire US REIT Index to FTSE NAREIT Eq REITs Index going back to the fund's inception beginning with the August 31, 2012 monthly flash report. The benchmark for the REITs component in the Policy Index was also retroactively changed in the same manner.
- Rainier Large Cap Equity (SA) was liquidated and the proceeds were used to fund Analytic US Low Volatility Equity (CF) at the end of Sep-2012.
- September return for the Consumer Price Index is not yet available.

**Custom Benchmark Comments**

- The Policy Index is rebalanced monthly and consists of 20% Russell 3000 Index, 20% MSCI ACW Ex US Index (Gross), 25% Barclays US Agg Bond Index, 20% Actual Allocation Index-Real Return, and 15% HFRI FOF Cnsvt Index from Dec-2011 through Present. For the full history, please see the Addendum of the most recent quarterly performance report.
- The Actual Allocation Index-Real Return is an active index which is calculated monthly using beginning of month investment weights applied to each corresponding primary benchmark within the Real Return Composite.



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## Agenda Item No. 46

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

SEMIANNUAL SECURITY REPORT (JANUARY THROUGH JUNE 2012)  
(BILL BURKE)

#### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

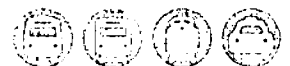
None.

#### DISCUSSION:

Statistics related to security incidents concerning the transit system are compiled by staff based on reports generated by security personnel and Code Compliance inspectors. This information is augmented by reports from local police authorities and is then compiled, summarized, and submitted to the Board of Directors on a midyear and year-end basis. The semiannual report covers the period from January 1, 2012, through June 30, 2012.

#### DEPARTMENT OF HOMELAND SECURITY – TRANSPORTATION SECURITY GRANT PROGRAM (TSGP)

The Transit Enforcement Department has been the recipient of several Homeland Security grants on an annual basis. Approved funding through current open grants is approximately \$12,319,732.



## STATUS OF ONGOING AND OPEN GRANTS

### Federal Grants

- TSGP FY 2010

Award: \$3,981,000  
Projects: \$2.6 million for Fiber-Optic Green Line Project  
\$750,000 Fiber-Optic Orange Line Project  
\$500,000 Onboard bus video (Phase IV)  
\$100,000 Vulnerability Assessment/Cyber Security Plan

This funding will enable MTS to continue various fiber-optic projects that will greatly enhance the transmission of video data to the Operations Control Center. Additionally, another phase of onboard CCTV for buses will be completed as well as an assessment of MTS's information technology security in order to create a cyber-security plan in the future.

Status: Open - \$530,000 expended to date  
Expiration date: May 2013

### California Funding

- Proposition 1B FY 2008-09

Award: \$2.7 million  
Projects: \$2.7 million for fiber-infrastructure enhancements

This investment is a two-phase project to create a high-speed quality network connection for all Mission Valley East stations terminating at the Operations Control Center.

Status: Open - \$571,975 expended to date  
Expiration date: March 2013

- Proposition 1B FY 2009-10

Award: \$2.7 million  
Projects: \$2.7 million for wireless infrastructure to capture real-time video from trolley Onboard Video Surveillance System

This investment funds the continuing phases of onboard CCTV on LRVs and will enable viewing of onboard CCTV at the Operations Control Center on trains and buses via wireless uplinks strategically located along train lines and select transit centers.

Status: Open - \$802,928 expended to date  
Expiration date: March 2014



- Proposition 1B FY 2010-11

Award: \$2.78 million  
Projects: \$457,526 for Barrier System at the San Ysidro Transit Center  
\$457,526 for CCI Handheld Units  
\$100,000 for Transit Store Security  
\$1.764 million for CCTV System Upgrades

This investment is for improvements to patron flow at the San Ysidro Transit Center, improved handheld fare reader devices, improved security measures at The Transit Store, and additional closed-circuit television upgrades throughout the system.

Status: Open - No expenditures to date  
Expiration date: March 2014

#### California Public Utilities Commission (CPUC) Triennial Security Review

The CPUC's Rail Transit Safety Section conducts an on-site security review of transit agencies systems once every three years. CPUC staff conducted a review of the MTS security program in March. The review focused on verifying the effective implementation of the System Security Plan (SSP), Threat and Vulnerability Assessment (TVA) and Emergency Response Plan (ERP).

The security review results indicate that MTS has a comprehensive System Security Plan (SSP) and has effectively carried out that Plan. CPUC staff found MTS's progressive and effective security program very concise and efficient. There were no areas of noncompliance, and no recommendations were issued.

#### Training

MTS, in collaboration with TSA Bomb Explosive Technicians, provided Improvised Explosive Device training to approximately 45 San Diego Transit Corporation and Veolia personnel (mostly supervisors) in June. This included information on distinguishing between "suspicious" and "unattended" packages. Transit Enforcement personnel have also attended the right-of-way safety training presented by the San Diego Trolley, Inc. Safety Department. Approximately 30 MTS personnel from various departments attended Federal Emergency Management Agency Emergency Planning workshops in June at North Country Transit District.

#### Transportation Security Administration (TSA)

MTS Transit Enforcement collaborates with TSA by attending the Transit Security Working Group meetings, planning Visual Intermodal Prevention and Response (VIPR) operations, and coordinating cross-jurisdictional investigations. MTS Transit Enforcement also received a satisfactory Baseline Assessment and Security Enhancement (BASE) review from the TSA.

#### Closed-Circuit Television (CCTV)

Onboard CCTV for 103 LRVs has been accepted. New work stations have been installed in the Operations Control Center and training on the new equipment for operators has been accomplished. The new equipment and configuration in the Operations Control Center is more efficient and user friendly for operators. Video-

monitoring capability is also enhanced. Recently added equipment includes 42" and 24" flat panel widescreen commercial-grade monitors and 4 Avigilon Workstations so that a single operator may control all of the Workstations from a single Avigilon Pro Joystick. Blue Violet Networks configured Avigilon Workstation views for "best-practice" configuration.

### Technology

Code Compliance Inspectors and Security Officers have been issued improved hand-held units (110 total) for verifying fares. These units have lower failure rates than the old ones and allow the inspectors to check fares more quickly. The HHUs incorporate GIS (UK Company) technology and are designed by Cubic Corporation. The unit has also increased MTS's detection of Senior/Disabled/Medicare Compass Card violations.

Digital personal audio recording devices have been issued to 9 CCIs on a trial basis. If test results are successful, MTS anticipates that these units will help in defending complaints and lawsuits as well as provide another tool to review employee performance. Currently, the sound level onboard LRVs is not satisfactory, and staff is working on resolution.

In June, representatives from MTS Transit Enforcement toured the Long Beach Airport with other MTS representatives to examine the airport's video monitoring system and assess best practices for security surveillance procedures.

### Special Details

The Sheriff's Department conducted a Special Enforcement Unit detail at the Grossmont Center Transit in April, in which MTS Transit Enforcement participated. MTS Transit Enforcement also participated in an Operation Stonegarden detail with the Border Crime Suppression Team in June targeting trolley lines in the South Bay and downtown.

Transit Enforcement participation in a TSA VIPR is scheduled for Chargers games for August through November, and VIPR operations are also scheduled in the downtown loop in October.

Approximately 10 transient camp details were performed from January to June. This is a multipurpose detail that targets transient camps throughout the MTS system. The details cover the MTS/San Diego Trolley right-of-ways and properties, including protected wildlife areas, such as the Mission Valley Preserve, Cactus Park, and Gunpowder Point in the Sweetwater Preserve; these details normally take place late nights and early mornings and target individuals who camp out or sleep overnight in the Trolley stations and bus stops. Occasionally, this detail will also target early-morning complaints of transient-related crimes and activities onboard trains. During this reporting period, this unit issued approximately 108 trespassing citations, 70 loitering citations, and 30 fare violations. MTS has seen a significant increase in arrestees with extensive criminal histories.

### Border Transportation Council (BTC)

MTS continues to provide representation at the regularly scheduled meetings. Security personnel collaborate with Border Transportation Council (BTC) representatives to troubleshoot specific problems and plan security strategies.

From January through June 2012, the main topic at the BTC meetings was wildcatting at the San Ysidro border.

In January, SDPD reported it had a shift change, and a large amount of officers were rotated throughout San Diego County. SDPD Sergeant Casillas, of Southern Division, has been placed in charge of the new team that will be focusing on wildcatting at the San Ysidro Border. Citations were issued for illegally parking at the Route 905 bus stop at the Otay border.

At the March meeting, SDPD reported that the Border Crime Suppression Team (BCST) has 8 officers assigned and will continue to work wildcatting details at least twice a month.

In April, SDPD reported that the Border Crime Suppression Team (BCST) is still working the San Ysidro border to address the wildcatting issue. The Team has issued various citations for loitering, three stay-away orders, and confiscated \$4,000 in cash.

In June, SDPD reported that wildcatting activity continues behind the McDonalds and at the Jack in the Box in San Ysidro.

#### Canine Teams

Three explosive-detection canine teams are funded through a Cooperative Agreement with the Transportation Security Administration (TSA). Primary duties include patrol of trains and facilities, fare enforcement, and response to check suspicious packages.

