



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

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 22, 2015

Executive Conference Room  
9:00 a.m.

#### ACTION RECOMMENDED

- A. ROLL CALL
- B. APPROVAL OF MINUTES - November 13, 2014 Approve
- C. COMMITTEE DISCUSSION ITEMS
1. Appointment of San Diego Association of Governments Transportation Committee Representative and Alternate (Sharon Cooney) Approve  
Action would take nominations from the floor and elect and appoint a representative and an alternate from the MTS Board to serve on the San Diego Association of Governments (SANDAG) Transportation Committee for the 2015 calendar year.
2. Trolley Renewal Project Update (Bruce Schmith of SANDAG) Information
3. MTS Transit Service Fixed-Route and Bus Rapid Transit (BRT) Bus Services - Contract Award (Bill Spraul and Jeff Codling) Possible Action  
Action would forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. B0614.0-14 with Transdev Services, Inc. (Transdev) for the provision of fixed-route, express, and BRT bus services for a 6-year base period with two (2) three-year optional performance periods exercisable exclusively at MTS's discretion, beginning on July 1, 2015 and ending on June 30, 2027; and (2) authorize the CEO to exercise the option periods at his discretion, if deemed to be in the best interest of MTS; and (3) waive Policy 41 and authorize the CEO, at his discretion, to execute amendments to increase the not-to-exceed amount of the contract to pay for increased service levels or services, so long as such costs/increases have either been (a) approved by the Board as part of the MTS Operating Budget or the MTS Capital Improvement Project budget process, or (b) will be reimbursed by a third party.



- |    |   |                    |
|----|---|--------------------|
| 4. | <u>San Diego Transit Corporation (SDTC) Employee Retirement Plan's Actuarial Valuation as of July 1, 2014 (Robert McCrory and Anne Harper of Cheiron Inc. and Larry Marinesi)</u><br>Action would forward a recommendation to the Board of Directors to receive the SDTC Employee Retirement Plan's (Plan) actuarial valuation as of July 1, 2014, and adopt the pension contribution amount of \$12,489,757 (38.65 percent) for fiscal year 2016.  | Possible<br>Action |
| 5. | <u>Enterprise Resource Planning/Transit Asset Management Implementation Services Contract Award (Larry Marinesi and Fred LaCroix)</u><br>Action would forward a recommendation to the Board of Directors to: (1) authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1731.0-15, with Labyrinth Solutions, Inc. for the provision of software implementation services for the Enterprise Resource Planning (ERP)/Transit Asset Management (TAM) Project with the option to exercise the Budget Planning module exclusively at MTS's discretion; and (2) authorize the CEO to exercise the Budget Planning module option at his discretion, if deemed to be in the best interest of MTS; and (3) waive the requirements of Policy 41 and authorize the CEO to approve amendments of up to a spending contingency of 5% of the approved contract amount. No part of the contingency amount will be utilized without review and written approval from the Project Manager, the Project Sponsor, and the Steering Committee, including the CEO. | Possible<br>Action |
| 6. | <u>Pacific Imperial Railroad (PIR) Desert Line Agreement - Status Update (Karen Landers)</u>  | Information        |
- 
- |    |  |                    |
|----|--|--------------------|
| D. | REVIEW OF DRAFT January 29, 2015 BOARD AGENDA  |                    |
| E. | <u>REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA</u><br>Review of SANDAG Transportation Committee Agenda and discussion regarding any items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc. Relevant excerpts will be provided during the meeting. | Possible<br>Action |
| F. | COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS   |                    |
| G. | PUBLIC COMMENTS  |                    |
| H. | NEXT MEETING DATE: February 5, 2015  |                    |
| I. | ADJOURNMENT  |                    |

# DRAFT

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
EXECUTIVE COMMITTEE  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101

November 13, 2014

## MINUTES

### A. ROLL CALL

Chairman Mathis called the Executive Committee meeting to order at 9:04 a.m. A roll call sheet listing Executive Committee member attendance is attached.

### B. APPROVAL OF MINUTES

Mr. Ovrom moved for approval of the minutes of the October 23, 2014, MTS Executive Committee meeting. Mr. Gloria seconded the motion, and the vote was 4 to 0 in favor with Mr. Roberts absent.

### C. COMMITTEE DISCUSSION ITEMS

#### 2. Chula Vista Transit Update (Taken Out of Order)

Paul Jablonski, Chief Executive Officer, discussed the Chula Vista Transit (CVT) Update. Mr. Jablonski reported that the South Bay Bus Maintenance Facility (SBBMF) was just recently completed and was now open. He said the SBBMF was the last step in a seven year process to consolidate all of the CVT operations under MTS. In 2006, after the Comprehensive Operations Analysis (COA), MTS negotiated and awarded a contract to Veolia for consolidated transit service which included services within Chula Vista. Mr. Jablonski said that by consolidating the contracted services it saved a lot of money and overhead costs. MTS was paying approximately \$800,000 in costs to the City of Chula Vista and the consolidation had an estimated savings of approximately \$420,000. Mr. Jablonski noted that MTS could not completely transition the service to MTS until the SBBMF was completed, due to the lack of space for housing the buses. The City of Chula Vista Public Works Yard was used to house the buses until the completion of the SBBMF. Mr. Jablonski said that after the completion of the transition, the additional costs of approximately \$400,000 will be gone. He reported that the E Street Bayfront Visitor Center will be assumed by MTS for maintenance and management of the property. Mr. Jablonski reported that MTS has been working collaboratively with the City of Chula Vista, and the projected cost savings after the completion of the transition will be approximately \$725,000 for fiscal year 2016.

Mr. Gloria asked if there needed to be additional approvals from the City of Chula Vista. Mr. Jablonski stated that MTS is finishing the transition documents and noted that MTS has been working alongside Chula Vista for years on this transition.

Chairman Mathis inquired if this item will be presented to the Board of Directors. Mr. Jablonski replied that he will bring this informational item to the November Board meeting.

Action Taken

Informational item only. No action taken.

1. Mid-Coast Corridor Transit Project Station Design (Taken Out of Order)

Greg Gastelum, with SANDAG, introduced Jim Linthicum of SANDAG, Hadi Samii, Jeff Howard and John Trautmann of Parsons Brinkerhoff. Mr. Gastelum provided a brief introduction regarding the Mid-Coast Corridor Transit Project Station Design. Mr. Howard continued the presentation and noted that the project team has been to many different communities to discuss the potential station designs for the Mid-Coast Corridor. He reported that they have also met on a monthly or bi-weekly basis with stakeholders. Mr. Howard discussed the at-grade station options for the Tecolote Road station, the LOSSAN separation wall and fencing options, Clairemont Drive station, Balboa Avenue station and VA Medical Center station. He discussed the aerial station options for the Executive Drive station, UTC Transit Center, Nobel Drive station and UCSD stations.

Mr. Gloria inquired if they were receiving cooperation from the City of San Diego regarding the City-owned stations. Mr. Gastelum replied that they are receiving cooperation. Mr. Gloria asked if the stations will be built so future redevelopment projects could be built next to the stations without obstacles. Mr. Roberts commented that he presumes there would still be opportunity for redevelopment projects. Mr. Howard agreed that there could be options for new redevelopment projects in the future. Mr. Gloria also inquired about the parking lot in the Tecolote station and how people would access the station from the parking lot. Mr. Howard displayed the parking lot sketch image and described the different options for access to and from the parking lot and the station platform.

