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Agenda

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

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 - November 14, 2013 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.
4. Appointment of MTS Chairperson (Sharon Cooney) Approve
Action would receive a recommendation from the Executive Committee regarding the appointment of the MTS Chairperson.

Please SILENCE electronics
during the meeting

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

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



CONSENT ITEMS

- | | | |
|-----|---|--------------------|
| 6. | <u>Bus Operator Uniforms - Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. B0600.0-13 with Kingsbury Uniforms, Inc. for the provision of bus operator uniforms for a three-year base period with 2 one-year optional terms (for a total of 5 years); and (2) exercise each option year at the CEO's discretion. | Approve |
| 7. | <u>Investment Report - October 2013</u> | Informational |
| 8. | <u>Building C Backup Electrical Power Generator - Contract Award</u>
Action would authorize the CEO to execute MTS Doc. No. PWL150.0-14 with Global Power Group, Inc. to procure and install a 400 kW, 500 KVA backup electrical power generator at MTS's Building C LRV Maintenance Facility. | Approve |
| 9. | <u>General Engineering and Real Estate Services for MTS Right of Entry and Right-of-Way Issues</u>
Action would ratify previous actions and authorize the CEO to execute Work Order No. 13.01.02 to MTS Doc. No. G1496.0-13 with RailPros, Inc. | Ratify/
Approve |
| 10. | <u>Drug and Alcohol Collection, Testing, and Administration Services - Contract Award</u>
Action would authorize the CEO to: (1) execute MTS Doc. No. G1550.0-13 with Drug Testing Network, Inc. for the provision of drug and alcohol collection, testing, and administration services for a two-year base period and 3 one-year optional terms, exercisable at MTS's sole determination, for a total of five years; and (2) exercise each option year at the CEO's discretion. | Approve |
| 11. | <u>Independent Auditing Services - Contract Award</u>
Action would authorize the CEO to: (1) execute MTS Doc. No. G1513.0-13 with Pun and McGeady, LLP for the provision of independent auditing services for a five-year base period with 3 one-year option terms (for a total of 8 years); and (2) exercise each option year at the CEO's discretion. | Approve |
| 12. | <u>Actuarial Services for the San Diego Transit Corporation (SDTC) Pension Plan - Contract Award</u>
Action would authorize the CEO to: (1) execute MTS Doc. No. G1650.0-14 with Cheiron for the provision of actuarial services for the SDTC pension plan for a five-year base period and 5 one-year option terms exercisable at MTS's sole determination; and (2) exercise each option year at the CEO's discretion. | Approve |
| 13. | <u>Railroad Bridge Inspection Services - Contract Award</u>
Action would authorize the CEO to execute MTS Doc. No. PWL147.0-13 with J.L. Patterson for the provision of railroad bridge inspection services for five years (beginning on February 1, 2014, and ending on January 31, 2019). | Approve |
| 14. | <u>Regional Transportation Management System (RTMS) Radio Tower at Mt. Soledad Station, Naval Base Point Loma - Site Lease Amendment</u>
Action would authorize the CEO to execute MTS Doc. No. B0513.2-09 with the Department of the Navy to continue the lease of MTS's Mt. Soledad Signal Station site for five years. | Approve |

CLOSED SESSION

24. None.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. San Diego Transit Corporation Employee Retirement Plan's Actuarial Valuations as of July 1, 2013 (Robert McCrory of Cheiron, Inc. and Larry Marinesi) Adopt
Action would receive the San Diego Transit Corporation (SDTC) Employee Retirement Plan's actuarial valuation as of July 1, 2013, and adopt the pension contribution rate of 39.147 percent for SDTC's pension plans in fiscal year 2015.
31. Regional Transportation Management System (RTMS) Back-Office Upgrade and Contract Bus Fleet Expansion (Bill Spraul and Stevan White) Approve
Action would authorize the CEO to execute MTS Doc. No. G1544.0-13 with ACS Transport Solutions, Inc. (ACS) to purchase, install, test and verify, and warranty Regional Transportation Management System (RTMS) equipment, hardware, software, and back-office equipment for the MTS Bus, MTS contracted bus, and NCTD fleets.
32. Taxicab Administration Contract Renewal (Sharon Cooney) Approve
Action would authorize the CEO to negotiate with the City of San Diego a "Ninth Amendment to Agreement for Administration of Taxicab and Other For-Hire Vehicle Regulations Between San Diego Metropolitan Transit System and City of San Diego" (MTS Doc. No. G0225.9-95).

REPORT ITEMS

45. Fiscal Year 2013 Final Budget Comparison (Mike Thompson) Informational
46. Operations Budget Status Report for October 2013 (Mike Thompson) Informational
60. Chairman's Report Informational
61. Audit Oversight Committee Chairman's Report Informational
62. Chief Executive Officer's Report Informational
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: January 16, 2014
66. Adjournment

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

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

November 14, 2013

DRAFT MINUTES

BOARD MEETING

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:03 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Mr. Minto moved to approve the minutes of the October 24, 2013, MTS Board of Directors meeting. Mr. Cunningham seconded the motion, and the vote was 11 to 0 in favor with Mr. Alvarez and Meses. Emerald, Salas and Zapf absent.

3. Public Comments

John L. Wood – Mr. Wood commented that message Boards on the Orange Line advising of arrival times were still needed at the Lemon Grove Depot. He stated that asphalt between the platforms at the Lemon Grove trolley depot has curled up around the rails and there are no wheel chair ramps with concrete between the platforms and tracks. The only access to the store is not accommodating to the disabled. He asked when the track would be straightened out at Lemon Grove because of jerking. He stated with regard to the Quiet Zone in the Gaslamp District the crossing gate on the near side stays up until trolley gets ready to leave and wants the same at Lemon Grove.

Dorothy Lazenby – Ms. Lazenby discussed current problems with the Green Line, the trolley lift and the lack of security and restrooms at Fashion Valley.

Mary Jane Caulder – Ms. Caulder stated she is concerned regarding Route 14 as decisions were made to change the route and notifications of such changes were not received prior to the bus route being discontinued. She could not locate posted notifications at San Diego State University and requests that in the future schools be notified of route changes. She requested Route 13 modifications. She indicated there was no handicapped access to get to the Mission and according to her smartphone application it is a mile and half walk from the station. Sharon Cooney, Chief of Staff, advised there have been outreach events, flyers circulated and a hearing would be held in December with a second taking place in January to notify the public of route changes. She further explained MTS is accepting comments regarding route changes and looking into various possibilities with following Board consideration and recommendation. Ms. Bragg asked if issues raised would be discussed at the ASAC meeting. Ms. Cooney advised it was brought to the September ASAC meeting and could also possibly be discussed at the December hearing.

Miguel Aguirre – Mr. Aguirre advised he owns the McDonald's Trolley Station at the San Ysidro Port of Entry and his father has a mailbox business there. He wanted to provide an update on the SYPS agreement as it has been operating and stated that SYPS presented a third alternative site plan to reconfigure the area behind McDonald's and it has had a negative impact as pedestrian traffic has shifted with a lot of customers who normally pick up or drop off are now receiving citations. He asked if it is necessary to remove the palm trees currently there that beautify the port of entry and if it is necessary to put restrooms in plain sight and stated that without security, problems will arise with these public restrooms especially regarding vandalism. He stated that modular kiosks that are to be installed will be an eye sore and will only exacerbate wildcatting problems. This property was taken by a public process and was a parking lot relied on by the businesses, but now it is becoming a place that will house activities that will compete with the former property owner and tenants. The most important are the promises received which has been at great expense to the business community. He requests Board to consider the current agreement.

4. Appointment of Ad Hoc Nominating Committee for Recommending Appointments to MTS Committees for 2014

Mr. Mathis provided background and advised he put together a recommended slate for approval by the Board with members consisting of Harry Mathis, Chairman, Ron Roberts, Vice Chairman, Mona Rios representing South Bay, Ernie Ewin representing East County and Lorie Zapf representing the City of San Diego.

Action Taken

Mr. Cunningham moved to appoint an Ad Hoc Nominating Committee to make recommendations to the Board with respect to the appointment of members of the Board to serve as Vice-Chair, Chair Pro-Tem and on MTS and non-MTS committees for 2014. Mr. McClellan seconded the motion, and the vote was 12 to 0 in favor with Mr. Alvarez, and Meses. Emerald and Salas absent.

CONSENT ITEMS

6. San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meeting on October 22, 2013

Action would: 1) receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Pacific Imperial Railroad, Inc. (PIR) quarterly reports for information; and 2) ratify actions taken by the SD&AE Board at its quarterly meeting on October 22, 2013.

7. Adoption of the 2014 MTS Executive Committee and Board of Directors Meeting Schedule

Action would adopt the 2014 Executive Committee and Board of Directors meeting schedule.

8. Investment Report - September 2013

Action would receive a report for information.

9. State Lobbying Services - Contract Award

Action would authorize the Chief Executive Officer (CEO) to: 1) execute MTS Doc. No. G1644.0-14 with Smith, Watts and Martinez, LLC, for the provision of State Lobbying Services for a three (3)-year base period, and two (2) one-year optional terms exercisable at MTS' sole determination, for a total of five years; and 2) exercise each option year at the CEO's discretion.

10. Medical Provider Services - Contract Award

Action would authorize the CEO to 1) execute MTS Doc. No. G1514.0-13, with U.S. HealthWorks for the provision of Medical Provider Services for a three (3) year base period, and two (2) one-year optional terms at the MTS's sole determination, for a total of five (5) years; and 2) exercise each option year at the CEO's discretion.

11. MTS Code Compliance eForce Records Management System (RMS) - Hardware Purchase

Action would authorize the CEO to execute MTS Doc. No. G1665.0-14 with CDW-G for the purchase of MC75A Enterprise Digital Assistants (EDA's), Biometric Fingerprint Readers, Zebra RW420 Mobile and GX420 Desktop Printers, Rechargeable Batteries and Charging Stations and 3 years of Maintenance for the EDA's and Printers.

12. Ultrasonic Rail-Testing Services - Contract Award

Action would authorize the CEO to execute MTS Doc. No. L1115.0-13 with Nordco Rail Services LLC, for the provision of ultrasonic rail-testing services for five years beginning on January 1, 2014, and ending on December 31, 2018.

13. Wireless Infrastructure Project Phase 2 - Sole Source Contract Award

Action would authorize the Chief Executive Officer (CEO) to issue a purchase order to AT&T DataComm, Inc., on a sole-source basis, for the provision of equipment and professional installation services for Phase 2 of the MTS's Wireless Infrastructure Project.

14. Printing of Timetables - Contract Award

Action would authorize the CEO to: (1) execute MTS Doc. No. G1534.0-13 with AAA Printing Company for services for the printing of MTS timetables, for a five-year base period with 2 one-year terms (for a total of 7 years) exercisable at MTS's exclusive determination; and (2) exercise each option year at the CEO's discretion.

15. Proposed Revisions to MTS Policy No. 41 - Signature Authority

Action would approve the proposed revisions to MTS Policy No. 41 - Signature Authority.

BOARD MEMBER COMMENTS

Ms. Zapf asked with regard to item 9 why there was only one firm that bid on the contract. Ms. Cooney responded state lobbyists are a tight knit community and perhaps other firms thought they could not compete as they did not have the same type of expertise, history with transportation, etc.

Ms. Zapf asked with regard to item 12 why the bid from the company that was awarded the contract was almost half the cost of others. MTS staff responded that the current incumbent was lowest due to having a representative on the West Coast as they already have current infrastructure in place and less mobilization costs and the other companies were East Coast or Midwest.

Action on Consent Item 6 through 15

Ms. Zapf moved to approve Consent Items 6 through 15. Ms. Rios seconded the motion, and the vote was 13 to 0 in favor with Meses. Emerald and Salas absent.

The Board convened to Closed Session at 9:26 a.m.

CLOSED SESSION

24. a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to California Government Code Section 54957.6
Agency-Designated Representative - Jeff Stumbo
Employee Organization - International Brotherhood of Electrical Workers, Local 465 (IBEW)
- b. CLOSED SESSION - CoONFERENCE WITH REAL PROPERTY NEGOTIATORS Pursuant to California Government Code Section 54956.8
Property: Assessor Parcel No. 550 550-500-23, City of San Diego; 555-011-17, , City of National City; 571-090-12, City of Chula Vista; 576-523-04, City of Lemon Grove;
Agency Negotiators: Paul Jablonski, Chief Executive Officer, Karen Landers, General Counsel; and Tim Allison, Manager of Real Estate Assets;
Negotiating Parties: Union Pacific Railroad;
Under Negotiation: Price and Terms of Payment
- c. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL ANTICIPATED LITIGATION Significant Exposure to Litigation Pursuant to California Government Code Section 54956.9(b) (One Potential Case)

The Board reconvened to Open Session at 10:15 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board voted unanimously 13-0 with Meses. Emerald and Salas absent to ratify the tentative agreement for a new collective bargaining agreement between San Diego Trolley, Inc. and the IBEW Local 465 Union.
- b. The Board received a report and gave instructions to negotiators.
- c. The Board received a report from Legal Counsel and gave instructions.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. None.

REPORT ITEMS

45. Fiscal Year 2013 Comprehensive Annual Financial Report (CAFR)

Mr. Cunningham asked the auditors if during the audit process there was sufficient access given to retrieve any and all documentation found necessary to complete a thorough and accurate audit and if there were any problems receiving such information and if all personnel were available to answer questions. Gary Caporicci of Pun & McGeady stated he did not have any trouble locating information or documents and did have access to speak to all personnel regarding his questions pertaining to the Audit.

Ken Pun provided a presentation and discussed the review of the 2013 independent audit. Mr. Caporicci discussed the updated GASB standards and provided a summary of "pro forma illustrations" financial statements.

Mr. Minto stated that certain procedures had been identified in the past with deficiencies and if these deficiencies have been mitigated. Mr. Pun responded they have mitigated the deficiencies.

Mr. Cunningham asked regarding the pension expenses and what rate is used. Mr. Caporicci responded 5%.

Action Taken

No action taken. Taken as an informational item.

46. Semi-annual Security Report (January through June 2013)

William Burke, Chief of Police and Director of Security provided a presentation and discussed rail incidents from January through June of 2013 and compared the number of incidents from the prior year with the current year as well as incidents on the MTS compared to those on the LA Metro during the same period. He discussed the arrests and incidents on SDTC. He reviewed the new program "If you see something, say something" and discussed K9 searches and the Homeland Security training drill, the

Special Enforcement Unit (SEU) and it's functions, the graffiti tracker and transient camps.

Mr. Cunningham commended the Security Department for making the MTS one of the safest transit agencies in the Country.

Action Taken

No action taken. Taken as an informational item.

47. Operations Budget Status Report for September 2013

Mike Thompson, Budget Manager, provided a financial review of the comparison to budget – September 30, 2013 – FY2014 including operating revenue, personal and outside costs, total operating revenue less expenses and on-going concerns.

Action Taken

No action taken. Taken as an informational item.

60. Chairman's Report

Mr. Mathis advised the Nominating Committee attached to Agenda Item if they had any desire to serve on any specific committee(s) to let the Nominating Committee know and the Committee would take their wishes into consideration.

61. Audit Oversight Committee (AOC) Chairman's Report

Mr. Ewin asked that everyone notice the Certificate of Achievement for Excellence in financial reporting and advised it was a significant accomplishment and thanked Staff.

62. Chief Executive Officer's Report

None.

63. Board Member Communications

Peter Warner – Mr. Warner asked that with regard to the upcoming Public Hearing regarding service changes that the transit agencies coordinate their changes during the same time.

64. Additional Public Comments on Items Not on the Agenda

None.

65. Next Meeting Date

The next regularly scheduled Board meeting is December 12, 2013.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:26 a.m.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

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

Office of the General Counsel
San Diego Metropolitan Transit

Attachments: 1. Roll Call Sheet
2. Pun & McGeady Presentation
3. Pun & McGeady "Pro Forma Illustration" Financial Statements
4. "If you see something say something" card

METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): November 14, 2013

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

RECESS: N/A

RECONVENE: N/A

CLOSED SESSION: 9:26 a.m.

RECONVENE: 10:15 a.m.

PUBLIC HEARING: N/A

RECONVENE: N/A

ORDINANCES ADOPTED: N/A

ADJOURN: 11:26 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
ALVAREZ	<input checked="" type="checkbox"/> (Cole) <input type="checkbox"/>	9:11 a.m.	11:14 a.m.
BRAGG	<input checked="" type="checkbox"/> (Bilbray) <input type="checkbox"/>	9:03 a.m.	11:26 a.m.
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:03 a.m.	11:26 a.m.
EMERALD	<input type="checkbox"/> (Cole) <input type="checkbox"/>		
EWIN	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:03 a.m.	11:26 a.m.
GASTIL	<input checked="" type="checkbox"/> (Jones) <input type="checkbox"/>	9:03 a.m.	11:26 a.m.
GLORIA	<input type="checkbox"/> (Cole) <input checked="" type="checkbox"/>	9:03 a.m.	11:26 a.m.
MATHIS	<input checked="" type="checkbox"/>	9:03 a.m.	11:26 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>	9:03 a.m.	11:26 a.m.
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>	9:03 a.m.	11:26 a.m.
OVROM	<input checked="" type="checkbox"/> (Denny) <input type="checkbox"/>	9:03 a.m.	11:26 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:03 a.m.	11:26 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:03 a.m.	11:26 a.m.
SALAS	<input type="checkbox"/> (Ramirez) <input type="checkbox"/>		
ZAPF	<input checked="" type="checkbox"/> (Cole) <input type="checkbox"/>	9:06 a.m.	11:26 a.m.

SIGNED BY THE CLERK OF THE BOARD: 

CONFIRMED BY THE GENERAL COUNSEL: 



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

BOARD OF DIRECTORS PRESENTATION

For the year ended June 30, 2013

Presented by:
Gary M. Caporicci, CPA, CGFM, CFF
Kenneth H. Pun, CPA, CGMA

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS PRESENTATION

Contents

- Review of 2013 Independent Audit
- Update of GASB Standards
- Summary of "Pro Forma Illustrations" Financial Statements



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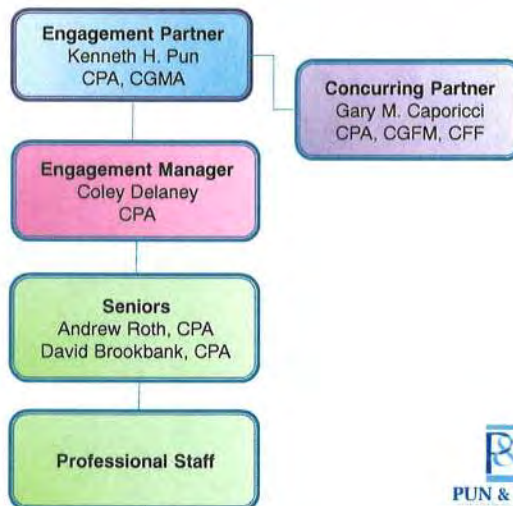


Review of 2013 Independent Audit

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS PRESENTATION

Project Team



4

Kenneth H. Pun, CPA, CGMA

Engagement Partner



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Professional Experience

Kenneth H. Pun is the Founding Partner and the Director of the Assurance Services of Pun & McGeady LLP. Prior to founding his own practice, Mr. Pun was employed by Caporicci & Larson, a specialty CPA firm recognized as one of California's foremost experts in governmental and not-for-profit accounting, auditing, and advisory service, since 2001 and was promoted as a partner since 2008. He has performed numerous audits for cities, counties, transportation agencies, community college districts, other special districts, and non-profit healthcare entities of various sizes.

By leveraging more than 15 years of public accounting experience with a high level of expertise, Mr. Pun is often engaged by clients as a result of premier level of service he provides, his commitment, and his innovative methods of increasing operational efficiencies and reducing costs. Mr. Pun is a trusted advisor and a leader of accounting services to governmental and not-for-profit organizations.

In addition to working with clients, Mr. Pun provides the audit teams with direction and technical guidance to ensure adherence to the Firm's quality controls and assists with the development of the Assurance Services practice.

A recognized industry leader, Mr. Pun speaks on topics related to audits and quality control and shares his expertise with clients through annual educational seminars.

Education

- BS Degree in Accounting from the University of California, Riverside

Professional & Civic Affiliations

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Member, CalCPA Government Accounting and Auditing Committee
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)



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Gary M. Caporicci, CPA, CGFM, CFF

Concurring Partner



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Professional Experience

Gary M. Caporicci has more than 30 years of diversified business experience, including a specialization in audit and management consulting for government organizations. Mr. Caporicci's clients include public and private universities and colleges, city and county governments, state agencies, joint power authorities, healthcare agencies, transportation agencies and special districts. Known for his expertise in the areas of construction and government, Mr. Caporicci wrote the AICPA audit guides on these topics, and authored many audit and accounting courses for professional groups, as well as academic institutions. He frequently speaks and lectures at many professional organizations, governmental seminars and conferences including industry associations, other accounting firms and universities. In addition, he authors white papers for the California Committee on Municipal Accounting. Prior to working with the Firm, Mr. Caporicci founded his own accounting practice. He also spent 11 years with a "Big Eight" professional services firm where he was an Audit Manager and gained broad experience in a wide range of industries such as government, construction, manufacturing, mutual funds and insurance. Mr. Caporicci's earlier experience includes a consultant position with a "Big Four" practice and Vice President of a national insurance and financial services company.

Education

- BS Degree in Accounting and Finance from the Armstrong University

Professional & Civic Affiliations

- Member, American Institute of Certified Public Accountants (AICPA)
- Member, California Society of Certified Public Accountants (CalCPA)
- Chair, CalCPA Government Accounting and Auditing Committee
- Chair and Speaker, CalCPA Governmental Accounting and Auditing State Conferences
- Member, CalCPA Council
- Chair, California Committee on Municipal Accounting (CCMA)
- Member, Government Finance Officers Association (GFOA)
- Member, California Society of Municipal Finance Officers (CSMFO)
- Member, Governmental Accounting Standards Board (GASB)
- Deposits and Investment Risks Disclosure Task Force
- National Reviewer & Speaker Government Finance Officers Association
- Adjunct Professor, National University
- Past Member, Texas Governmental Accounting and Auditing Committee



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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
PRESENTATION**

Management's Responsibilities

- ▶ Present the Financial Statements in accordance with Generally Accepted Accounting Principles
- ▶ Adopt sound accounting policies
- ▶ Establish and maintain Internal Controls over Financial Reporting and Compliance
- ▶ Provide evidence supporting to the financial statements and disclosures
- ▶ Fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error



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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
PRESENTATION**

Auditor's Responsibilities

- ▶ Assess Audit Risk of Internal Controls Over Financial Reporting and Compliance
- ▶ Determine compliance with Generally Accepted Accounting Principles in the United States of America
- ▶ Determine the fairness and accuracy of Financial Statements presentation
- ▶ Issue Audit Opinion on the Financial Statements
- ▶ Issue Recommendations to Management, if any



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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
PRESENTATION**

Approach To The Audit



- P&M's Audit Approach for MTS
 - Phase I – Detailed Planning
 - Phase II – Risk Based Review of Internal Control Over Systems and Compliance
 - Phase III – Validation of Account Balances
 - Phase IV – Review Financial Statements and Issue Audit Opinions



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**San Diego Metropolitan Transit System
Summary Statement of Net Position
June 30,**

	<u>2013</u>	<u>2012</u>
<u>Assets</u>		
Current assets	\$ 160,016,000	\$ 134,420,000
Non-current assets	156,354,000	242,894,000
Property and equipment, net	<u>1,416,261,000</u>	<u>1,295,206,000</u>
Total assets	<u>1,732,631,000</u>	<u>1,672,520,000</u>
<u>Liabilities:</u>		
Current liabilities	62,946,000	69,755,000
Long-term liabilities	<u>176,376,000</u>	<u>193,730,000</u>
Total liabilities	<u>239,322,000</u>	<u>263,485,000</u>
<u>Net Position:</u>		
Net Investment in Capital Assets	1,296,217,000	1,172,816,000
Restricted	7,255,000	78,378,000
Unrestricted	<u>189,837,000</u>	<u>157,841,000</u>
Total liabilities and net position	<u>\$ 1,493,309,000</u>	<u>\$ 1,409,035,000</u>



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**San Diego Metropolitan Transit System
Summary Statements of Revenues, Expenses
and Changes in Net Position
For the years ended June 30,**

	2013	2012
<u>Revenues</u>		
Operating revenues	\$ 96,559,000	\$ 93,509,000
Nonoperating revenues	191,017,000	332,661,000
Total Revenues	<u>287,576,000</u>	<u>426,170,000</u>
<u>Expenses</u>		
Operating expenses	327,929,000	306,931,000
Nonoperating expenses	7,554,000	8,019,000
Total Expenses	<u>335,483,000</u>	<u>314,950,000</u>
Change in net position before Capital Contribution	(47,907,000)	111,220,000
Capital Contribution	132,182,000	44,118,000
Change in Net Position	<u>\$ 84,275,000</u>	<u>\$ 155,338,000</u>


PUN & McGEADY

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**San Diego Metropolitan Transit System
Summary Statement of Cash Flows
June 30,**

	2013	2012
Cash flows from Operating	\$ (145,901,000)	\$ (124,274,000)
Cash Flows from Noncapital Financing	203,981,000	336,075,000
Cash Flows from Capital and Related Financing	(98,275,000)	(126,144,000)
Cash Flows from Investing	193,000	89,000
Changes in cash and cash equivalents	<u>\$ (40,001,000)</u>	<u>\$ 85,746,000</u>


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**San Diego Metropolitan Transit System
Schedule of Funding Progress
of Defined Benefits Plans
For the year ended June 30, 2013**

	<u>Transit</u>	<u>Trolley</u>
Actuarial Value of Assets	\$ 147,787,000	\$ 77,582,000
Entry Age Normal Actuarial Accrued Liabilities	235,401,000	88,127,000
Unfunded Actuarial Accrued Liabilities	<u>\$ (87,614,000)</u>	<u>\$ (10,545,000)</u>
Funded Status	<u>63%</u>	<u>88%</u>
Actuarial Valuation Date	July 1, 2012	June 30, 2011



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**San Diego Metropolitan Transit System
Schedule of Funding Progress
of Other Post Employment Healthcare Plan
For the year ended June 30, 2013**

	<u>MTS</u>	<u>Transit</u>	<u>Trolley</u>
Actuarial Value of Assets	\$ -	\$ -	\$ -
Entry Age Normal Actuarial Accrued Liabilities	3,276,000	24,326,000	9,417,000
Unfunded Actuarial Accrued Liabilities	<u>\$ (3,276,000)</u>	<u>\$ (24,326,000)</u>	<u>\$ (9,417,000)</u>
Funded Status	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Actuarial Valuation Date	June 30, 2011	June 30, 2011	June 30, 2011



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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS PRESENTATION**

Audit Results

- Unmodified Opinion
 - Financial Statements are fairly presented in all material respects
 - Significant accounting policies have been consistently applied
 - Estimates are reasonable
 - Disclosures are properly reflected in the financial statements



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**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
PRESENTATION**

Other Results

- No disagreements with Management
- No material weaknesses or significant deficiencies in internal controls were noted
- No accounting issues



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Update of GASB Standards

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GASB Update

- ▶ 2013 - Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*
- ▶ 2014 - Statement 65 – *Items Previously Reported as Assets and Liabilities*
- ▶ 2014 - Statement 67 – *Financial Reporting for Pension Plans*
- ▶ 2015 - Statement 68 – *Accounting and Financial Reporting for Pensions*



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**GASB STATEMENT NO. 63 -
*Financial Reporting of Deferred
Outflows of Resources, Deferred Inflows
of Resources, and Net Position***



19

Highlights

- ❖ Now five elements make up a statement of financial position:
 - Assets
 - **Deferred Outflows of Resources**
 - Liabilities
 - **Deferred Inflows of Resources**
 - Net Position
- ❖ New titles:
 - *Net Assets Now Net Position*
 - *Investment in Capital Assets, Net of Related Debt Now Net Investment in Capital Assets*



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GASB STATEMENT NO. 65 - *Items Previously Reported as Assets and Liabilities*

21

Highlights

- ▶ **Deferred Outflow of Resources:**
 - Grants paid in advance of meeting timing requirements.
 - Deferred amounts from the refunding of debt.
 - Costs to acquire rights to future revenues.