Outside training included a week-long training coordinated by TSA handlers. The FBI set up mass explosive vehicle scenarios as well as homemade explosives to train the dogs. Most of this training was at the airport with the Harbor Police canine teams. A Hornblower Yacht was searched in a training scenario. Canine staff also visited the Sheriff's Bomb Squad Range in Campo and was allowed to view several detonations.

One officer attended the annual International Association of Bomb Technicians and Investigators (IABTI) training in Hershey, Pennsylvania.

A day-long training conducted by National Odor Recognition Training (NORT) took place in May. An MTS representative, as well as representatives from the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF), US Marshal, San Diego Police, and private security were in attendance.

Joint training with various police agencies was again conducted during the first part of this year. Staff attended the Quarterly Bomb Investigator's Meeting with the San Diego Lindberg Field Bomb Appraisal Officer Conrad Grayson presenting. An awareness intelligence update was given by Southern California TSA Field Intelligence Officer Jason Lombard.

During this reporting period, the following activity was generated by the teams:

Patrons contacted	107,203	Training scenarios conducted	197
Violators contacted	200	Calls for service	8
K9 Utilizations	1,724		

### Special Enforcement Units (SEUs)

SEU operations are conducted at random transit centers at irregular intervals. The purpose is to check all patrons for proper fare media who are boarding and deboarding trains. In the first six months of 2012, 21 SEUs were conducted, which resulted in a fare evasion rate of 2.8% and the following statistics:

- Patrons Inspected 84,567
- Citations Issued 2,365
- Written Warnings 44

### Community Outreach

Transit Enforcement provided special coverage along the C Street Corridor (in response to a special request from Board Member Steve Castaneda) and also reached out to management at the King-Chavez High School in an effort to work together to enhance after-school safety for students.

### Juvenile Diversion Program

In collaboration with the Juvenile Court system, MTS launched a Juvenile Diversion Program. This program is an effort to relieve parents from taking time off of work and their children out of school to attend court as well as to eliminate some of the burden on the court system. Many parents appealed to the court asking if they could simply pay a fine rather than attend court.

Staff worked with the Juvenile Court to develop a diversion program for select violations. When offered participation in the program, juveniles have the option to pay a fine directly to MTS or attend court as they have in the past. If the fine is not paid within 60 days, the citation is sent to the Juvenile Court for adjudication.

In late April, MTS began offering the Diversion Program to juveniles for minor ordinance violations, such as fare evasion, feet on seats, littering, etc.

In May and June combined, 78 juveniles were offered the option of the Juvenile Diversion Program. Only 28 took advantage of the program and paid the fine—the remainder will be adjudicated through Juvenile Court.

Staff is working with the court system to improve the number of participants, which would help alleviate more of the burden from the court system.

### Operation Lifesaver

Operation Lifesaver is a nationwide railroad safety program. The program seeks to reduce collisions, injuries, and fatalities at America's highway rail grade crossings and on the railroad rights-of-way.

In January, an Operation Lifesaver rail safety presentation was given to the San Diego Youth Council at the City Administration building. There were approximately 23 people in attendance, including parents. Operation Lifesaver and MTS visual aids were used, and the Operation Lifesavers motto "Look, Listen, and Live" was discussed. The Three E's of Operation Lifesaver, "Education, Engineering, and Enforcement" was presented



and questions from the group answered. K9 trading cards, MTS safety brochures and pens, and Operation Lifesaver pins and safety brochures were distributed.

In June, two Operation Lifesaver safety presentations were given at Bell Middle School. A total of approximately 100 students participated in the presentations. K9 cards, safety brochures, and pencils were given to the students.

Also in June, an Operation Lifesaver event was held at the Pacific Fleet Trolley Station while San Diego Police, Burlington Northern Santa Fe (BNSF) Railway Police, TSA, and Carrizo Gorge Police were enforcing grade-crossing and pedestrian violations. Safety brochures, K9 photo cards, and Operation Lifesaver pens, pencils, and key chains were distributed, and staff spoke to patrons about rail safety and Operation Lifesaver's message of "Look, Listen, and Live."

### Buses and Bus Stops

During the reporting period, MTS Code Compliance Inspectors and Transit Systems Security Officers conducted numerous sweeps and checks at bus stops and onboard buses (based on complaints from bus operators and passengers). Some complaints included storefronts near MTS bus stops and benches.

There was a Security Awareness training given for first responders including security personnel and road supervisors from other bus agencies. There were approximately 125 attendees.

Seven plainclothes/undercover details were conducted targeting routes servicing the local middle and high schools. The details resulted in 9 arrests and 64 citations for quality-of-life violations.

A Fire and Life safety drill was conducted at the San Diego State University (SDSU) Transit Center. The drill included San Diego Association of Governments (SANDAG), SDSU Police Department, Cal-State Fire, San Diego Fire Department, SDPD, MTS officers, and MTS Maintenance-of-Way and Facilities crews. One local news channel crew was on scene. This was a mandatory drill required by the State Fire Marshall. MTS is required to conduct annual drills out of this location and also to further enhance the familiarization and layouts for the local fire department in case of an emergency. The drill lasted about an hour resulting in closure of the bus loop, and a simulated bus bridge went into effect. Trolleys were kept on normal schedule for this drill.

### San Diego Trolley, Inc.

San Diego Trolley, Inc. experienced 1,075 Part II arrests and 67 reports of Part I incidents during the first half of 2011. In the first 6 months of 2012, there were 1,186 Part II arrests and 66 reports of Part I Incidents.

### San Diego Transit Corporation

San Diego Transit Corporation experienced 96 Part II arrests and 11 reports of Part I incidents in the first 6 months of 2011. In the first half of 2012, there were 94 Part II arrests and 21 reports of Part I incidents.

### Contract Transportation Services

MTS's contract services experienced 30 Part II arrests and 4 reports of Part I incidents for this period in 2011. In the same period in 2012, there were 48 Part II arrests and 6 reports of Part I incidents.



Paul C. Jablonski  
Chief Executive Officer

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

- Attachments:
- A. Board FTA 405 Reports (January - June 2011 SDTI)
  - B. Board FTA 405 Reports (January - June 2012 SDTI)
  - C. Board FTA 405 Reports (January - June 2011 SDTC)
  - D. Board FTA 405 Reports (January - June 2012 SDTC)

<input type="checkbox"/> Form not applicable NTD ID <span style="border: 1px solid black; padding: 2px;">    </span>		BOARD 405 REPORT		Required from transit agencies serving UZAs of 200,000 or more population	
<input type="checkbox"/> Form 005 included		Based on the Uniform Crime Reporting Handbook		Mode <span style="border: 1px solid black; padding: 2px;">    </span> Type of Service <span style="border: 1px solid black; padding: 2px;">    </span>	
Security Items		In Vehicle		In Station	
Location SDTI				Other Transit Prop.	
Part I Offenses (Reports)					
Violent Crime	Inc Inv	Arrests			
Homicide	0	0	Patrons	0	0
			Employees	0	0
			Others	0	0
Forcible rape	0	0	Patrons	0	0
			Employees	0	0
			Others	0	0
Robbery	20	10	Patrons	11	7
			Employees	0	0
			Others	0	0
Aggravated assault	9	6	Patrons	1	2
			Employees	0	0
			Others	1	4
Property Crime	Inc Inv	Arrests			
Burglary	0	0	Patrons	0	0
Larceny/theft	35	2	Patrons	14	5
			Employees	0	0
			Others	0	5
Motor vehicle theft	3	0	Patrons	0	0
			Employees	0	0
			Others	0	0
Arson	0	0	Patrons	0	0
			Employees	0	0
			Others	0	0
Part II Offenses (Arrests)					
	Inc Inv	Arrests			
Other assaults	57	40	Patrons	12	24
Vandalism	247	79	Employees	35	36
Sex offenses	5	5	Others	3	2
Drug abuse violations	88	89	Patrons	13	70
Driving under the influence	2	2	Employees	0	0
Drunkenness	127	122	Others	33	80
Disorderly conduct	521	474	Patrons	131	318
Trespassing	270	165	Employees	1	0
Fare evasion	8,997	7,568	Others	4,274	3,294
Curfew & loitering laws	117	99	Patrons	0	90
			Employees		
			Others		
Total Transit Property Damage			\$ 18,454.80		
Internal Use Only					
Report Run Date		Report Run Time		Reporting Period	
10/11/2012		08:44:43AM		01/01/2011 To 06/30/2011	