Mr. Roberts commented that the Balboa station has a lot of potential for expansion and development. Mr. Howard agreed there is a lot of transit oriented development potential at the Balboa station. Mr. Roberts commented that the stations may have issues with maintenance upkeep. Mr. Jablonski agreed there could be issues with graffiti and maintenance upkeep. Mr. Roberts recommended simplifying the station designs instead of incorporating so many different parts and colors. Mr. Howard noted that those points are very well made. Mr. Howard also said they will research developing the stations in a way the community prefers as well as keeping the stations in a more simple design. Mr. Roberts asked if the pedestrian crossways were similarly designed to the already built pedestrian crossways in the La Jolla area. Mr. Trautmann replied that they will look at the crossways already in place and work to replicate those for the new crossways.

Chairman Mathis commented there could be a challenge in obtaining contractors who can build the complex station designs and that the cost may be very high due to the different designs.

Mr. Jablonski indicated there will be a large number of transit riders working in the surrounding areas by the UCSD stations and the VA Center station. He said it would be helpful to have a pedestrian walkway leaving from the VA Center station. Mr. Howard replied that they are working with the VA Center on moving forward with that option. Mr. Jablonski noted that he is concerned about the glass blocks being incorporated into the station walls. He also commented that the green landscaped walls should be low

maintenance. Mr. Jablonski inquired if the height of the LOSSAN wall was appropriate. Mr. Trautmann replied that the wall height is a good medium where the top of the LOSSAN train could be seen, but people on the station platforms would still feel a sense of protection.

Mr. Trautmann asked the committee and staff if the number of shelters at each station should be reduced. Mr. Jablonski replied that six shelters may be too many for one station. Mr. Howard said they would have no problem reducing the number of shelters at each station.

Mr. Ovrom agreed with Mr. Jablonski's point about the issue of graffiti and minimizing the maintenance efforts.

Mr. Cunningham inquired if the UTC Center parking structure will be a joint development with Westfield UTC Mall. Ms. Landers replied they are working with Westfield UTC Mall on the parking structure. Mr. Cunningham inquired if the Mid-Coast project process includes researching the safety and security of the stations. Mr. Gastelum replied that they are working with many different organizations to make sure the safety and security aspects are met at each station. Mr. Cunningham also inquired if the landscaping will be drought resistant and if solar will be used for the lighting fixtures. Mr. Trautmann replied that they are going to have drought resistant landscaping and are looking into adding in solar features to the stations.

Mr. Roberts commented that there is a tentative full funding grant agreement with the Federal government as well as another funding agreement with UCSD.

#### Action Taken

No action taken.

#### D. REVIEW OF DRAFT November 20, 2014 BOARD AGENDA

##### Recommended Consent Items

4. Appointment of Ad Hoc Nominating Committee for Recommending Appointments to MTS Committees for 2015  
Action would 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 2015.
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 21, 2014
7. Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency Joint Powers Agreement  
Action would approve the proposed amendments to the 2013 Amendment to the Joint Powers Agreement Concerning the Los Angeles - San Diego - San Luis Obispo Corridor Rail Agency (LOSSAN) to ensure that the official agency name is correctly stated as the

Los Angeles - San Diego - San Luis Obispo Rail Corridor Agency throughout the document.

8. Investment Report - September 2014
9. Increased Authorization for Legal Services - Oppen & Varco, LLP  
Action would authorize the Chief Executive Officer (CEO) to: (1) execute Amendment No. 2, MTS Doc. No. G1429.2-12 with OPPER & VARCO, LLP to pay current and future legal expenses through the remainder of fiscal year 2015; and (2) ratify one prior contract amendment entered into under the CEO's authority.
10. Collocation Data Center Facility Services - Contract Award  
Action would authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. G1765.0-15 with American Internet Services, LLC (AIS) for collocation data center facility services for a two-year base period with two one-year options periods (for a total of 4 years); and (2) exercise each option year at the CEO's discretion.
11. San Diego Metropolitan Transit System (MTS) Website Replacement Project  
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1694.0-14 with Steer, Davies, Gleave for replacement of the MTS website.
12. Addition of the Following Positions: One (1) F/T HR Representative II; Two (2) F/T Bus Operator Training Instructors; One (1) P/T Administrative Assistant  
Action would authorize the CEO to add: One (1) HR Representative II to the FY15 budget, increasing the total Full Time Equivalent (FTE) position from 3 to 4 at Grade #7 (\$47,531 - \$74,391); Two (2) Bus Operator Training Instructors to the FY15 budget, increasing the total Full Time Equivalent (FTE) position from 6 to 8 at Grade #6 (\$41,512 - \$64,970); and One (1) P/T Administrative Assistant to the FY15 budget at \$15.00 per hour.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

Mr. Jablonski stated there were two items on the SANDAG Transportation Committee Agenda he wanted to address. The first item he briefly discussed was the Complete Streets Policy agenda item. He commented that this policy may result in conflicting issues with MTS buses and the shared bike lanes on the streets. He said the addition of the shared lanes could increase problems with public transportation. The second item he discussed was the Plan of Finance agenda item. Mr. Jablonski said that MTS staff and SANDAG staff are going to set up a working group to discuss TransNet funding and MTS projects which are funded by TransNet. He said there is an 8% portion of money from the funding that is given to these projects. He commented that there is some concern if the 8% of funding is sufficient enough to support all of the MTS TransNet projects. Mr. Jablonski said if the TransNet funding is completely consumed, then the funding requirements will fall back to MTS which would create a substantially large budget issue. He commented that there needs to be ongoing discussions as to how long this 8% funding allotment will last and if it will be enough for MTS TransNet projects. Mr. Linthicum commented that many of the MTS TransNet projects are new and they are currently working on determining the ongoing future costs.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There was no Committee Member Communications and Other Business discussion.

G. PUBLIC COMMENTS

There were no Public Comments.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for December 4, 2014, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:47 a.m.

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Chairman

Attachment: A. Roll Call Sheet

**EXECUTIVE COMMITTEE**  
**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

ROLL CALL

MEETING OF (DATE) November 13, 2014

CALL TO ORDER (TIME) 9:04 a.m.

RECESS \_\_\_\_\_

RECONVENE \_\_\_\_\_

CLOSED SESSION \_\_\_\_\_

RECONVENE \_\_\_\_\_

ADJOURN 10:47 a.m.

BOARD MEMBER (Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
GLORIA <input checked="" type="checkbox"/> (Emerald) <input type="checkbox"/>	9:04 a.m.	10:47 a.m.
MATHIS <input checked="" type="checkbox"/>	9:04 a.m.	10:47 a.m.
OVROM <input checked="" type="checkbox"/> (Bragg) <input type="checkbox"/>	9:04 a.m.	10:47 a.m.
ROBERTS <input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:10 a.m.	10:47 a.m.
CUNNINGHAM <input checked="" type="checkbox"/> (McClellan) <input type="checkbox"/>	9:04 a.m.	10:47 a.m.
Transportation Committee Rep Slot (Mathis)		

SIGNED BY THE CLERK OF THE BOARD: Julia Sansone

CONFIRMED BY THE GENERAL COUNSEL: peru card





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## Agenda Item No. C1

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 22, 2015

#### SUBJECT:

APPOINTMENT OF SAN DIEGO ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION COMMITTEE REPRESENTATIVE AND ALTERNATE (SHARON  
COONEY)

#### RECOMMENDATION:

That the Executive Committee take nominations from the floor and elect and appoint a representative and an alternate from the MTS Board to serve on the San Diego Association of Governments (SANDAG) Transportation Committee for the 2015 calendar year.

#### Budget Impact

None.