22

Highlights

- ▶ Outflow of Resources:
 - Debt issuance costs (other than insurance).
 - Initial direct costs incurred by the lessor for operating leases.
 - Acquisition costs for risk pools.
 - Loan origination costs.



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Highlights

- ▶ Deferred Inflow of Resources:
 - Grant received in advance of meeting timing requirements.
 - Taxes received in advance.
 - Deferred amounts from the refunding of debt.
 - Proceeds from sales of future revenues.



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Highlights

- ▶ Inflow of Resources:
 - Loan origination fees (excluding points)
 - Commitment fees (after exercise or expiration)



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GASB STATEMENT NO. 67 - ***Financial Reporting for Pension Plans***



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Highlights

- Pension Plans must present two financial statements:
 - A Statement of Fiduciary Net Position
 - A Statement of Changes in Fiduciary Net Position
- Pension Plan disclosures in the financial statements:
 - Total Pension Liability
 - The Plan's Fiduciary Net Position
 - Net Pension Liability
 - The Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
 - Significant Assumptions to Calculate Total Pension Liability
 - Ten Years of Disclosures



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Highlights

- Actuarial Valuation
 - At least biennially
 - Disclose all Major Actuarial Assumptions



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GASB STATEMENT NO. 68 - *Accounting and Financial Reporting for Pensions*



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Highlights

- Accounting-based versus funding-based
- The difference between Total Pension Obligation and Plan Assets would be reported as a **Net Pension Liability** in the financial statements.
- Actuarial Requirements:
 - Valuation at least biennially
 - Within 12 months of fiscal year-end (OK to “roll forward” from date within 30 months)
 - All assumptions should conform to Actuarial Standards of Practice



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PENSION EXPENSE T-ACCOUNT

(Debit)	(Credit)
1. Employer contributions.	
2. Earnings on Plan Investments.	2. Earnings on Plan Investments.
Difference between actual and projected earnings to be recognized over a 5-year period.*	Difference between actual and projected earnings to be recognized over a 5-year period. *
* Report as deferred outflows or inflows of resources	

PENSION EXPENSE T-ACCOUNT (Continued)

(Debit)	(Credit)
3. Interest on the beginning Total Pension Liability.	
4. Change in plan terms.	
a) Changes for past service of inactive/retired employees to be recognized immediately.	
b) Changes for past service of active employees to be recognized over the average expected remaining service lives of the employees. *	
* Report as deferred outflows or inflows of resources	

Highlights

- Note Disclosures
- Required Supplementary Information



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Summary of “Pro Forma Illustrations” Financial Statements

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Financial Statements

San Diego Metropolitan Transit System
Actual and Pro Forma Illustration Financial Statements
Statements of Net Position
June 30, 2013

	2013	
	Actual	Pro Forma Illustration
Assets		
Current Assets	\$ 160,016,000	\$ 160,016,000
Non-Current Assets	1,544,789,000	1,544,789,000
Net Pension Asset	27,826,000	-
Total Assets	1,732,631,000	1,704,805,000
Deferred Outflows of Resources		
Contributions Made	-	17,081,000
Liabilities		
Current Liabilities	62,946,000	62,946,000
Non-current Liabilities	176,376,000	176,376,000
Accrued Interest on Total Pension Liability	-	16,176,000
Net Pension Liability	-	98,159,000
Total Liabilities	239,322,000	353,657,000
Net Position		
Net Investment in Capital Assets	1,296,217,000	1,296,217,000
Restricted	7,255,000	7,255,000
Unrestricted	189,837,000	64,755,000
Total Net Position	\$ 1,493,809,000	\$ 1,368,230,000

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Financial Statements

San Diego Metropolitan Transit System
Actual and Pro Forma Illustration Financial Statements
Statements of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2013

	2013	
	Actual	Pro Forma Illustration
Revenues		
Operating Revenues	\$ 96,559,000	\$ 96,559,000
Operating Expenses		
Operating Expenses	296,218,000	296,218,000
Pension Expense	31,711,000	75,713,000
Total Operating Expenses	327,929,000	371,931,000
Operating (loss)	\$ (231,370,000)	\$ (275,372,000)
Public Support	183,463,000	183,463,000
(Loss) before Contributed Capital	(47,907,000)	(91,909,000)
Contributed Capital, Net	132,182,000	132,182,000
Change in Net Position	84,275,000	40,273,000
Net Position:		
Beginning of year	1,409,035,000	1,409,035,000
Prior Period Adjustments	-	(81,078,000)
Beginning of Year, as restated	1,409,035,000	1,327,957,000
End of year	\$ 1,493,809,000	\$ 1,368,230,000

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**Thank You
For Allowing Pun & McGeedy LLP
to provide services to
San Diego Metropolitan Transit System**



San Diego Metropolitan Transit System

San Diego, California

“Pro Forma Illustration” Financial Statements

San Diego Metropolitan Transit System

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San Diego Metropolitan Transit System

At and for the year ended June 30, 2013

PURPOSE OF “PRO FORMA ILLUSTRATION” FINANCIAL STATEMENTS

These “Pro Forma Illustration” financial statements for MTS were prepared to provide aid and guidance on the future implementation of accounting and financial reporting standards for Pensions.

As you are aware, the Governmental Accounting Standards Board (GASB) has published two new pronouncements on Pensions as follows:

- GASB Statement No. 67, *Financial Reporting for Pension Plans*, which is effective for pension plans in 2014
- GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which is effective for pension plan employers in 2015

These “Pro Forma Illustration” financial statements represent the best estimates and interpretations from the latest actuarial valuations as displayed in the 2013 CAFR of MTS.

ASSUMPTIONS USED TO PREPARE THE “PRO FORMA ILLUSTRATION” FINANCIAL STATEMENTS

- Financial Statements were prepared at and for the year ended June 30, 2013.
- These “Pro Forma Illustration” financial statements were prepared from the San Diego Metropolitan Transit System (MTS) 2013 Comprehensive Annual Financial Report (CAFR). Following GASB No. 68, *Accounting and Financial Reporting for Pensions*, estimates and interpretations were made to adjust the 2013 Financial Statements to include the new Pension provisions. These adjustments to the Pension Accounts are displayed in bold font.
- Calculations and details are shown on attached schedules.
- Certain provisions of GASB No. 68 were not included in the “Pro Forma Illustration” Financial Statements as follows: For example,
 - Deferred Outflows and Inflows for the difference in expected investments earnings as compared to actual investments earnings.
- Financial Statements accounts have been condensed and displayed “in thousands of dollars (ooo’s)”
- Latest Actuarial Valuations were used as follows:

SDTI	2011	CalPERS
SDTC	2012	SDTC Plan

- This “Pro Forma Illustration” Financial Statements is only for pensions, not for Other Post Employment Benefits (OPEB). (At this time, GASB is preparing an exposure draft for OPEB.)

San Diego Metropolitan Transit System
Actual and Pro Forma Illustration Financial Statements
Statements of Net Position
June 30, 2013

	2013	
	Actual	Pro Forma Illustration
Assets		
Current Assets	\$ 160,016,000	\$ 160,016,000
Non-Current Assets	1,544,789,000	1,544,789,000
Net Pension Asset	<u>27,826,000</u>	<u>-</u>
Total Assets	<u>1,732,631,000</u>	<u>1,704,805,000</u>
Deferred Outflows of Resources:		
Contributions Made	<u>-</u>	<u>17,081,000</u>
Liabilities		
Current Liabilities	62,946,000	62,946,000
Non-current Liabilities	176,376,000	176,376,000
Accrued Interest on Total Pension Liability	-	16,176,000
Net Pension Liability	<u>-</u>	<u>98,159,000</u>
Total Liabilities	<u>239,322,000</u>	<u>353,657,000</u>
Net Position		
Net Investment in Capital Assets	1,296,217,000	1,296,217,000
Restricted	7,255,000	7,255,000
Unrestricted	<u>189,837,000</u>	<u>64,758,000</u>
Total Net Position	<u>\$ 1,493,309,000</u>	<u>\$ 1,368,230,000</u>

San Diego Metropolitan Transit System
Actual and Pro Forma Illustration Financial Statements
Statements of Revenues, Expenses and Changes in Net Position
For the year ended June 30, 2013

	2013	
	Actual	Pro Forma Illustration
Revenues		
Operating Revenues	\$ 96,559,000	\$ 96,559,000
Operating Expenses		
Operating Expenses	296,218,000	296,218,000
Pension Expense	31,711,000	75,713,000
Total Operating Expenses	327,929,000	371,931,000
Operating (loss)	\$ (231,370,000)	\$ (275,372,000)
Public Support	183,463,000	183,463,000
(Loss) before Contributed Capital	(47,907,000)	(91,909,000)
Contributed Capital, Net	132,182,000	132,182,000
Change in Net Position	84,275,000	40,273,000
Net Position:		
Beginning of year	1,409,035,000	1,409,035,000
Prior Period Adjustments	-	(81,078,000)
Beginning of Year, as restated	1,409,035,000	1,327,957,000
End of year	\$ 1,493,309,000	\$ 1,368,230,000

See Accompanying Adjustments to Selected Accounts and Balances

San Diego Metropolitan Transit System
Assumptions and Adjustments to Selected Accounts and Balances
At and for the year ended June 30, 2013

I. Statement of Net Position

Net Pension Asset

Balance June 30, 2013	\$ 27,826,000
Write-off	(27,826,000)
Revised Balance	<u>\$ -</u>

Deferred Outflows of Resources

Balance 6/30/13	\$ -
Contributions Made	17,081,000
Revised Balance	<u>\$ 17,081,000</u>

Accrued Interest on Total Pension Liability

Balance June 30, 2013	SDTI \$ 88,127,000
	SDTC 235,401,000
	<u>\$ 323,528,000</u>
MTS Borrowing rate	<u>5%</u>
Accrued Interest on Total Pension Liability	<u>\$ 16,176,000</u>

Net Pension Liability

Balance June 30, 2013	\$ -
SDTI	\$ 10,545,000
SDTC	<u>87,614,000</u>
Net Pension Liability	
Per CAFR	<u>98,159,000</u>
Revised Balance	<u>\$ 98,159,000</u>

Unrestricted Net Position

Balance June 30, 2013	\$ 189,837,000
ADJ - Net Pension Asset	(27,826,000)
ADJ - Net Pension Liability	(98,159,000)
ADJ - Interest on Total Pension Liability	(16,176,000)
ADJ Deferred Outflows of Resources	<u>17,081,000</u>
Revised Balance	<u>\$ 64,758,000</u>

San Diego Metropolitan Transit System
Assumptions and Adjustments to Selected Accounts and Balances
At and for the year ended June 30, 2013

II. Statement of Revenues, Expenses, Changes in Net Position

Operating Expenses

Balance June 30, 2013	\$ 327,929,000
ADJ - Net Pension	27,826,000
Reclass to Pension Expense	(59,537,000)
Revised Balance	<u>\$ 296,218,000</u>

Pension Expense

Balance June 30, 2013	\$ -
ADJ - Net Pension Asset	27,826,000
ADJ - Net Pension Cost	17,081,000
ADJ - Amortization of NPA	14,630,000
	<u>31,711,000</u>
Reclass to Pension Expense	59,537,000
ADJ - Interest on Total Pension Liability	16,176,000
Revised Balance	<u>\$ 75,713,000</u>

San Diego Metropolitan Transit System
Assumptions and Adjustments to Selected Accounts and Balances
At and for the year ended June 30, 2013

III. Prior Period Adjustments

Balance June 30, 2013	\$	-
ADJ - Net Pension Liability		98,159,000
ADJ - Deferred Outflows of Resources - Contribution Made		<u>(17,081,000)</u>
Revised Balance	\$	<u>81,078,000</u>



The Metropolitan Transit
System takes transit
security seriously.
If you see anything
suspicious let us know
Call 619-695-4960
Text 619-318-1338



if you
SEE
something
SAY
something

Meet the newest
member of the
MTS Bus and
Trolley K-9 unit...

Molli



Conozca al miembro
más nuevo del equipo
canino de autobús y
Trolley de MTS...

Molli



Scan here to watch a video on MTS security tips or visit www.admta.com.

My Stops ID
Número de parada

Text ID to: **GO MTS (46687)**
Texto con el número de parada a: **GO MTS (46687)**

Regional Transit Info. (619) 233-3004 or 511
Información tránsito regional

24hr Info. (619) 685-4900
Información 24 horas al día

si
MIRA
algo
DIGA
algo



MTS

El Metropolitan Transit System toma la seguridad tránsito muy en serio. Si ve cualquier cosa sospechosa llame o mande un mensaje texto. Llame **619-595-4960** Texto **619-318-1338**

Important Numbers
Números importantes





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

Agenda Item No. 4

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

APPOINTMENT OF MTS CHAIRPERSON (SHARON COONEY)

RECOMMENDATION:

That the Board of Directors receive a recommendation from the Executive Committee regarding the appointment of the MTS Chairperson.

Budget Impact

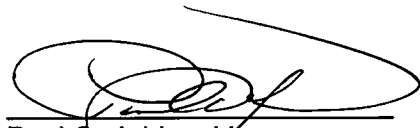
None.

DISCUSSION:

MTS Policy No. 22 sets forth the following procedure for the appointment of the MTS Chairperson:

Prior to the expiration of a Chairperson's term, the Executive Committee shall make a recommendation to the Board on whether to reelect the current Chairperson. In the event that the Board does not reelect a chairperson, or in the event of a vacancy in the position of Chairperson, the Executive Committee shall create an ad hoc nominating committee that shall, by whatever means it deems appropriate, recommend to the Board a candidate or candidates for the position of Chairperson. The Board shall then vote to elect a Chairperson.

Mr. Mathis serves as the current Chairperson for the MTS Board, and his second four-year term is scheduled to end on December 31, 2013. Mr. Mathis desires to continue in his role as Chair of MTS. The Executive Committee met on December 5, 2013, and unanimously agreed to forward a recommendation to the Board to reelect Mr. Mathis for another term, which would run from January 1, 2014, through December 31, 2017.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, 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.



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Agenda Item No. 6

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

BUS OPERATOR UNIFORMS - CONTRACT AWARD

RECOMMENDATION:

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

1. execute MTS Doc. No. B0600.0-13 (in substantially the same format as Attachment A) with Kingsbury Uniforms, Inc. for the provision of bus operator uniforms for a three-year base period with 2 one-year optional terms (for a total of 5 years); and
2. exercise each option year at the CEO's discretion.

Budget Impact

The total cost of this agreement would not exceed \$1,092,083.85 and is broken down as follows:

➤	Year 1 (1/1/14 to 12/31/14)	\$ 207,558.45
➤	Year 2 (1/1/15 to 12/31/15)	\$ 212,987.61
➤	Year 3 (1/1/16 to 12/31/16)	\$ 218,416.77
	<u>Subtotal (Base Years)</u>	<u>\$ 638,962.83</u>
➤	Year 4 - Option Yr. 1 (1/1/17 to 12/31/17)	\$ 223,845.93
➤	Year 5 - Option Yr. 2 (1/1/18 to 12/31/18)	\$ 229,275.09
	<u>Subtotal (Option Years)</u>	<u>\$ 453,121.02</u>
	Total (Base + Options)	\$1,092,083.85



The annual costs are based on estimated quantities of bus operator uniforms that may be needed for each year and would be funded under MTS Bus Operations Account No. 213-52610 using local funds.

DISCUSSION:


MTS Policy No. 52 governing procurement of services requires a formal competitive process for procurements exceeding \$100,000.

On August 2, 2013, MTS issued an Invitation for Bids (IFB). Annual uniform-replacement allowances are stipulated in the Collective Bargaining Agreement with the Amalgamated Transit Union Local 1309 and are also provided by MTS for the initial provisioning of uniforms for new hires. MTS anticipates providing uniforms for approximately 500 bus operators every year.

Four bids were received on the due date of October 9, 2013 (see Bid Summary – Attachment B). All were deemed responsive and responsible. Kingsbury Uniforms, Inc. was deemed the lowest responsive, responsible bidder for the five-year period at \$1,092,083.85.

Therefore, staff is requesting that the MTS Board of Directors authorize the CEO to:

1. execute MTS Doc. No. B0600.0-13 (in substantially the same format as Attachment A) with Kingsbury Uniforms, Inc. for the provision of bus operator uniforms for a three-year base period with two one-year optional terms (for a total of 5 years); and
2. exercise each option year at the CEO's discretion.



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. B0600.0-13 (w/o exhibits)
B. Bid Summary

DRAFT

STANDARD PROCUREMENT AGREEMENT

B0600.0-13
CONTRACT NUMBER
OPS 960.2
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2014, 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: Kingsbury Uniforms, Inc. Address: 19041 S. Vermont Ave., Ste 1-104

Form of Business: Corporation Torrance, CA 90502

(Corporation, partnership, sole proprietor, etc.)

Telephone: 310.217.0745

Authorized person to sign contracts: Catherine Brown President
Name Title

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

Provide Bus Operator Uniforms as set forth in the MTS Scope of Work/specifications (attached as Exhibit A), Kingsbury Uniforms, Inc.'s Bid dated October 7, 2013 (attached as Exhibit B), in accordance with the Standard Procurement Agreement, including Standard Conditions Procurement (attached as Exhibit C).

The contract term is for up to five years (3-year base with two 1-year options exercisable at MTS's sole discretion). Base period shall be effective from January 1, 2014, through December 31, 2016, and Option Years I and II shall be effective from January 1, 2017, through December 31, 2018. Payment terms shall be net 30 days from invoice date.

The total contract cost shall be \$638,962.83 for the base period and \$453,121.02 for the option years for a total of \$1,092,083.85.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer		Firm: _____
Approved as to form:		By: _____ Signature
By: _____ Office of General Counsel		Title: _____
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$638,962.83 – Base Period		
\$453,121.02 – Option Years I & II		
\$1,092,083.85 – Total	213-52610	FYs 14-19

By: _____
Chief Financial Officer Date

(____ total pages, each bearing contract number)



Metropolitan Transit System

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490
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**BUS OPERATOR UNIFORMS IFB
MTS DOC. NO. B0600.0-13**

BID SUMMARY

BIDDER	COST
KINGSBURY UNIFORMS, INC. *	\$1,092,083.85
ACE UNIFORMS	\$1,201,960.47
MISSION LINEN SUPPLY	\$1,220,429.98
EMBROIDME	\$1,307,274.12

*Lowest responsive, responsible Bidder



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Agenda Item No. 7

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

INVESTMENT REPORT – OCTOBER 2013

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

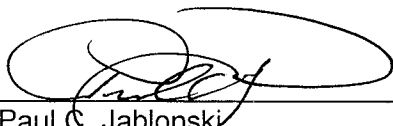
None.

DISCUSSION:

Attachment A comprises a report of MTS investments as of October 31, 2013. The combined total of all investments has increased from \$221.7 million to \$222.6 million in the current month. This \$.9 million increase is attributable to a \$2.8 million Prop 1B cash receipt as well as normal timing differences in other payments and receipts.

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

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



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Investment Report for October 2013

**San Diego Metropolitan Transit System
Investment Report
October 31, 2013**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	18,155,040	14,328,432	32,483,472	0.00%
Total Cash and Cash Equivalents	<u>18,155,040</u>	<u>14,328,432</u>	<u>32,483,472</u>	
Cash - Restricted for Capital Support				
US Bank - retention trust account	8,224,707		8,224,707	N/A *
San Diego County Investment Pool Proposition 1B TSGP grant funds	<u>6,347,757</u>	<u>406,963</u>	<u>6,754,720</u>	
Total Cash - Restricted for Capital Support	<u>14,572,464</u>	<u>406,963</u>	<u>14,979,427</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	-	57,151,697	57,151,697	0.266%
Total Investments - Working Capital	<u>-</u>	<u>57,151,697</u>	<u>57,151,697</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	39,304,141	-	39,304,141	
Rabobank - Payment Undertaking Agreement	<u>78,692,891</u>	<u>-</u>	<u>78,692,891</u>	7.69%
Total Investments Restricted for Debt Service	<u>117,997,032</u>	<u>-</u>	<u>117,997,032</u>	
Total cash and investments	<u>\$ 150,724,536</u>	<u>\$ 71,887,092</u>	<u>\$ 222,611,628</u>	

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



Metropolitan Transit System

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

Agenda Item No. 8

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

BUILDING C BACKUP ELECTRICAL POWER GENERATOR - CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL150.0-14 (in substantially the same format as Attachment A) with Global Power Group Inc. to procure and install a 400 kW, 500 kVA backup electrical power generator at MTS's Building C LRV Maintenance Facility.

Budget Impact

The total cost of this Agreement would not exceed \$349,612.48 (as follows).

Backup Generator & Electrical Material	\$259,081.00
Installation, Mobilization, General Administration	\$63,356.00
Performance Bond	\$6,449.00
Sale Tax 8%	\$20,726.48
Grand Total Base of Award	\$349,612.48

The expenditure would be funded by CIP 11342-1000 for FY 2014.



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.

DISCUSSION:

MTS Policy 52 governing the procurement of goods and services requires a formal competitive procurement process for purchases exceeding \$100,000.

San Diego Trolley's maintenance facility is currently not equipped with a standby emergency power generator. In a power outage, all maintenance work requiring the use of electrical power is halted. This is detrimental to the MTS's ability to sustain day-to-day maintenance operations. By adding a 400 kW, 500 kVA backup electrical power generator, the LRV Maintenance Department would be able to continue with critical LRV maintenance work through power outages.

On October 22, 2013, MTS issued an Invitation for Bids (IFB). Five bids were received on the due date of November 20, 2013. All were deemed responsive and responsible (see Bid Summary – Attachment B). Global Power Group Inc. submitted the lowest responsive and responsible bid.

Based on the comparison of the independent cost estimate of \$669,000 and Global Power Group Inc.'s bid of \$349,612.48, there would be a cost savings to MTS of \$348,943.48 or 47%. Thus, considering the number of bids received and the total price of the bids, Global Power Group Inc. is deemed to have presented a bid that is both fair and reasonable.

Therefore, staff recommends that the Board of Directors authorize the CEO to execute MTS Doc. No. PWL150.0-14 (in substantially the same format as Attachment A) with Global Power Group Inc. to procure and install a 400 kW, 500 kVA backup electrical power generator at MTS's Building C LRV Maintenance Facility.



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. MTS Doc. No's. PWL150.0-14 (w/o exhibits)
B. Pricing Summary

STANDARD CONSTRUCTION AGREEMENT

PWL150.0-14
 CONTRACT NUMBER
 OPS 970.4
 FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2013, 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: Global Power Group, Inc.

Address: 12060 Woodside Avenue

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

Lakeside, CA 92040

Telephone: 619-579-1221

Authorized person to sign contracts: Salvatore Martorana
 Name

President
 Title

The attached Standard Conditions are part of this agreement. The Contractor agrees to furnish to MTS the following:

Provide the necessary labor, equipment, materials, and supplies for the acquisition and installation of a 400 kW, 500kVA Back-Up Electrical Power Generator for Metropolitan Transit System's Building C location, as specified in the scope of work; (as attached Exhibit A), Global Power Group Inc. Bid dated 11/18/13. (attached as Exhibit B), and in accordance with the Standard Conditions Construction, including Federal Requirements (as attached Exhibit C),

Total contract amount shall not exceed \$ 349,612.48

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CONTRACTOR AUTHORIZATION

By: _____
 Chief Executive Officer

Firm: _____

Approved as to form:

By: _____
 Signature

By: _____
 Office of General Counsel

Title: _____

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$349,612.48

11342-1000

FY 14

By:

Chief Financial Officer

Date

(___ total pages, each bearing contract number)

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**BUILDING C BACK-UP GENERATOR IFB
MTS DOC. NO. PWL150.0-14**

COST SUMMARY

FIRM	COST
**GLOBAL POWER GROUP	\$349,612.48
SATURN ELECTRIC	\$359,477.00
NEAL ELECTRIC	\$462,808.92
STEINY & COMPANY	\$506,760.00
CALIFORNIA BUILDING EVALUATION	\$526,480.00

****** Lowest Responsive Responsible Bidder





Metropolitan Transit System

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Agenda Item No. 9

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

GENERAL ENGINEERING AND REAL ESTATE SERVICES FOR MTS
RIGHT OF ENTRY PERMITS AND RIGHT-OF-WAY ISSUES

RECOMMENDATION:

That the Board of Directors ratify previous actions and authorize the Chief Executive Officer (CEO) to execute Work Order No. 13.01.02 to MTS Doc. No. G1496.0-13 (in substantially the same format as Attachment A) with RailPros, Inc.

Budget Impact

A total of \$100,000 would be expended from the Land Management Department Professional Services Account Code (791-53114).

DISCUSSION:

MTS requires professional engineering and real estate services for various land management issues, including permit reviews, surveying, real estate analysis and documentation, engineering studies, and other miscellaneous requests on an as-needed basis.

MTS executed Work Order No. 13.01 and Amendment No. 13.01.01 to MTS Doc. No. G1496.0-13 with RailPros, Inc. totaling \$100,000 to provide general engineering and real estate services. MTS Policy No. 52 (Procurement of Goods and Services) gives the CEO the authority to enter into contracts up to \$100,000 on behalf of MTS. This work order amendment would add an additional work order capacity of \$100,000 as outlined in the attached amendment (Attachment A).

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft Work Order No. 13.01.02 to MTS Doc. No. G1496.0-13 (w/o attachments)

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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.



DRAFT

Att. A, AI 9, 12/12/13

MTS Doc No. G1496.0-13
WO 13.01.02

December 12, 2013

Mr. Jeff Funk
Contract Project Manager
RailPros, Inc.
401 B Street, Suite 302
San Diego, CA 92101

Dear Mr. Funk:

Subject: AMENDMENT NO. 2 TO MTS DOC. NO. G1496.0-13, WORK ORDER 13.01,
GENERAL ENGINEERING AND REAL ESTATE SERVICES FOR MTS
RIGHT-OF-ENTRY PERMITS AND RIGHT-OF-WAY ISSUES

This letter shall serve as our agreement for professional services under the General Engineering Consultant Agreement, as further described below.

SCOPE OF SERVICES

Provide general engineering and real estate services for the technical review and permit compliance coordination of right-of-entry permits and for related right-of-way issues in accordance with the attached Scope of Services (Attachments A and B).

SCHEDULE

Amendment No. 2 will not change the original schedule. The Scope of Services, as described above, shall remain through May 30, 2019, if all of the options to the master contract are exercised.

PAYMENT

Payment shall be based on actual costs. The original Work Order amount was \$25,000 and the value of Amendment 1 was \$75,000 for a combined value of \$100,000. Amendment 2 shall increase the Work Order amount by \$100,000 for a new Work Order total not to exceed \$200,000 without prior authorization.

Sincerely,

Accepted:

Paul C. Jablonski
Chief Executive Officer

Jeff Funk
RailPros, Inc.

Date: _____

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San Diego, CA 92101-7490
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Agenda Item No. 10

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

DRUG AND ALCOHOL COLLECTION, TESTING, AND ADMINISTRATION SERVICES
– CONTRACT AWARD

RECOMMENDATION:

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

1. execute MTS Doc. No. G1550.0-13 (in substantially the same format as Attachment A) with Drug Testing Network, Inc., for the provision of drug and alcohol collection, testing, and administration services for a two-year base period with 3 one-year optional terms, exercisable at MTS's sole determination, for a total of five years; and
2. exercise each option year at the CEO's discretion.