<input type="checkbox"/> Form not applicable NYD ID <span style="border: 1px solid black; padding: 2px;">    </span> <input type="checkbox"/> Form 005 included		<b>BOARD 405 REPORT</b>  <i>Based on the Uniform Crime Reporting Handbook</i>		<div style="border: 1px solid black; padding: 2px; font-size: small;">           Required from transit agencies serving UZAs of 200,000 or more population.         </div> <div style="text-align: right;">           Mode <span style="border: 1px solid black; padding: 2px;">  </span>            Type of Service <span style="border: 1px solid black; padding: 2px;">  </span> </div>	
<b>Security Items</b>		<b>In Vehicle</b>	<b>In Station</b>	<b>Other Transit Prop.</b>	
<b>Location SDTI</b>					
<b>Part I Offenses (Reports)</b>					
<b>Violent Crime</b>	<b>Inc Inv</b>	<b>Arrests</b>			
Homicide	0	0	Patrons 0	0	0
			Employees 0	0	0
			Others 0	0	0
Forcible rape	2	3	Patrons 0	1	1
			Employees 0	0	0
			Others 0	0	0
Robbery	8	2	Patrons 6	2	0
			Employees 0	0	0
			Others 0	0	0
Aggravated assault	6	5	Patrons 1	2	0
			Employees 0	0	0
			Others 0	3	0
<b>Property Crime</b>	<b>Inc Inv</b>	<b>Arrests</b>			
Burglary	1	0	0	0	1
Larceny/theft	39	6	Patrons 12	2	17
			Employees 0	0	0
			Others 0	3	5
Motor vehicle theft	10	0	Patrons 0	0	7
			Employees 0	0	0
			Others 0	0	3
Arson	0	0	0	0	0
<b>Part II Offenses (Arrests)</b>					
<b>Other assaults</b>	<b>58</b>	<b>32</b>	6	24	2
Vandalism	116	60	23	28	9
Sex offenses	7	1	1	0	0
Drug abuse violations	107	104	10	87	7
Driving under the influence	4	4	0	1	3
Drunkenness	137	101	22	74	5
Disorderly conduct	610	579	173	326	80
Trespassing	262	204	0	1	203
Fare evasion	13,883	13,280	8,271	5,007	2
Curfew & loitering laws	127	101	0	86	15
<b>Total Transit Property Damage</b>			<b>\$ 8,337.57</b>		
<h2 style="margin: 0;">Internal Use Only</h2>					
<b>Report Run Date</b>		<b>Report Run Time</b>		<b>Reporting Period</b>	
10/11/2012		08:44:08AM		01/01/2012 To 06/30/2012	



☐ Form not applicableNTD ID ☐ Form 005 Included**BOARD 405 REPORT**

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

Mode Type of Service 

Based on the Uniform Crime Reporting Handbook

Security Items	In Vehicle	In Station	Other Transit Prop.
<b>Location SDTC</b>			
<b>Part I Offenses (Reports)</b>			
<b>Violent Crime</b>	<b>Inc Inv</b>	<b>Arrests</b>	
Homicide	1	1	
			Patrons 0 1 0
			Employees 0 0 0
			Others 0 0 0
Forcible rape	0	0	
			Patrons 0 0 0
			Employees 0 0 0
			Others 0 0 0
Robbery	4	3	
			Patrons 2 2 0
			Employees 0 0 0
			Others 0 0 0
Aggravated assault	1	0	
			Patrons 0 0 0
			Employees 1 0 0
			Others 0 0 0
<b>Property Crime</b>	<b>Inc Inv</b>	<b>Arrests</b>	
Burglary	0	0	
Larceny/theft	5	0	
			Patrons 2 2 0
			Employees 0 0 0
			Others 0 1 0
Motor vehicle theft	0	0	
			Patrons 0 0 0
			Employees 0 0 0
			Others 0 0 0
Arson	0	0	
			0 0 0
<b>Part II Offenses (Arrests)</b>			
	<b>Inc Inv</b>	<b>Arrests</b>	
Other assaults	27	0	
Vandalism	39	12	
Sex offenses	2	0	
Drug abuse violations	8	7	
Driving under the influence	2	2	
Drunkenness	25	24	
Disorderly conduct	165	30	
Trespassing	2	1	
Fare evasion	23	3	
Curfew & loitering laws	23	20	
			0 18 2
<b>Total Transit Property Damage</b>		<b>\$ 2,489.57</b>	

**Internal Use Only**

Report Run Date

Report Run Time

Reporting Period

10/11/2012

08:44:43AM

01/01/2011 To 06/30/2011

<input type="checkbox"/> Form not applicable NTD ID <span style="border: 1px solid black; padding: 0 5px;">  </span>		BOARD 405 REPORT		Required from transit agencies serving UZAs of 200,000 or more population.	
<input type="checkbox"/> Form 005 Included				Mode <span style="border: 1px solid black; padding: 0 5px;">  </span>	
Based on the Uniform Crime Reporting Handbook					
Security Items		In Vehicle		In Station	
Other Transit Prop.					
Location SDTC					
Part I Offenses (Reports)					
Violent Crime	Inc Inv	Arrests			
Homicide	0	0	Patrons	0	0
			Employees	0	0
			Others	0	0
Forcible rape	0	0	Patrons	0	0
			Employees	0	0
			Others	0	0
Robbery	5	1	Patrons	1	3
			Employees	0	0
			Others	0	1
Aggravated assault	4	5	Patrons	1	1
			Employees	1	0
			Others	2	2
Property Crime	Inc Inv	Arrests			
Burglary	0	0	Patrons	0	0
Larceny/theft	11	1	Employees	1	0
			Others	0	0
Motor vehicle theft	1	1	Patrons	0	0
			Employees	0	0
			Others	0	1
Arson	0	0	Patrons	0	0
			Employees	0	0
			Others	0	0
Part II Offenses (Arrests)					
Inc Inv	Arrests				
Other assaults	18	2	Patrons	1	1
Vandalism	39	5	Employees	3	2
Sex offenses	5	0	Others	0	0
Drug abuse violations	3	3	Patrons	0	3
Driving under the influence	1	1	Employees	1	0
Drunkenness	36	16	Others	4	12
Disorderly conduct	212	44	Patrons	0	43
Trespassing	1	1	Employees	0	1
Fare evasion	63	44	Others	30	14
Curfew & loitering laws	27	22	Patrons	0	13
			Employees		
			Others		
Total Transit Property Damage			\$ 4,339.92		
Internal Use Only					
Report Run Date		Report Run Time		Reporting Period	
10/11/2012		08:44:08AM		01/01/2012 To 06/30/2012	

# ***Semi-annual Security Report***

*(William Burke)*

***January – June 2012***

October 18, 2012



1



## **Part I Incidents – Rail**

January through June

	2011	2012
Ridership	15,940,468	15,866,245
Homicide	0	0
Rape	0	2
Robbery	20	8
Agg. Assault	9	6
Burglary	0	1
Theft	35	39
MV Theft	3	10
Arson	0	0
Part I Incidents	67	66
Per 100,000	.4203	.4159



2



## Part II Arrests – Rail

January through June

	2011	2012
Ridership	15,940,468	15,866,245
Other Assaults	40	32
Vandalism	79	60**
Sex Offenses	5	1
Drug Abuse	89	104
DUI	2	4
Drunkenness	122	101
Disorderly Conduct	474	579
Trespassing	165	204
Curfew/Loitering	99	101
Total*	1,075	1,186

\*Does not include citations for fare evasion.

\*\*Graffiti Tracker incidents not included



3



## Part I Incidents – SDTC Bus

January through June

	2011	2012
Ridership	13,780,602	14,499,067
Homicide	1	0
Rape	0	0
Robbery	4	5
Agg. Assault	1	4
Burglary	0	0
Theft	5	11
MV Theft	0	1
Arson	0	0
Total	11	21
Per 100,000	.0798	.1448



4





## Part II Arrests – SDTC Bus

January through June

	2011	2012
Ridership	13,780,602	14,499,067
Other Assaults	0	2
Vandalism	12	5
Sex Offenses	0	0
Drug Abuse	7	3
DUI	2	1
Drunkenness	24	16
Disorderly Conduct	30	44
Trespassing	1	1
Curfew/Loitering	20	22
Total*	96	94

\*Does not include citations for fare evasion.



5



## Operations Control Center



Upgraded 42" and 24" Monitors, workstation and network configuration



6



## Special Enforcement Unit (SEU)

Zero Tolerance Fare Inspection  
January – June 2012

- 21 SEUs conducted at random stations
- 84,567 Patrons Inspected
- 2,365 Citations Issued
- 44 Written Warnings Issued
- 2.8% Evasion Rate



7



## SWARM

January – June 2012

- Random time and location for quality of life and fare violation inspections, targeting specific isolated issues
- Varying amount of personnel; Code Compliance and/or Security
- Uniformed and Plain Clothes
- Onboard buses and trains, and in stations and bus stops
- 18,761 patrons contacted
  - 314 cites for fare related violations
  - 20 cites for discounted pass violations
  - 31 quality of life violations



8



## SWARM

Plain Clothes, Onboard



9



## SWARM

In Uniform, Onboard - Three Officers



10





## SWARM

Plain Clothes, Park & Market Station



Three plain clothes officers in each picture



11



## SWARM

In Uniform, San Ysidro Station

Officers Awaiting Door Activation



Officers checking all de-boarding passengers



12





## Onboard CCTV

Picture Quality



Onboard CCTV  
Unit 2  
10/18/12  
10:15 AM



13



## Onboard CCTV

Benefits the Risk Department

Video from  
cab mounted  
camera  
shows  
crossing  
gate was in  
down  
position.