#### DISCUSSION:

MTS Board Policy No. 22 specifies:

*On or before its first meeting in January, the Executive Committee shall appoint one of its members to serve as the representative and one of its members to serve as the alternate to the San Diego Association of Governments (SANDAG) Transportation Committee to serve for a term of one year. In the event that the Executive Committee feels a member of the Board who does not serve on the Executive Committee is their preferred representative or alternate for the SANDAG Transportation Committee, the Executive Committee shall have the ability to select the representative or alternate from the full Board. In that instance, the SANDAG Transportation Committee representative, or the alternate in his or her absence, shall attend the Executive Committee meetings as a voting member.*



The 2014 SANDAG Transportation Committee representative was Chairman Harry Mathis, and the alternate was Board Member Al Ovrom.

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

1. The Chairman of the Executive Committee opens the agenda item.
2. The Chairman requests nominations from the floor. Nominations do not require a second.
3. The Chairman closes the nominations.
4. The Chairman asks for any Executive Committee discussion.
5. The Chairman calls for the vote on each candidate in the order in which they were received. The vote continues until a candidate is elected.

 for  
Paul C. Jablonski  
Chief Executive Officer

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



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## Agenda Item No. C2

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 22, 2015

#### SUBJECT:

TROLLEY RENEWAL PROJECT UPDATE (BRUCE SCHMITH OF SANDAG)

#### INFORMATIONAL

##### Budget Impact

None.

#### DISCUSSION:

The Trolley Renewal Project is a system-wide rehabilitation and upgrade of the existing trolley system. The project includes the purchase of new low-floor vehicles, the rehabilitation and retrofit of stations and transit centers throughout the system, new crossovers and upgraded signaling, replacement of the overhead catenary wire, track work and rail replacement, slope repair, and traction power substation replacement and rehabilitation. Construction and infrastructure work is currently underway in downtown San Diego and on the Orange and Blue Lines. Staff will provide an update on the construction project.

  
Paul C. Jablonski  
Chief Executive Officer

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





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## Agenda Item No. C3

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 22, 2015

#### SUBJECT:

MTS TRANSIT SERVICE FIXED-ROUTE AND BUS RAPID TRANSIT (BRT) BUS  
SERVICES – CONTRACT AWARD (BILL SPRAUL AND JEFF CODLING)

#### RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to:

- 1) Execute MTS Doc. No. B0614.0-14 (in substantially the same format as Attachment A) with Transdev Services, Inc. (Transdev) for the provision of fixed-route, express, and BRT bus services for a six-year base period with two (2) three-year optional performance periods exercisable exclusively at MTS's discretion, beginning on July 1, 2015 and ending on June 30, 2027; and
- 2) Authorize the CEO to exercise the option periods at his discretion, if deemed to be in the best interest of MTS; and
- 3) Waive Policy No. 41 and authorize the CEO, at his discretion, to execute amendments to increase the not-to-exceed amount of the contract to pay for increased service levels or services, so long as such costs/increases have either been (a) approved by the Board as part of the MTS Operating Budget or the MTS Capital Improvement Project budget process, or (b) will be reimbursed by a third party.

#### Budget Impact

The total value of this agreement is not to exceed \$735,434,815.00, broken down as follows:



<b>Base Period</b>	<b>Annual Base Budget</b>
Year 1	\$ 49,720,729
Year 2	\$ 51,264,707
Year 3	\$ 56,654,986
Year 4	\$ 58,431,347
Year 5	\$ 59,847,786
Year 6	\$ 60,985,805
<b>Base Period Totals</b>	<b>\$336,905,360</b>
Option Period 1	
Year 1	\$ 62,789,973
Year 2	\$ 64,411,312
Year 3	\$ 65,843,298
<b>Option Period 1 Totals</b>	<b>\$193,044,583</b>
Option Period 2	
Year 1	\$ 67,080,701
Year 2	\$ 68,343,506
Year 3	\$ 70,060,665
<b>Option Period 2 Totals</b>	<b>\$205,484,872</b>
<b>Grand Totals</b>	<b>\$735,434,815</b>

Funding will be included in each respective fiscal year's operating budget. Attachment B displays a further projected cost breakdown for the base period of fiscal years 2016 through 2021.

#### DISCUSSION:

In line with public transit industry best practices, and to sustain long-term operating efficiency and reduce long-term operating costs, MTS engages with a third party to operate certain segments of its public transit operations. Included in those segments are the South Bay and Central San Diego Service, the East County Fixed Route and Rural Lifeline Service, the Commuter Express Service and the BRT Service.

Services will include fixed purchased transportation mileage based unit costs, bus stop maintenance and facility landscaping of 3,513 bus stops, transit center power washing, performance surety costs, performance bonuses, rural bus fuel pass through costs, and other miscellaneous pass-through costs as defined in the contract. If unanticipated service growth in future years drives expenses higher than what has been estimated above, budget adjustments would be subject to approval by the CEO and the Board via the annual budget process. Routine increases in service levels will also be submitted to the Board together with any associated budgetary increases or additional spend authority needs as part of the periodic service level change process.

The contract has stipulations for responsible wage and health benefits consistent with MTS Policy 31, Section 31.10.

MTS will be providing the necessary equipment and facilities for the contracted services. These will consist of heavy-duty 40-foot buses, midsize 30-foot and 32-foot buses, and express 45-foot diesel and compressed natural gas-powered (CNG) transit buses along with two major operations, maintenance and fueling facilities.

In June 2014, staff issued a Request for Proposals (RFP) to solicit offers. Transdev (formerly Veolia) of Silver Springs, Maryland, and First Transit Incorporated (First Transit) of Cincinnati, Ohio, submitted their responses. Both were deemed responsive to the requirements and both were deemed responsible relative to the management skills requirements, as well as the technical capacity and financial stability aspects of the solicitation.

A committee consisting of in-house transit operations and financial management experts evaluated the proposals first on their technical offerings, then by their cost offerings. As required by Section 4.6 of the California Labor Code, a 10% bidding preference was also made available to the proposer who agrees to retain at least 90% of existing employees. Both proposers offered to retain current employees if awarded a contract, therefore both qualified for the 10% preference. Proposals were evaluated based on the following:

<b>Criteria</b>	<b>Available Grade</b>
Qualifications of Firm	25 %
Staffing, Project Organization and Management Plan	25 %
Proposed Work Plan	25 %
Cost/Price	25 %
Compliance with CA Labor Code §4.6	10 %

The evaluation resulted in a total score for Transdev of 99.00 and a total score for First Transit of 83.71 (out of 110 possible points).

First Transit and Transdev were both interviewed by the evaluation team on their technical approach, management plan, and financial stability. Negotiations were also held and multiple detailed analyses of cost proposals were conducted to ascertain the validity of cost and pricing assumptions, as well as, to subject such cost projections to varying levels of cost reasonableness testing.

Transdev received the highest overall rankings in nearly every category by the members of the committee. Transdev's proposal included: a clear understanding of the Scope of Work, innovation and new ideas, and a number of cost-saving alternatives based on their experience and detailed knowledge of the system. Additionally, Transdev's proposal included a highly experienced local management team, staffing above the minimum requirements, and the lowest overall cost. For comparison purposes, the fiscal year (FY) 2015 budgeted contract amount for MTS's contracted fixed-route services is projected to be \$48,452,054 with a per revenue mileage rate of \$5.115 and total projected revenue miles of 9,153,524. The new contract, beginning FY 2016, will decrease the revenue mile rate and increase the total projected revenue miles. This contract is an improvement with the FY 2016 projected contract amount to be \$49,720,729 with a revenue mileage rate of \$5.0401 and total projected revenue miles of 9,462,830.