Budget Impact

The total cost of this agreement would not exceed \$487,336.75 (as follows):

Base Year 1	\$ 97,467.35
Base Year 2	\$ 97,467.35
Option Year 1	\$ 97,467.35
Option Year 2	\$ 97,467.35
Option Year 3	\$ 97,467.35
Total	\$487,336.75

Funding would be covered under budget account numbers 711-53410 and 711-53420.



DISCUSSION:

MTS Policy No. 52 governing the acquisition of goods and services requires a formal competitive process for procurements exceeding \$100,000. On August 27, 2013, MTS released a Request for Proposals (RFP). Public announcements were made through four newspapers of general circulation and sent directly to potential proposers.

A single proposal was received from the incumbent, Drug Testing Network, Inc. on the proposal due date of October 11, 2013. To ascertain that the solicitation was properly published and to ensure that its contents were not restrictive, firms that were invited but did not propose were canvassed. The results indicated that neither the RFP nor MTS's procurement processes played a role in their decision to not respond.

Using available procurement history and pricing data from other agencies, a price analysis was held to ensure the prices tendered were fair and reasonable. Of the agencies sampled, MTS's proposed price was within the range charged to other agencies and was deemed fair and reasonable.

An evaluation committee was convened and scored the proposal on the following:

Proposer's Qualifications, Related Experience and References	35%
Staffing, Organization, and Management Plan	15%
Work Plan	25%
Cost	25%
Total	100%

Based on this initial scoring, the evaluation committee entered into negotiations with the proposer. Upon conclusion of the negotiations, the evaluation committee requested a Best and Final Offer (BAFO).

On October 30, 2013, a BAFO was received that further reduced the total amount by \$27,475 for the life of the agreement from the original \$514,811.75 to a revised \$487,336.75 or 5%.

Based on the evaluation committee's analysis of the technical proposal, its negotiations with the proposer, and evaluation of the BAFO, it was determined that Drug Testing Network, Inc.'s offer is reasonably priced and offers terms advantageous to the MTS.

Therefore, authorize the Chief Executive Officer (CEO) to:

1. execute MTS Doc. No. G1550.0-13 (in substantially the same format as Attachment A) with Drug Testing Network, Inc., for the provision of drug and alcohol collection, testing, and administration services for a two-year base period with 3 one-year optional terms, exercisable at MTS's sole determination, for a total of five years; and
2. exercise each option year at the CEO's discretion.


Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. G1550.0-13 (w/o exhibits)

DRAFT

STANDARD SERVICES AGREEMENT

G1550.0-13
 CONTRACT NUMBER
 71153410;71153420
 FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2013, 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: Drug Testing Network, Inc Address: 958 Postal Way, Suite 6-B

Form of Business: Corporation Vista, CA 92083-6935

(Corporation, partnership, sole proprietor, etc.)

Telephone: (760) 940-2015

Authorized person to sign contracts: Rene De La Cova Chief Executive Officer
 Name Title

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

Provide Drug & Alcohol Collection, Testing and Administration Services as set forth in the Scope of Work (attached as Exhibit A), Drug Testing Network, Inc.'s cost proposal (attached as Exhibit B) and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C) and Federal Requirements (attached as Exhibit D).

This contract term is for up to a five (5) year period (2-year base and three (3) one-year options exercisable at MTS's sole discretion. Base period shall be effective January 1, 2014 through December 31, 2015 and option years shall be effective January 1, 2016 through December 31, 2018. Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$194,934.70 for the base years and \$292,402.05 for the option years, for a total not to exceed \$487,336.75 without the express written consent of MTS.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
Base years (1 and 2) \$194,934.70		
Option years (3, 4 and 5) \$292,402.05		
Total \$487,336.75	71153410; 71153420	FY 14 – FY 19

\$ _____

By: _____ Date
 Chief Financial Officer

(____ total pages, each bearing contract number)

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Agenda Item No. 11

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

INDEPENDENT AUDITING SERVICES - CONTRACT AWARD

RECOMMENDATION:

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

1. execute MTS Doc. No. G1513.0-13 (in substantially the same format as Attachment A) with Pun and McGeedy, LLP for the provision of independent auditing services for a five-year base period with 3 one-year option terms (for a total of 8 years); and
2. exercise each option year at the CEO's discretion.

Budget Impact

The total cost of this agreement would not exceed \$1,752,684 (as follows):

➤	Year 1 (4/1/14 to 3/31/15)	\$ 215,000
➤	Year 2 (4/1/15 to 3/31/16)	\$ 215,000
➤	Year 3 (4/1/16 to 3/31/17)	\$ 215,000
➤	Year 4 (4/1/17 to 3/31/18)	\$ 217,151
➤	Year 5 (4/1/18 to 3/31/19)	\$ 219,322
	<u>Subtotal (Base Years)</u>	<u>\$1,081,473</u>
➤	Year 6 - Option Yr. 1 (4/1/19 to 3/31/20)	\$ 221,515
➤	Year 7 - Option Yr. 2 (4/1/20 to 3/31/21)	\$ 223,729
➤	Year 8 - Option Yr. 3 (4/1/21 to 3/31/22)	\$ 225,967
	<u>Subtotal (Option Years)</u>	<u>\$ 671,211</u>
	Total (Base + Options)	\$1,752,684

Annual costs would be funded under MTS's operating budget under Administrative Expenses account number 902-53112.



DISCUSSION:

MTS Policy No. 52 governing procurement of services requires a formal competitive-process for procurements exceeding \$100,000.

MTS is required to have its annual financial statements audited by an independent auditor and also to issue a number of Agreed-Upon Procedures Reports. Federal, state, and local funding (e.g. TransNet) is contingent upon this requirement. There are a total of 11 financial statements and Agreed-Upon Procedures Reports for MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI).

The current contract will expire on March 31, 2014. In order to continue to receive these services, a Request for Proposals (RFP) was issued to potential proposers on February 22, 2013.

On May 22, 2013, five proposals were received from the following in response to the RFP.

1. Crowe Horwath, San Diego, CA 92102
2. Mayer Hoffman McCann..., San Diego, CA 92111
3. Macias, Gini & O'Connell (MGO), San Diego, CA 92101
4. Moss Adams, San Diego, CA 92101
5. Pun & McGeady, LLP, San Diego, CA 92101

A selection committee consisting of representatives from MTS Finance and MTS Internal Auditor met and rated the proposals. The ratings were based on the following criteria:

1.	Qualifications and Project Experience of Firm or Staff	30%
2.	Contractor Responsiveness and Communication	25%
3.	Proposed Methodology and Approach to Work	25%
4.	Cost/Price	<u>20%</u>
Total		100%

Based on the evaluation panel's analysis of the technical proposal, discussions, negotiations, and evaluation of price, MTS staff has determined that Pun & McGeady, LLP's proposal is fair and reasonable and represents the best overall value for MTS.

During Best and Final Offer (BAFO), Pun & McGeady also further reduced its price proposal by \$60,909 from the original price of \$1,813,593 to a revised price of \$1,752,684, or roughly 3%. Thus, the proposed total price for this agreement would be approximately \$643,188, or 27% below MTS's current contract cost.

In Pun & McGeady's Peer Review conducted in March 2013, it was issued a "Pass" rating. The purpose of the peer review is to assure that quality control standards are being applied in conformity with the American Institute of Certified Public Accountants (AICPA) Quality Control Standards.

On October 17, 2013, the Audit Oversight Committee (AOC) voted to recommend that the Board authorize the MTS CEO to execute the contract.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to:

1. execute MTS Doc. No. G1513.0-13 (in substantially the same format as Attachment A) with Pun and McGeady, LLP for the provision of independent auditing services for a five-year base period with 3 one-year option terms (for a total of 8 years); and
2. exercise each option year at the CEO's discretion.



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. G1513.0-13
B. Cost Summary

DRAFT

STANDARD SERVICES AGREEMENT

G1513.0-13

CONTRACT NUMBER

902-53112

FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2014, 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: Pun & McGeady, LLPAddress: 6265 Greenwich Drive, Suite 220Form of Business: Partnership (Limited)
(Corporation, partnership, sole proprietor, etc.)San Diego, CA 92122Telephone: 858.242.5100Authorized person to sign contracts: Kenneth H. Pun
NameManaging Partner
Title

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

Provide independent auditing services as set forth in the MTS Scope of Work (attached as Exhibit A), Pun & McGeady, LLP's Proposal dated August 15, 2013 (attached as Exhibit B), in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C).

The contract term is for up to an 8-year period (5-year base with three 1-year options exercisable at MTS's sole discretion). Base period shall be effective April 1, 2014, through March 31, 2019, and Option Years I, II and III shall be effective April 1, 2019, through March 31, 2022. Payment terms shall be net 30 days from invoice date.

The total contract cost shall be \$1,081,473 for the base period and \$671,211 for the option years for a total of \$1,752,684.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer		Firm: _____
Approved as to form:		By: _____
By: _____ Office of General Counsel		Signature
		Title: _____
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$1,081,473 – Base Period		
\$ 671,211 – Option Years I, II & III		
\$1,752,684 – Total	902-53112	FYs 14-22

By: _____
Chief Financial Officer

Date _____

(____ total pages, each bearing contract number)



Metropolitan Transit System

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**INDEPENDENT AUDITING SERVICES RFP
MTS DOC. NO. G1513.0-13**

COST SUMMARY

FIRM/PROPOSER	COST
PUN & MCGEADY, LLP	\$1,752,684
MAYER HOFFMAN MCCANN	\$2,092,837
MGO CERTIFIED PUBLIC ACCOUNTANTS	\$2,128,000
MOSS ADAMS, LLP	\$2,251,321
CROWE HORWATH, LLP	\$2,440,000

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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. **B-1**

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Agenda Item No. 12

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

ACTUARIAL SERVICES FOR THE SAN DIEGO TRANSIT CORPORATION (SDTC)
PENSION PLAN – CONTRACT AWARD

RECOMMENDATION:

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

1. execute MTS Doc. No. G1650.0-14 (in substantially the same format as Attachment A) with Cheiron for the provision of actuarial services for the SDTC pension plan for a five-year base period and 5 one-year optional terms exercisable at MTS's sole determination; and
2. exercise each option year at the CEO's discretion.

Budget Impact

The total cost of this agreement would not exceed \$546,800 (as follows):

Base Year 1	\$42,500	Option Year 1*	\$74,300
Base Year 2*	\$68,200	Option Year 2	\$47,700
Base Year 3	\$44,500	Option Year 3	\$48,900
Base Year 4	\$44,800	Option Year 4	\$50,300
Base Year 5	\$46,100	Option Year 5*	\$79,500
Sub-Total (Base years)	\$246,100	Sub-Total (Option Years)	\$300,700

Total (Base + Option Years) \$546,800

**Denotes years that include Actuarial Experience Studies costs*

Funding would be covered annually under account number 902-53910.



DISCUSSION:

MTS Policy No. 52 governing the acquisition of goods and services requires a formal competitive process for procurements exceeding \$100,000.

On September 17, 2013, MTS released a Request for Proposals (RFP). On October 22, 2013 four proposals were received from the proposers listed below. All were deemed responsive and responsible:

- a) Bartel Associates LLC
- b) Cheiron
- c) Milliman, Inc.
- d) Segal Consulting

An evaluation committee scored the proposals on the following:

Qualifications of the Firm or Individual	10%
Staffing, Organization, and Management Plan	30%
Work Plan	30%
Cost	30%
Total	100%

(Attachment B contains the summary of proposed costs from all proposers.)

Based on the evaluation committee's analysis of the technical proposals, discussions, negotiations, and evaluation of proposed price, including the Best and Final Offer (BAFO), Cheiron represented the best value to MTS.

On October 31, 2013, Cheiron further reduced its total proposed price by an additional \$123,700.00 for the life of the agreement from the original \$670,500.00 to \$546,800.00, or 18.5%.

Therefore, staff recommends that the Board of Directors authorize the Chief Executive Officer (CEO) to

1. execute MTS Doc. No. G1650.0-14 (in substantially the same format as Attachment A) with Cheiron for the provision of actuarial services for the SDTC pension plan for a five-year base period and 5 one-year optional terms exercisable at MTS's sole determination; and
2. exercise each option year at the CEO's discretion.



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. No. G1650.0-14 (w/o exhibits)
B. Cost Comparisons

DRAFT**STANDARD SERVICES AGREEMENT**

G1650.0-14
CONTRACT NUMBER
902-53910
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2013, 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: Cheiron Address: 1532 East McGraw Street

Form of Business: Corporation Seattle, WA 98112
 (Corporation, partnership, sole proprietor, etc.)

Telephone: 877-243-4766, ext. 1138

Authorized person to sign contracts: Robert McCrory Principal Consulting Actuary
 Name Title

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

Provide Actuarial Services for the SDTC Pension Plan as set forth in the Scope of Work (attached as Exhibit A), Cheiron's cost proposal (attached as Exhibit B) and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C) and Federal Requirements (attached as Exhibit D).

This contract term is for up to a five (5)-year base period and five (5) 1-year option terms, exercisable at MTS's sole discretion, for a total of ten years. Base period shall be effective January 1, 2014 through December 31, 2018 and option years shall be effective January 1, 2019 through December 31, 2023.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$246,100 for the base years and \$300,700 for the option years, for a total not to exceed \$546,800 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION	
By: _____ Chief Executive Officer		Firm: _____	
Approved as to form:		By: _____	
By: _____ Office of General Counsel		Signature	
		Title: _____	
AMOUNT ENCUMBERED		BUDGET ITEM	FISCAL YEAR
Base years (1 through 5)	\$246,100		
Option years (6 through 10)	\$300,700		
Total	\$546,800	902-53910	FY 14 - FY 23

\$ _____

By: _____ Date _____
 Chief Financial Officer

(____ total pages, each bearing contract number)

A-1

COST COMPARISON

Att. B, AI 12, 12/12/13

INITIAL PROPOSAL

BEST & FINAL OFFER (BAFO)

Firm	Bartel Associates	Cheiron	Segal	Milliman
Base Years	\$ 215,802.00	\$ 292,700.00	\$ 363,300.00	\$ 438,000.00
Option years	\$ 269,200.00	\$ 377,800.00	\$ 468,600.00	\$ 442,500.00
Total	\$ 485,002.00	\$ 670,500.00	\$ 831,900.00	\$ 880,500.00

Cheiron
\$246,100.00
\$300,700.00
\$546,800.00



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Agenda Item No. 13

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

RAILROAD BRIDGE INSPECTION SERVICES - CONTRACT AWARD

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL147.0-13 (in substantially the same format as Attachment A) with J.L. Patterson for the provision of railroad bridge inspection services for five years (beginning on February 1, 2014, and ending on January 31, 2019).

Budget Impact

The total cost of this engagement would not exceed \$665,462.00 (as follows):

➤	Year 1 (February 1, 2014 - January 31, 2015)	\$ 122,862.00
➤	Year 2 (February 1, 2015 - January 31, 2016)	\$ 127,777.00
➤	Year 3 (February 1, 2016 - January 31, 2017)	\$ 132,888.00
➤	Year 4 (February 1, 2017 - January 31, 2018)	\$ 138,203.00
➤	Year 5 (February 1, 2018 - January 31, 2019)	\$ 143,742.00
	Total	\$ 665,462.00

This procurement would be funded annually under MTS Rail Operations Account No. 371-53710.



DISCUSSION:

MTS Policy No. 52 governing procurement of services requires a formal competitive process for procurements exceeding \$100,000. In accordance with FTA Circular 4220.1F, a cost analysis is required when only a single responsive proposal is received for any type of formal procurements.

In March 2010, the Federal Railroad Administration (FRA) mandated in 49 CFR Part 237 that all rail operators to conduct bridge inspections. In response, MTS now performs in-depth bridge inspections and evaluations every 12 months. MTS conducts bridge inspections on a total of 53 significant bridge structures each year on its Blue, Orange, and Green Lines.

On July 29, 2013, staff released a Request for Proposals (RFP) for bridge inspections. On September 23, 2013, one proposal was received from J.L. Patterson. Staff performed a review and the proposal was determined responsive and responsible. An evaluation committee of staff from various MTS/Trolley departments met and rated the proposal. The ratings were based on the following criteria:

1.	Company Background and Technical Experience	25%
2.	Proposed Staffing, Firm Organization & Management Plan	25%
3.	Work Plan and Equipment	25%
4.	Cost/Price	25%
		<u>25%</u>
		Total 100%

The proposed contract will require inspection of the bridges to be done during normal operating and nonoperating hours between 12:00 a.m. and 5:00 a.m. The inspections will also require the contractor to work around active freight operations during these hours.

The evaluation team analyzed the technical proposal, held discussions and negotiations, and evaluated price proposals and concluded that J.L. Patterson's proposal presents the best value to MTS.

Therefore, staff recommends that the Board authorize the CEO to execute MTS Doc. No. PWL147.0-13 (in substantially the same format as Attachment A) with J.L. Patterson for the provision of railroad bridge inspection services for five-years (beginning on February 1, 2014, and ending on January 31, 2019).



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. PWL147.0-13 (w/o exhibits)
B. Cost Summary

DRAFT

STANDARD SERVICES AGREEMENT
FOR
RAIL ROAD BRIDGE INSPECTION SERVICES

<u>PWL147.0-13</u> CONTRACT NUMBER
<u>OPS 970.2</u> FILE/PO NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2014, 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: Rail Road Bridge Inspection Services Address: 725 Town & Country Road Ste. 300
 Form of Business: Corporation Orange, California 92868
 (Corporation, Partnership, Sole Proprietor, etc.) Telephone: 714 835-6355

Authorized person to sign contracts: Jacqueline L. Patterson President
 Name Title

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

Railroad Bridge Inspection Services, as specified in the Technical Specifications (attached as Exhibit A), the Cost Proposal (attached as Exhibit B), and the Standard Conditions Services (attached as Exhibit C), and the Federal Requirements (attached as Exhibit D). Prevailing Wage Requirements (attached as Exhibit E).

The contract term is for five (5) year period and shall be effective February 2, 2014, through January 31, 2019. Payment terms shall be net 30 days from invoice date.

The total amount of this contract shall not exceed \$665,462.00 including all applicable sales taxes and mobilization and transportation costs.

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>\$ 665,462.00</u>	<u>371-53710</u>	<u>FY14- FY 19</u>

By: _____
Chief Financial Officer

(_____ total pages, each bearing contract number)



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

COST SUMMARY

RAILROAD BRIDGE INSPECTION SERVICES MTS DOC. NO. PWL147.0-13

BRIDGE INSPECTION SERVICES	J.L. PATTERSON	MTS
<i>COST PROPOSAL</i>	\$ 665,462.00	N/A
<i>IN-HOUSE ENGINEERS ESTIMATE</i>	N/A	\$ 887,852.35

The difference between J.L. Patterson Cost Proposal and MTS's engineer's estimate is 25% percent lower by comparison.



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.

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Agenda Item No. 14

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

RTMS RADIO TOWER AT MT. SOLEDAD SIGNAL STATION, NAVAL BASE POINT
LOMA – SITE LEASE AMENDMENT

RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0513.2-09 (in substantially the same format as Attachment A) with the Department of the Navy to continue the lease of MTS's Mt. Soledad Signal Station site for five years.

Budget Impact

The total cost of this amendment would not exceed \$225,270.79 (as follows).

Administrative Cost	\$3,700.00
Year 1	\$41,733.87
Year 2	\$42,985.89
Year 3	\$44,275.46
Year 4	\$45,603.73
Year 5	\$46,971.84
Total	\$225,270.79

Funding would be covered in the Bus Operations' annual budget under Account Number 202-59610.



DISCUSSION:

MTS uses the Regional Transit Management System (RTMS) to track and communicate with its buses, maintenance vehicles, relief cars, and supervisor vehicles. As part of the RTMS system, MTS has a radio system which consists of five towers throughout San Diego County. The agency leases space on existing towers in order to house the radio transmitting and receiving equipment that provides effective radio coverage throughout its service area.

One of the towers is at Mt. Soledad Signal Station, which is under the control of the Department of the Navy, Naval Base Point Loma. MTS entered into agreement MTS Doc. No. B0513.0-09 on January 15, 2009, to lease space on the Mt. Soledad tower for five years through January 14, 2014. In order to continue operations with full radio coverage, this amendment extends the lease for an additional five years effective January 15, 2014. Based on prior procurement history, the price proposed for this extension is deemed fair and reasonable.

Therefore, staff recommends that the Executive Committee forward a recommendation to the Board of Directors to authorize the CEO to execute MTS Doc. No. B0513.2-09 (in substantially the same format as Attachment A) with the Department of the Navy to continue the lease of MTS's Mt. Soledad Signal Station site for five years.



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Department of the Navy (MTS Doc. No. B0513.2-09)
B. Memo to Procurement File dated 11/25/13

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

1. CONTRACT ID CODE
N6247309RP00005PAGE OF PAGES
1 | 12. AMENDMENT/MODIFICATION NO.
TWO (2)3. EFFECTIVE DATE
14 JANUARY 2014

4. REQUISITION/PURCHASE REQ. NO.

5. PROJECT NO. (if applicable)

6. ISSUED BY

CODE

GRUV00.TR

7. ADMINISTERED BY (If other than Item 6)

CODE

NAVAL FACILITIES ENGINEERING CMD SW
ASSET MANAGEMENT
ATTN: REAL ESTATE DEPT
1220 PACIFIC HIGHWAY
SAN DIEGO, CA 92132-5190

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county State and ZIP Code)

METROPOLITAN TRANSIT SYSTEM
1255 IMPERIAL AVENUE, SUITE 1000
SAN DIEGO, CA 92101-7490

EXP: 14 JANUARY 2019

9A. AMENDMENT OF SOLICITATION NO.

9B. DATED (SEE ITEM 11)

10A. MODIFICATION OF CONTRACT/ORDER NO.
N6247309RP00005

10B. DATED (SEE ITEM 13)

CODE NBPL

FACILITY CODE N63406

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

☐ The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers ☐ is extended, ☐ is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference of the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS,
IT MODIFIED THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDERED IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(b).

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

☒ D. OTHER (Specify type of modification and authority)
BY MUTUAL AGREEMENT OF BOTH PARTIESE. IMPORTANT: Contractor ☐ is not, ☒ is required to sign this document and return 3 copies to the issuing office.

14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible)

THIS MODIFICATION MAKES THE FOLLOWING CHANGES:

1. UNDER THE PROVISIONS OF THE LEASE, MTS IS EXERCISING THE OPTION TO EXTEND THE LEASE FOR AN ADDITIONAL FIVE (5)-YEAR PERIOD, BEGINNING 15 JANUARY 2014.

2. ARTICLE 3, OF THE LEASE, "CONSIDERATION" IS HEREBY AMENDED BY REPLACING THE "RENT SCHEDULE" WITH THE FOLLOWING:

Year 1, 2014: \$41,733.87 Year 2, 2015: \$42,985.89 Year 3, 2016: \$44,275.46 Year 4, 2017: \$45,603.73 Year 5, 2018: \$46,971.84

3. REPLACE "RENT CHECK SHALL BE MADE PAYABLE TO 'The Treasurer of the United States'" WITH "RENT CHECK SHALL BE MADE PAYABLE TO 'DISBURSING OFFICER, DFAS-CL'".

4. ALL OTHER TERMS AND CONDITIONS OF THE LEASE REMAIN UNCHANGED.

Except as provided herein, all terms and conditions of the document referenced in Item 19A or 10A, as heretofore changed, remains unchanged and in full force and effect

15A. NAME AND TITLE OF SIGNER (Type or print)

16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)

GREG MAGNUSON, Real Estate Contracting Officer

15B. CONTRACTOR/OFFEROR

15C. DATE SIGNED

16B. UNITED STATES OF AMERICA

16C. DATE SIGNED

BY

(Signature of Person Authorized to Sign)

BY

(Signature of Contracting Officer)

1255 Imperial Ave., Suite 1000
San Diego, CA 92101
619.231.1466 FAX 619.696.7084

To: Procurement File
From: Devin Braun, Project Manager; Diana Singleton, Contract Officer
Date: November 25, 2013
Subject: Lease Agreement for Radio Tower at Mt. Soledad Signal Station, Naval Base Point
Loma for the Regional Transit Management System (RTMS) Project
MTS Doc. No. B0513.2-09 (Amendment 2)

BACKGROUND:

MTS uses RTMS to track and communicate with its buses, maintenance vehicles, relief cars, and supervisor vehicles. As part of RTMS, MTS has a radio system which consists of five towers throughout San Diego County. MTS leases space on existing towers to house the radio transmitting and receiving equipment that provides effective radio coverage throughout its service area.

One of the towers is at Mt. Soledad Signal Station, which is under the control of the Department of the Navy, Naval Base Point Loma. MTS entered into contract MTS Doc. No. B0513.0-09 on January 15, 2009 to lease the space for five years through January 15, 2014.

In order to continue operations with full radio coverage, the renewal of the lease is necessary. Under MTS Doc. No. B0513.0-09, Article 2 – Term, under the discretion of the Department of the Navy, the lease may be extended for three (3) additional terms of five (5) years each. This Amendment 2 will be the first extension. (Amendment 1 issued in October 1, 2009 was a no-cost amendment to reflect language change in the supplier of utilities and maintenance from Space and Naval Warfare Systems Center, San Diego to the lease being governed by Naval Base Point Loma.)

COST JUSTIFICATION:

Under MTS Doc. No. B0513.0-09, Article 3 – Consideration, the rent increase shall increase each year thereafter by 3% starting with \$36,000 for year 1 (2009). Therefore the renewal also has the same cost structure of 3% annual escalation increases.

In addition, separate non-negotiable administrative fees of \$3,700 payable to the Department of the Navy for processing of the amendment are as shown below.

1. \$1,500 (Real Estate Contracting Officer administrative charges)
2. \$1,000 (NEPA actions and updated memo to file for the Environmental Condition of Property)
3. \$1,200 (Appraisal fees)

A \$3,700 check will be made payable to DFAS-CL, US Treasury for the administrative costs to exercise the 5 year renewal option.

B-1



CURRENT LEASE (WITH 3 % ESCALATION EACH YEAR):

Year 1	Year 2	Year 3	Year 4	Year 5
2009	2010	2011	2012	2013
\$36,000.00	\$37,080.00	\$38,192.40	\$39,338.17	\$40,518.32

RENEWAL TERM (WITH 3 % ESCALATION EACH YEAR):

Year 6	Year 7	Year 8	Year 9	Year 10
2014	2015	2016	2017	2018
\$41,733.87	\$42,985.89	\$44,275.46	\$45,603.73	\$46,971.84

The total cost of this amendment is a not-to-exceed \$225,270.79 for appraisal administrative costs of \$3,700 and \$221,570.79 for years 6 through 10.

CONCLUSION

Due to the critical nature of the Mt. Soledad Signal Station for regular MTS operations, staff recommends that the lease of the space on the radio tower be renewed for an additional five years.



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Agenda Item No. 30

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

SAN DIEGO TRANSIT CORPORATION EMPLOYEE RETIREMENT PLAN'S
ACTUARIAL VALUATION AS OF JULY 1, 2013 (ROBERT MCCRORY OF CHEIRON
INC. AND LARRY MARINESI)

RECOMMENDATION:

That the Board of Directors receive the San Diego Transit Corporation (SDTC) Employee Retirement Plan's actuarial valuation as of July 1, 2013 (Attachment A), and adopt the pension contribution rate of 39.147 percent for SDTC's pension plans in fiscal year 2015.

Budget Impact

Board adoption of the pension contribution rate of 39.147 percent would result in an annual pension contribution of approximately \$12,804,000.

Recommendation by the Executive Committee

At its meeting on December 5, 2013, the Executive Committee recommended forwarding this agenda item to the Board of Directors for approval.

DISCUSSION:

The actuarial valuation of the Retirement Plans of SDTC as of July 1, 2013, has recently been completed. The entire report is in Attachment A. The purpose of the actuarial valuation is to compute the annual pension contribution rate and to provide disclosures necessary for Governmental Accounting Standards Board (GASB) Statement No. 25.