Onboard CCTV  
Unit 2  
10/18/12  
10:15 AM

\$90,000 in damage to the train's coupler and electronic system.



14



## Onboard CCTV

Benefits Graffiti Tracker




- Spray paint concealed in Coca-Cola container
- Took less than ten seconds during dwell at Fenton Parkway
- \$1,658 in repair
- No arrest yet


15






## Graffiti Tracker

(8 States and 297 Reporting Agencies as well as Canada)



A comprehensive, web-based system designed to help you **identify, track, prosecute** and seek **restitution** from graffiti vandals.

PRIMARYLY USED BY LAW ENFORCEMENT AND PUBLIC WORKS AGENCIES

GRAFFITI TRACKER HAS ANALYZED

3,416,943

Photos

HELPED OFFICERS ARREST

3,253

Graffiti Vandals

HELPING COLLECT

\$6,593,993.50

in Restitution


16






## Graffiti Tracker

- GPS-enabled digital cameras used to photograph incidents of graffiti.
- Photos uploaded to web-based system and analyzed within 24 hours.
- Trained analysts read the graffiti and input the intelligence into the system.
- Identify whether the graffiti is gang-related and alert law enforcement to potential threats.
- Graffiti Tracker has analyzed over 3 million images.



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## Graffiti Tracker

Incidents Submitted by MTS  
January through June 2012

Month	Number of MTS Images Submitted to Graffiti Tracker
January	237
February	358
March	259
April	152
May	74
June	89
Total	1,169



18





## Graffiti Tracker

### Progressive Railroading

Rail News: Passenger Rail

#### San Diego MTS officers arrest alleged graffiti vandals

3/8/2012

San Diego Metropolitan Transit System (MTS) undercover security officers arrested five juveniles in the past two weeks who are alleged to be responsible for 277 individual graffiti "tags" covering 3,580 square feet and causing damage estimated at more than \$25,000.

The vandals were witnessed tagging MTS property, agency officials said in a prepared statement. Photos of the tags were entered into the "Graffiti Tracker" system, which maintains a database of tags throughout the system.

San Diego Metropolitan Transit System (MTS) undercover security officers arrested five juveniles in the past two weeks who are alleged to be responsible for 277 individual graffiti "tags" covering 3,580 square feet and causing damage estimated at more than \$25,000.

"Each year we have close to \$1 million in costs to repair vandalism on our bus and trolley vehicles, as well as to our property along our rail lines. This system not only allows us to catch and prosecute the vandals, but to recover some of our costs to repair the damage," said Paul Jablonski, MTS' chief executive officer.



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## Graffiti Tracker

### Chargers Running Back Ryan Mathews



20





## Downtown Sleepers

Transient/Camp Detail



70 loitering citations issued this period



21



## Transient Camps

Transient/Camp Detail - Mission Valley



108 trespassing citations issued this period



22



## Transient Camps

Transient/Camp Detail - Mission Valley (Bikes)



23



## Current Extra Details

- Compass Card Detail
- San Ysidro Border Pedestrian Crossing
- Transit Store Remodel
- September Trolley Service Changes (Santa Fe Depot, America Plaza and Imperial Terminal)
- Trolley Renewal – Blue Line



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## Proposed Additional Coverage

### Fare Inspection/Graffiti Suppression Task Force

- Increases safety of patrons
- Addresses fare evaders
- Addresses graffiti, a nationwide issue causing financial burden as well as a public eyesore
- Six additional Security Officers
- Two existing Code Compliance Officers – volunteering to work overtime on their day off (does not diminish regular deployment)
- Predictable Unpredictability
  - Five 8-hour weekdays – complete flexibility with assigned line, time of day, team focus, as well as uniform or plain clothes. Scheduling the Task Force to:
    - Focus on Blue Line gang and graffiti issues in the evening
    - Focus on early morning and late night fare evasion including occasional SWARMS
    - Focus on students leaving school
- Approximately \$321,360 in additional annual costs



25



## Proposed Additional Coverage

### Bus Rapid Transit (BRT) Interstate 15 North County



26



## Proposed Additional Coverage

Bus Rapid Transit (BRT) Interstate 15 North County



Illegal Parking – Rancho Bernardo and Del Lago



27



## Proposed Additional Coverage

Bus Rapid Transit (BRT) Interstate 15 - South Bay Renderings



C1: on VMS pole at 13' height looking north.



C2: on VMS pole at 13' height looking south.



C3: on light pole at 14' height looking north.



C4: on light pole at 14' height looking south.



C5: on VMS pole at 13' height looking north.



C6: on VMS pole at 13' height looking south.



28





## NORT

(National Odor Recognition Training)  
Sports Arena



Training conducted by The Bureau of  
Alcohol, Tobacco, Firearms and  
Explosives (ATF)



29



## Operation Lifesaver

Bell Middle School



ABOUT EVERY 3 HOURS, A PERSON OR VEHICLE IS HIT BY A TRAIN



30



End



31





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

## Agenda Item No. 47

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

EAST COUNTY BUS MAINTENANCE FACILITY PROJECT UPDATE  
(CLAIRE SPIELBERG)

#### RECOMMENDATION:

That the Board of Directors receive a report for information on the East County Bus Maintenance Facility.

#### Recommendation by the Executive Committee

At its meeting on October 11, 2012, the Executive Committee recommended forwarding this agenda item to the Board of Directors for approval.

#### Budget Impact

None at this time. Capital for the existing projects is covered by various federal, state, and local capital grants.

#### DISCUSSION:

#### East County Bus Maintenance Facility Expansion Project

The East County Bus Maintenance Facility is currently located in the El Cajon Industrial Park near Johnson Avenue and Vernon Way. MTS contracts with Veolia Transportation to operate 56 diesel-powered MTS-provided buses and 26 Veolia-owned commuter express buses from this facility. The San Diego Association of Governments (SANDAG) has executed a task order with Parsons Brinckerhoff and Kimley-Horn and Associates to prepare plans, specifications, and estimates for moving forward to redevelop the site. Staff from MTS and Parsons Brinckerhoff will provide a presentation updating the project status.

Paul C. Jablonski  
Chief Executive Officer

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

## EAST COUNTY BUS MAINTENANCE FACILITY UPDATE

BOARD OF DIRECTORS MEETING  
FOR THE  
METROPOLITAN TRANSIT SYSTEM,  
SAN DIEGO TRANSIT CORPORATION, AND  
SAN DIEGO TROLLEY, INC.  
OCTOBER 18, 2012



1



## EAST COUNTY MAINTENANCE FACILITY

- Located in the City of El Cajon
- Owned by MTS
- Operated via contract with Veolia Transportation
- 82 diesel and gasoline buses currently
  - East County Local Buses (51 diesel)
  - Rural Buses (5 gasoline)
  - Commuter Buses (26 diesel)



2



2



## EAST COUNTY BUS MAINTENANCE FACILITY EXISTING SITE



3



3

## EAST COUNTY FACILITY SHORT-TERM PROJECT

- Demo old 544 Vernon Way building
- Remove related utilities
- SANDAG JOC contractor has been given Notice to Proceed



4



4

**EAST COUNTY BUS MAINTENANCE FACILITY**  
**CURRENT PROJECT: BUILDING DEMOLITION 544 VERNON WAY**  
**BUILDING – SEPTEMBER - DECEMBER 2012**



BUILDING DEMO



5



**EAST COUNTY FACILITY**  
**MASTER PLAN**

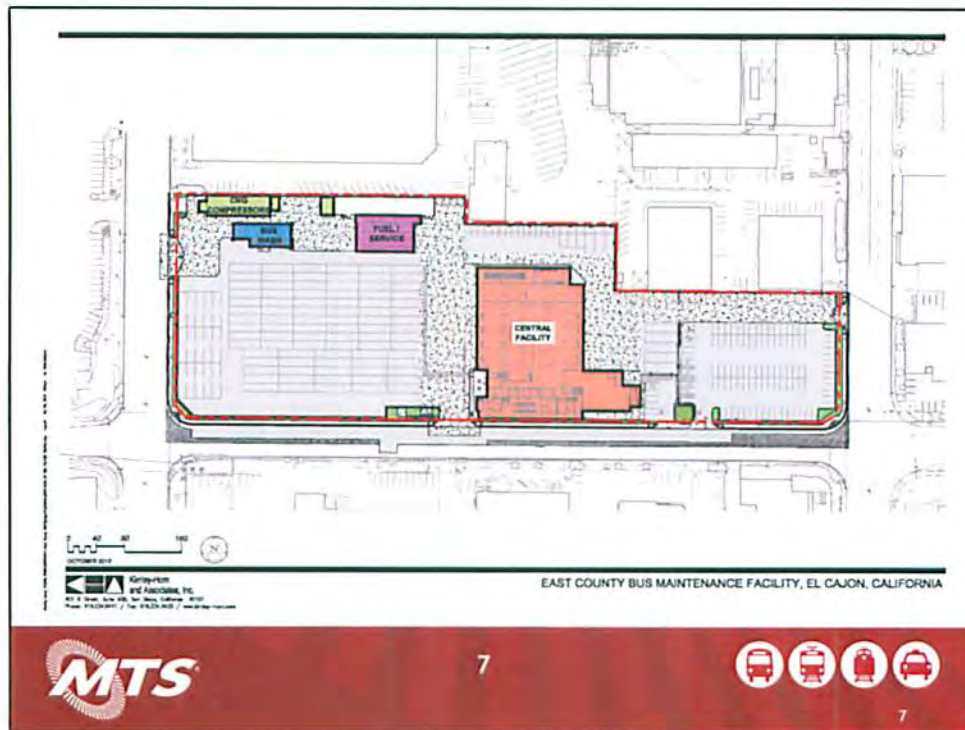
- SANDAG consultants Kimley-Horn and Parsons Brinckerhoff finalized a site plan and Final Design Criteria.
- Includes:
  - New Maintenance and Operations/Administration Building
  - New Service Lanes and Bus Wash
  - New CNG Fueling Station
  - Accommodates 120 buses



6



6



## EAST COUNTY FACILITY DESIGN PROGRESS

- Kimley-Horn accomplished 30 % civil design through July 1, 2012 under a previous task order.
- MTS/SANDAG developed a new task order July 1, 2012 with Parsons Brinckerhoff and Kimley-Horn consultant team to proceed to 100 % design.
- Through October 8, 2012, the combined team has progressed to the 70 % design level.