Contract employees operating out of the South Bay facility are represented by the International Brotherhood of Teamsters Local 683. Employees operating out of the East County facility are represented by both the International Brotherhood of Teamsters Local 683 (maintenance staff) and the Amalgamated Transit Union (ATU) Local 1309 (drivers). Transdev has committed that this representation will continue. Transdev's selection for award of the operating contract is also supported by both unions.

As a result, staff recommends that Transdev be awarded the successor to the current contract.

MTS Policy 41 (Signature Authority) requires staff to first seek Board of Directors' approval for all procurements exceeding \$100,000. Staff requests that the Board waive this requirement and authorize the CEO to approve amendments above the \$100,000 limit. This will provide staff the flexibility to timely address operational matters that may lead to contract amendments that are typically first submitted to the Board prior to their execution or to issue an amendment to the agreement to accommodate extra work that is reimbursable by a third party. Events that may trigger an amendment include service level increases beyond estimates agreed upon in the contract; implementation of new routes; increases in operating frequency of certain routes; need for construction related or emergency related bus bridges; or any other event that may require MTS to provide emergency public transportation. Cases where MTS may need to amend the contract to accommodate third party reimbursable activities may include SANDAG projects or projects by other local agencies or private developers. Amendments issued under the waiver will be reported under Agenda Item 62 (CEO's Report) at the monthly Board of Directors' meetings.

The image shows a handwritten signature in cursive script that reads "Sharon Cooney". To the right of the signature, the word "for" is written in a smaller, simpler script. The signature is positioned above a horizontal line.

Paul C. Jablonski  
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. B0614.0-14  
B. Projected Cost Breakdown FY16-FY21





### Projected Cost Breakdown FY16 - FY21

EXPENSE	7/1/15- 6/30/16	7/01/16- 6/30/17	7/01/17- 6/30/18	7/01/18- 6/30/19	7/01/19- 6/30/20	7/01/20- 6/30/21	TOTAL
Initial Startup Bonus (A)	\$90,000	\$0					\$90,000
Performance Surety	\$2,665	\$2,665	\$2,665	\$2,665	\$2,665	\$2,665	\$15,990
Variable Revenue Mile Cost	\$47,693,515	\$49,300,019	\$54,586,678	\$56,324,993	\$57,705,128	\$58,723,251	\$324,333,584
<i>Projected Revenue Miles/Fiscal Year</i>	<i>9,462,830</i>	<i>9,557,458</i>	<i>10,994,133</i>	<i>11,104,074</i>	<i>11,215,115</i>	<i>11,327,266</i>	
RSMPH Adjustment (A)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Stand by Service Cost	\$786,667	\$826,058	\$873,239	\$896,356	\$917,442	\$941,416	\$5,241,178
Performance Bonuses (A)	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$720,000	\$4,320,000
Bus Stop Maintenance and Landscaping Cost	\$125,823	\$155,366	\$213,163	\$219,344	\$225,705	\$232,251	\$1,171,652
Transit Center Powerwashing	\$122,059	\$125,599	\$129,241	\$132,989	\$136,846	\$211,222	\$857,956
Fuel: Estimated Pass Through (A)	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000	\$55,000	\$255,000
Other Pass Through Costs (A)	\$150,000	\$100,000	\$90,000	\$90,000	\$90,000	\$100,000	\$620,000
<b>Total Projected Costs</b>	<b>\$49,720,729</b>	<b>\$51,264,707</b>	<b>\$56,654,986</b>	<b>\$58,431,347</b>	<b>\$59,847,786</b>	<b>\$60,985,805</b>	<b>\$336,905,360</b>



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## Agenda Item No. C4

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 22, 2015

#### SUBJECT:

SAN DIEGO TRANSIT CORPORATION (SDTC) EMPLOYEE RETIREMENT PLAN'S  
ACTUARIAL VALUATION AS OF JULY 1, 2014 (ROBERT MCCRORY AND ANNE  
HARPER OF CHEIRON INC. AND LARRY MARINESI)

#### RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to receive the SDTC Employee Retirement Plan's (Plan) actuarial valuation as of July 1, 2014 (Attachment A), and adopt the pension contribution amount of \$12,489,757 (38.65 percent) for fiscal year 2016.

#### Budget Impact

Board adoption would result in the annual pension contribution of \$12,489,757 for fiscal year 2016.

#### DISCUSSION:

The actuarial valuation of the Plan as of July 1, 2014 has recently been completed and the entire report is included in Attachment A. The purpose of the actuarial valuation is to compute the annual pension contribution amount and rate and to provide disclosures necessary for Governmental Accounting Standards Board (GASB) Statements No. 25 and 67.

This valuation was completed in January 2015, by Cheiron, Inc. and has produced a decrease in the contribution amount and rate as compared to the previous valuation. The previous valuation (July 1, 2013) recommended a contribution rate of 39.15 percent of covered payroll and a contribution amount of \$12,804,008. The July 1, 2014 valuation recommends a \$12,489,757 contribution amount (a 38.65 percent contribution rate). This contribution amount would be used for the fiscal year 2016 budget.



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 and losses. The plan's actuarial experience during fiscal year 2014 resulted in a \$314,251 decrease in cost compared to the previous year primarily due to investment gains in excess of actuarial targets. Under the new GASB standard (GASB 67), the long-term expected rate of return is determined net of plan investment expenses, excluding administrative expenses. The itemization of administrative expenses is therefore included as an increase in dollars as this is the first year of the GASB modification.

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

<b>Total Contribution Reconciliation</b>		
<b>Item</b>	<b>Cost in Dollars</b>	<b>Cost as % of Payroll</b>
July 1, 2013	12,804,008	39.15%
Change due to effect of closed payroll on amortization		0.48%
Change due to investment experience	(373,789)	-1.16%
Change due to demographic and salary experience	(12,254)	-0.04%
Change due to contributions greater than anticipated	(196,958)	-0.61%
Change due to administrative expense assumption	268,750	0.83%
July 1, 2014	12,489,757	38.65%

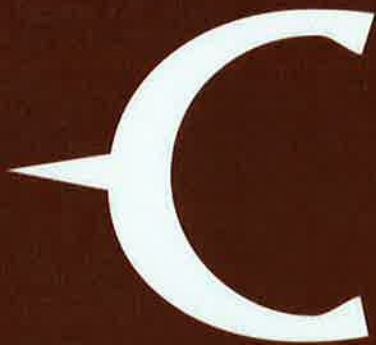
Robert McCrory and Anne Harper of Cheiron, Inc. will provide an overview of the report in more detail and be available for any questions.

  
 Paul C. Jablonski  
 Chief Executive Officer

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

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

Att. A, AI C4  
1/22/15



**Retirement Plans of San Diego  
Transit Corporation**

**Actuarial Valuation  
as of  
July 1, 2014**

**Produced by *Cheiron***

**January 2015**



Classic Values, Innovative Advice

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**LETTER OF TRANSMITTAL**

January 9, 2015

Mr. Larry Marinesi  
San Diego Transit Corporation  
1255 Imperial Avenue, Suite 1000  
San Diego, CA 92101-7490

Dear Mr. Marinesi:

At your request, we have conducted an actuarial valuation of the Retirement Plans of San Diego Transit Corporation (SDTC) as of July 1, 2014. This report contains information on the Plan's assets, liabilities, and contribution levels. Your attention is called to the Foreword, in which, we refer to the general approach employed in the preparation of this report.

The purpose of this report is to present the results of the annual actuarial valuation of the Plan. This report was prepared solely for the Retirement Board in accordance with applicable law for the purposes described herein. It is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

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. 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.