This valuation was completed November 26, 2013, by Cheiron, Inc. and has produced an increase in the recommended contribution rate. The previous valuation (July 1, 2012) recommended a contribution rate of 36.106 percent of covered payroll. The July 1, 2013,

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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.



valuation recommends a 39.147 percent contribution rate. This contribution rate would be used for fiscal year 2015 budget year.

There are many factors that have an effect on the annual contribution rate. These factors include changes such as demographic and salary experience as well as investment gains/losses. The plan's actuarial experience during fiscal year 2013 resulted in a 0.664 percent increase in the cost as a percent of payroll, the investment experience resulted in an increase of 2.233 percent primarily due to the final recognition of prior investment losses from fiscal year 2009, and other adjustments totaled 0.144%.

The following table details how the cost of the plan has changed since the last actuarial valuation:

	<u>Cost in Dollars</u>	<u>Cost as % of Payroll</u>
July 1, 2012	\$12,056,945	36.106%
Change in cost due to demographic and salary experience	78,443	0.664%
Expected change in cost based on prior valuation and deferred investment gains and losses	781,843	2.369%
Changes in cost due to investment experience from July 1, 2012 through June 30, 2013	(44,741)	(0.136%)
Changes in cost due to changes in actuarial software with merger of EFI and Cheiron	(68,483)	0.144%
July 1, 2013	\$12,804,007	39.147%

Bob McCrory of Cheiron, Inc. will provide an overview of the report in more detail and be available for any questions.

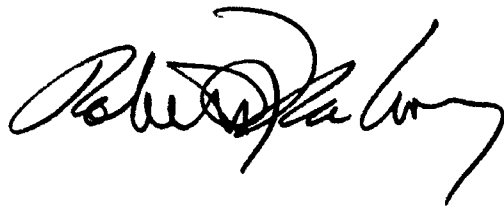

Paul G. Jablonski
Chief Executive Officer

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

Attachment: A. Actuarial Report (Board Only Due to Volume)

Retirement Plans of San Diego Transit Corporation

**Actuarial
Review and
Analysis as of
July 1, 2013**



Robert T. McCrory, FSA



David Holland, FSA

Prepared November 26, 2013



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Summary of Results

Executive Summary

This actuarial review and analysis of the Retirement Plans of San Diego Transit Corporation (the Plan, the Corporation) as of July 1, 2013 has produced an increase in recommended contributions. Actuarial experience during the year 2012-13 Plan year was about neutral in aggregate; however, recognition of prior investment losses (especially fiscal year 2009) continues to put upward pressure on the contribution rates.

A comparative summary of the current status of the Plan as a whole is as follows. Note that the total contribution – employer and employee – is shown in dollars and as a percent of Plan member payroll (not including payroll for employees hired into the DC plan). The employer contribution is this total, reduced by member contributions actually received.

	July 1, 2012	July 1, 2013
Plan Membership		
Active	763	722
Inactive	244	239
Receiving Benefits	<u>805</u>	<u>827</u>
Total	1,812	1,788
Average Valuation Salary	\$ 46,576	\$ 48,712
Assets (\$ millions)		
Market Value (MVA)	\$ 139.9	\$ 148.6
Valuation Assets (AVA)	\$ 147.8	\$ 148.5
Valuation Results (\$ millions)		
Actuarial Liability (AL)	\$ 235.4	\$ 241.3
Unfunded Actuarial Liability	87.6	92.9
Funding Ratio (AVA/AL)	62.8%	61.5%
Funding Ratio (MVA/AL)	59.4%	61.6%
Contributions (\$ millions)		
Total Normal Cost	\$ 3.9	\$ 3.9
Total Contribution	\$ 12.1	\$ 12.8
Total Contribution as a percentage of payroll	36.106%	39.147%

Purpose of the Report

This Report presents the results of an actuarial review of the Retirement Plans of San Diego Transit Corporation as of July 1, 2013. The purposes of this review are:

- To compute the annual contribution required for the 2014-15 fiscal year to fund the Plan in accordance with actuarial principles, and
- To present those items required for disclosure under Statement No. 25 of the Governmental Accounting Standards Board (GASB).

Organization of the Report

This Report is organized in six sections:

- This Summary of Results presents the conclusions of the Report and discusses the reasons for changes since the last review.
- Section 1 below contains an outline of the Plan provisions on which our calculations are based, statistical data concerning Plan participants, and a summary of the actuarial assumptions employed to compute liabilities and costs.
- Section 2 presents information concerning Plan assets, including an income statement from July 1, 2012 to June 30, 2013.
- Section 3 contains the actuarial calculation of liabilities and Plan cost.
- Section 4 contains pension plan information required under Statement No. 25 of the Governmental Accounting Standards Board.
- Two appendices contain detailed demographic information (Appendix I) and tables used to compute benefits for current Plan members (Appendix II).

Change in Plan Cost from July 1, 2012 to July 1, 2013

The table below shows how the cost of the Plan has changed since the last actuarial review.

	Cost in Dollars	Cost as % of Payroll
July 1, 2012 (Section 3.1, Column 1)	\$ 12,056,945	36.106%
Change in cost due to demographic and salary experience	78,443	0.664%
Expected change in cost based on prior valuation and deferred investment gains/losses	781,843	2.369%
Change in cost due to investment experience from July 1, 2012 through June 30, 2013	(44,741)	(0.136%)
Change in cost due to changes in actuarial software with merger of EFI and Cheiron	(68,483)	0.144%
July 1, 2013 (Total employee + employer) (Section 3.1, Column 2)	12,804,007	39.147%

The percentage of payroll cost shown above is based on a member payroll of \$32.7 million projected for the 2013-14 fiscal year. As discussed earlier, this figure is based only on payroll for members participating in the Plan. The actual total employer and employee contribution will be based on the rates shown above multiplied by actual payroll, so the amount may differ from the amount in the table.

The computations of Plan liabilities and cost are based on the Plan provisions and on the actuarial assumptions as of July 1, 2013. To the best of our knowledge, as of July 1, 2013 there have been only minor changes in the Plan provisions since the July 1, 2012 valuation. However, future changes in the Plan due to collective bargaining and stemming from the passage of the Public Employees' Pension Plan Reform Act (PEPRA, AB 340) may significantly change the nature of future benefit payments to Plan members.

We have computed the cost of the Plan using an asset smoothing method to reduce contribution volatility. The smoothing method spreads investment gains and losses over five years. The resulting Actuarial Value of Assets is constrained to remain within 20% of the market value. If the Plan cost had been computed based on the market value of assets as of June 30, 2013, the Corporation contribution would have been about the same, since as of July 1, 2013 market value and actuarial value of assets are nearly identical.

Current Plan provisions are outlined in Section 1.1. The changes in Plan provisions resulting from PEPRA and collective bargaining are highlighted in yellow. A summary of actuarial methods and assumptions is presented in Section 1.3, and the computation of the Actuarial Value of Assets is shown in Section 2.2.

In reviewing the experience of the past year, we can see that it is dominated by investments and by the closure of the Plan to most new hires. Overall, Plan cost increased by about \$750,000, almost all of which was due to a combination of the continued recognition of 2008-09 asset losses and a partially offsetting return of 9.24% on assets during the past year.

The following is a more detailed analysis of the changes in Plan cost since July 1, 2012.

- Demographic changes caused cost to increase as a percentage of payroll.

The demographic experience of the Plan from July 1, 2012 to June 30, 2013 – rates of retirement, death, disability, and termination, and the replacement of terminating members with new hires – resulted in an increase in the cost of the Plan of 0.66% of pay, or \$78,000.

The closure of the Plan to most new entrants – in particular, ATU, IBEW, and clerical members – resulted in an increase in Plan cost as a percentage of pay. As members retire or otherwise leave the Plan, they are no longer being replaced by new members, and the active payroll decreases. Since all Plan normal costs and the unfunded liability is paid as a percentage of active payroll, a declining payroll causes Plan cost to increase as a percentage of pay. This effect is particularly strong in a Plan with a comparatively low funded ratio, which is the case for the SDTC Plan.

As the active workforce shrinks, Plan costs will continue to increase as a percentage of pay, at least until the Plan achieves full funding.

- Past investment losses continue to be recognized.

There was a significant increase in Plan cost due to the scheduled recognition of one fifth of the fiscal 2009 investment losses. This factor alone produced an increase in the contribution rate of about 2.4% of payroll, which is roughly \$780,000. With the July 1, 2013 valuation, the fiscal 2009 losses have now been recognized completely in the smoothed assets and Plan cost.

- Investment returns were higher than the actuarial assumption.

As detailed in Section 2.1, the return on Plan assets on a market value basis was approximately 9.2% during the 2012-13 fiscal year, or about 1.7% above the 7.5% assumed return. This gain is recognized gradually, one-fifth immediately, and four-fifths deferred for recognition over the next four years, in accordance with the actuarial smoothing method, designed to reduce cost volatility.

This investment gain and partial recognition of such caused a cost decrease of 0.14% of pay, or about \$45,000.

- EFI Actuaries has been acquired by Cheiron, Inc., which uses different software for computing actuarial liabilities and costs.

The EFI and Cheiron software were in nearly perfect agreement, with liabilities within 0.5%; the cost as a percentage of pay is 39.147%, which is within 2% (relative) of the figure based on the EFI software.

We recommend using the cost produced by the Cheiron software in this and future actuarial valuations. The Cheiron package (ProVal) is the industry standard and it is in wide use throughout the actuarial profession, both within Cheiron and other firms. The transition will strengthen the institutional base of the Retirement Plan.

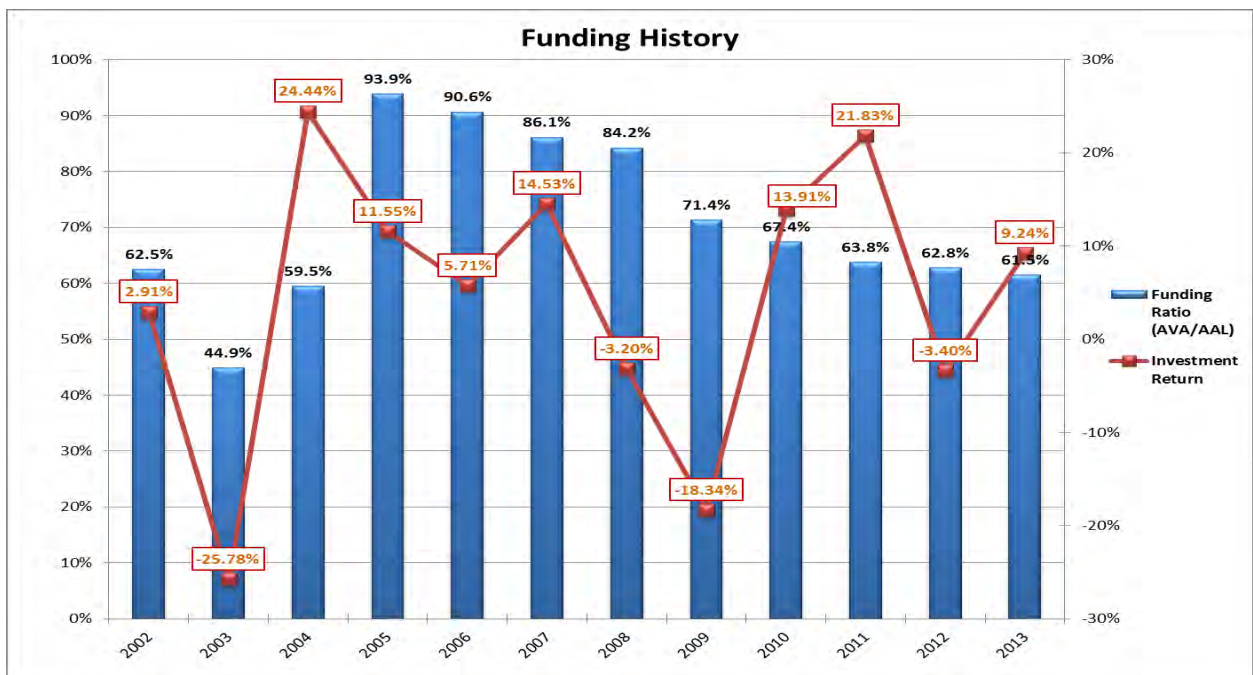
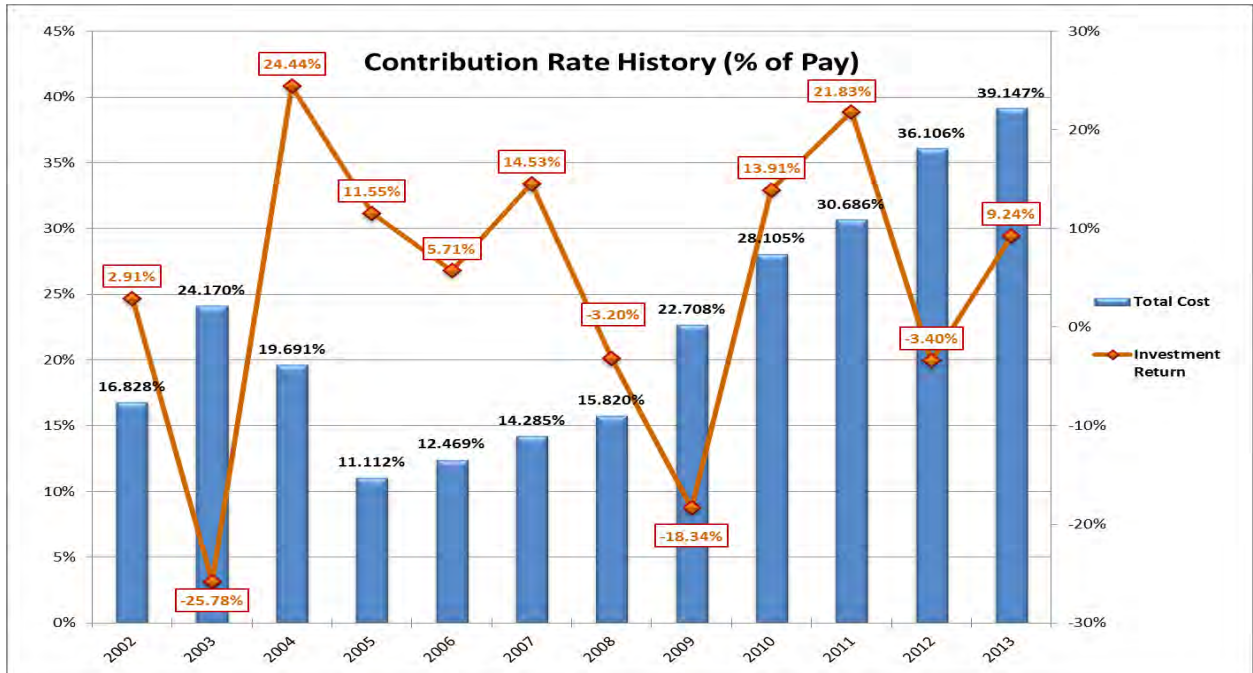
Over the past year the funded ratio declined slightly, from 63% to 62%; this funded ratio is computed using the actuarial (smoothed) value of Plan assets. The same ratio based on market value of assets rose to 62% as of July 1, 2013, primarily due to investment gains on market value during fiscal year 2012-13.

The funded ratio that would be necessary to have just enough assets in the Plan to cover inactive liabilities – those for retired, disabled, and vested terminated members and their beneficiaries – would be 63%, which is higher than the current funded ratio. This means that Plan assets do not fully cover the inactive liabilities, and as a result no assets are currently set aside to fund future benefit payments for any of the Plan's active members.

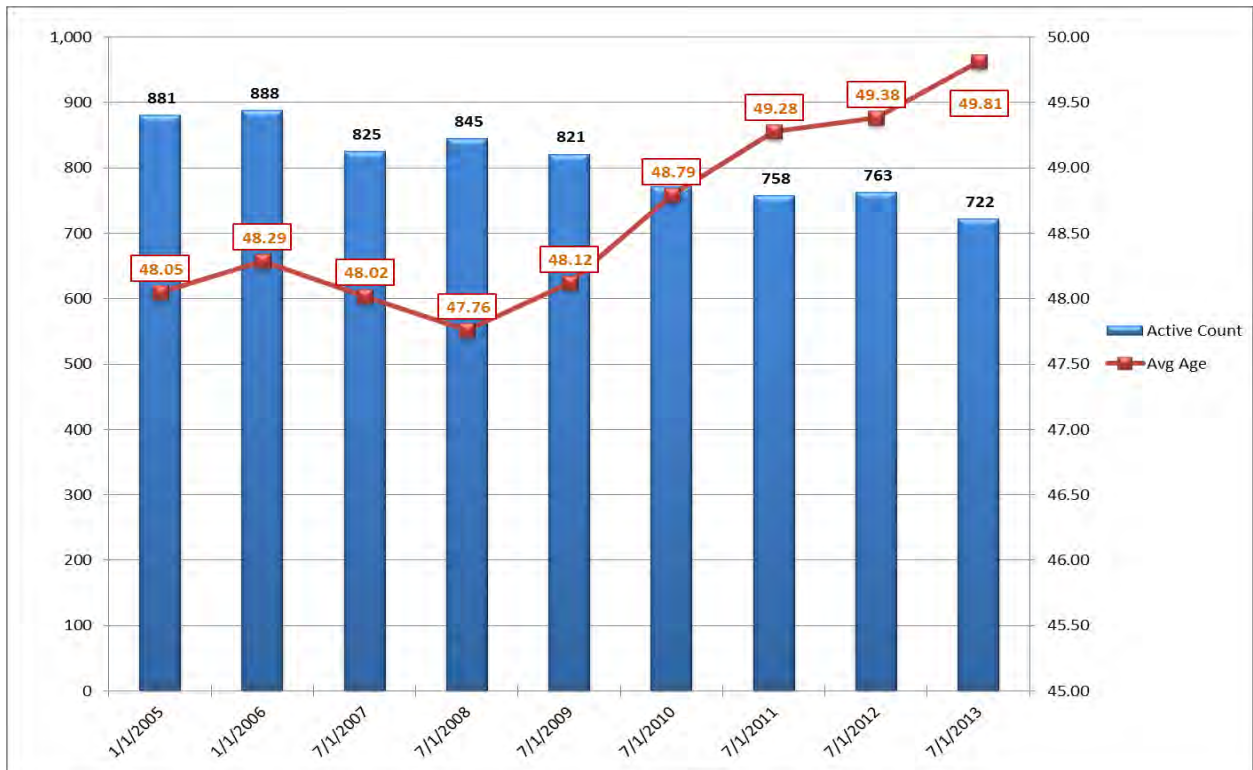
History of Plan Cost and Funding

As discussed above, the Plan cost has increased both in dollar terms and as a percentage of active members' payroll during the past year. The graphs below show the history of Plan costs and funded ratios over the past decade. The return on Plan assets is also plotted – on the right hand vertical axis – so the relationship between investment return and the Plan cost and funded ratio can be noted.

In the graphs below we observe a steady increase in cost and a decrease in the funded ratio. This occurred because the compound investment return for the 12 years graphed was just 3.36%, well below the 7.5% to 8% actuarial assumptions in those years. On average, each year witnessed a shortfall of between 4% and 4.5% when comparing actual versus expected Plan assets. These shortfalls reduce Plan funding and are made up in the form of higher Plan contributions.



Another significant factor in the increasing Plan cost has been the shrinking and aging of the covered workforce. The number and average age of Plan members is shown in the graph below.



In the above graph we see that active Plan membership has declined from 888 on January 1, 2006 to 722 at July 1, 2013, a decrease of 19%. In addition, the average age of an active member has increased by over 1.5 years. These trends can be expected to continue, as former new Plan members participate instead in the defined contribution plan.

Future Plan Costs

As noted above, a number of changes, some collectively bargained, have taken place in the Plan. Briefly, they are as follows:

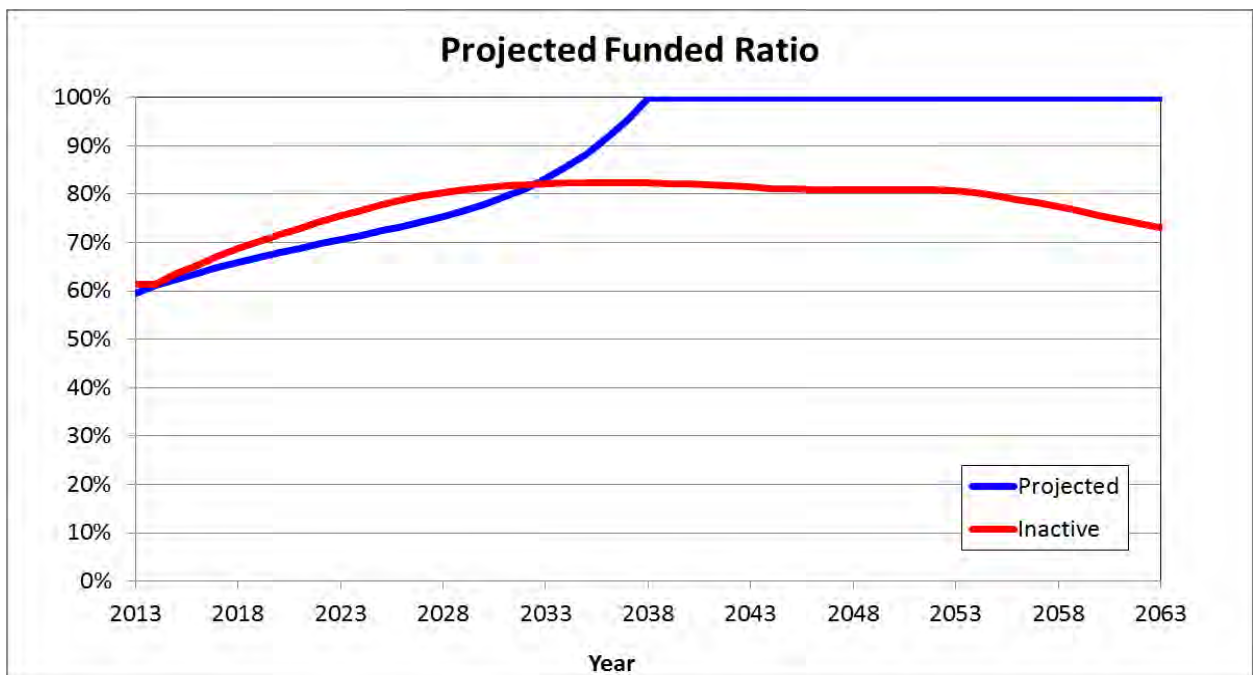
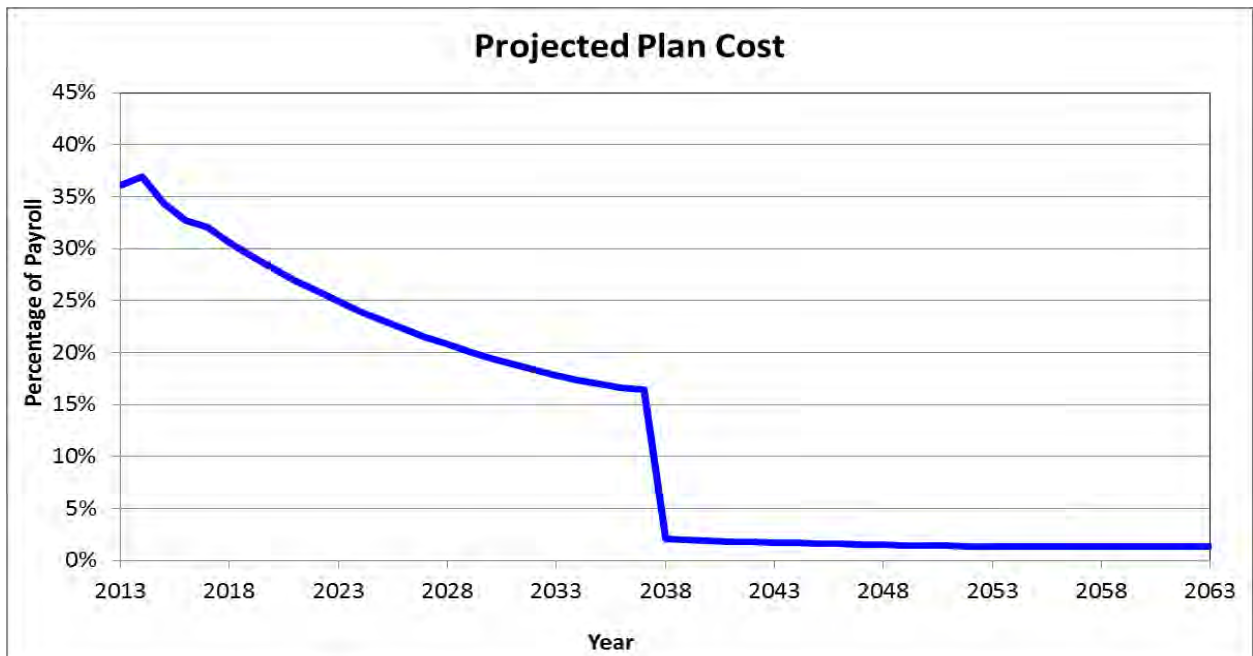
- IBEW employees hired on and after May 1, 2011 will no longer join this Plan, but will be members of a separate defined contribution 401(a) plan instead.
- ATU and clerical members hired on and after November 1, 2012 will become members of a separate defined contribution 401(a) plan, rather than this Plan.
- Non-contract members hired on or after January 1, 2013 will receive the benefits mandated by PEPRAs as passed in 2012.
- All current and future members will make contributions to the Plan.

In Section 1.1 the new Plan provisions are highlighted and described in detail.

In addition to the above changes, the California Actuarial Advisory Panel (CAAP) has developed a set of recommended funding guidelines, with a final draft issued in 2013. These Guidelines establish model

procedures for funding methods and amortization periods that are suggested – but not mandated – for California public defined benefit plans.

Assuming we were to follow the actuarial funding method and amortization policy adopted for the Plan in 2012, and all actuarial assumptions are exactly met, the following two graphs present the Plan's projected cost (as a percentage of total projected SDTC payroll, including employees hired into the DC plan) and funded ratio (based on market value).



We note in the above graphs that the projected total Plan cost – including SDTC and member contributions – declines gradually as a percentage of total SDTC payroll over the next 25 years, with a significant drop when the unfunded actuarial liability is fully amortized in 2037. This is expected, because no new ATU, IBEW, or clerical members are joining the Plan after 2012. Consequently, we have a dwindling Plan population – only non-contract members – whose pension contribution is being spread over the entire SDTC active payroll.

We note that Plan funding (the solid blue line) grows to 100% over the 25-year amortization period. Note, however, that it still takes about 20 years before assets exceed the level of the liability for inactive members, shown as the solid red line.

The analysis above is based on the assumption that Plan assets will earn the actuarial assumption, which we can say with certainty will not happen. As time progresses, investment markets will go up and down, and the behavior of Plan members will differ from our assumptions. Consequently, actuarial gains and losses will be produced, and these gains and losses will be amortized in accordance with CAAP recommendations, generally over closed 15-year periods.

Some Reminders

In reading any actuarial report, it is important to remember certain basic facts.

- Experience will differ from assumptions.

The liabilities and contributions determined in this Report are based on a set of actuarial assumptions. Despite the care and effort expended in determining the most accurate possible set of assumptions, the future experience of the Plan will certainly differ from what we assume. As a result, actuarial gains or losses will occur annually, and the employer and employee contributions will fluctuate.

- Cost consists of Normal Cost and Amortization of the Unfunded Liability

Based on the assumptions and cost method, Plan assets are currently below the target level of assets determined by the cost method; consequently, there is an unfunded actuarial liability. As a result, the required Plan contribution consists of two components: The Normal Cost and the amortization of the Unfunded Actuarial Liability (UAL).

The Normal Cost represents the cost of the additional benefits earned each year by active Plan members. The balance of the Plan contribution represents the amortization of the unfunded liability, which is a payment designed to bring the Plan's assets up to the target level set by the actuarial cost method. Currently, the amortization of UAL represents about two-thirds of the total contribution.