## EAST COUNTY FACILITY CNG STATION

- MTS desires to bid the CNG Station as a design-build-operate and maintain (DBOM) project similar to the previous CNG Station work at the other MTS facilities.
- MTS has developed the Performance Specifications for the CNG station portion of the project to the 95% level of completion.
- MTS Procurement Department will be taking the lead on the CNG Station solicitation.



9



9

## EAST COUNTY FACILITY CITY OF EL CAJON MOU

- SANDAG, MTS and the Consultants have met with City of El Cajon staff to establish a working relationship regarding this project.
- MTDB in 2002 agreed to certain improvements upon full development of the site.
- A Memorandum of Understanding (MOU) has been developed and legal counsel for both MTS and El Cajon have reviewed.
- SANDAG staff are working with the various El Cajon development departments to firm up the review and inspection fees.



10



10



## EAST COUNTY FACILITY CITY OF EL CAJON ROW

- City of El Cajon, SANDAG and MTS have agreed to make some public right-of-way improvements to Johnson Avenue, Vernon Way, and Pioneer Way on a cost sharing basis.
  - Widening of Vernon Way plus new sidewalks
  - Intersection modifications
  - Driveway changes
  - Utility relocations



11



11

## EAST COUNTY FACILITY CITY OF EL CAJON REVIEW

- SANDAG and MTS desire to go through a building review process for the buildings for plan check and inspection, particularly for code compliance and building occupancy. The following is intended to be covered in the City of El Cajon review:
  - Storm Water compliance
  - Fire and Life Safety
  - Building Reviews for the main building, bus wash, and service building.



12



12

## EAST COUNTY FACILITY SCHEDULE

Complete 95 % Design	December 2012
City of El Cajon Review Process	December 2012- January 2013
Finalize 100% Construction Plans	February 2013
SANDAG Bid Project	February- April 2013
Construction Begins	May -June 2013
Construction Phase I Complete	January - February 2014
Construction Phase 2 Complete	July - August 2014

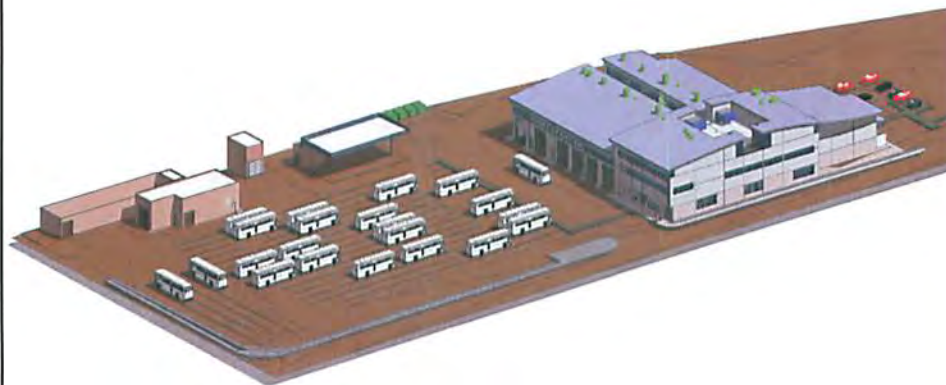
*Reviewing options for a more expedited construction schedule.*



13



13

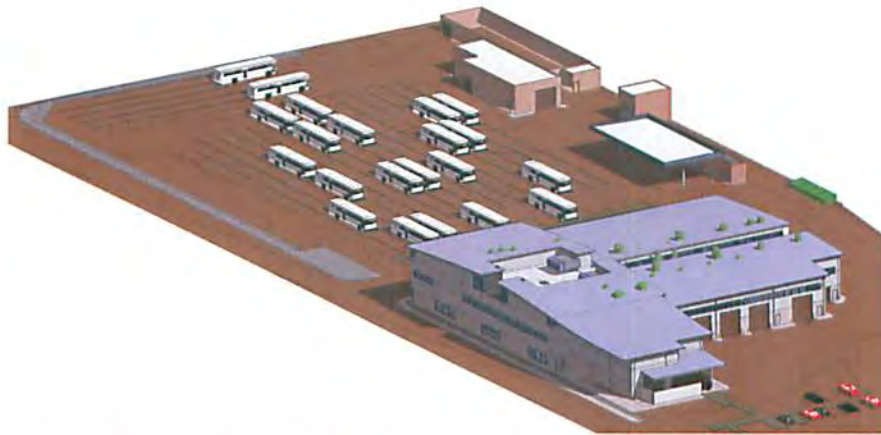


Exterior 3D View from SW



14

14



Exterior 3D View from SE



15

(15)

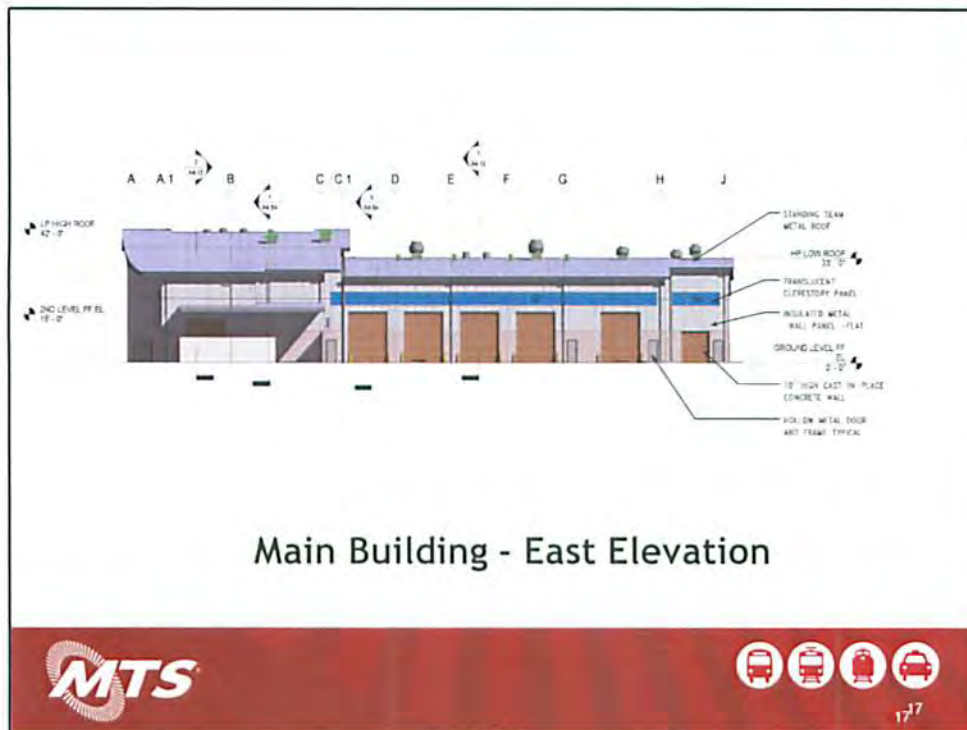


Main Building - South Elevation



16

(16)



17





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## Agenda Item No. 48

### MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

October 18, 2012

#### SUBJECT:

OPERATIONS BUDGET STATUS REPORT FOR AUGUST 2012 (MIKE THOMPSON)

#### RECOMMENDATION:

That the Board of Directors receive a report for information.

#### Budget Impact

None at this time.

#### DISCUSSION:

This report summarizes MTS's operating results for August 2012 compared to the fiscal year 2013 budget. Attachment A-1 combines the operations, administration, and other activities results for August 2012. Attachment A-2 details the August 2012 combined operations results, and Attachments A-3 to A-8 present budget comparisons for each MTS operation. Attachment A-9 details budget comparisons for MTS Administration, and A-10 provides August 2012 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company).

#### MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, for the year-to-date period ending August 2012, the MTS net-operating income favorable variance totaled \$947,000 (4.2%). Operations produced a \$752,000 (3.3%) favorable variance, and the administrative/other activities areas were favorable by \$195,000.