Sincerely,  
Cheiron



Robert T. McCrory, FSA, FCA, EA, MAAA  
Principal Consulting Actuary



Anne D. Harper, ASA, EA, MAAA  
Consulting Actuary



**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION**  
**ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**FOREWORD**

Cheiron has performed the actuarial valuation of the Retirement Plans of San Diego Transit Corporation as of July 1, 2014. The valuation is organized as follows:

- In Section I, the **Executive Summary**, we describe the purpose of an actuarial valuation, summarize the key results found in this valuation, and disclose important trends;
- The **Main Body** of the report presents details on the Plan's
  - Section II - Assets
  - Section III - Liabilities
  - Section IV- Contributions
- In the **Appendices**, we conclude our report with detailed information describing plan membership (Appendix A), actuarial assumptions and methods employed in the valuation (Appendix B), a summary of pertinent plan provisions (Appendix C), and a glossary of key actuarial terms (Appendix D).

The results of this report rely on future plan experience conforming to the underlying assumptions. To the extent that actual plan experience deviates from the underlying assumptions, the results would vary accordingly.

In preparing our report, we relied on information (some oral and some written) supplied by the Plan Administrator. 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 No.23.

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION I  
EXECUTIVE SUMMARY**

The primary purpose of the actuarial valuation and this report is to measure, describe, and identify the following as of the valuation date:

- The financial condition of the Plan,
- Past and expected trends in the financial progress of the Plan, and
- Contribution Rates for Fiscal Year 2015-2016.

In the balance of this Executive Summary, we present (A) the basis upon which this year's valuation was completed, (B) the key findings of this valuation including a summary of all key financial results, (C) changes in Plan cost, (D) an examination of historical trends, and (E) the future expected financial trends for the Plan.

**A. Valuation Basis**

This valuation determines total employer and employee contributions for the plan year.

The Plan's funding policy is to contribute an amount equal to the sum of:

- The normal cost under the Entry Age Normal Cost Method,
- Assumed Administrative Expenses, and
- Amortization of the unfunded actuarial liability.

The employee will contribute according to the Plan schedules below. It will be the responsibility of the employer to contribute the remaining portion of the contribution determined in this report.

IBEW members contributed 2% of Compensation to the Plan prior to April 2013. The IBEW member contribution increased to 3% of Compensation in April 2013 and 4% of Compensation in April 2014. The contribution rate will increase to 6% of Compensation in April of 2015 and 8% of Compensation in April 2016.

ATU and clerical members contributed 2% of Compensation to the Plan prior to July 2013. The ATU and clerical member contributions increased to 3% of Compensation in July 2013 and to 5% in July 2014. Future contribution rates may change in response to collective bargaining.

Non-contract members hired before July 1, 2013, will contribute 2% of Compensation to the Plan. This Non-contract member contribution increased to 4% in January 2014 and will increase to 6% of Compensation in January 2015, as reviewed and adjusted annually by the MTS Board.



**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION I  
EXECUTIVE SUMMARY**

PEPRA: New Members must contribute half of the normal cost of the Plan, rounded to the nearest 0.25%. Currently, PEPRA members are paying 6.25% of pay and the employer pays the remaining cost of the Plan.

This valuation was prepared based on the plan provisions shown in Appendix C. There have been no changes in plan provisions since the prior valuation.

A summary of the assumptions and methods used in the current valuation is shown in Appendix B.

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION I  
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**B. Key Findings of this Valuation**

The key results of the July 1, 2014 actuarial valuation are as follows:

- The actuarial contribution determined in this report is the total contribution required from both the employer and the employees.
- The actuarially determined contribution rate decreased from 39.15% of payroll last year to 38.65% of payroll predominantly due to investment gains; these gains were partially offset by a new assumption for Plan administrative expenses. More detail regarding the new assumption can be found throughout the report.
- The Plan's funded ratio, the ratio of actuarial (smoothed) assets over the actuarial liability, increased from 61.5% last year to 64.4% as of July 1, 2014. This increase was primarily due to a rate of return on the actuarial value of assets substantially higher than the assumed return of 7.50%.
- The unfunded actuarial liability (UAL) is the excess of the Plan's actuarial liability over the actuarial value of assets. The Plan experienced a decrease in the UAL from \$92,879,948 to \$89,111,073 as of July 1, 2014. This decrease in UAL was primarily due to the higher than assumed rate of return on the actuarial value of assets.
- During the year ending June 30, 2014, the return on Plan assets was 12.30% on a market value basis as compared to the 7.50% assumption. This resulted in a market value gain on investments of \$6,581,435. The Actuarial Value of Assets recognizes 20% of the difference between the expected and actual return on the market value of assets (MVA). This method of smoothing the asset gains and losses returned 10.08% on the smoothed value of assets, an actuarial asset gain of \$3,299,488.
- The Plan experienced a loss on the actuarial liability of \$2,905,692 due primarily to fewer than expected deaths within the retired population, fewer active members leaving employment than expected, and inactive members with a deferred vested benefit retiring earlier than anticipated.
- The total contributions made to the Plan were higher than expected resulting in a gain of \$1,738,572. In aggregate, the Plan experienced a total gain of \$2,132,368 from all sources combined. See Table III-3.
- Overall participant membership decreased compared to last year since the Plan is closed to most new entrants. Total projected payroll decreased 1.20% from \$32,707,265 for FYE June 30, 2014 to \$32,313,553 for FYE June 30, 2015. However, average pay per Plan member actually increased by 6.1%. These figures do not include payroll for members participating in the defined contribution plans.

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION I  
EXECUTIVE SUMMARY**

Below we present Table I-1 which summarizes all the key results of the valuation with respect to membership, assets and liabilities, and contributions. The results are presented and compared for both the current and prior plan year.

Table I-1				
Summary of Principal Plan Results				
	July 1, 2013		July 1, 2014	% Change
<b><u>Participant Counts</u></b>				
Active Participants		722	648	-10.25%
Participants Receiving a Benefit		827	873	5.56%
Inactive Participants		239	229	-4.18%
Total		1,788	1,750	-2.13%
Projected Plan Member Payroll* for FYE June 30, 2014 and 2015	\$	32,707,265	\$ 32,313,553	-1.20%
<b><u>Assets and Liabilities</u></b>				
Actuarial Liability (AL)	\$	241,331,470	\$ 250,491,593	3.80%
Actuarial Value of Assets (AVA)		148,451,522	161,380,520	8.71%
Unfunded Actuarial Liability (UAL)	\$	92,879,948	\$ 89,111,073	-4.06%
Market Value of Assets (MVA)	\$	148,576,976	\$ 164,797,330	10.92%
Funded Ratio (AVA)		61.5%	64.4%	4.73%
Funded Ratio (MVA)		61.6%	65.8%	6.86%
<b><u>Contributions</u></b>				
Total Normal Cost**	\$	3,908,376	\$ 3,840,766	-1.73%
Total UAL Contribution		8,002,329	7,777,613	-2.81%
Total Contribution, Beginning of Year	\$	11,910,705	\$ 11,618,379	-2.45%
Total Contribution, End of Year***	\$	12,804,008	\$ 12,489,757	-2.45%
Total Contribution as a % of payroll		39.15%	38.65%	-0.50%

\* Based on valuation data projected using a full year of salary increases but excludes payroll for member's expected to leave employment or retire during the year.

\*\* Includes assumed administrative expenses of \$250,000 for the 2014 valuation.

\*\*\* Adjusted with interest to end of the year.

RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014

SECTION I  
EXECUTIVE SUMMARY

**C. Changes in Plan Cost**

Table I-2 below summarizes the impact of actuarial experience on Plan cost.

Table I-2 Total Contribution Reconciliation		
Item	Cost in Dollars	Cost as % of Payroll
July 1, 2013	\$ 12,804,008	39.15%
Change due to effect of closed payroll on amortization	-	0.48%
Change due to investment experience	(373,789)	-1.16%
Change due to demographic and salary experience	(12,254)	-0.04%
Change due to contributions greater than anticipated	(196,958)	-0.61%
Change due to administrative expense assumption*	268,750	0.83%
July 1, 2014	\$ 12,489,757	38.65%

\* Assumed administrative expenses of \$250,000 adjusted with interest to the end of the year.

An analysis of the cost changes from the prior valuation reveals the following:

- The Plan cost in dollars decreased slightly as did the cost as a percentage of payroll. A declining cost in dollars is expected for a closed plan and is discussed in more detail below. The lower cost as a percentage of payroll was caused by a favorable investment return; increases in future costs as a percentage of payroll are likely.
- Closing the Plan to most new entrants increases the amortization payment as a percentage of payroll.

Members who retire or otherwise leave the Plan are no longer being replaced by new members and the payroll decreases. The unfunded liability is being amortized as a level dollar amount. Therefore, a decrease in total projected payroll will increase the UAL payment as a percentage of payroll. This effect is particularly strong in a Plan with a comparatively low funded ratio, which is the case for the SDTC Plan. The decrease in payroll this year increased the contribution rate by 0.48% of pay. This change has no impact on the *dollar* amount of the contribution.

- Investment experience produced an investment gain on both a market basis and an actuarial basis.

The assets of the Plan returned 12.30% on a market basis, higher than the assumed rate of 7.50%. The actuarial return on assets was 10.08%, higher than the assumed rate of

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION I  
EXECUTIVE SUMMARY**

7.50%. This resulted in a decrease of 1.16% in the contribution rate as a percentage of payroll.

The market value of assets is higher than the actuarial value; there are approximately \$3.4 million in deferred investment gains. These gains will be recognized in future years, offsetting possible losses and stabilizing Plan contribution rates somewhat.

- Demographic experience differed from what was expected.

The demographic experience of the Plan – rates of retirement, death, disability, and termination – was slightly more positive than predicted by the actuarial assumptions in aggregate, causing a decrease in the contribution rate by 0.04% of payroll.

- Plan contributions were higher than expected.

The employer and employee contributions of \$13.5 million exceeded expected contributions of \$12.8 million. Fewer active members left employment or retired than were anticipated based on the actuarial assumptions. This results in a higher than expected Plan payroll. Since contributions are based on a percentage of this payroll, Plan contributions were higher as well.

- An explicit assumption for administrative expenses was added.

Under the new GASB standards, the long-term expected rate of return is determined net of plan investment expenses but without reduction for plan administrative expenses. Thus, a separate explicit expense assumption is required to comply with GASB accounting standards.

Every year, there are ongoing costs associated with the operation of the Plan that are paid directly from the Plan assets. Contributions, consisting of the normal cost and the amortization of the UAL, and investment earnings are used to fund member benefits. In order to pay for the administrative expenses, an explicit load is necessary. Based on the actual administrative expenses of \$258,142 for the Plan year ending June 30, 2014, we are assuming annual administrative expenses of \$250,000, increased with interest to the end of the year, which increases the contribution rate by 0.83%.

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION I  
EXECUTIVE SUMMARY**

One of the most important measures of a plan's risk is the ratio of plan assets to payroll shown in Table I-3 below.

This ratio indicates the sensitivity of the plan to the returns earned on plan assets. We note in the table that plan assets currently are over 5 times covered payroll for the Plan; as funding improves and the Plan reaches 100% funding, the ratio of asset to payroll will increase to nearly 8 times payroll, perhaps higher depending on the Plan's future demographic makeup. Although both of these ratios are lower than those of many other public plans, which typically range from 8 to 11 times payroll, the increase in the asset to payroll ratio that is expected to accompany an improvement in the Plan's funding still represents a substantial increase in the volatility of the contributions.

<b>Table I-3</b>	
<b>Asset to Payroll Ratio as of July 1, 2014</b>	
Active Member Payroll	\$ 32,313,553
Assets (Market Value)	\$ 164,797,330
Ratio of Assets to Payroll	5.10
Ratio with 100% Funding	7.75

To appreciate the impact of the ratio of assets to payroll on plan cost, consider the situation for a new plan with almost no assets. Even if the assets suffer a bad year of investment returns, the impact on the plan cost is nil, because the assets are so small.

On the other hand, consider the situation for this Plan. Suppose the Plan's assets lose 10% of their value in a year. Since they were assumed to earn 7.50%, there is an actuarial loss of 17.50% of plan assets. Based on the current ratio of asset to payroll (5.10), that means the loss in assets is about 89% of active payroll (510% of the 17.50% loss). There is only one source of funding to make up for this loss: contributions. Consequently, barring future offsetting investment gains, the loss must be made up with future contributions. The loss would be even larger – over 136% of payroll – if the Plan were 100% funded.

RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014

SECTION I  
EXECUTIVE SUMMARY

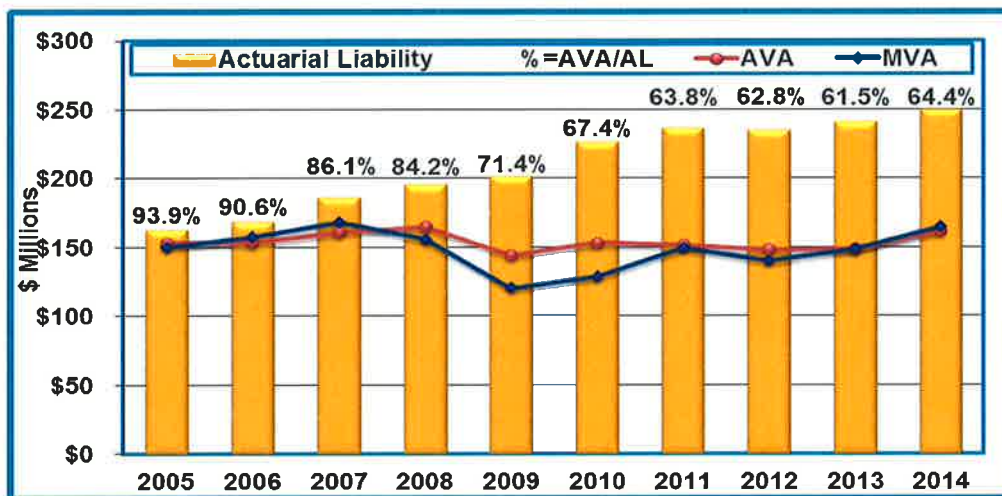
**D. Historical Trends**

Despite the fact that for most retirement plans the greatest attention is given to the current valuation results – in particular the size of the current unfunded actuarial liability and the total contribution – it is important to remember that each valuation is merely a snapshot in the long-term progress of a pension fund. It is important to judge a current year's valuation result relative to historical trends, as well as trends expected into the future.

In the graphs below we observe a steady increase in cost and a declining funded ratio until 2014; the funded ratio improved and the contribution decreased a bit with the 2014 valuation.