As the UAL is amortized, the Plan contribution will gradually decrease to a level near the Normal Cost, which itself will be changing due to recent Plan amendments, the California Public Employees' Pension Reform Act (PEPRA), and actuarial experience.

Conclusion and Actuarial Certification

In preparing our report, we relied on information (some oral and some written) supplied by the Retirement Plans of San Diego Transit Corporation. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice #23.

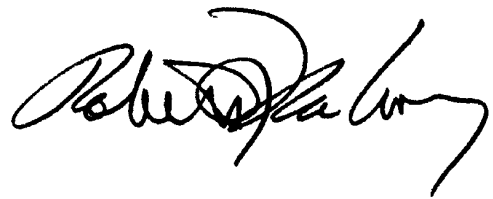
To the best of our knowledge, this Report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this Report. We believe that the actuarial methods and assumptions employed in preparing this Report are reasonable and appropriate for the purposes for which this Report was created. This Report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This Report was prepared exclusively for the Retirement Board of the Retirement Plans of San Diego Transit Corporation for the purpose described herein. This Report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Respectfully Submitted,



David Holland, FSA, MAAA
Associate Actuary



Robert T. McCrory, FSA, MAAA
Principal Consulting Actuary

Section 1:

Summary of Plan Provisions, Member Statistics, and Actuarial Assumptions

1.1: Brief Outline of Plan Provisions

Definitions

Average Monthly Final Earnings

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

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

Public Employees' Pension Reform Act (PEPRA): For Non-Contract Participants hired on and after January 1, 2013, the number of consecutive months is thirty-six (36).

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

PEPRA: It is possible that exclusions for months in which the member did not work full-time may be subject to change.

Compensation

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

PEPRA: For members joining the Plan on and after January 1, 2013, only base compensation up to the Social Security Taxable Wage Base (\$113,700 for 2013) will count for computing Plan benefits and employee contributions; in particular, all or most overtime will be excluded.

Compensation Earnable

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

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

PEPRA: For members joining the Plan on and after January 1, 2013, it is likely that some sources of compensation, such as those underlined above, may be excluded from benefit and contribution computations for these new members.

Credited Years of Service

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

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

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

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

Participation

All full-time and certain part-time IBEW employees hired prior to May 1, 2011 will become Participants on their date of hire. IBEW employees hired on and after May 1, 2011 will become members of a separate defined contribution plan and will not be members of this Plan.

All full-time and certain part-time ATU employees hired prior to November 1, 2012 will become Participants on their date of hire. ATU employees hired on and after November 1, 2012 will become members of a separate defined contribution plan and will not be members of this Plan.

All Non-Contract employees become Participants after earning one Credited Year of Service.

PEPRA: Any member joining the Plan for the first time on or after January 1, 2013 is a New Member.

Retirement Benefit

Eligibility

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

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

PEPRA: New Members are eligible to retire upon attaining age 52 and completing five or more years of service.

Benefit Amount

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

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

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

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

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

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

PEPRA: For New Members, the benefit multiplier will be 1% at age 52, increasing by 0.1% for each year of age to 2.5% at 67. In between exact ages, the multiplier will increase by 0.025% for each quarter year increase in age.

Form of Benefit

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

Because Members will be making member contributions, the Member's beneficiaries may be eligible to receive a refund of accumulated contributions that exceed the benefits paid out to the Member (if any) upon death.

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

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

Tables A-1 and A-2 for each employee group, as well as Table B, can be found in Appendix II herein.

Disability Retirement Benefit

Eligibility

A Participant is eligible for a Disability Retirement Benefit if:

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

PEPRA: The Act is silent on eligibility requirements for benefits other than retirement. For now, we will assume that the Plan's rules will continue to apply to New Members.

Benefit Amount

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

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

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

PEPRA: Note that the Disability Retirement Benefit for New Members is based on the new definition of Compensation, which is subject to a maximum and excludes overtime.

Form of Benefit

The normal form of benefit is an annuity commencing at disability and payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The Disability Retirement

Benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form for participants who have been married for at least one year. Otherwise, the normal form will be paid.

Because Members will be making member contributions, the Member's beneficiaries may be eligible to receive a refund of accumulated contributions that exceed the benefits paid out to the Member (if any) upon death.

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

Pre-Retirement Death Benefit

Eligibility

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

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

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

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

PEPRA: The Act is silent on eligibility requirements for benefits other than retirement. For now, we will assume that the Plan's rules will continue to apply to New Members.

Benefit Amount

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

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

PEPRA: Note that the Pre-Retirement Death Benefit for New Members is based on the new definition of Compensation, which is subject to a maximum and excludes overtime.

Form of Benefit

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

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

Because Members will be making member contributions, the Member's beneficiaries may be eligible to receive a refund of accumulated contributions that exceed the benefits paid out to the Member or spouse (if any) upon death.

Termination Benefit

Eligibility

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

PEPRA: The Act is silent on eligibility requirements for benefits other than retirement. For now, we will assume that New Members will vest in their accrued benefit at five years of service.

Benefit Amount

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

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

PEPRA: For New Members, the benefit multiplier will be 1% at age 52, increasing by 0.1% for each year of age to 2.5% at 67. In between exact ages, the multiplier will increase by 0.025% for each quarter year increase in age. Note also that the Termination Benefit for New Members is based on the new definition of Compensation, which is subject to a maximum and excludes overtime.

We assume a refund of Member contributions, with no interest, if termination occurs before five years of service.

Form of Benefit

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

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

Because Members will be making member contributions, the Member's beneficiaries may be eligible to receive a refund of accumulated contributions that exceed the benefits paid out to the Member (if any) upon death.

The ATU and IBEW benefits have been amended from time to time to remove the actuarial reduction in benefits for previously retired Participants whose spouses have died before them.

However, these adjustments are retroactive only, and they do not apply to benefits paid to currently active Participants.

Cost of Living Adjustments

Eligibility

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

Benefit Amount

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

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

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

Voluntary Early Retirement Program

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

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

DROP Program

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

Funding

IBEW members will contribute 2% of Compensation to the Plan. The IBEW member contribution will increase to 3% of Compensation in April, 2013.

ATU and clerical members will contribute 2% of Compensation to the Plan. The ATU and clerical member contribution will increase to 3% of Compensation in July, 2013 and to 5% in July, 2014.

Non-contract members hired before January 1, 2013 will contribute 2% of Compensation to the Plan, as reviewed and adjusted annually by the MTS Board.

PEPRA: New Members must contribute half of the normal cost of the Plan, rounded to the nearest 0.25%. The Employer pays the remaining cost of the Plan.

PEPRA: New Members must contribute half of the normal cost of the Plan, rounded to the nearest 0.25%.

The Corporation pays the actuarial cost of the Plan as reduced by Member contributions.

Changes in Plan Provisions

Member contribution rates have changed since the prior review, as noted above.

1.2: Summary of Participant Data as of July 1, 2013

Data on active and inactive Members and their beneficiaries as of the measurement date was supplied by the Plan Administrator on electronic media. Member data was neither verified nor audited. More detailed demographic information is presented in Appendix I.

Active Participants	Drivers	Mechanics	Clerical	Admin	Chula Vista	Total
Number	456	163	28	75	0	722
Average Age	50.25	47.71	47.60	52.54	N/A	49.81
Average Service	11.51	16.50	10.88	15.86	N/A	13.06
Average Pay	\$46,847	\$48,234	\$39,969	\$64,349	N/A	\$48,712

Inactive Participants	Drivers	Mechanics	Clerical	Admin	Chula Vista	Total
Service Retired						
Number	397	71	21	100	5	594
Average Age	68.83	70.04	73.21	65.81	64.72	68.59
Average Benefit	\$19,488	\$18,369	\$12,836	\$35,231	\$4,295	\$21,642
Beneficiaries						
Number	86	18	4	26	0	134
Average Age	72.99	70.93	70.79	68.90	0.00	71.85
Average Benefit	\$6,748	\$6,750	\$3,801	\$15,749	\$0	\$8,407
Disabled						
Number	83	11	3	2	0	99
Average Age	67.20	62.83	74.85	63.71	0.00	66.88
Average Benefit	\$8,913	\$13,145	\$6,101	\$8,473	\$0	\$9,289
Terminated Vested						
Number	135	52	18	26	8	239
Average Age	52.50	52.73	55.29	51.66	56.62	52.81
Average Benefit	\$7,673	\$5,583	\$6,131	\$19,925	\$2,732	\$8,270

Changes in Plan Membership

	Actives	Vested Terminated	Disabled	Retired	DROP	Beneficiaries	Total Participants
July 1, 2012	763	244	102	573	0	130	1,812
New Entrants	41	-	-	-	-	-	41
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(27)	(18)	-	45	-	2	2
Vested Terminations	(13)	13	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	(1)	(8)	-	9	0
Transfers	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	(42)	-	(2)	(16)	-	-	(60)
Beneficiary Deaths	-	-	-	-	-	(7)	(7)
Data Corrections	-	-	-	-	-	-	0
July 1, 2013	722	239	99	594	0	134	1,788

1.3: Actuarial Methods and Assumptions

Actuarial Method

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

Under this Cost Method, the Normal Cost is calculated as the amount necessary to fund Members' benefits as a level percentage of total payroll over their projected working lives. At each valuation date, the Actuarial Liability is equal to the difference between the liability for the Members' total projected benefit and the present value of future Normal Cost contributions.

As of July 1, 2012, a change to this method was made. Previously, the Normal Cost and Actuarial Liability was determined separately for each individual decrement, at each potential decrement age. This variation is known as the Entry-Age-to-Decrement method. As of July 1, 2012, the Normal Cost (and resulting Actuarial Liability) is determined as a single result: with the Normal Cost percentage equal to the total Projected Value of Benefits at Entry Age, divided by the Present Value of Future Salary at Entry Age. This variation is known as the Entry-Age-to-Final-Decrement.

The excess of the Actuarial Liability over the smoothed value of Plan assets is the Unfunded Actuarial Liability; this liability as of July 1, 2012 is amortized in level dollar payments over a 25 year period ending June 30, 2037.

Amounts may be added to or subtracted from the Unfunded Actuarial Liability due to Plan amendments, changes in actuarial assumptions, and actuarial gains and losses. Each such addition or subtraction will be amortized over a separate period, of length from five to 30 years depending on the source. The actuarial loss for the 2012-2013 Plan year has been amortized over 15 years. Though the Retirement Board may make exceptions, in general the intent is to follow the guidelines published by the California Actuarial Advisory Panel and the Government Finance Officers' Association.

The Normal Cost is determined for each member individually, based on the ratable value of each benefit expected to be accrued during the coming year. The total Normal Cost is calculated as the sum of the individual Normal Costs for all active members.

The total Plan cost is the sum of the Normal Cost and the amortization of the Unfunded Actuarial Liability. The employer is responsible for contributing the difference between the total cost and member contributions.

Actuarial Assumptions

Demographic rates were reviewed and updated based on the Actuarial Experience Study for 2006-2010.

Measurement Date	All assets and liabilities are computed as of July 1, 2013.
Rate of Return	The annual rate of return on all Plan assets is assumed to be 7.50% net of expenses.
Cost of Living	The cost of living as measured by the Consumer Price Index (CPI) is assumed to increase at the rate of 3.00% per year.
Pay for Benefits	In most cases, pay for benefits is based on each member's pay during the year preceding the measurement date. Special procedures are used in some cases, as noted below for full-time Participants.

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

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

Increases in Pay

Assumed pay increases for active Participants consist of increases due to inflation (cost of living adjustments) and those due to longevity and promotion. Based on an analysis of pay levels and service, we developed the following assumptions:

For Drivers, we assume that pay increases due to longevity and promotion will be 7.5% per year for the first nine years of service and 0.5% per year thereafter.

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

For Clerical Participants, we assume that pay increases due to longevity and promotion will be 11.0% per year for the first three years of service and 0.5% per year thereafter.

For Non-Contract Participants, we assume that pay increases due to longevity and promotion will be 9.0% per year for the first eight years of service and 0.25% thereafter.

In addition, annual adjustments in pay due to inflation will equal the CPI, for an additional annual increase of 3.0%.

Active and Retired Participant Mortality

Current rates of mortality for active and retired Drivers and Mechanics are given by the RP2000 Combined Healthy Tables set forward one year for females.

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

These rates also apply to surviving beneficiaries.

Disabled Participant Mortality

Current rates of mortality for active Drivers and Mechanics are given by the RP2000 Combined Healthy Tables set forward seven years for disabled males.

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

Mortality Improvement

No *explicit* provision for mortality improvement is included in this Study.

The mortality tables assumed for Plan funding were compared with actual experience over the years 2001 through 2010. We found that the actual number of deaths was 30% higher than the expected number for the total Plan. This means that there is a conservative *implicit* margin for future mortality improvement. Similar margins were also found when the retired population only was examined.

Disability

Among Drivers and Mechanics, 0.70% of Participants eligible for a disability benefit are assumed to become disabled each year. Disabled Participants are assumed not to return to active service.

Service Retirement

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

Age	ATU	Clerical/Non	
		IBEW	Contract
53-54	0%	0%	15%
55-58	10%	5%	15%
59	10%	10%	15%
60	15%	10%	15%
61	15%	10%	15%
62-64	30%	30%	60%
65	40%	55%	60%
66-69	30%	30%	60%
70+	100%	100%	100%

Plan Expenses

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

Family Composition

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

Employment Status

No future transfers among member groups are assumed.

Termination

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

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

Age	0-1 Years	2-3 Years	4-9 Years	10+ Years
20-24	25.0%	14.0%	8.0%	1.3%
25-29	25.0%	14.0%	8.0%	1.3%
30-34	25.0%	14.0%	8.0%	1.3%
35-39	25.0%	14.0%	8.0%	1.3%
40-44	25.0%	14.0%	8.0%	1.3%
45-49	25.0%	14.0%	8.0%	1.3%
50-54	25.0%	14.0%	8.0%	1.3%
55+	25.0%	14.0%	8.0%	0.0%

The table below shows the assumed termination rates for Non-Contract members, based on years of service.

Age	0-3 Years	4-9 Years	10+ Years
20-24	20.0%	10.0%	3.0%
25-29	20.0%	10.0%	3.0%
30-34	20.0%	10.0%	3.0%
35-39	20.0%	10.0%	3.0%
40-44	20.0%	10.0%	3.0%
45-49	20.0%	10.0%	3.0%
50-54	20.0%	10.0%	3.0%
55-59	20.0%	10.0%	3.0%
60+	0.0%	0.0%	0.0%

Termination (Continued)

The table below shows the assumed termination rates for Clerical members.

Age	Rate
20-24	25.00%
25-29	11.00%
30-34	13.00%
35-39	17.00%
40-44	12.00%
45-49	8.00%
50-52	5.00%
53-54	5.00%
55+	0.00%

Actuarial Value of Plan Assets

The Actuarial Value of Assets (AVA) is determined using an adjusted Market Value. Under this method, a preliminary AVA is determined as the Market Value of Assets on the valuation date less a decreasing fraction ($4/5$, $3/5$, $2/5$, $1/5$) of the gain or loss in each of the preceding four years. The gain or loss for a given year is the difference between the actual investment return (on a market-to-market basis) and the assumed investment return based on the Market Value of Assets at the beginning of the year and actual cash flow. The AVA is adjusted, if necessary, to remain between 80% and 120% of the Market Value.

Changes in Actuarial Assumptions

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

Section 2:

Asset Information

2.1: Income Statement: July 1, 2012 through June 30, 2013

	Actual Market Value	Expected Market Value
Balance July 1, 2012	\$139,871,816	\$139,871,816
Employer Contributions	10,957,255	10,957,255
Employee Contributions	401,274	401,274
Investment Income	12,739,686	10,765,036
Net Benefit Payments	(14,638,924)	(14,638,924)
Other Expenses	(754,131)	(754,131)
Balance June 30, 2013	\$148,576,976	\$146,602,326
Approximate Return	9.24%	7.50%

2.2: Computation of Actuarial Value of Assets

Plan Year	Assumed Earnings (a)	Actual Earnings (b)	Unexpected Earnings (c = b-a)	Phase-In Factor (d)	Phase-In Adjustment (c x d)
2009-10	9,529,082	16,170,202	6,641,120	0.2	1,328,224
2010-11	9,689,332	27,361,358	17,672,026	0.4	7,068,810
2011-12	11,416,386	(5,002,447)	(16,418,833)	0.6	(9,851,300)
2012-13	10,765,036	12,739,686	1,974,650	0.8	1,579,719
Total Adjustment					125,454
Market Value as of June 30, 2013					148,576,976
Actuarial Value as of June 30, 2013 (Market Value less Total Adjustment, within 80%/120% Corridor of Market Value)					148,451,522
Ratio to Market Value					99.92%

Section 3:

Actuarial Computations

3.1: Computation of Total Annual Contribution

	July 1, 2012	July 1, 2013
(1) <u>Active Actuarial Liability</u>		
ATU	45,417,787	47,092,829
IBEW	20,235,511	20,395,244
Clerical	2,147,438	2,295,436
Non-Contract	<u>17,743,837</u>	<u>18,795,421</u>
Total	85,544,573	88,578,930
(2) <u>Active Present Value of Future Benefits</u>		
ATU	64,180,128	64,046,707
IBEW	26,238,680	25,876,081
Clerical	2,665,715	2,739,075
Non-Contract	<u>20,870,351</u>	<u>21,977,598</u>
Total	113,954,874	114,639,461
(3) <u>Inactive Actuarial Liability</u>		
ATU	84,712,058	85,370,630
IBEW	13,229,433	15,042,417
Clerical	3,543,243	3,173,329
Non-Contract	<u>48,371,250</u>	<u>49,166,164</u>
Total	149,855,984	152,752,540
(4) Total Actuarial Liability, (1) + (3)	235,400,557	241,331,470
(5) Plan Assets (Actuarial Value)	147,787,312	148,451,522
(6) Unfunded Actuarial Liability (UAL), (4) – (5)	87,613,245	92,879,948
(7) 25 Year Amortization of UAL	7,311,482	7,311,482
(8) 15-Year Amortization of (Gains)/Losses	0	690,847
(9) Total Amortization	7,311,482	8,002,329
(10) Total Normal Cost	3,904,281	3,908,376
(11) Projected Plan Member Payroll	33,392,891	32,707,265
(12) Normal Cost (% of Member Payroll) (10) / (11)	11.692%	11.950%
(13) Total Cost, (9) + (10)	11,215,763	11,910,705
(14) Total Cost (Interest Adjusted) (13) x 1.075	12,056,945	12,804,008
(15) Total Cost (% Member Payroll), (14) / (11)	36.106%	39.147%

The employer cost is the total cost, less contributions paid into the Fund by members during the year

Section 4:

Disclosure Information

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

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

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

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

Schedule of Funding Status

Actuarial Valuation Date	Actuarial Value of Assets (AVA)	Actuarial Liability (AL)	Unfunded Actuarial Liability (UAL)	Funded Ratio (AVA/AL)	Covered Payroll	UAL as a Percent of Payroll
1/1/03	56,330,528	125,584,398	69,253,870	45%	34,944,956	198%
1/1/04	78,667,471	132,307,053	53,639,582	59%	36,236,639	148%
1/1/05	152,877,022	162,878,929	10,001,907	94%	34,858,941	29%
1/1/06	153,083,086	168,877,304	15,794,218	91%	34,958,968	45%
7/1/07	160,696,946	186,611,461	25,914,515	86%	33,026,594	78%
7/1/08	164,759,680	195,624,156	30,864,476	84%	33,251,305	93%
7/1/09	144,196,322	202,089,428	57,893,106	71%	33,893,666	171%
7/1/10	152,895,717	226,820,827	73,925,110	67%	31,888,597	232%
7/1/11	151,113,025	236,874,642	85,761,617	64%	32,573,125	263%
7/1/12	147,787,312	235,400,557	87,613,245	63%	33,392,891	262%
7/1/13	148,451,522	241,331,470	92,879,948	62%	32,707,265	284%

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

In the valuation as of July 1, 2010, the Plan's assumptions were modified to incorporate the results of an actuarial experience study for the years 2006-2010. As a result of these assumption changes, Plan liabilities and costs increased.

Schedule of Employer Contributions

Year Ending	Annual Required Contribution	Actual Contribution	Percentage Contributed
12/31/02	6,436,083	6,436,083 (Est)	100%
12/31/03	5,880,631	4,691,246	80%
12/31/04 ¹	7,135,333	76,282,335	1,069%
12/31/05 ²	3,884,661	1,800,066	46%
6/30/07 ³	4,575,781	4,575,781	100%
6/30/08 ⁴	4,655,668	4,655,668	100%
6/30/09	5,275,088	5,275,088	100%
6/30/10	5,674,021	5,674,021	100%
6/30/11	7,753,347	7,753,347	100%
6/30/12	10,024,769	10,024,769	100%
6/30/13	10,957,255	10,957,255	100%

The table below summarizes certain information about this actuarial report.

Measurement date	July 1, 2013
Actuarial cost method	Entry age normal
Amortization method	Level dollar closed
Remaining amortization period	25 Years closed for the unfunded actuarial liability as of July 1, 2012; separate 15-year closed periods for annual actuarial gains and losses thereafter
Asset smoothing method	Market value less unrecognized investment gains or losses during the prior four years, phased in at 20% per year, but required to be within 20% of market value
Actuarial assumptions:	
Investment rate of return*	7.50%
Projected salary increases*	3.50 – 10.50% for drivers and mechanics 3.25 - 12.00% for administrative members 3.50 - 14.00% for clerical members
*Includes inflation at	3.00%
Cost of living adjustments	Up to 2% annually for certain Non-Contract members only

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

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

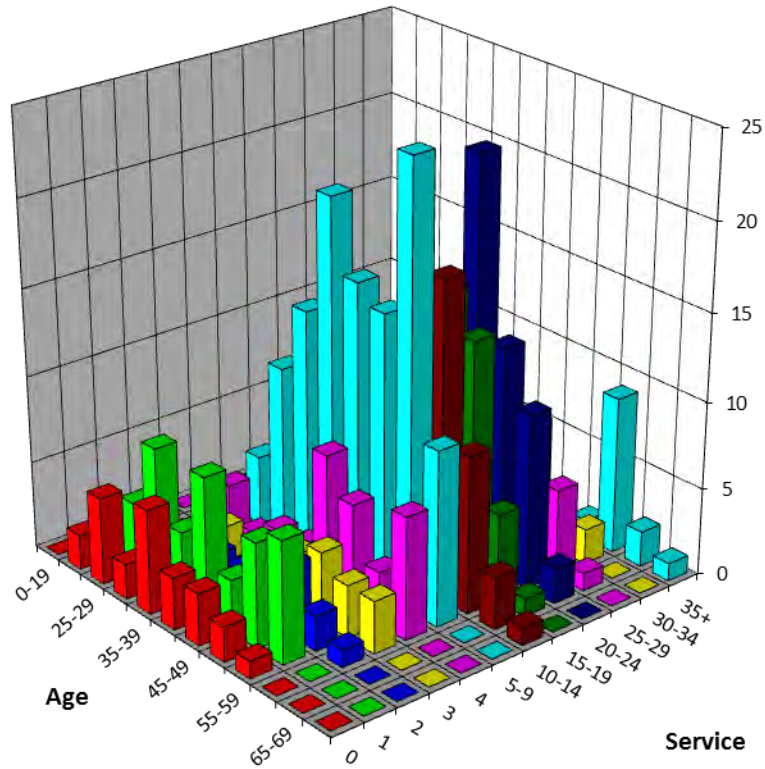
³ Based on 1/1/06 contribution percentage multiplied by 2007 projected payroll

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

Appendix I:

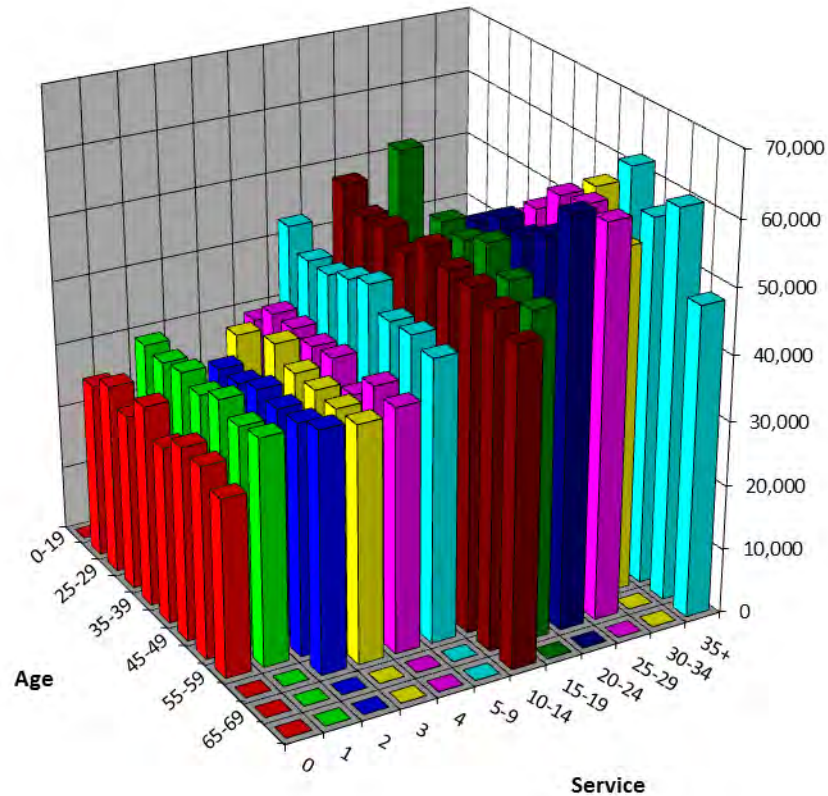
Detailed Demographic Information

**Active Drivers
by Age and Service
as of July 1, 2013**



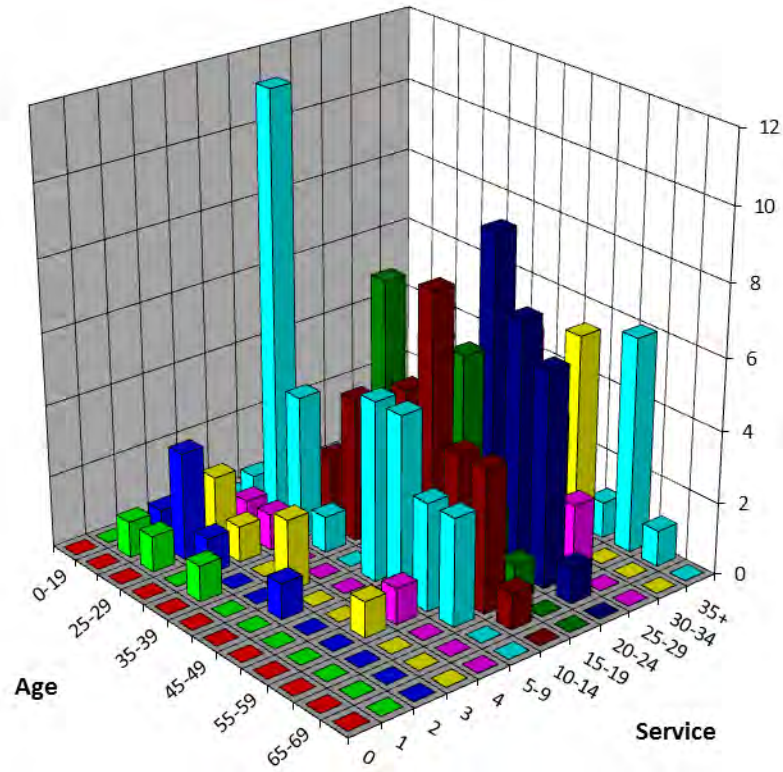
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	2	0	0	0	0	0	0	0	0	0	0	0	2
25-29	5	4	0	0	3	4	0	0	0	0	0	0	16
30-34	2	8	0	2	1	10	1	0	0	0	0	0	24
35-39	6	4	2	0	2	14	4	1	0	0	0	0	33
40-44	3	8	2	1	2	21	13	3	0	0	0	0	53
45-49	3	3	1	3	8	17	13	6	6	3	0	0	63
50-54	2	6	4	4	6	16	15	16	23	5	0	0	97
55-59	1	7	2	3	3	25	18	14	13	8	1	1	96
60-64	0	0	1	3	7	10	9	5	10	5	2	9	61
65-69	0	0	0	0	0	0	3	1	2	1	0	2	9
70+	0	0	0	0	0	0	1	0	0	0	0	1	2
Total	24	40	12	16	32	117	77	46	54	22	3	13	456