#### MTS COMBINED RESULTS

#### Revenues

Year-to-date combined revenues through August 2012 were \$17,779,000 compared to the year-to-date budget of \$17,122,000 representing a \$657,000 (3.8%) positive variance. This is primarily due to a favorable variance within passenger revenue.



## Expenses

Year-to-date combined expenses through August 2012 were \$39,345,000 compared to the budget of \$39,635,000, which resulted in a \$290,000 (0.7%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$20,202,000 compared to a budgetary figure of \$20,644,000, which produced a favorable variance of \$442,000 (2.1%). This is primarily due to favorable variances within transit operations.

Outside Services and Purchased Transportation. Total outside services for the first two months of the fiscal year totaled \$12,301,000 compared to a budget of \$12,673,000, which resulted in a favorable variance of \$372,000 (2.9%). This is partially due to other outside service expense favorable variances within Administration as well as favorable experience with engines and transmissions costs within operations.

Materials and Supplies. Total year-to-date materials and supplies expenses were \$1,802,000 compared to a budgetary figure of \$1,416,000, which resulted in an unfavorable expense variance of \$385,000 (-27.2%). This unfavorable variance is primarily due to revenue parts costs within rail operations.

Energy. Total year-to-date energy costs were \$4,003,000 compared to the budget of \$3,790,000 resulting in an unfavorable variance of \$214,000 (-5.6%). Energy rates for the fiscal year are as follows:

- Diesel: cost per gallon was \$3.27 versus a budgeted rate of \$3.85
- Gasoline: cost per gallon was \$3.40 versus a budgeted rate of \$3.83
- CNG: cost per therm was \$0.66 versus a budgeted rate of \$0.72
- Electricity: cost per kWh was \$0.171 versus a budgeted rate of \$0.149

Risk Management. Total year-to-date expenses for risk management were \$608,000, compared to the budget of \$673,000, which resulted in a favorable variance totaling \$65,000 (9.7%).

General and Administrative. The year-to-date general and administrative costs, including vehicle and facilities leases, were \$10,000 (2.3%) favorable to budget totaling \$429,000 through August 2012, compared to a budget of \$439,000.

## YEAR-TO-DATE SUMMARY

The August 2012 year-to-date net-operating income totaled a favorable variance of \$947,000 (4.2%). These factors include favorable variances in passenger revenue, other operating revenue, personnel costs, and outside services, partially offset by unfavorable variances in energy and materials and supplies.



Paul C. Jablonski  
Chief Executive Officer

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

Attachment: A. Comparison to Budget

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**MTS**  
**CONSOLIDATED**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ 16,635	\$ 16,159	\$ 476	2.9%
Other Revenue	1,144	964	181	18.7%
<b>Total Operating Revenue</b>	<b>\$ 17,779</b>	<b>\$ 17,122</b>	<b>\$ 657</b>	<b>3.8%</b>
Personnel costs	\$ 20,202	\$ 20,644	\$ 442	2.1%
Outside services	12,301	12,673	372	2.9%
Transit operations funding	-	-	-	-
Materials and supplies	1,802	1,416	(385)	-27.2%
Energy	4,003	3,790	(214)	-5.6%
Risk management	608	673	65	9.7%
General & administrative	296	296	(0)	-0.1%
Vehicle/facility leases	133	143	10	7.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	0	0	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 39,345</b>	<b>\$ 39,635</b>	<b>\$ 290</b>	<b>0.7%</b>
<b>Operating income (loss)</b>	<b>\$ (21,565)</b>	<b>\$ (22,512)</b>	<b>\$ 947</b>	<b>4.2%</b>
<b>Total public support and nonoperating revenues</b>	<b>641</b>	<b>621</b>	<b>19</b>	<b>3.1%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (20,925)</b>	<b>\$ (21,891)</b>	<b>\$ 966</b>	<b>-4.4%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CONSOLIDATED OPERATIONS**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ 16,635	\$ 16,159	\$ 476	2.9%
Other Revenue	65	113	(48)	-42.4%
<b>Total Operating Revenue</b>	<b>\$ 16,700</b>	<b>\$ 16,272</b>	<b>\$ 428</b>	<b>2.6%</b>
Personnel costs	\$ 17,296	\$ 17,964	\$ 668	3.7%
Outside services	10,771	10,992	221	2.0%
Transit operations funding	-	-	-	-
Materials and supplies	1,801	1,412	(389)	-27.5%
Energy	3,899	3,682	(217)	-5.9%
Risk management	565	606	40	6.7%
General & administrative	48	41	(8)	-19.0%
Vehicle/facility leases	100	107	7	6.3%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	4,169	4,169	0	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 38,649</b>	<b>\$ 38,972</b>	<b>\$ 323</b>	<b>0.8%</b>
<b>Operating income (loss)</b>	<b>\$ (21,949)</b>	<b>\$ (22,701)</b>	<b>\$ 752</b>	<b>3.3%</b>
<b>Total public support and nonoperating revenues</b>	<b>630</b>	<b>621</b>	<b>9</b>	<b>1.4%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (21,319)</b>	<b>\$ (22,079)</b>	<b>\$ 761</b>	<b>-3.4%</b>



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ 4,968	\$ 4,781	\$ 187	3.9%
Other Revenue	2	2	0	29.1%
<b>Total Operating Revenue</b>	<b>\$ 4,970</b>	<b>\$ 4,782</b>	<b>\$ 188</b>	<b>3.9%</b>
Personnel costs	\$ 11,790	\$ 12,360	\$ 570	4.6%
Outside services	334	384	49	12.8%
Transit operations funding	-	-	-	-
Materials and supplies	849	799	(49)	-6.2%
Energy	787	798	10	1.3%
Risk management	274	300	26	8.5%
General & administrative	24	24	0	1.4%
Vehicle/facility leases	47	48	0	0.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	1,567	1,567	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 15,673</b>	<b>\$ 16,280</b>	<b>\$ 607</b>	<b>3.7%</b>
<b>Operating income (loss)</b>	<b>\$ (10,703)</b>	<b>\$ (11,497)</b>	<b>\$ 794</b>	<b>6.9%</b>
<b>Total public support and nonoperating revenues</b>	<b>(289)</b>	<b>(286)</b>	<b>(3)</b>	<b>1.1%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (10,992)</b>	<b>\$ (11,783)</b>	<b>\$ 791</b>	<b>-6.7%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ 6,791	\$ 6,573	\$ 218	3.3%
Other Revenue	63	111	(48)	-43.5%
<b>Total Operating Revenue</b>	<b>\$ 6,854</b>	<b>\$ 6,684</b>	<b>\$ 170</b>	<b>2.5%</b>
Personnel costs	\$ 5,188	\$ 5,286	\$ 98	1.9%
Outside services	583	655	72	11.0%
Transit operations funding	-	-	-	-
Materials and supplies	951	612	(339)	-55.5%
Energy	1,688	1,413	(275)	-19.4%
Risk management	289	303	15	4.9%
General & administrative	24	15	(10)	-65.6%
Vehicle/facility leases	51	57	6	10.3%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	2,345	2,345	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 11,119</b>	<b>\$ 10,686</b>	<b>\$ (433)</b>	<b>-4.1%</b>
<b>Operating income (loss)</b>	<b>\$ (4,265)</b>	<b>\$ (4,002)</b>	<b>\$ (263)</b>	<b>-6.6%</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>\$ (4,265)</b>	<b>\$ (4,002)</b>	<b>\$ (263)</b>	<b>6.6%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (FIXED ROUTE)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ 4,161	\$ 3,974	\$ 186	4.7%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 4,161</b>	<b>\$ 3,974</b>	<b>\$ 186</b>	<b>4.7%</b>
Personnel costs	\$ 76	\$ 73	\$ (3)	-4.1%
Outside services	6,827	6,991	164	2.3%
Transit operations funding	-	-	-	-
Materials and supplies	1	1	(0)	-0.4%
Energy	949	993	43	4.4%
Risk management	-	-	-	-
General & administrative	-	1	1	-
Vehicle/facility leases	3	3	1	17.2%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	177	177	0	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 8,032</b>	<b>\$ 8,238</b>	<b>\$ 206</b>	<b>2.5%</b>
<b>Operating income (loss)</b>	<b>\$ (3,872)</b>	<b>\$ (4,264)</b>	<b>\$ 392</b>	<b>9.2%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (3,872)</b>	<b>\$ (4,264)</b>	<b>\$ 392</b>	<b>-9.2%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**MULTIMODAL OPERATIONS (PARATRANSIT)**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ 290	\$ 328	\$ (38)	-11.6%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 290</b>	<b>\$ 328</b>	<b>\$ (38)</b>	<b>-11.6%</b>
Personnel costs	\$ 25	\$ 25	\$ (0)	-1.4%
Outside services	1,895	1,860	(35)	-1.9%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	412	392	(20)	-5.0%
Risk management	3	3	-	0.0%
General & administrative	-	1	1	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	59	59	0	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 2,393</b>	<b>\$ 2,339</b>	<b>\$ (54)</b>	<b>-2.3%</b>
<b>Operating income (loss)</b>	<b>\$ (2,104)</b>	<b>\$ (2,012)</b>	<b>\$ (92)</b>	<b>-4.6%</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>\$ (2,104)</b>	<b>\$ (2,012)</b>	<b>\$ (92)</b>	<b>4.6%</b>