**Assets and Liabilities**

The chart below compares the Market Value of Assets (MVA) and Actuarial Value of Assets (AVA) to the Actuarial Liabilities. The percentage shown at the top of each bar is the ratio of the Actuarial Value of Assets to the Actuarial Liability (the funded ratio). The funded ratio increased in 2014, from 61.5% to 64.4%, for the first time in over a decade. The main reason for this increase is the compound investment return over the last 5 years of approximately 10%, higher than the 7.5% assumed return. The market losses from 2008 have now been fully recognized in the Actuarial Value of Assets used to compute plan contribution rates and funded status.



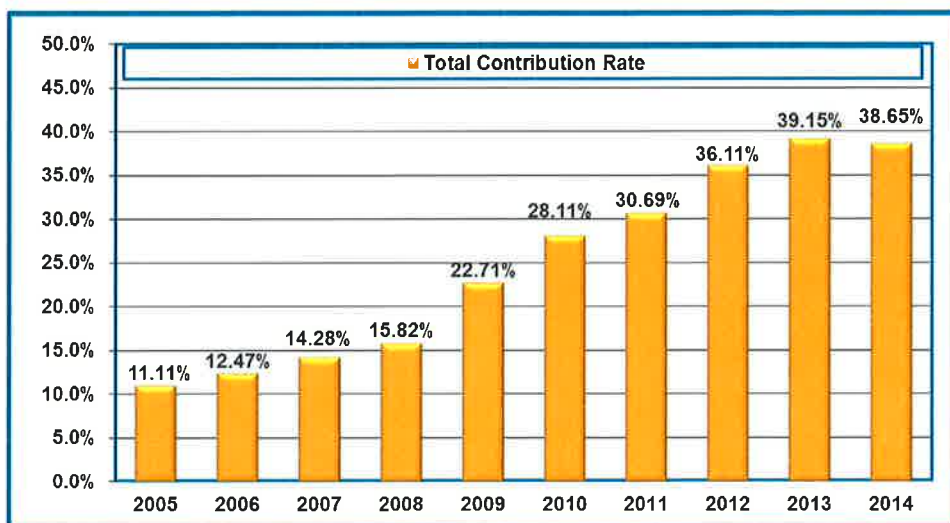


**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION I  
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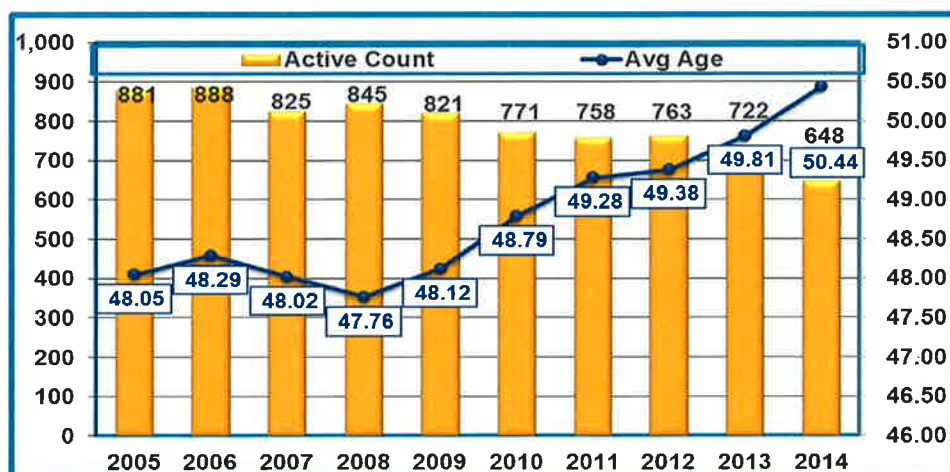
**Contributions**

The chart below shows a history of the Plan's actuarially determined total contribution rates, as a percentage of payroll. The contribution rate has increased over the ten years prior to 2014, primarily as a result of asset losses and recently the closing of the Plan to new entrants. The contribution rate decreased slightly in 2014.



**Participant Trends**

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 for the last ten years is shown in the chart below. We can see that membership has declined from 881 actives on July 1, 2005, to 648 on July 1, 2014, a decrease of 26%. In addition, the average age of an active member has increased by over 2 years. These trends can be expected to continue, as new employees participate instead in the defined contribution plan.



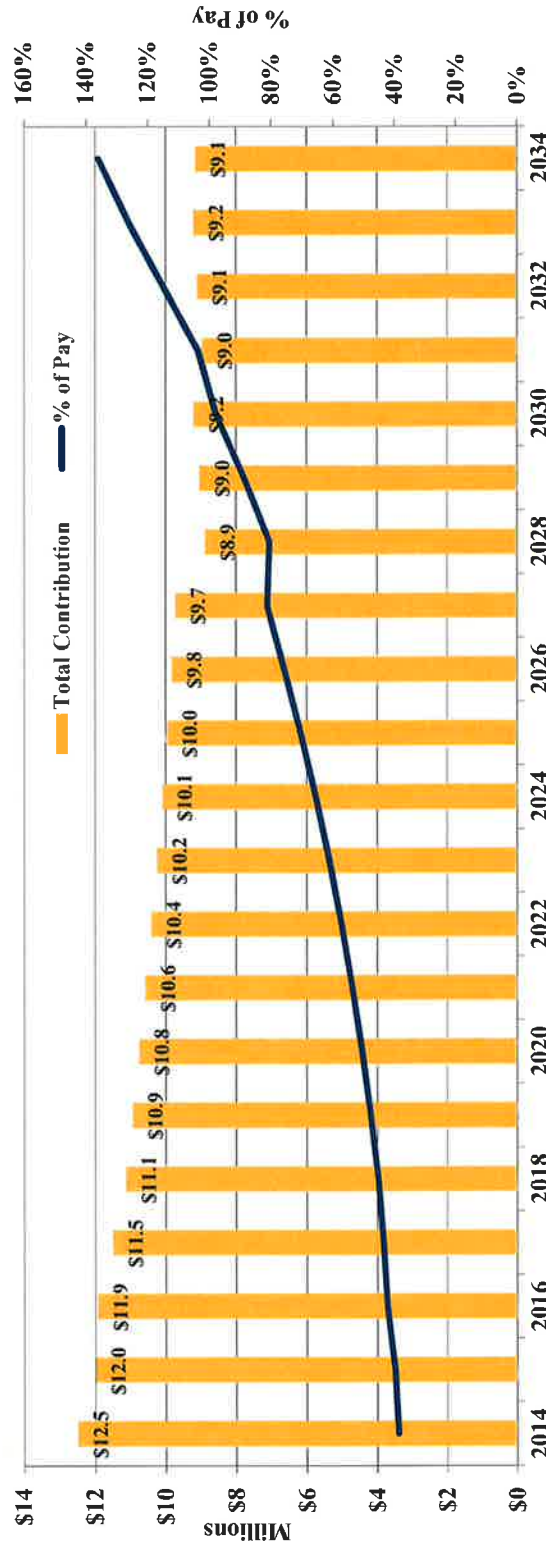


SECTION I  
EXECUTIVE SUMMARY

**E. Future Expected Financial Trends**

The analysis of projected financial trends is perhaps the most important component of this valuation. In this Section, we present our assessment of the implications of the July 1, 2014 valuation results in terms of benefit security (assets over liabilities) and contribution rates over the next 20 years. All the projections in this section are based on the assumption that the Plan will exactly achieve the 7.50% investment return assumption each year, which is clearly an impossibility. The current funding method and amortization policy adopted in 2012 remain in place throughout the projection period.