**Active Drivers
Payroll by Age and Service
as of July 1, 2013**



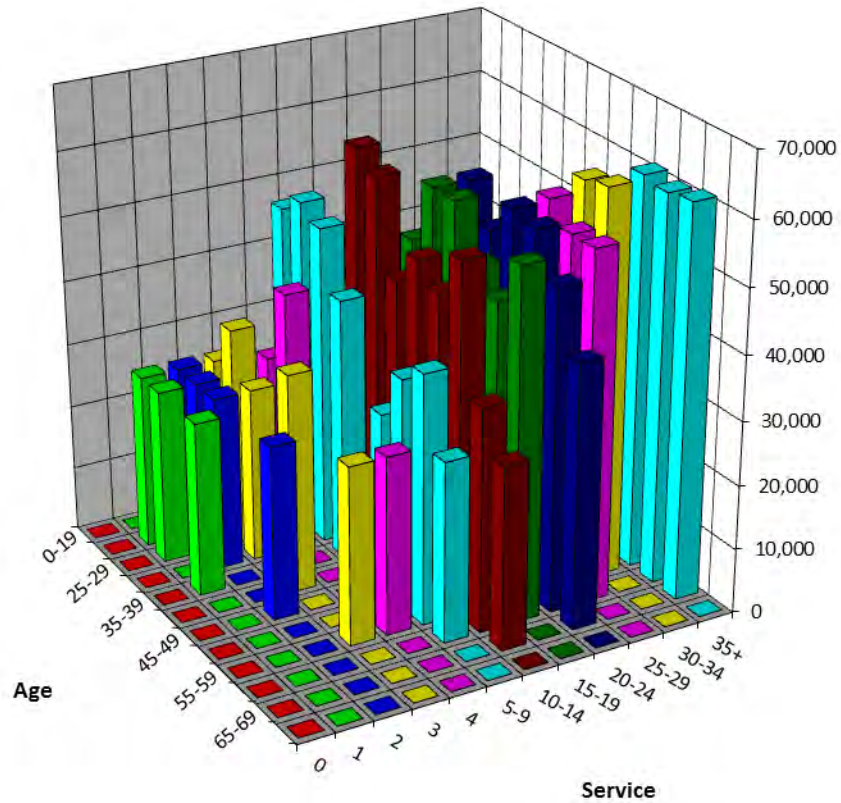
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	27,270	0	0	0	0	0	0	0	0	0	0	0	27,270
25-29	29,548	34,690	0	0	34,748	48,136	0	0	0	0	0	0	36,456
30-34	27,270	34,297	0	35,928	37,916	44,877	55,395	0	0	0	0	0	39,286
35-39	31,255	35,127	34,292	0	37,877	44,856	52,455	61,329	0	0	0	0	41,561
40-44	27,423	34,084	34,437	39,172	37,414	46,350	52,881	45,897	0	0	0	0	44,081
45-49	30,044	35,824	35,941	37,014	37,987	47,779	51,098	54,613	53,205	52,649	0	0	46,506
50-54	29,745	34,240	35,454	36,862	34,737	44,432	54,294	53,932	55,971	56,229	0	0	48,653
55-59	27,465	35,008	35,794	36,504	38,497	44,714	52,872	55,586	55,254	60,221	60,387	62,259	49,371
60-64	0	0	37,247	36,619	37,723	43,554	52,588	52,256	57,479	60,846	53,373	56,703	50,449
65-69	0	0	0	0	0	0	51,529	50,186	62,671	60,410	0	60,172	56,763
70+	0	0	0	0	0	0	48,858	0	0	0	0	47,985	48,422
Total	29,321	34,607	35,338	36,805	37,019	45,463	52,724	53,897	56,018	58,432	55,711	56,993	46,847

**Active Mechanics
by Age and Service
as of July 1, 2013**



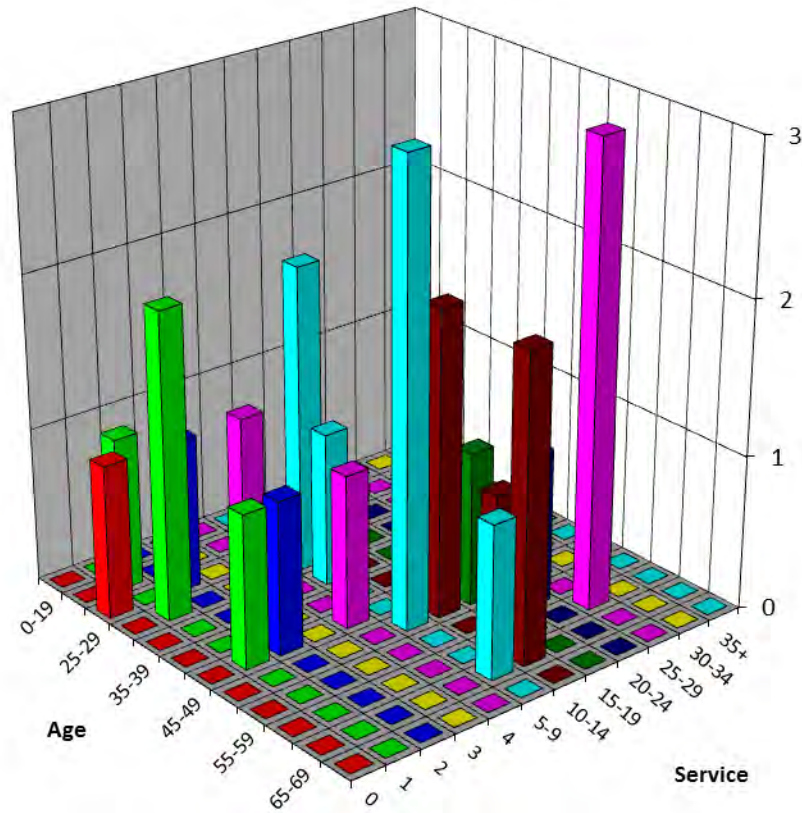
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	1	1	1	0	1	0	0	0	0	0	0	14
25-29	0	1	3	2	1	12	0	0	0	0	0	0	17
30-34	0	0	1	1	1	4	2	0	0	0	0	0	11
35-39	0	1	0	0	0	1	4	7	0	0	0	0	10
40-44	0	0	0	2	0	0	2	2	4	0	0	0	16
45-49	0	0	1	0	0	5	5	2	3	0	0	0	28
50-54	0	0	0	0	0	5	8	6	9	6	4	0	33
55-59	0	0	0	1	1	3	4	2	7	4	6	1	28
60-64	0	0	0	0	0	3	4	1	6	2	0	6	18
65-69	0	0	0	0	0	0	1	0	1	0	0	1	4
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	3	6	7	3	34	30	20	30	12	10	8	163

**Active Mechanics
Payroll by Age and Service
as of July 1, 2013**



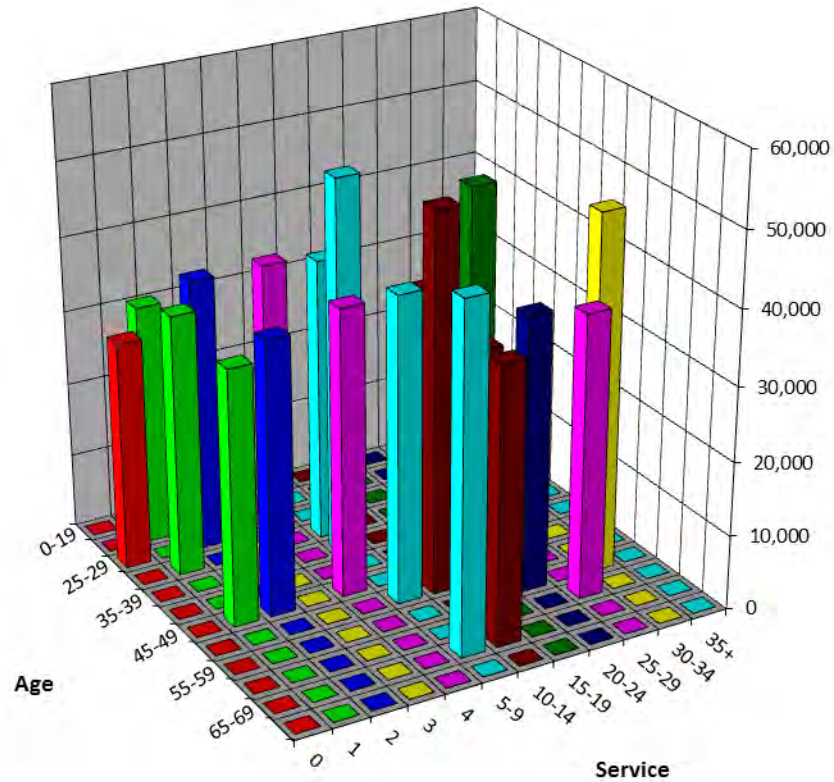
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	27,198	27,198	27,198	0	48,784	0	0	0	0	0	0	32,595
25-29	0	27,198	27,198	34,325	28,552	51,790	0	0	0	0	0	0	43,551
30-34	0	0	27,198	27,198	40,850	49,821	60,974	0	0	0	0	0	46,275
35-39	0	27,198	0	0	0	40,850	58,598	47,782	0	0	0	0	48,993
40-44	0	0	0	34,325	0	0	44,763	57,749	57,749	0	0	0	50,467
45-49	0	0	27,198	0	0	27,860	50,095	57,749	52,173	0	0	0	43,062
50-54	0	0	0	0	0	35,694	47,203	50,095	57,391	57,749	59,362	0	51,503
55-59	0	0	0	27,800	27,800	38,908	54,374	47,053	56,450	54,524	60,304	60,974	52,413
60-64	0	0	0	0	0	28,101	34,852	54,524	50,081	54,524	0	60,304	47,709
65-69	0	0	0	0	0	0	28,552	0	41,022	0	0	60,974	43,516
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	27,198	27,198	31,357	32,401	42,035	48,647	50,734	54,690	56,137	59,927	60,472	48,234

**Active Clerical Members
 Age and Service
 as of July 1, 2013**



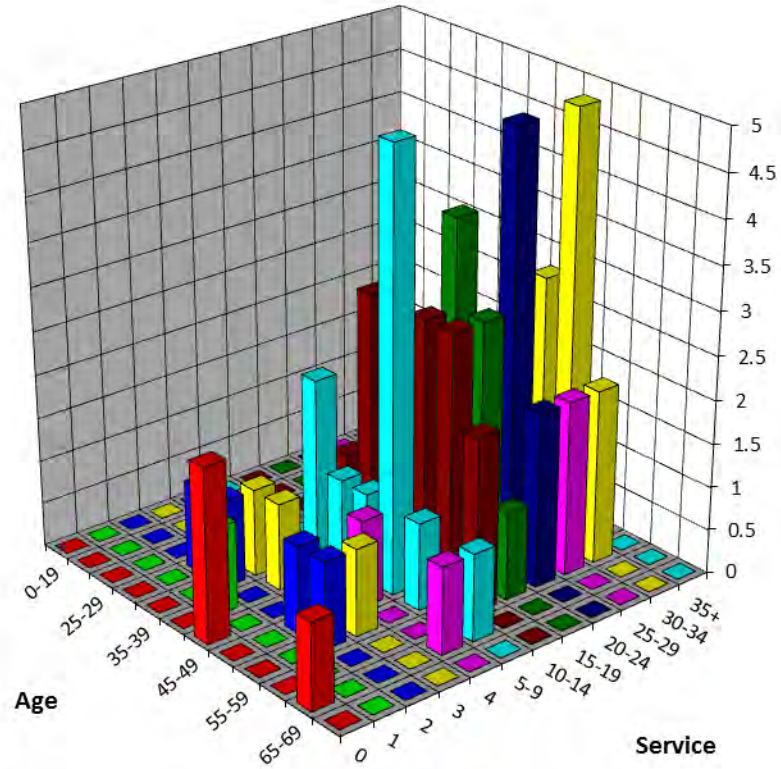
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	1	0	0	0	0	0	0	0	0	0	0	1
25-29	1	0	1	0	1	0	0	0	0	0	0	0	3
30-34	0	2	0	0	0	2	0	0	0	0	0	0	4
35-39	0	0	0	0	0	1	0	0	0	0	0	0	1
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	1	1	0	1	0	1	0	0	0	0	0	4
50-54	0	0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

**Active Clerical Members
Payroll by Age and Service
as of July 1, 2013**



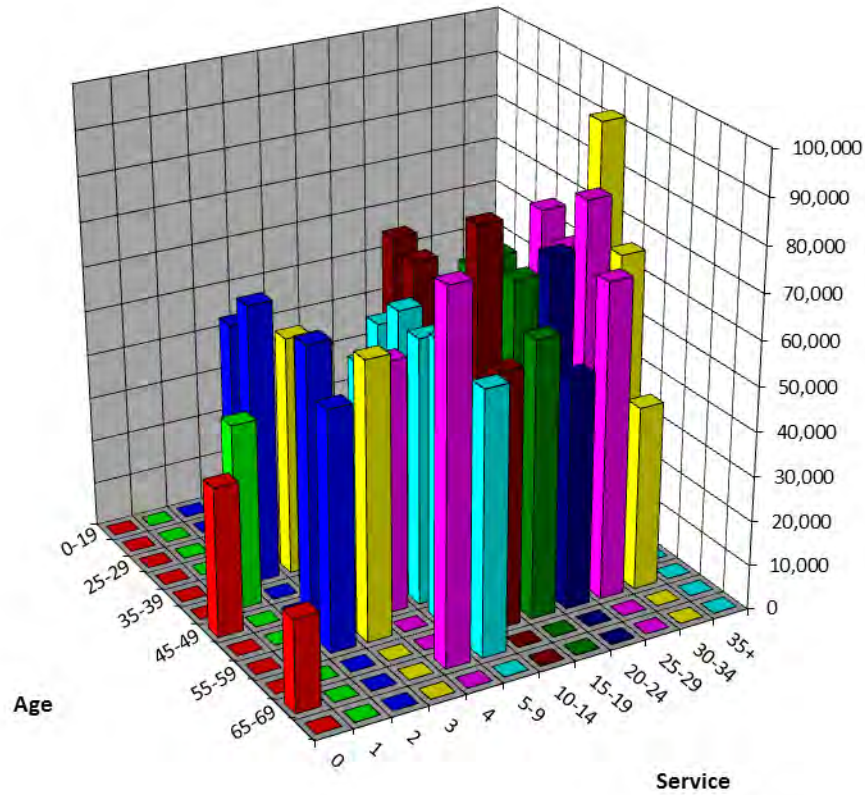
Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	32,508	0	0	0	0	0	0	0	0	0	0	32,508
25-29	30,702	0	36,834	0	36,834	0	0	0	0	0	0	0	34,790
30-34	0	35,225	0	0	0	38,193	0	0	0	0	0	0	36,709
35-39	0	0	0	0	0	50,816	0	0	0	0	0	0	50,816
40-44	0	0	0	0	0	0	0	0	0	0	0	0	0
45-49	0	34,314	36,834	0	38,708	0	38,608	0	0	0	0	0	37,116
50-54	0	0	0	0	0	41,196	50,989	52,793	0	0	0	0	46,393
55-59	0	0	0	0	0	0	0	0	37,175	0	48,380	0	42,778
60-64	0	0	0	0	0	0	36,834	0	0	38,203	0	0	37,861
65-69	0	0	0	0	0	46,453	37,159	0	0	0	0	0	40,257
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	30,702	34,318	36,834	0	37,771	42,463	41,956	52,793	37,175	38,203	48,380	0	39,969

**Active Administrative Members
 by Age and Service
 as of July 1, 2013**



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	1	0	0	0	0	0	0	0	0	0	1
35-39	0	0	1	1	0	2	1	0	0	0	0	0	5
40-44	0	1	0	1	0	1	3	2	0	0	0	0	6
45-49	2	0	0	0	0	1	1	2	1	2	0	0	10
50-54	0	0	1	0	1	5	3	4	2	1	3	0	23
55-59	0	0	1	1	0	1	3	3	5	1	5	0	17
60-64	0	0	0	0	0	0	2	1	2	2	2	0	7
65-69	1	0	0	0	1	1	0	0	0	0	0	0	1
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	3	1	4	3	2	11	13	12	10	6	10	0	75

**Active Administrative Members
Payroll by Age and Service
as of July 1, 2013**



Service / Age	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35+	Total
0-19	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	0	54,916	0	0	0	0	0	0	0	0	0	54,916
35-39	0	0	62,442	53,373	0	43,956	70,013	0	0	0	0	0	54,748
40-44	0	41,517	0	55,547	0	56,015	67,857	56,776	0	0	0	0	58,775
45-49	33,530	0	0	0	0	62,179	53,701	68,069	56,778	76,904	0	0	58,852
50-54	0	0	63,721	0	56,158	59,403	63,672	73,283	55,029	71,657	96,907	0	68,674
55-59	0	0	53,521	62,026	0	62,064	84,552	71,370	74,546	84,781	71,406	0	72,996
60-64	0	0	0	0	0	0	56,846	61,899	51,886	70,530	41,227	0	55,875
65-69	20,758	0	0	0	81,869	58,760	0	0	0	0	0	0	53,796
70+	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	29,273	41,517	58,650	56,982	69,014	56,722	68,127	68,236	64,334	75,218	73,021	0	64,349

Changes in Plan Membership Drivers

	Active	Vested Terminated	Disabled	Retired	DROP	Beneficiaries	Total Participants
July 1, 2012	492	135	86	384	0	84	1,181
New Entrants	33	-	-	-	-	-	33
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(15)	(12)	-	27	-	1	1
Vested Terminations	(12)	12	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	(1)	(6)	-	7	0
Transfers	(8)	-	-	-	-	-	(8)
Died, Without Beneficiary, and Other Terminations	(34)	-	(2)	(8)	-	-	(44)
Beneficiary Deaths	-	-	-	-	-	(6)	(6)
Data Corrections	-	-	-	-	-	-	0
July 1, 2013	456	135	83	397	0	86	1,157

Changes in Plan Membership Mechanics

	Active	Vested Terminated	Disabled	Retired	DROP	Beneficiaries	Total Participants
July 1, 2012	175	53	11	62	0	17	318
New Entrants	-	-	-	-	-	-	0
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(8)	(2)	-	10	-	1	1
Vested Terminations	(1)	1	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	(1)	-	1	0
Transfers	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	(3)	-	-	-	-	-	(3)
Beneficiary Deaths	-	-	-	-	-	(1)	(1)
Data Corrections	-	-	-	-	-	-	0
July 1, 2013	163	52	11	71	0	18	315

Changes in Plan Membership
Clerical

	Active	Vested Terminated	Disabled	Retired	DROP	Beneficiaries	Total Participants
July 1, 2012	27	19	3	25	0	4	78
New Entrants	2	-	-	-	-	-	2
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(1)	(1)	-	2	-	-	0
Vested Terminations	-	-	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	0
Transfers	1	-	-	-	-	-	1
Died, Without Beneficiary, and Other Terminations	(1)	-	-	(5)	-	-	(6)
Beneficiary Deaths	-	-	-	-	-	-	0
Data Corrections	-	-	-	(1)	-	-	(1)
July 1, 2013	28	18	3	21	0	4	74

Changes in Plan Membership Non-Contract

	Active	Vested Terminated	Disabled	Retired	DROP	Beneficiaries	Total Participants
July 1, 2012	69	28	2	98	0	25	222
New Entrants	6	-	-	-	-	-	6
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	(3)	(2)	-	5	-	-	0
Vested Terminations	-	-	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	(1)	-	1	0
Transfers	7	-	-	-	-	-	7
Died, Without Beneficiary, and Other Terminations	(4)	-	-	(3)	-	-	(7)
Beneficiary Deaths	-	-	-	-	-	-	0
Data Corrections	-	-	-	1	-	-	1
July 1, 2013	75	26	2	100	0	26	229

Changes in Plan Membership
Chula Vista

	Active	Vested Terminated	Disabled	Retired	DROP	Beneficiaries	Total Participants
July 1, 2012	0	9	0	4	0	0	13
New Entrants	-	-	-	-	-	-	0
Rehires	-	-	-	-	-	-	0
Disabilities	-	-	-	-	-	-	0
Retirements/DRO	-	(1)	-	1	-	-	0
Vested Terminations	-	-	-	-	-	-	0
Died, With Beneficiaries' Benefit Payable	-	-	-	-	-	-	0
Transfers	-	-	-	-	-	-	0
Died, Without Beneficiary, and Other Terminations	-	-	-	-	-	-	0
Beneficiary Deaths	-	-	-	-	-	-	0
Data Corrections	-	-	-	-	-	-	0
July 1, 2013	0	8	0	5	0	0	13

Appendix II:

Benefit Tables

ATU/Clerical Table A-1: Retirement Benefit Multipliers

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

ATU/Clerical Table A-2: Retirement Benefit Multipliers

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

IBEW Table A-1: Retirement Benefit Multipliers

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

IBEW Table A-2: Retirement Benefit Multipliers

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

Non-Contract Table A-1: Retirement Benefit Multipliers

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

Non-Contract Table A-2: Retirement Benefit Multipliers

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

Table B: Alternate Retirement Formula Multipliers

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



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Agenda Item No. 31

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

REGIONAL TRANSPORTATION MANAGEMENT SYSTEM (RTMS) BACK OFFICE
UPGRADE AND CONTRACT BUS FLEET EXPANSION (BILL SPRAUL AND
STEVAN WHITE)

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1544.0-13 (in substantially the same form as Attachment A) with ACS Transport Solutions, Inc. (ACS) to purchase, install, test and verify, and warranty Regional Transportation Management System (RTMS) equipment, hardware, software, and back-office equipment for the MTS Bus, MTS contracted bus, and NCTD fleets.

Budget Impact

This purchase is budgeted under MTS Capital Improvement Program (CIP) 11290. The budget for this project comes from MTS CIP funding and the TransNet funding for the South Bay Bus Rapid Transit (BRT) and Mid-City Rapid Projects. In addition, certain costs are shared between MTS and North County Transit District (NCTD) based on an existing Memorandum of Understanding (MOU). The expected shared cost paid for by NCTD is \$1.28 million.

The purchase and installation of equipment, software, licenses, and warranty will be implemented on 298 vehicles and shall not exceed \$11,314,385.18. The cost is approximately \$10,831,016.60 plus tax of \$ 483,368.58 for a total amount of \$11,314,385.18.

Recommendation by the Executive Committee

At its meeting on December 5, 2013, the Executive Committee recommended forwarding this agenda item to the Board of Directors for approval.



DISCUSSION:

The RTMS is a Computer-Aided Dispatching (CAD) system by ACS that allows MTS and NCTD supervisors to monitor vehicle locations, monitor bus route on-time performance, count passengers automatically, record operating statistics in a database, and communicate via radio with each bus equipped with the system. RTMS provides a higher level of safety and security for passengers with real-time GPS tracking of buses, covert alarms, and monitoring of incidents on the bus.

Work to install the system began in 2003 and was operational in 2005 for San Diego Transit Corporation (SDTC) routes, which constitute approximately half of MTS bus services. NCTD's routes and vehicles are also covered by the system, and costs are shared between the two agencies through an MOU. Funding has been identified to expand the system to the entire MTS fixed-route bus fleet.

The upgrade and expansion project will encompass the following tasks:

1. Upgrade the backend databases and applications to the most recent version with new and improved capabilities for the entire system (MTS and NCTD).
2. Install a new antenna on the radio tower in San Ysidro to improve system coverage (MTS).
3. Install mobile radios and data units in 298 revenue and nonrevenue vehicles operated by contractors. The new data units will include automated next-stop passenger announcements (MTS).
4. Convert a voice communication channel to a data channel so that the increased number of vehicles will have the bandwidth to communicate with the operations control center (MTS).
5. Install a new radio voice recording system for the entire system (MTS and NCTD).
6. Install 3 additional voice radio and CAD supervisor consoles in the radio operations control center at the Imperial Avenue Division (MTS).

With the addition of these 298 vehicles, MTS will have real-time tracking of all fixed-route buses, which is a major improvement for the safety and comfort of MTS passengers. In addition, the entire MTS system will now have real-time capability to provide passengers actual arrival times through MTS's texting service (GOMTS), Google Maps, and 511.

ACS is the original equipment manufacturer (OEM) of the RTMS equipment on the current MTS fleet of buses, which have RTMS. ACS will provide the services necessary to upgrade the backend applications and databases, provide the equipment and installation services for the contracted fleet, and provide warranty support. ACS RTMS equipment is proprietary to ACS, and no other equipment can be sourced to communicate with its equipment or system.

In accordance with third-party contracting guidelines, Federal Transit Administration (FTA) Circular 4220.1F, Chapter VI, Section 3i(1)(b)1b, a sole-source award may be recommended in cases where the recipient (MTS) requires supplies or services available from only one responsible source, and no other supplies or services will satisfy its requirements.

Based on the above information, MTS staff has concluded that awarding a contract to ACS represents the best value to MTS. Pricing and other factors considered, staff finds ACS's pricing to be fair and reasonable and recommends awarding a contract to ACS in the amount not to exceed \$11,314,385.18 (inclusive of sales tax) for RTMS equipment, hardware, software, and warranty support.



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. MTS Doc. No. G1544.0-13 (w/o exhibits)

DRAFT

Att. A, AI 31, 12/12/13

STANDARD PROCUREMENT AGREEMENT

G1544.0-13
CONTRACT NUMBER
CIP11290
FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____ 2013, 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: ACS Transport Solutions, Inc.

Address: 7160 Riverwood Drive

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

Columbia, MD 21046

Telephone: 443-413-1762

Authorized person to sign contracts: _____

Name

Title

The attached Standard Conditions are part of this agreement. The Contractor agrees to furnish to MTS the following:

Hardware, software, installation, implementation, and warranty products and services as specified in the Scope of Work (attached as Exhibit A), Contractor's price proposal (attached as Exhibit B), the MTS Standard Conditions Procurement (attached as Exhibit C), the Federal Requirements (attached as Exhibit D), MTS Safety Department's SOP (SAF 016-03) (attached as Exhibit E), and Travel Expense Policy Guidelines applicable to this contract (attached as Exhibit F).

The total cost for the project shall not exceed \$11,314,385.18 without the express written approval by MTS.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$11,314,385.18	11290	FY 14

By: _____
Chief Financial Officer

(___ total pages, each bearing contract number)



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Agenda Item No. 32

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

TAXICAB ADMINISTRATION CONTRACT EXTENSION (SHARON COONEY)

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to negotiate with the City of San Diego a "Ninth Amendment to Agreement for Administration of Taxicab and Other For-Hire Vehicle Regulations Between San Diego Metropolitan Transit System and City of San Diego" (MTS Doc. No. G0225.9-95 - in substantially the form in Attachment A).

Budget Impact

None with this action.

Recommendation by the Executive Committee

At its meeting on December 5, 2013, the Executive Committee recommended forwarding this agenda item to the Board of Directors for approval.

DISCUSSION:

At its February 2013 meeting, the Board of Directors approved amended contract language to extend the agreement to provide Taxicab Administration services in the City of San Diego for another five years with specific language to clarify MTS's responsibilities. The CEO was authorized to negotiate the amended agreement. Subsequent to the Board's approval, the CEO received a letter from the City signaling its intent to transfer all administrative and regulatory responsibilities of the taxicab and for-hire vehicles from MTS to the City. The City of San Diego then requested a one-year extension to help prepare for the transition. At its March meeting, the Board of Directors approved the one-year extension, which expires on June 30, 2014.