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ 426	\$ 503	\$ (77)	-15.4%
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ 426</b>	<b>\$ 503</b>	<b>\$ (77)</b>	<b>-15.4%</b>
Personnel costs	\$ 27	\$ 31	\$ 4	11.4%
Outside services	948	918	(29)	-3.2%
Transit operations funding	-	-	-	-
Materials and supplies	0	0	0	49.5%
Energy	63	87	24	27.3%
Risk management	-	-	-	-
General & administrative	-	0	0	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	20	20	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 1,059</b>	<b>\$ 1,057</b>	<b>\$ (2)</b>	<b>-0.2%</b>
<b>Operating income (loss)</b>	<b>\$ (633)</b>	<b>\$ (554)</b>	<b>\$ (79)</b>	<b>-14.3%</b>
<b>Total public support and nonoperating revenues</b>	<b>879</b>	<b>879</b>	<b>(0)</b>	<b>0.0%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 246</b>	<b>\$ 325</b>	<b>\$ (79)</b>	<b>-24.4%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OPERATIONS**  
**CORONADO FERRY**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
<b>Total Operating Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	28	28	-	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>\$ 28</b>	<b>\$ 28</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Operating income (loss)</b>	<b>\$ (28)</b>	<b>\$ (28)</b>	<b>\$ -</b>	<b>0.0%</b>
<b>Total public support and nonoperating revenues</b>	<b>40</b>	<b>28</b>	<b>12</b>	<b>42.9%</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 12</b>	<b>\$ -</b>	<b>\$ 12</b>	<b>-</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**ADMINISTRATION**  
**CONSOLIDATED**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
**(in \$000's)**

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	1,018	787	231	29.4%
<b>Total Operating Revenue</b>	<b>\$ 1,018</b>	<b>\$ 787</b>	<b>\$ 231</b>	<b>29.4%</b>
Personnel costs	\$ 2,778	\$ 2,564	\$ (214)	-8.3%
Outside services	1,519	1,659	140	8.4%
Transit operations funding	-	-	-	-
Materials and supplies	1	4	3	71.1%
Energy	103	106	3	2.4%
Risk management	39	63	24	38.5%
General & administrative	231	237	6	2.6%
Vehicle/facility leases	33	36	3	9.3%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(4,186)	(4,186)	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 518</b>	<b>\$ 484</b>	<b>\$ (35)</b>	<b>-7.1%</b>
<b>Operating income (loss)</b>	<b>\$ 500</b>	<b>\$ 303</b>	<b>\$ 196</b>	<b>-64.8%</b>
<b>Total public support and nonoperating revenues</b>	<b>10</b>	<b>-</b>	<b>10</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ 510</b>	<b>\$ 303</b>	<b>\$ 207</b>	<b>68.3%</b>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
**OTHER ACTIVITIES**  
**CONSOLIDATED**  
**COMPARISON TO BUDGET - FISCAL YEAR 2013**  
**AUGUST 31, 2012**  
(in \$000's)

	<b>YEAR TO DATE</b>			
	<b>ACTUAL</b>	<b>BUDGET</b>	<b>VARIANCE</b>	<b>VAR. %</b>
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	62	64	(3)	-4.1%
<b>Total Operating Revenue</b>	<b>\$ 62</b>	<b>\$ 64</b>	<b>\$ (3)</b>	<b>-4.1%</b>
Personnel costs	\$ 128	\$ 116	\$ (12)	-10.7%
Outside services	11	21	10	48.7%
Transit operations funding	-	-	-	-
Materials and supplies	-	1	1	-
Energy	1	2	1	45.7%
Risk management	4	4	0	4.3%
General & administrative	16	18	1	7.3%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	17	17	-	0.0%
Depreciation	-	-	-	-
<b>Total Operating Expenses</b>	<b>\$ 177</b>	<b>\$ 179</b>	<b>\$ 1</b>	<b>0.7%</b>
<b>Operating income (loss)</b>	<b>\$ (116)</b>	<b>\$ (115)</b>	<b>\$ (1)</b>	<b>-1.2%</b>
<b>Total public support and nonoperating revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Income (loss) before capital contributions</b>	<b>\$ (116)</b>	<b>\$ (115)</b>	<b>\$ (1)</b>	<b>1.2%</b>



# Metropolitan Transit System FY 2013 - August 2012 Financial Review

MTS Board of Directors Meeting  
October 18, 2012

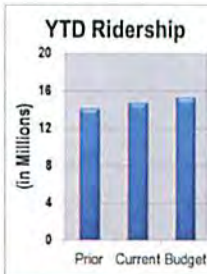


1



## COMBINED MTS TRANSIT OPERATORS COMPARISON TO BUDGET - AUGUST 31, 2012 - FY 2013 (in \$000's)

	ACTUAL	BUDGET	VARIANCE	VAR %
Fare Revenue	\$ 16,635	\$ 16,159	\$476	2.9%
Other Revenue	65	113	(48)	-42.4%
<b>Total Operating Revenue</b>	<b>\$16,700</b>	<b>\$16,272</b>	<b>\$428</b>	<b>2.6%</b>



### Ridership Comparison

- Budget: -3.8% lower
- \$612K negative variance
- Prior Year: 4.4% higher

### Average Fare Comparison

- Budget: 7.0% higher
- \$1.1M positive variance
- \$1.131 versus \$1.057 budgeted
- Prior Year: 2.1% higher
- \$1.131 versus \$1.108



2



**COMBINED MTS TRANSIT OPERATORS**  
**COMPARISON TO BUDGET - AUGUST 31, 2012 - FY 2013**  
(in \$000's)

	ACTUAL	BUDGET	VARIANCE	VAR %
Personnel Costs	\$ 17,296	\$ 17,964	\$668	3.7%
Purchased Transportation	9,460	9,498	39	0.4%
Other Outside Services	1,311	1,494	183	12.2%
Energy	3,899	3,682	(217)	-5.9%
Other Expenses	6,683	6,334	(349)	-5.5%
<b>Total Expenses</b>	<b>\$38,649</b>	<b>\$38,972</b>	<b>\$323</b>	<b>0.8%</b>

**Personnel Costs**

- Transit Operations: \$570K favorable variance

**Other Expenses**

- Materials and Supplies: 389K unfavorable variance



3



**METROPOLITAN TRANSIT SYSTEM**  
**COMPARISON TO BUDGET - AUGUST 31, 2012 - FY 2013**  
**TOTAL OPERATING REVENUE LESS EXPENSES (\$000's)**

**Combined Net Operating Variance**





MTS Operating Revenue	\$	428	
MTS Operating Expenses		<u>323</u>	
Combined MTS Operators	\$		752
MTS Administration / Other Activities			<u>195</u>
<b>Total Combined Net Operating Variance</b>	<b>\$</b>		<b>947</b>
Variance Percentage			4.2%






4



**METROPOLITAN TRANSIT SYSTEM**  
**COMPARISON TO BUDGET - AUGUST 31, 2012 - FY 2013**  
**ON-GOING CONCERNS**

	<b>FY13</b>			<b>Status</b>
	<b>Budget</b>	<b>YTD Actual</b>	<b>Projection</b>	
<b>Sales Tax Subsidy Revenue</b>	4.5%	7.2%	4.5%	
<b>Energy Prices</b>				
CNG	\$ 0.72	\$ 0.66	\$ 0.72	
Diesel	\$ 3.85	\$ 3.27	\$ 3.85	
Gas	\$ 3.83	\$ 3.40	\$ 3.83	
Electricity	\$0.149	\$0.171	\$ 0.149	
<b>Passenger Levels</b>	91.6 M	14.7 M	91.6 M	
<b>State of California Budget</b>	\$22.2M	\$0 M	\$22.2M	

 Positive
  Holding
  Negative





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

## Agenda

Item No. 62

Chief Executive Officer's Report

ADM 121.7

October 18, 2012

In accordance with Board Policy No. 52, Procurement of Goods and Services, attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period September 13, 2012, through October 10, 2012.