In November, the CEO received a letter from Interim Mayor Todd Gloria indicating interest in a five-year contract with MTS (Attachment B). Staff has begun working with the City to draft language in keeping with the Executive Committee and Board's direction earlier this year. Attachment A provides draft language that reflects the discussions held at the January and February meetings.



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. No. G0225.9-95
B. Letter from Interim Mayor Todd Gloria Dated 11/6/13

**~~EIGHTH~~ NINTH AMENDMENT TO AGREEMENT FOR
ADMINISTRATION OF TAXICAB AND OTHER FOR-HIRE VEHICLE REGULATIONS
BETWEEN
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
AND
CITY OF SAN DIEGO**

THIS AGREEMENT is entered into by and between the City of San Diego, a municipal corporation, 202 C Street, San Diego, CA (herein called "CITY"), and the San Diego Metropolitan Transit System, a public agency, 1255 Imperial Avenue, Suite 1000, San Diego, CA (herein called "MTS"), in view of the following recitals, which are a substantive part of this Agreement:

RECITALS

- A. MTS is authorized under Section 120266, Chapter 2, Division 11 of the California Public Utilities Code (PUC), to enter into contracts to regulate transportation services within a city in its area of jurisdiction;
- B. CITY is within MTS's jurisdiction created January 1, 1976, under Section 120050, et seq., Chapter 2, Division 11 of the PUC;
- C. Pursuant to a series of agreements beginning on July ~~1~~, 1988, City has contracted with MTS to regulate taxicabs and other for-hire vehicles and services such as charter vehicles, sight-seeing vehicles, nonemergency medical vehicles, low speed vehicles (LSV), and jitney vehicles pursuant to PUC Section 120266 and in accordance with MTS Ordinance No. 11, "An Ordinance Providing for the Licensing and Regulating of Transportation Services Within the City" ("Ordinance No. 11");
- D. ~~MTS Ordinance No. 11 is based on San Diego Municipal Code, Chapter 7, Article 5, Divisions 1 through 6, "Paratransit Code", which provided for CITY regulation prior to 1988, and was repealed in 1989;~~
- E. Under this agreement, CITY continues to set the fundamental public policy pursuant to regulation of taxicabs and other for-hire vehicles and services through Council Policy 500-02, which, upon approval of the MTS Board, shall be incorporated into Ordinance No. 11;
- F. MTS does not desire to expand its regulatory role to include oversight of the taxicab permit holder and subcontractor (e.g., lease drivers) relationships;
- G. The current agreement between CITY and MTS for MTS regulation of taxicabs and other for-hire vehicles and services expires on June 30, 2013~~2014~~;
- ~~E. CITY has indicated a desire to take back taxicab regulation from MTS;~~
- ~~F. CITY and MTS agree that transitioning taxicab regulation back to the CITY will require additional time to plan for and agree on a transition plan; and~~

G.H. CITY and MTS desire to extend the agreement (MTS Doc. No. G0225.0-95 to G0225.78-95) through June 30, 2014 ~~2019~~ to allow the parties time to negotiate and plan for a transition of services to the CITY.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, CITY and MTS agree as follows:

1. MTS will administer and enforce its taxicab and other for-hire vehicles Ordinance policies, and regulations as in effect on July 1, 2013~~2014~~, and as thereafter from time to time amended by MTS, and thereby regulate such taxicab and other for-hire vehicles and transportation services rendered wholly within the CITY's corporate limits during the period of July 1, 2013~~2014~~ through June 30, 2014~~2019~~, pursuant to PUC Section 120266.
- ~~4.2.~~ MTS will collect and administer all such regulatory fees, fines, and forfeitures as now or hereafter provided by the ~~MTS Taxicab and Other For Hire Vehicles Ordinance No. 11~~ policies, and regulations.
3. ~~3.~~ MTS will not alter a fundamental policy or regulation in accordance with the ~~Taxicab and Other For Hire Vehicles Ordinance No. 11~~ without prior approval of the CITY. ~~The parties agree that MTS will not alter the scope of its regulatory activities during this transitional period. No fundamental policy or regulation will be altered during this transitional period unless both CITY and MTS agree that the alteration is required as an emergency regulation to protect public safety.~~ Any CITY-proposed change to Ordinance No. 11 shall similarly require the approval of the MTS Board.
4. MTS shall not be required to be a party to contracts between holders of taxicab permits in the CITY and their subcontractors/lease drivers; nor shall MTS be required to regulate the business relationship between taxicab permit holders and their subcontractors/lease drivers. MTS shall not be required to engage in the following activities: investigating and resolving contract disputes between permit holders and their subcontractors/lease drivers; setting contract terms for agreements between permit holders and their subcontractors/lease drivers; investigating and/or adjudicating allegations of retaliation between permit holders and their subcontractors/lease drivers; regulating working hours and/or earnings for permit holders and their subcontractors/lease drivers.
5. ~~4.~~ The CITY Mayor and MTS Chief Executive Officer may supplement this agreement by executing a Memorandum of Understanding relative to administrative and operating procedures of taxicab and other for-hire vehicles regulation, and to provide for reimbursable staff and legal support services.
- ~~4.~~ ~~In the event CITY and MTS are ready to transition taxicab regulation to the CITY before June 30, 2014, CITY and MTS may mutually agree to an earlier termination date.~~

IN WITNESS THEREOF, this ~~eight~~^{ninth} amendment to the agreement is executed by the CITY acting by and through its City Mayor pursuant to Council Ordinance No. _____, and by MTS acting through its Chief Executive Officer.

Dated this _____ day of _____ 2013.

THE CITY OF SAN DIEGO

SAN DIEGO METROPOLITAN TRANSIT
SYSTEM

Todd Gloria
Interim Mayor

Paul C. Jablonski
Chief Executive Officer

WE HEREBY APPROVE the form of the foregoing Agreement.

City Attorney

Office of the General Counsel

Date: _____

Date: _____



**THE CITY OF SAN DIEGO
INTERIM MAYOR
TODD GLORIA**

November 6, 2013

Mr. Paul Jablonski
Chief Executive Officer
Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Subject: Taxi and For-Hire Vehicle Administration Contract Renewal

Dear Mr. Jablonski:

The City of San Diego is interested in renewing a long-term contract with the Metropolitan Transit System (MTS) for the administration of the taxi and for-hire vehicle program.

As you know, the City recently requested a one year extension for the contract which was granted by MTS and approved by City Council on June 27, 2013 (City Council Resolution #308296 is attached). That extension was established to allow the City to explore options for transferring all administrative and regulatory responsibilities of the taxicab and for-hire vehicles from MTS to the City of San Diego.

That exploration has concluded, and City staff now believes that a five-year contract with MTS will provide the best option for administration of these services. The City is interested in working with MTS to draft a contract renewal that will help address the findings made during our exploration of management options for taxis and for-hire vehicles. We also hope to work with MTS to examine other administrative options for other vehicle types including pedi-cabs.

The City's Transportation & Storm Water Department will contact MTS colleagues to begin discussions about our preferred contract renewal. We believe that there are options for initiating a new contract that can be in force prior to the end of the existing extension. Again, we are looking for a longer term agreement that will help ensure stability for taxi and for-hire services, and their customers, through the region now covered by MTS.



If you have any questions, please do not hesitate to call Kip Sturdevan, Director of the Transportation & Storm Water Department at (619) 236-6595.

Sincerely,



TODD GLORIA
Interim Mayor

cc: Assistant Chief Operating Officer, Scott Lewis
Garth K. Sturdevan, Director, Transportation & Storm Water Department
Linda Marabian, Deputy Director, Transportation Engineering Operations
Division

Attachments:

1. Signed City Council Resolution
2. Signed Extension Agreement
3. 2/21/2013 Letter from Filner to Jablonski

Item 200
6/24/2013

(R-2013-770)

RESOLUTION NUMBER R- 308296

DATE OF FINAL PASSAGE JUN 27 2013

A RESOLUTION OF THE COUNCIL OF THE CITY OF
SAN DIEGO AUTHORIZING THE EXECUTION OF A
ONE-YEAR EXTENSION OF THE AGREEMENT WITH
SAN DIEGO METROPOLITAN TRANSIT SYSTEM FOR
ADMINISTRATION OF TAXICAB AND OTHER FOR-HIRE
VEHICLE REGULATIONS.

WHEREAS, the Metropolitan Transit System (MTS) has administered and regulated
taxicabs and other for-hire vehicles on behalf of the City since 1988; and

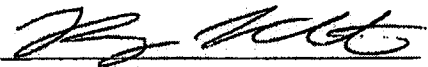
WHEREAS, the current taxicab administration agreement between the City and MTS
will expire on June 30, 2013; and

WHEREAS, the City now desires to consider whether to return the administration and
regulation of taxicabs and other for-hire vehicles back to the City; and

WHEREAS, this one-year extension of the City and MTS taxicab agreement will allow
the City time to evaluate its options with regard to the administration and regulation of taxicab
and other for-hire vehicles, and if necessary transition these functions back to the City; NOW,
THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Mayor, or his
designee, is authorized and directed to execute, for and on behalf of said City, a one-year
extension from July 1, 2013 to June 30, 2014 of the agreement with the San Diego Metropolitan
Transit System for the purpose of continuing to administer and regulate taxicabs and other
for-hire vehicles on behalf of the City under the terms and conditions set forth in the Agreement
on file in the Office of the City Clerk as Document No. RR- 308296

APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Ryan P. Kohut
Deputy City Attorney

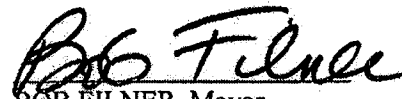
RPK:cfq
6/12/2013
Or.Dept: Transportation
Doc. No. 579690

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 24 2013.

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6/27/13
(date)


BOB FILNER, Mayor

Vetoed: _____
(date)

BOB FILNER, Mayor

Passed by the Council of The City of San Diego on JUN 24 2013, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Kevin Faulconer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 27 2013.

AUTHENTICATED BY:

BOB FILNER

Mayor of The City of San Diego, California.

ELIZABETH S. MALAND

City Clerk of The City of San Diego, California.

(Seal)

By



, Deputy

Office of the City Clerk, San Diego, California

308296

Resolution Number R-



Metropolitan Transit System

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

June 3, 2013

MTS Doc. No. G0225.8-95
ADM 121, TAXI 590.10 (SAN DIEGO)

Karen Dennison
City of San Diego
202 C Street, 8th Floor, MS-8A
San Diego, CA 92101

Dear Karen:

Subject: RENEWAL OF AGREEMENT WITH MTS TO REGULATE TAXICABS AND OTHER
FOR-HIRE VEHICLES WITHIN THE CITY OF SAN DIEGO

As you are aware, the MTDB/MTS has regulated San Diego taxicab permits for the past 25 years. We are proposing to continue the regulation of San Diego's taxicab, charter, jitney, nonemergency medical, sightseeing and low speed vehicles. Accordingly, we have enclosed our proposed Eighth Amendment that would extend the current agreement for one year, from July 1, 2013, through June 30, 2014. For your reference, a copy of our current agreement is enclosed.

On July 1, 1988, the City of San Diego and MTDB first entered into an agreement authorizing MTDB to regulate taxicabs and other for-hire vehicles within the City of San Diego. The current agreement will expire on June 30, 2013.

I have designated Sharon Cooney, MTS Chief of Staff, as our contact person. Please telephone her at 619.557.4513, if you have any questions or need assistance concerning extending this agreement.

Upon city approval and execution of the amendment, please return the copy stamped "Original" to the Contract Specialist at MTS.

Sincerely,

Paul C. Jablonski
Chief Executive Officer

LMARQUIS-CL
CL-CITYOFSANDIEGO.TAXIAGMT.LMARQUIS.060313

Enclosures: Proposed Eighth Amendment to Agreement
Current Amendment to Agreement

cc: Lori Zapf, Councilmember, City of San Diego-MTS Board
David Alvarez, Councilmember, City of San Diego-MTS Board
Todd Gloria, Councilmember, City of San Diego-MTS Board
Marti Emerald, Councilmember, City of San Diego-MTS Board
Sharon Cooney, MTS Chief of Staff
Karen Landers, MTS General Counsel
MTS Contract Specialist
Steve Celniker, MTS City of San Diego Liaison
Bill Kellerman, MTS Taxicab Administration Manager

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

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



**EIGHTH AMENDMENT TO AGREEMENT FOR
ADMINISTRATION OF TAXICAB AND OTHER FOR-HIRE VEHICLE REGULATIONS
BETWEEN
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
AND
CITY OF SAN DIEGO**

THIS AGREEMENT is entered into by and between the City of San Diego, a municipal corporation, 202 C Street, San Diego, CA (herein called "CITY"), and the San Diego Metropolitan Transit System, a public agency, 1255 Imperial Avenue, Suite 1000, San Diego, CA (herein called "MTS"), in view of the following recitals, which are a substantive part of this Agreement:

RECITALS

- A. MTS is authorized under Section 120266, Chapter 2, Division 11 of the California Public Utilities Code (PUC), to enter into contracts to regulate transportation services within a city in its area of jurisdiction;
- B. CITY is within MTS's jurisdiction created January 1, 1976, under Section 120050, et seq., Chapter 2, Division 11 of the PUC;
- C. Pursuant to a series of agreements beginning on July 1, 1988, City has contracted with MTS to regulate taxicabs and other for-hire vehicles and services such as charter vehicles, sight-seeing vehicles, nonemergency medical vehicles, low speed vehicles (LSV), and jitney vehicles pursuant to PUC Section 120266 and in accordance with MTS Ordinance No. 11, "An Ordinance Providing for the Licensing and Regulating of Transportation Services Within the City";
- D. MTS Ordinance No. 11 is based on San Diego Municipal Code, Chapter 7, Article 5, Divisions 1 through 6, "Paratransit Code", which provided for CITY regulation prior to 1988, and was repealed in 1989;
- E. Under this agreement, CITY continues to set the fundamental public policy pursuant to regulation of taxicabs and other for-hire vehicles and services through Council Policy 500-02
- F. The current agreement between CITY and MTS for MTS regulation of taxicabs and other for-hire vehicles and services expires on June 30, 2013;
- G. CITY has indicated a desire to take back taxicab regulation from MTS;
- H. CITY and MTS agree that transitioning taxicab regulation back to the CITY will require additional time to plan for and agree on a transition plan; and
- I. CITY and MTS desire to extend the agreement (MTS Doc. No. G0225.0-95 through G0225.7-95) until June 30, 2014 to allow the parties time to negotiate and plan for a transition of services to the CITY.

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, CITY and MTS agree as follows:

1. MTS will administer and enforce its taxicab and other for-hire vehicles Ordinance policies, and regulations as in effect on July 1, 2013, and as thereafter from time to time amended by MTS, and thereby regulate such taxicab and other for-hire vehicles and transportation services rendered wholly within the CITY's corporate limits during the period of July 1, 2013 through June 30, 2014, pursuant to PUC Section 120266.

2. MTS will collect and administer all such regulatory fees, fines, and forfeitures as now or hereafter provided by the MTS Taxicab and Other For-Hire Vehicles Ordinance No. 11 policies, and regulations.

3. MTS will not alter a fundamental policy or regulation in accordance with the Taxicab and Other For-Hire Vehicles Ordinance No. 11 without prior approval of the CITY. The parties agree that MTS will not alter the scope of its regulatory activities during this transitional period. No fundamental policy or regulation will be altered during this transitional period unless both CITY and MTS agree that the alteration is required as an emergency regulation to protect public safety.

4. The CITY Mayor and MTS Chief Executive Officer may supplement this agreement by executing a Memorandum of Understanding relative to administrative and operating procedures of taxicab and other for-hire vehicles regulation, and to provide for reimbursable staff and legal support services.

IN WITNESS THEREOF, this eighth amendment to the agreement is executed by the CITY acting by and through its City Mayor pursuant to Council Ordinance No. _____, and by MTS acting through its Chief Executive Officer.

Dated this _____ day of _____, 2013.

THE CITY OF SAN DIEGO

SAN DIEGO METROPOLITAN TRANSIT SYSTEM


Paul C. Jablonski
Chief Executive Officer

WE HEREBY APPROVE the form of the foregoing Agreement.

City Attorney

Office of the General Counsel

Date: _____

Date: _____



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

COPY

MTS Doc. No. G0225.7-95
TAXI 590.10 (PC 50761)

590.10
570.1
585.9

**SEVENTH AMENDMENT TO AGREEMENT FOR
ADMINISTRATION OF TAXICAB AND OTHER FOR-HIRE VEHICLE REGULATIONS
BETWEEN
SAN DIEGO METROPOLITAN TRANSIT SYSTEM
AND
CITY OF SAN DIEGO**

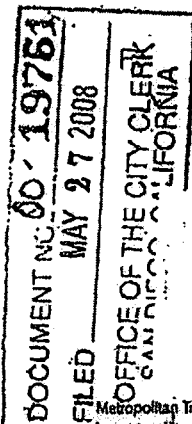
THIS AGREEMENT is entered into by and between the City of San Diego, a municipal corporation, 202 C Street, San Diego, CA (herein called "CITY"), and the San Diego Metropolitan Transit System, a public agency, 1255 Imperial Avenue, Suite 1000, San Diego, CA (herein called "MTS"), in view of the following recitals, which are a substantive part of this Agreement:

RECITALS

- A. MTS is authorized under Section 120266, Chapter 2, Division 11 of the California Public Utilities Code (PUC), to enter into contracts to regulate transportation services within a city in its area of jurisdiction;
- B. CITY is within MTS's jurisdiction created January 1, 1976, under Section 120050, et seq., Chapter 2, Division 11 of the PUC;
- C. CITY desires that MTS regulate taxicabs and other for-hire vehicles and services such as charter vehicles, sight-seeing vehicles, nonemergency medical vehicles, low speed vehicles (LSV), and jitney vehicles pursuant to PUC Section 120266 and in accordance with MTS Ordinance No. 11, "An Ordinance Providing for the Licensing and Regulating of Transportation Services Within the City";
- D. MTS Ordinance No. 11 is based on San Diego Municipal Code, Chapter 7, Article 5, Divisions 1 through 6, "Paratransit Code", which provided for CITY regulation prior to 1988, and was repealed in 1989;
- E. CITY continues to set the fundamental public policy pursuant to regulation of taxicabs and other for-hire vehicles and services through Council Policy 500-02;

CITY and MTS entered into an agreement, Document No. RR-271306, for the period of July 1, 1988 through December 31, 1988; a first amendment to that agreement, Document No. RR-272517, for the period of January 1, 1989 through December 31, 1993; a second amendment to that agreement, Document No. RR-283074, for the period of January 1, 1994 through June 30, 1994; a third amendment to that agreement, Document No. RR-284038 for the period of July 1, 1994 through June 30, 1995; a fourth amendment to that agreement, Document No. RR-285794 for the period of July 1, 1995 through June 30, 1998; a fifth amendment to that agreement, Document No. OO-18526 for the period of July 1, 1998 through June 30, 2003; a sixth amendment to that agreement, Document No. OO-19195 for the period of July 1, 2003 through June 30, 2008;

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



- G. CITY and MTS now desire to enter into an agreement to extend the period from July 1, 2008 through June 30, 2013; and

NOW THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, CITY and MTS agree as follows:

1. MTS will administer and enforce its taxicab and other for-hire vehicles Ordinance policies, and regulations as in effect on July 1, 2008, and as thereafter from time to time amended by MTS, and thereby regulate such taxicab and other for-hire vehicles and transportation services rendered wholly within the CITY's corporate limits during the period of July 1, 2008 through June 30, 2013, pursuant to PUC Section 120266.

2. MTS will collect and administer all such regulatory fees, fines, and forfeitures as now or hereafter provided by the MTS Taxicab and Other For-Hire Vehicles Ordinance No. 11 policies, and regulations.

3. MTS will not alter a fundamental policy or regulation in accordance with the Taxicab and Other For-Hire Vehicles Ordinance No. 11 without prior approval of the CITY.

4. The CITY Mayor and MTS Chief Executive Officer may supplement this agreement by executing a Memorandum of Understanding relative to administrative and operating procedures of taxicab and other for-hire vehicles regulation, and to provide for reimbursable staff and legal support services.

IN WITNESS THEREOF, this seventh amendment to the agreement is executed by the CITY acting by and through its City Mayor pursuant to Council Ordinance No. 0-19761 and by MTS acting through its Chief Executive Officer.

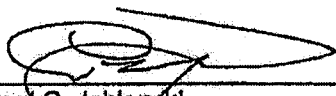
Dated this 9th day of JUNE, 2008.

THE CITY OF SAN DIEGO

SAN DIEGO METROPOLITAN TRANSIT
SYSTEM



City Attorney

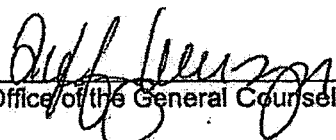


Paul C. Jablonski
Chief Executive Officer

WE HEREBY APPROVE the form of the foregoing Agreement.



City Attorney



Office of the General Counsel

Date: 7/8/08

Date: 2/15/08

ORDINANCE NUMBER O- 19761 (NEW SERIES)

DATE OF FINAL PASSAGE MAY 30 2008

AN ORDINANCE AUTHORIZING A SEVENTH
AMENDMENT TO AGREEMENT WITH METROPOLITAN
TRANSIT SYSTEM TO CONTINUE THE ADMINISTRATION
OF TAXICABS AND OTHER PRIVATE FOR-HIRE VEHICLES
EXTENDING ITS TERM.

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor or his authorized designee is hereby authorized and empowered to execute a Seventh Amendment to Agreement with Metropolitan Transit System [MTS], to continue the administration of taxicabs and other private for-hire vehicles regulations, for a five-year period beginning July 1, 2008, under the terms and conditions set forth in the Seventh Amendment to Agreement [Agreement], on file in the office of the City Clerk as Document No. OO- 19761.


Section 2. That MTS is hereby authorized to continue to provide for the regulation of taxicabs and other private for-hire vehicles for services rendered wholly within the City's corporate limits as provided in the Agreement.

Section 3. That this activity is exempt from California Environmental Quality Act [CEQA] Guidelines, Section 15060(c)(3).

Section 4. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 5. That this ordinance shall take effect and be in force on the thirtieth day from
and after its final passage.


APPROVED: MICHAEL J. AGUIRRE, City Attorney

By 
Michael P. Calabrese
Chief Deputy City Attorney

MPC:sc
04/22/08
05/12/08 Cor. Copy
Aud.Cert.: N/A
Or.Dept:B&CP
O-2008-144

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San
Diego, at this meeting of MAY 27 2008

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 5-30-08
(date)


JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor



BOB FILNER
MAYOR

February 21, 2013

Mr. Paul Jablonski
Chief Executive Officer
Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Subject: Request to Pull Future Agenda Items Related to Taxicab
Administration Contract Renewal

Dear Mr. Jablonski:

I am requesting that the Metropolitan Transit System (MTS) pull future agenda items related to the "Taxicab Administration Contract Renewal" from the MTS Board of Directors meeting. It is my intent to transfer all administrative and regulatory responsibilities of the taxicab and for-hire vehicles from MTS to the City of San Diego. While we do not plan to renew the proposed MOU, in order to allow the City to take the necessary steps to ensure a smooth transition of responsibilities, we may request an extension of the existing contract until the transition is complete.

If you have any questions please do not hesitate to call Nelson Hernandez, Assistant Chief Operating Officer, at (619) 236-5929.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Filner", written over a circular stamp.

BOB FILNER
Mayor

BF/nh

Mr. Paul Jablonski
February 21, 2013
Page Two

cc: Jay Goldstone, Chief Operating Officer
Nelson Hernandez, Assistant Chief Operating Officer
Garth K. Sturdevan, Director, Transportation & Storm Water Department
Linda Marabian, Deputy Director, Transportation Engineering Operations
Division



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

December 12, 2013

SUBJECT:

FISCAL YEAR 2013 FINAL BUDGET COMPARISON (MIKE THOMPSON)

RECOMMENDATION:

That the Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

With the completion of the fiscal year 2013 Comprehensive Annual Financial Report (CAFR), the fiscal year 2013 budget can be reviewed with audited numbers. Attachment A-1 summarizes the results with the variances to budget on a consolidated basis for the agency as a whole. Attachments A-2 through A-7 show the results for transit services (San Diego Transit Corporation [SDTC]), Rail Operations (San Diego Trolley, Inc. [SDTI]), Contract Services, General Fund, Taxicab Administration, and San Diego and Arizona Eastern (SD&AE) Railway Company, respectively.

Overall Results

For fiscal year 2013, MTS had an excess of revenues over expenses of \$6,631,000. The amended budget assumed an excess of revenues over expenses of \$4,506,000 bringing in an additional \$2,125,000.



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

REVENUES

Fare Revenue

Passenger revenues were \$90,651,000 compared to \$91,347,000 in the amended budget for an unfavorable variance of \$696,000 (-0.8%). This was due to lower-than-anticipated ridership.

Other Operating Revenue

Other operating revenues were \$5,834,000 compared to \$5,623,000 in the amended budget for a favorable variance of \$211,000 (3.8%).

EXPENSES

Overall, operating expenses were \$232,852,000 compared to an amended budget of \$236,925,000 for a favorable variance of \$4,073,000. The larger variances were in personnel costs and outside services.

Total personnel costs for the fiscal year totaled \$123,695,000 compared to an amended budget of \$125,022,000, which resulted in a favorable variance of \$1,327,000 (1.1%). This is primarily due to favorable variances within Operations.

Total outside service expenses for the fiscal year totaled \$67,372,000 compared to an amended budget of \$69,198,000, which resulted in a favorable variance of \$1,826,000 (2.6%). This is primarily due to other outside service expense favorable variances within Administration, as well as a favorable experience with repairs and maintenance costs within Operations.

Subsidy Revenue and Other Non-operating Revenue and Expenses

Attachment A-8 details subsidy revenue and other nonoperating revenue and expenses. Subsidy revenues were \$141,800,000 compared to \$143,217,000 in the amended budget for an unfavorable variance of \$1,417,000 (-1.0%); \$1,896,000 of this variance was in State Transit Assistance (STA) revenues due to lower-than-projected tax revenues from the State Controller's Office (expected \$22.2 million, received \$20.3 million).

Reserves

Attachment A-9 details MTS's contingency reserve. The ending reserve balance on June 30, 2012, was \$28,065,000.

For fiscal year 2013, MTS had an excess of revenues over expenses before reserves of \$3,265,000. After adjusting for interest, the capital project reserve, other adjustments, and the income or loss from SD&AE and Taxicab Administration results (which are self-funded), the change for the year totals a decrease of \$1,477,000. The new contingency reserve balance on June 30, 2013, thus became \$26,588,000.

In developing the fiscal year 2014 budget, the Board of Directors approved using \$4,507,000 of the surplus from fiscal year 2013 towards the Capital Improvement Program.

After taking into account the \$4,507,000 to be used in fiscal year 2014, the net contingency reserve of \$26,588,000 represents 10.8% of the fiscal year 2014 operating budget of \$247,159,000, an increase in the reserve percentage compared to fiscal year 2012 which was at 9.9%. The goal is for MTS to increase the contingency reserve to 12.5% of the operating budget by fiscal year 2016.