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### EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
G1490.0-13	LIEDLE, LOUNSBERY, LARSON & LI	LEGAL SERVICES - GENERAL LIABILITY, LABO	\$50,000.00	9/13/2012
B0521.5-09	APOLLO VIDEO TECHNOLOGY	INSTALL EXTERIOR CAMERAS ON BUSES	\$27,915.22	9/14/2012
B0591.0-13	EF ENTERPRISES	IN-PLANT INSPECTIONS, PRE-DELIVERY INSPE	\$4,920.00	9/18/2012
G1491.0-13	MANNING & KASS, ELLROD, RAMIRE	LEGAL SERVICES - GENERAL LIABILITY, WORK	\$50,000.00	9/18/2012
L0936.1-10	SPERRY RAIL SERVICES	ULTRASONIC RAIL TESTING	\$55,000.00	9/18/2012
PWG141.0-12	APR CONSTRUCTION INC.	TRANSIT STORE SECURITY IMPROVEMENTS	\$89,500.00	9/19/2012
G1433.1-12	TROVILLION, INVEISS & DEMARKIS	ADDITIONAL CONTRACT AMOUNT	\$35,000.00	9/20/2012
G1421.1-12	BAKER AND MILLER, PLCC	LEGAL SERVICES	\$50,000.00	9/25/2012

### REVENUE OR NO VALUE CONTRACTS

Doc #	Organization	Subject	Amount	Day
G1498.0-13	BP ENERGY COMPANY	CONFIDENTIALITY AGREEMENT - NEG. REBATES	\$0.00	9/13/2012
L1043.1-12	AM ORTEGA CONST INC.	TIME EXT - ROE PERMIT SDGE UTILITY UPGRA	(\$500.00)	9/14/2012
L1112.0-13	WORKWITHME FILMS	ROE PERMIT - FILMING ON TROLLEY PLATFORM	(\$605.00)	9/14/2012
L5678.3-08	WESTERN COMMUNICATIONS SYSTEMS	PAYPHONE CONTRACT EXTENSION	(\$57,000.00)	9/14/2012
S200-13-543	AM ORTEGA CONSTRUCTION	ROE PERMIT - UNDERGROUND CONDUIT JACK	(\$5,000.00)	9/14/2012
L1096.0-13	ECO TINT & SHADE, INC.	ROE PERMIT - ANTI-GRAFFITI FILM	(\$1,000.00)	9/18/2012
L5260.0-13	WHILLOCK CONTRACTING, INC.	LEASE AGREEMENT FOR 304 FRONT ST	(\$2,100.00)	9/18/2012
L5735.0-12	M.C. DEAN	ROE PERMIT - AMTRAK CCTV SANTE FE STATIO	(\$2,200.00)	9/18/2012
L5744.0-13	OLD TOWN SD CHAMBER OF COMMERC	LICENSE AGREEMENT - DIRECTORY SIGN	\$0.00	9/18/2012
L5745.0-13	GRAPHIC SOLUTIONS, LTD.	ROE PERMIT - DIRECTORY SIGN OT CHAMBER	\$0.00	9/18/2012
M6687.2-12	BOB STALL CHEVROLET	LEASE AMENDMENT - BALTIMORE LOT	(\$711.00)	9/19/2012
G1146.2-08	ENTERPRISE FLEET MANAGEMENT	AMEND TO SECTION 10 - MAINT AGMT	\$0.00	9/25/2012
G1146.3-08	ENTERPRISE FLEET MANAGEMENT	AMEND TO SECTION 3, 15, & 17	\$0.00	9/25/2012
L0953.1-10	CITY OF SAN DIEGO	JROE NCTD AMEND	\$0.00	9/25/2012
L1032.1-12	SIEMENS INDUSTRY, INC.	BATTERY ADJUSTMENT	\$0.00	9/25/2012
L1107.0-13	PACIFIC DRILLING CO	ROE PERMIT - GEO BORE-DRILLING SVCS	\$0.00	9/27/2012
L1108.0-13	KIMLEY HORN & ASSOCIATES, INC.	ROE PERMIT - GEN ENGINEERING & DESIGN	\$0.00	9/27/2012
S200-13-511	INTEGRATED MARINE SERVICES, IN	JOINT USE LICENSE AGMT - MAIN STREET	\$0.00	9/27/2012
G1481.1-12	ACS TRANSPORT SOLUTIONS	RTMS SYSTEMS ADD PERFORMANCE PERIOD	\$0.00	9/28/2012

Doc #	Organization	Subject	Amount	Day
L1110.0-13	PROJECT DESIGN CONSULTANTS	ROE PERMIT - GEN ENGINEER-TOPO SURVEY	\$0.00	9/28/2012
L4616.0-13	BNSF RAILWAY COMPANY	ROE PERMIT - GASLAMP STATION ROW	(\$1,710.00)	9/28/2012
B0572.1-12	ISS FACILITY SERVICES, INC.	UTC SUPERLOOP BUS STOP MAINT DATES	\$0.00	10/2/2012
B0590.0-13	UCSD	TRANS OPS LICENSE AGMT	\$0.00	10/2/2012
G1367.1-11	SANDAG	TIME EXTENSION FIBER OPTIC CABLE PROJECT	\$0.00	10/2/2012
S200-13-538	LAND FORMS CONSTRUCTION	ROE PERMIT - CITY LEMON GROVE PROMENADE	(\$1,700.00)	10/2/2012
L1109.0-13	AGUIRRE ENGINEERING, INC.	ROE PERMIT - GEN LAND SURVEY SVCS	\$0.00	10/3/2012
S200-13-544	BASILE CONSTRUCTION, INC.	ROE PERMIT - CONSTRUCT SEWER MAIN FACIL	(\$2,200.00)	10/3/2012
S200-13-550	R DUGAN CONSTRUCTION, INC.	ROE PERMIT - STORM WATER DRAIN	(\$1,700.00)	10/3/2012
S200-13-552	AGUIRRE ENGINEERING, INC.	ROE PERMIT GEN LAND & TOPO SURVEYING SVC	\$0.00	10/3/2012
S200-13-554	MALCOLM DRILLING CO., INC.	ROE PERMIT - DRILLING OPS FOR SHORING	(\$1,500.00)	10/3/2012
G1101.19-07	NEW FLYER OF AMERICA, INC.	ASSIGNMENT OF 9 BUSES TO TORRANCE	\$0.00	10/4/2012
S200-13-553	SCHILLING PARADISE CORP	ROE PERMIT - CONST. CITY IMPROV DRY UTIL	(\$1,700.00)	10/4/2012
S20012534.1	OCOTILLO EXPRESS LLC	CONSTRUCTION/MAINT AGMT - FIRST AMEND	(\$7,500.00)	10/8/2012
S20012534.2	OCOTILLO EXPRESS LLC	CONSTRUCTION/MAINT AGMT - MEMOR AGMT	\$0.00	10/8/2012
S20012534.3	OCOTILLO EXPRESS LLC	CONSTRUCTION/MAINT AGMT - CONSENT AGMT	\$0.00	10/8/2012
L1069.1-12	HSQ TECHNOLOGY	6 MONTH EXTENSION	\$0.00	10/9/2012

# REVENUE OR NO VALUE CONTRACTS

DATE	PO NUMBER	Organization	Subject	AMOUNT
9/13/2012	3284	SAN DIEGO SWEEPING	PARKING LOT SWEEPING SERVICES	\$2,843.00
9/13/2012	3285	BEARCOM	CUSTOM CENTER CONSOLE - RADIO EQUIP	\$964.36
9/19/2012	3286	HOTSY PRESSURE WASHING EQUIP	POWER WASH EQUIP	\$38,837.26
9/20/2012	3287	LOADBALANCER.ORG, INC.	3 YEAR STANDARD TECH SUPPORT	\$1,595.00
9/21/2012	3289	MADDEN CONSTRUCTION INC.	REPLACEMENT OF KITCHEN FAUCET	\$228.37
9/21/2012	3290	CDW GOVERNMENT, INC.	HP LASERJET PRINTER	\$699.00
9/21/2012	PW001084	MADDEN CONSTRUCTION INC.	GENERAL REPAIRS, DEMO, DRYWALL	\$1,609.20
9/25/2012	3292	SPECIALIZED BUSINESS SOLUTIONS	SOFTWARE MAINTENANCE KEYSTROKE SLVR	\$823.82
9/28/2012	3293	TRANSPORTATION MANAGEMENT	WAGE ORDER 9 RUNCUT - OPS HOURS	\$24,800.00

# PURCHASE ORDERS (IFAS)

**PURCHASE ORDERS (IFAS)**

DATE	PO NUMBER	Organization	Subject	AMOUNT
10/2/2012	3295	ABTECH SYSTEMS, INC.	HP DDS4 TAPE DRIVE - SUPPORT SVCS	\$2,010.13
10/2/2012	3296	CDW GOVERNMENT, INC.	APC UPS NETWORK MANAGEMENT CARD	\$1,630.86
10/5/2012	3299	ENGHOUSE TRANSPORTATION LLC	ANNUAL BUS IVR MAINTENANCE	\$13,703.00
10/5/2012	3300	NETWORK TOOL WAREHOUSE	HEAVY DUTY INDUSTRIAL FILTER CRUSHE	\$6,532.35
10/8/2012	3301	DELL COMPUTER CORP.	DELL LATITUDE LAPTOP	\$1,495.42

**WORK ORDERS**

Doc #	Organization	Subject	Amount	Day
G1246.0-09.11	DAVID EVANS & ASSOCIATES INC	INSPEC/DESIGN HVAC SYSTEM SEC/TICK	\$22,629.14	10/9/2012



AGENDA ITEM NO. 64

## 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	10/18/12		
Name	LESLIE HENSHAW		
Address	745 E. BRADLEY AVE, #46 EL CAJON, CA 92021		
Telephone			
Organization Represented	CONCERNED CITIZEN		
Subject of Your Remarks			
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.

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