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



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Comparison to Budget

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

FY 2013

CONSOLIDATED

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 90,651	\$ 91,347	\$ (696)	-0.8%
Other Revenue	<u>5,834</u>	<u>5,623</u>	<u>211</u>	<u>3.8%</u>
Total Operating Revenue	<u>96,485</u>	<u>96,970</u>	<u>(485)</u>	<u>-0.5%</u>
Personnel costs	123,695	125,022	1,327	1.1%
Outside services	67,372	69,198	1,826	2.6%
Transit operations funding	3,571	4,249	678	16.0%
Materials and supplies	8,468	8,444	(24)	-0.3%
Energy	22,573	22,471	(102)	-0.5%
Risk management	3,343	3,823	480	12.6%
Miscellaneous operating expenses	<u>3,830</u>	<u>3,718</u>	<u>(112)</u>	<u>-3.0%</u>
Total Operating Expenses	<u>232,852</u>	<u>236,925</u>	<u>4,073</u>	<u>1.7%</u>
Operating income (loss)	<u>(136,367)</u>	<u>(139,955)</u>	<u>3,588</u>	<u>2.6%</u>
Subsidy Revenue	141,800	143,217	(1,417)	-1.0%
Other Non-Operating Revenue	<u>(2,168)</u>	<u>(2,098)</u>	<u>(70)</u>	<u>3.3%</u>
Total Non-Operating Revenue	<u>139,632</u>	<u>141,119</u>	<u>(1,487)</u>	<u>-1.1%</u>
Income (loss) before Reserve Utilization	3,265	1,164	2,101	180.5%
Reserve Usage	<u>3,366</u>	<u>3,342</u>	<u>24</u>	<u>0.7%</u>
Net Income (loss)	\$ <u><u>6,631</u></u>	\$ <u><u>4,506</u></u>	\$ <u><u>2,125</u></u>	<u><u>47.2%</u></u>

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

FY 2013

TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 28,621	\$ 28,708	\$ (87)	-0.3%
Other Revenue	6	10	(4)	-41.0%
Total Operating Revenue	28,627	28,718	(91)	-0.3%
Personnel costs	75,007	76,160	1,153	1.5%
Outside services	1,593	1,774	181	10.2%
Transit operations funding	0	0	0	-
Materials and supplies	4,518	4,617	99	2.1%
Energy	5,247	5,166	(81)	-1.6%
Risk management	1,427	1,605	178	11.1%
Miscellaneous operating expenses	10,351	10,341	(10)	-0.1%
Total Operating Expenses	98,143	99,663	1,520	1.5%
Operating income (loss)	(69,516)	(70,945)	1,429	2.0%
Subsidy Revenue	66,064	67,383	(1,319)	-2.0%
Other Non-Operating Revenue and Expense	(1,548)	(1,438)	(110)	7.6%
Total Non-Operating Revenue	64,516	65,945	(1,429)	-2.2%
Income (loss) before Reserve Utilization	(5,000)	(5,000)	(0)	0.0%
Reserve Usage	5,000	5,000	0	0.00%
Net Income (loss)	\$ (0)	\$ 0	\$ (0)	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINAL YEAR END COMPARISON OF ACTUAL TO BUDGET
FY 2013
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 35,554	\$ 36,294	\$ (740)	-2.0%
Other Revenue	<u>574</u>	<u>575</u>	<u>(1)</u>	<u>-0.2%</u>
Total Operating Revenue	<u>36,128</u>	<u>36,869</u>	<u>(741)</u>	<u>-2.0%</u>
Personnel costs	30,981	31,571	590	1.9%
Outside services	3,315	3,499	184	5.3%
Transit operations funding	0	0	0	-
Materials and supplies	3,914	3,778	(136)	-3.6%
Energy	8,869	8,688	(181)	-2.1%
Risk management	1,541	1,823	282	15.5%
Miscellaneous operating expenses	<u>15,650</u>	<u>15,645</u>	<u>(5)</u>	<u>0.0%</u>
Total Operating Expenses	<u>64,271</u>	<u>65,004</u>	<u>734</u>	<u>1.1%</u>
Operating income (loss)	<u>(28,143)</u>	<u>(28,135)</u>	<u>(8)</u>	<u>0.0%</u>
Subsidy Revenue	28,143	28,135	8	0.0%
Other Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Total Non-Operating Revenue	<u>28,143</u>	<u>28,135</u>	<u>8</u>	<u>0.0%</u>
Income (loss) before Reserve Utilization	0	0	0	-
Reserve Usage	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Net Income (loss)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	<u>-</u>

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

FY 2013

CONTRACT SERVICES

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 26,476	\$ 26,345	\$ 131	0.5%
Other Revenue		0	0	-
Total Operating Revenue	26,476	26,345	131	0.5%
Personnel costs	569	579	10	1.7%
Outside services	52,033	52,673	640	1.2%
Transit operations funding	0	0	0	-
Materials and supplies	2	3	1	33.3%
Energy	8,240	8,390	150	1.8%
Risk management	15	15	0	0.0%
Miscellaneous operating expenses	1,713	1,718	5	0.3%
Total Operating Expenses	62,572	63,379	806	1.3%
Operating income (loss)	(36,096)	(37,034)	938	2.5%
Subsidy Revenue	36,096	37,034	(938)	-2.5%
Other Non-Operating Revenue	0	0	0	-
Total Non-Operating Revenue	36,096	37,034	(938)	-2.5%
Income (loss) before Reserve Utilization	0	0	0	-
Reserve Usage	0	0	0	-
Net Income (loss)	\$ 0	\$ 0	\$ 0	-

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

FY 2013

GENERAL OPERATIONS (less Taxicab and SD&AE)

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 0	\$ 0	\$ 0	-
Other Revenue	4,211	4,008	203	5.1%
Total Operating Revenue	4,211	4,008	203	5.1%
Personnel costs	16,440	16,026	(414)	-2.6%
Outside services	10,180	11,040	860	7.8%
Transit operations funding	3,571	4,249	678	16.0%
Materials and supplies	13	19	6	31.6%
Energy	209	219	10	4.6%
Risk management	341	358	17	4.7%
Miscellaneous operating expenses	(24,096)	(24,204)	(108)	0.4%
Total Operating Expenses	6,659	7,707	1,049	13.6%
Operating income (loss)	(2,448)	(3,699)	1,251	33.8%
Subsidy Revenue	11,497	10,665	832	7.8%
Other Non-Operating Revenue	(620)	(660)	40	-6.1%
Total Non-Operating Revenue	10,877	10,005	872	8.7%
Income (loss) before Reserve Utilization	8,429	6,306	2,123	33.7%
Reserve Usage	(1,800)	(1,800)	0	0.0%
Net Income (loss)	\$ 6,629	\$ 4,506	\$ 2,123	47.1%

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

FY 2013

TAXICAB ADMINISTRATION

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 0	\$ 0	\$ 0	-
Other Revenue	<u>884</u>	<u>865</u>	<u>19</u>	<u>2.2%</u>
Total Operating Revenue	<u>884</u>	<u>865</u>	<u>19</u>	<u>2.2%</u>
Personnel costs	594	595	1	0.2%
Outside services	158	192	34	17.7%
Transit operations funding	0	0	0	-
Materials and supplies	21	27	6	22.2%
Energy	8	8	0	0.0%
Risk management	0	0	0	-
Miscellaneous operating expenses	<u>211</u>	<u>214</u>	<u>3</u>	<u>1.4%</u>
Total Operating Expenses	<u>992</u>	<u>1,035</u>	<u>44</u>	<u>4.3%</u>
Operating income (loss)	<u>(108)</u>	<u>(170)</u>	<u>62</u>	<u>36.5%</u>
Subsidy Revenue	0	0	0	-
Other Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Total Non-Operating Revenue	<u>0</u>	<u>0</u>	<u>0</u>	<u>-</u>
Income (loss) before Reserve Utilization	<u>(108)</u>	<u>(170)</u>	<u>62</u>	<u>-36.5%</u>
Reserve Usage	<u>108</u>	<u>170</u>	<u>(62)</u>	<u>-36.5%</u>
Net Income (loss)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>-</u>

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

FY 2013

SAN DIEGO & ARIZONA EASTERN RAILWAY (SD&AE)

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
Passenger Revenue	\$ 0	\$ 0	\$ 0	-
Other Revenue	159	165	(6)	-3.6%
Total Operating Revenue	159	165	(6)	-3.6%
Personnel costs	104	91	(13)	-14.3%
Outside services	93	20	(73)	-365.0%
Transit operations funding	0	0	0	-
Materials and supplies	0	0	0	-
Energy	0	0	0	-
Risk management	19	22	3	13.6%
Miscellaneous operating expenses	1	4	3	75.0%
Total Operating Expenses	217	137	(80)	-58.4%
Operating income (loss)	(58)	28	(86)	307.1%
Subsidy Revenue	0	0	0	-
Other Non-Operating Revenue	0	0	0	-
Total Non-Operating Revenue	0	0	0	-
Income (loss) before Reserve Utilization	(58)	28	(86)	-307.1%
Reserve Usage	58	(28)	86	-307.1%
Net Income (loss)	\$ 0	\$ 0	\$ 0	-

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

FY 2013

COMBINED SUBSIDY AND OTHER NON-OPERATING REVENUE AND EXPENSES

(in \$000's)

	ACTUALS ON A BUDGET BASIS	AMENDED BUDGET	DOLLAR VARIANCE	PERCENT VARIANCE
<u>Subsidy Revenue</u>				
Federal Revenue	\$ 42,009	\$ 41,739	\$ 270	0.6%
Transportation Development Act	68,148	67,741	407	0.6%
State Transit Assistance	3,128	5,024	(1,897)	-37.7%
State Revenue - Other	1,473	1,320	153	11.6%
TransNet funds	24,600	24,854	(254)	-1.0%
Other Local subsidies	2,444	2,540	(97)	-3.8%
Total Subsidy Revenue	141,800	143,217	(1,417)	-1.0%
<u>Other Non-Operating Revenue and Expense</u>				
Investment Earnings	7,609	7,662	(53)	-0.7%
Other Non-Operating Income	0	0	0	-
Other Non-Operating Expenses	(9,776)	(9,759)	(17)	0.2%
Total Other Non-Operating Revenue Revenue and Expense	(2,168)	(2,098)	(70)	3.3%
Total Subsidy and Non-Operating Revenue and Expense	\$ 139,632	\$ 141,119	\$ (1,487)	-1.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Contingency Reserve

FY 2013

(in \$000's)

Balance, June 30, 2012		28,065
FY 2013 Operations	3,265	
Interest allocation/other	(11)	
Addback (deduct)		
SDAE	57	
Taxi	(281)	
Deduct Capital Project Reserve	(4,507)	
Operations, Net		(1,477)
		<hr/>
Balance, June 30, 2013		<u><u>26,588</u></u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Reserve Balances

FY 2013

(in \$000's)

<u>Title</u>	<u>Amount</u>	<u>Explanation</u>
Contingency	26,587,701	For ongoing operations, future matching of grants; minimum 4% of operating budget per Policy 36
Capital Project Reserve	4,506,718	To hold prior year's revenue for the FY 2014 capital budget
Taxicab capital	294,032	For replacement of office equipment and vehicles
Insurance	2,000,000	Established for potential future liability claims, minimum \$2 million per policy 46
Billboard San Diego	133,419	Per agreement with city, used for improvements to right of way
Billboard Chula Vista	1,245,440	Per agreement with city, used for improvements to right of way
SD&AE	1,505,779	Established from 1984 state payments for storm damage, restricted for repair/improvement of line
MTS JPA residual	264,119	Established from proceeds of legal settlement, restricted for repairs to MTS Tower
Land management	<u>437,884</u>	For for repair and maintenance of rental property
	<u>36,975,092</u>	



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Agenda Item No. 46

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

December 12, 2013

SUBJECT:

OPERATIONS BUDGET STATUS REPORT FOR OCTOBER 2013
(MIKE THOMPSON)

RECOMMENDATION:

That the Board of Directors receive the MTS operations budget status report for October 2013.

Budget Impact

None at this time.

DISCUSSION:

This report summarizes MTS's operating results for October 2013 compared to the fiscal year 2014 budget. Attachment A-1 combines the operations, administration, and other activities results for October 2013. Attachment A-2 details the October 2013 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 October 2013 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 October 2013, the MTS net-operating income favorable variance totaled \$1,844,000 (4.0%). Operations produced a \$466,000 (1.0%) favorable variance, and the administrative/other activities areas were favorable by \$1,378,000.

MTS COMBINED RESULTS

Revenues. Year-to-date combined revenues through October 2013 were \$36,310,000 compared to the year-to-date budget of \$34,781,000 representing a \$1,528,000 (4.4%) favorable variance.

Expenses. Year-to-date combined expenses through October 2013 were \$80,547,000 compared to the budget of \$80,863,000, resulting in a \$316,000 (0.4%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$39,176,000 compared to a budgetary figure of \$39,499,000, producing a favorable variance of \$323,000 (0.8%).

Outside Services and Purchased Transportation. Total outside services for the first four months of the fiscal year totaled \$26,051,000 compared to a budget of \$27,087,000, resulting in a favorable variance of \$1,036,000 (3.8%). This is primarily due to a favorable experience with repairs/maintenance costs within Operations and a favorable variance for other outside services within Administration.

Materials and Supplies. Total year-to-date materials and supplies expenses were \$3,353,000 compared to a budgetary figure of \$2,979,000, resulting in an unfavorable expense variance of \$374,000 (-12.5%). This unfavorable variance is primarily due to revenue parts costs within Rail Operations.


Energy. Total year-to-date energy costs were \$8,901,000 compared to the budget of \$8,840,000 resulting in an unfavorable variance of \$61,000 (-0.7%).

Risk Management. Total year-to-date expenses for risk management were \$1,958,000, compared to the budget of \$1,433,000, resulting in an unfavorable variance totaling \$525,000 (-36.6%).

General and Administrative. The year-to-date general and administrative costs, including vehicle and facilities leases, were \$84,000 (-8.0%) unfavorable to budget, totaling \$1,108,000 through October 2013, compared to a budget of \$1,025,000.

YEAR-TO-DATE SUMMARY

The October 2013 year-to-date net-operating income totaled a favorable variance of \$1,844,000 (4.0%). These factors include favorable variances in passenger revenue, other operating revenue, outside services, and personnel costs, partially offset by unfavorable variances in materials costs, risk management costs, energy, and general and administrative expenses.



Paul O. Jablonski
Chief Executive Officer

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

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 33,331	\$ 32,526	\$ 804	2.5%
Other Revenue	2,979	2,255	724	32.1%
Total Operating Revenue	\$ 36,310	\$ 34,781	\$ 1,528	4.4%
Personnel costs	\$ 39,176	\$ 39,499	\$ 323	0.8%
Outside services	26,051	27,087	1,036	3.8%
Transit operations funding	-	-	-	-
Materials and supplies	3,353	2,979	(374)	-12.5%
Energy	8,901	8,840	(61)	-0.7%
Risk management	1,958	1,433	(525)	-36.6%
General & administrative	795	711	(85)	-11.9%
Vehicle/facility leases	313	314	1	0.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(0)	-	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 80,547	\$ 80,863	\$ 316	0.4%
Operating income (loss)	\$ (44,238)	\$ (46,082)	\$ 1,844	4.0%
Total public support and nonoperating revenues	823	839	(16)	-1.9%
Income (loss) before capital contributions	\$ (43,415)	\$ (45,243)	\$ 1,828	-4.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 33,331	\$ 32,526	\$ 804	2.5%
Other Revenue	193	195	(2)	-1.1%
Total Operating Revenue	\$ 33,524	\$ 32,721	\$ 802	2.5%
Personnel costs	\$ 33,063	\$ 33,359	\$ 296	0.9%
Outside services	22,156	22,521	366	1.6%
Transit operations funding	-	-	-	-
Materials and supplies	3,350	2,969	(382)	-12.9%
Energy	8,649	8,608	(41)	-0.5%
Risk management	1,836	1,279	(557)	-43.6%
General & administrative	107	93	(13)	-14.5%
Vehicle/facility leases	229	225	(5)	-2.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	9,889	9,889	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 79,280	\$ 78,943	\$ (336)	-0.4%
Operating income (loss)	\$ (45,756)	\$ (46,222)	\$ 466	1.0%
Total public support and nonoperating revenues	1,559	1,576	(16)	-1.0%
Income (loss) before capital contributions	\$ (44,197)	\$ (44,646)	\$ 450	-1.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 9,514	\$ 9,800	\$ (286)	-2.9%
Other Revenue	2	3	(2)	-53.4%
Total Operating Revenue	\$ 9,516	\$ 9,804	\$ (288)	-2.9%
Personnel costs	\$ 21,816	\$ 22,159	\$ 342	1.5%
Outside services	409	621	212	34.2%
Transit operations funding	-	-	-	-
Materials and supplies	1,615	1,606	(10)	-0.6%
Energy	1,921	1,908	(13)	-0.7%
Risk management	1,342	646	(696)	-107.8%
General & administrative	33	50	18	35.3%
Vehicle/facility leases	102	100	(3)	-2.7%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	3,774	3,774	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 31,012	\$ 30,863	\$ (149)	-0.5%
Operating income (loss)	\$ (21,496)	\$ (21,059)	\$ (437)	-2.1%
Total public support and nonoperating revenues	(429)	(413)	(16)	3.9%
Income (loss) before capital contributions	\$ (21,926)	\$ (21,472)	\$ (454)	2.1%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 14,046	\$ 12,638	\$ 1,407	11.1%
Other Revenue	191	192	(0)	-0.2%
Total Operating Revenue	\$ 14,237	\$ 12,830	\$ 1,407	11.0%
Personnel costs	\$ 10,754	\$ 10,713	\$ (41)	-0.4%
Outside services	1,334	1,161	(173)	-14.9%
Transit operations funding	-	-	-	-
Materials and supplies	1,733	1,360	(373)	-27.4%
Energy	3,782	3,568	(215)	-6.0%
Risk management	489	628	139	22.1%
General & administrative	72	34	(37)	-108.9%
Vehicle/facility leases	122	119	(3)	-2.5%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	5,445	5,445	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 23,732	\$ 23,028	\$ (704)	-3.1%
Operating income (loss)	\$ (9,495)	\$ (10,198)	\$ 703	6.9%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (9,495)	\$ (10,198)	\$ 703	-6.9%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (FIXED ROUTE)
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 8,149	\$ 8,417	\$ (268)	-3.2%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 8,149	\$ 8,417	\$ (268)	-3.2%
Personnel costs	\$ 174	\$ 150	\$ (23)	-15.6%
Outside services	14,167	14,504	337	2.3%
Transit operations funding	-	-	-	-
Materials and supplies	2	1	(1)	-67.2%
Energy	2,033	2,189	157	7.2%
Risk management	-	-	-	-
General & administrative	2	1	(0)	-13.0%
Vehicle/facility leases	5	6	1	18.6%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	477	477	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 16,858	\$ 17,329	\$ 470	2.7%
Operating income (loss)	\$ (8,710)	\$ (8,911)	\$ 202	2.3%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (8,710)	\$ (8,911)	\$ 202	-2.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (PARATRANSIT)
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 703	\$ 704	\$ (1)	-0.1%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 703	\$ 704	\$ (1)	-0.1%
Personnel costs	\$ 43	\$ 49	\$ 6	12.1%
Outside services	4,105	4,084	(20)	-0.5%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	824	836	11	1.4%
Risk management	5	5	-	0.0%
General & administrative	0	4	3	86.7%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	139	139	0	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 5,117	\$ 5,117	\$ (0)	0.0%
Operating income (loss)	\$ (4,414)	\$ (4,413)	\$ (1)	0.0%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (4,414)	\$ (4,413)	\$ (1)	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 919	\$ 966	\$ (48)	-4.9%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 919	\$ 966	\$ (48)	-4.9%
Personnel costs	\$ 87	\$ 100	\$ 13	13.0%
Outside services	1,924	1,934	10	0.5%
Transit operations funding	-	-	-	-
Materials and supplies	0	2	2	98.2%
Energy	88	107	19	17.4%
Risk management	-	-	-	-
General & administrative	-	3	3	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	55	55	(0)	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 2,155	\$ 2,201	\$ 47	2.1%
Operating income (loss)	\$ (1,236)	\$ (1,235)	\$ (1)	-0.1%
Total public support and nonoperating revenues	1,914	1,914	-	0.0%
Income (loss) before capital contributions	\$ 677	\$ 678	\$ (1)	-0.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CORONADO FERRY
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	61	61	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	\$ 61	\$ 61	\$ -	0.0%
Operating income (loss)	\$ (61)	\$ (61)	\$ -	0.0%
Total public support and nonoperating revenues	75	75	-	0.0%
Income (loss) before capital contributions	\$ 14	\$ 14	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATION
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	2,658	1,930	728	37.7%
Total Operating Revenue	\$ 2,658	\$ 1,930	\$ 728	37.7%
Personnel costs	\$ 5,878	\$ 5,908	\$ 30	0.5%
Outside services	3,881	4,502	621	13.8%
Transit operations funding	-	-	-	-
Materials and supplies	2	8	6	75.6%
Energy	248	229	(19)	-8.1%
Risk management	117	145	28	19.5%
General & administrative	655	581	(73)	-12.6%
Vehicle/facility leases	83	89	6	6.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(9,930)	(9,930)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 934	\$ 1,533	\$ 599	39.1%
Operating income (loss)	\$ 1,724	\$ 397	\$ 1,327	-334.6%
Total public support and nonoperating revenues	(737)	(737)	0	0.0%
Income (loss) before capital contributions	\$ 987	\$ (340)	\$ 1,327	-390.4%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OTHER ACTIVITIES
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2014
OCTOBER 31, 2013
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	128	130	(2)	-1.7%
Total Operating Revenue	\$ 128	\$ 130	\$ (2)	-1.7%
Personnel costs	\$ 235	\$ 232	\$ (4)	-1.6%
Outside services	13	63	50	78.7%
Transit operations funding	-	-	-	-
Materials and supplies	1	2	2	74.6%
Energy	5	3	(1)	-38.6%
Risk management	5	9	4	46.6%
General & administrative	34	36	2	5.9%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	40	40	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 333	\$ 386	\$ 53	13.7%
Operating income (loss)	\$ (206)	\$ (256)	\$ 51	19.8%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (206)	\$ (256)	\$ 51	-19.8%



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Agenda Item No. 62

Chief Executive Officer's Report

December 12, 2013

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 November 8, 2013, through December 6, 2013.



CONTRACTS - EXPENSE				
Doc #	Organization	Subject	Amount	Day
G1415.2-12	NMS MANAGEMENT	2ND FLOOR JANITORIAL SERVICES FOR SANDAG	\$2,870.45	11/22/2013
G1670.0-14	MSDS ONLINE	MATERIAL SAFETY DATA SHEET	\$19,758.00	11/27/2013
L1092.2-13	PROGRESS RAIL SERVICES	ADDITIONAL 67' OF 115# RAIL	\$1,603.80	12/4/2013
G1594.0-13	TRIBOLOGIK CORPORATION	BUS OIL ANALYSIS SERVICES	\$96,857.50	12/5/2013
L0901.2-10	BRICEHOUSE STATION, LLC	FOUNTAIN REPAIRS	\$80,000.00	12/5/2013
L1167.0-14	CITY OF SAN DIEGO	CONVEYANCE AGREEMENT	\$79,600.00	12/5/2013

CONTRACTS - REVENUE				
Doc #	Organization	Subject	Amount	Day
L1177.0-14	COPPER ELECTRIC, INC.	DURABLE ROE ELECTRICAL MAINTENANCE	(\$1,000.00)	11/12/2013
G1664.0-14	DEPT OF TRANSPORTATION	DOT CALTRANS STANDARD AGMT	(\$10,000.00)	11/22/2013
L1180.0-14	PURE FITNESS PACIFIC	ROE - RUN FOR THE HUNGRY	(\$750.00)	11/22/2013
L1183.0-14	TC CONSTRUCTION	ROE SD CITY SEWER WATER GROUP	(\$2,500.00)	11/26/2013
S200-14-587	LB CIVIL CONSTRUCTION	ROE H ST EXTENSION	(\$2,800.00)	11/26/2013
G1645.0-14	CITY OF SAN DIEGO	GRANT OF EASEMENT	(\$2,500.00)	12/5/2013
L1181.0-14	GLASS WITH CLASS, INC.	DURABLE ROE - WINDOW CLEANING	(\$1,000.00)	12/5/2013
L1182.0-14	TORRES CONSTRUCTION	ROE MILLS BLDG PARKING GARAGE	(\$750.00)	12/5/2013
M6707.0-14	TRI GROUP CONSTRUCTION	ROE PERMIT - PATHWAY PROJECT	(\$2,200.00)	12/5/2013

PURCHASE ORDERS			
DATE	Organization	Subject	AMOUNT
11/8/2013	PIXEL PRODUCTIONS	VIDEO, DON'T BE THAT KID	\$1,200.00
11/12/2013	DELL COMPUTER CORP	DELL LATITUDE	\$1,536.92
11/13/2013	WOLFCOM ENTERPRISES	HD1080 POLICE BOY CAMERAS W/ WARTY	\$48,750.00
11/14/2013	DEL COMPUTER CORP	DEL LATITUDE	\$2,088.77
11/14/2013	SAN DIEGO CONVENTION AND VISIT	TWO FULL PAGE COLOR ADS	\$8,500.00
11/14/2013	SD CONVENTION AND VISIT	TWO FULL PAGE COLOR ADS	\$8,500.00
11/14/2013	RUSH PRESS	QUARTERLY RIDER NEWSLETTER	\$17,684.00
11/15/2013	CDWG	VMWARE	\$60,784.00
11/20/2013	MYTHICS INC	ORACLE DATABASE ENTERPRISE	\$94,044.60
11/20/2013	CITY ELECTRIC WORK	PARKING LOT LIGHTING FOR RB	\$10,240.00
11/26/2013	CDWG	HP DL380 GEN 8 SERVERS	\$33,612.84
11/26/2013	CDWG	CISCO NEXUS	\$24,179.60
11/27/2013	ESRI	ARCGIS MAINTENANCE	\$10,694.96

WORK ORDERS

Doc #	Organization	Subject	Amount	Day
PWL 135.0-12.14	ABC CONSTRUCTION, INC.	QUALCOMM CONTROLLER'S BOOTH REPAIRS	\$4,562.99	8/15/2013
G0930.17-04.22.1	SANDAG	SDSU TUNNEL CCTV	\$20,285.66	9/9/2013
G0930.17-04.23	SANDAG	CIRCUIT BREAKERS	\$4,000.00	9/9/2013
PWL 135.0-12.15	ABC CONSTRUCTION, INC.	5TH AVE BRT CONDUIT	\$91,525.99	9/17/2013
PWL 135.0-12.07.1	ABC CONSTRUCTION, INC.	REINFORCED CONCRETE PAVEMENT	\$47,698.33	9/20/2013
G1496.0-13.01.01	RAILPROS, INC.	ON-CALL ENGINEERING SERVICES	\$75,000.00	9/23/2013
PWL 135.0-12.16	ABC CONSTRUCTION, INC.	KMD YARD FENCING	\$40,664.78	10/3/2013
PWL 135.0-12.17	ABC CONSTRUCTION, INC.	IAD YARD FENCING	\$32,691.57	10/3/2013
PWL 134.0-12.23	HERZOG CONSTRUCTION, INC.	YARD INTERCOM REPLACEMENT AND UPGRA	\$6,194.28	10/15/2013
PWL 134.0-12.24	HERZOG CONSTRUCTION, INC.	BROADWAY PAVING REPLACEMENT	\$12,894.54	10/15/2013
G1496.0-13.03	RAILPROS	ROE AND REAL ESTATE GENERAL	\$50,000.00	10/29/2013
G1246.0-09.10.2	DAVID EVANS & ASSOCIATES INC	ADDITIONAL DESIGN SERVICES	\$16,985.29	11/6/2013
PWL 134.0-12.20.1	HERZOG CONSTRUCTION, INC.	ORANGE LINE TRACK WELDING	\$42,036.52	11/7/2013
PWL 135.0-12.09.1	ABC CONSTRUCTION	UPGRADE 2 SERVERS	\$2,639.20	11/8/2013
PWL 135.0-12.15.1	ABC CONSTRUCTION, INC.	20 ADDITIONAL FEET	\$4,662.52	11/8/2013
G1246.0-09.12.2	DAVID EVANS & ASSOCIATES INC	ENGINEERING SERVICES BLDG A HVAC	\$8,031.30	12/5/2013