**Projection of Total Plan Contributions, 7.50% return each year**



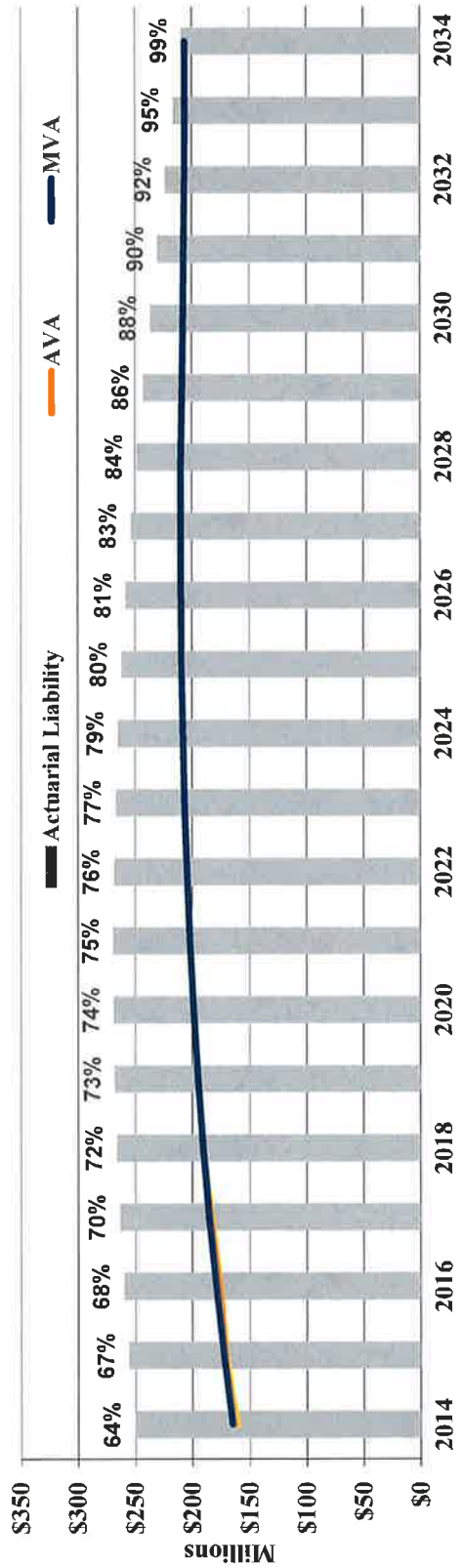
The contribution rate graph shows that the Plan's contributions are expected to steadily decline from a starting point of \$12.5 million to \$9.1 million at the end of the 20-year period. There are two reasons for the gradual decline in the dollar cost of the plan. First, the normal cost or cost of benefits accruing gradually decreases as the number of active members declines. In addition, the amortization policy is a level dollar schedule that prevents amortization payments from increasing with payroll. However, while dollar contributions will decline, the contribution rate as a percentage of covered payroll is expected to increase over the same period as the Plan payroll declines when members leave employment or retire. The contribution rate is approximately 38.7% of payroll in 2014 and increases to 136.1% of a much smaller payroll in 2034.

SECTION I  
EXECUTIVE SUMMARY

Asset and Liability Projections:

The following graph shows the projection of assets and liabilities assuming that assets will earn the 7.50% assumption each year during the projection period.

Projection of Assets and Liabilities, return each year



The graph shows that the projected funded status reaches 99% in the next 20 years assuming the actuarial assumptions are achieved. However, it is the actual return on Plan assets that will determine the future funding status and contribution rate to the Plan.

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION II  
ASSETS**

Pension Plan assets play a key role in the financial operation of the Plan and in the decisions the Board may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, contributions, and the ultimate security of participants' benefits.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of Plan assets as of June 30, 2013 and June 30, 2014;
- Statement of the **changes** in market values during the year;
- Development of the **Actuarial Value of Assets**;

**Disclosure**

There are two types of asset values disclosed in the valuation, the market value of assets and the actuarial value of assets. The market value represents "snap-shot" or "cash-out" values which provide the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. As a result, market values are usually not as suitable for long-range planning as are the Actuarial Value of Assets which reflect smoothing of annual investment returns.

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION II  
ASSETS**

Table II-1 discloses and compares each component of the market value of assets as of June 30, 2013 and June 30, 2014.

<b>Table II-1</b>			
<b>Statement of Assets at Market Value</b>			
<b>Investments</b>		<b>6/30/2013</b>	<b>6/30/2014</b>
Common Stock	\$	28,597,465	\$ 30,881,813
Mutual Funds		65,049,173	91,149,529
REIT Mutual Funds		6,387,061	0
Corporate Debt / Bond Funds		35,191,515	25,570,674
Closely Held Instruments		7,855,115	10,065,898
US Treasury Obligations		5,537,227	6,823,063
Preferred Stock		0	0
Short-Term Investments		466,144	701,651
Total Investments	\$	149,083,700	\$ 165,192,628
<b>Receivables:</b>			
Interest	\$	5	\$ 9
Dividends		19,300	17,051
Employer Contributions		0	0
Other Reveivables		580	1,330
Total Receivables	\$	19,885	\$ 18,390
<b>Payables</b>			
Due to Plan Sponsor	\$	408,689	\$ 265,068
Other Payables		117,920	148,620
Total Payables	\$	526,609	\$ 413,688
<b>Market Value of Assets</b>	\$	<b>148,576,976</b>	\$ <b>164,797,330</b>

**Changes in Market Value**

The components of asset change are:

- Contributions (employer and employee)
- Benefit payments
- Expenses (other)
- Investment income (realized and unrealized)

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION**  
**ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION II**  
**ASSETS**

Table II-2 shows the components of a change in the market value of assets during 2013 and 2014.

<b>Table II-2</b>		
<b>Changes in Market Values</b>		
	<b><u>2013</u></b>	<b><u>2014</u></b>
<b>Contributions</b>		
Employer's Contribution	10,957,255	12,628,190
Members' Contributions	<u>401,274</u>	<u>899,791</u>
Total Contributions	11,358,529	13,527,981
<b>Investment Income</b>		
Interest	1,229,029	959,345
Dividends	1,256,284	5,653,193
REIT Mutual Funds	150,160	19,797
Miscellaneous	751	750
Realized & Unrealized Gain/(Loss)	10,202,720	12,339,979
Trustee Fees	<u>(99,258)</u>	<u>(92,299)</u>
Net Investment Income	12,739,686	18,880,765
<b>Disbursements</b>		
Benefit Payments	(14,638,924)	(15,466,924)
Investment Expenses	N/A	(463,326)
Administrative Expenses*	<u>(754,131)</u>	<u>(258,142)</u>
Total Disbursements	(15,393,055)	(16,188,392)
<b>Net increase (Decrease)</b>	8,705,160	16,220,354
<b>Net Assets Held in Trust for Benefits:</b>		
Beginning of Year	<u>139,871,816</u>	<u>148,576,976</u>
End of Year	<u>148,576,976</u>	<u>164,797,330</u>
Approximate Return	9.24%	12.30%

\* Administrative Expenses in 2013 included Investment Expenses

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**SECTION II  
ASSETS**

**Actuarial Value of Assets (AVA)**

The Actuarial Value of Assets represents a “smoothed” value developed by the actuary to reduce the volatile results which could develop due to short-term fluctuations in the market value of assets. For this Plan, the actuarial value of assets is calculated on a modified market-related value. The market value of assets is adjusted to recognize, over a five-year period, investment earnings which are greater than (or less than) the assumed investment return. The actuarial value is constrained to fall within 20% of the market value.

**Table II-3  
Development of Actuarial Value of Assets  
as of June 30, 2014**

<u>Plan Year</u>	(a) <u>Expected</u> <u>Earnings</u>	(b) <u>Actual</u> <u>Earnings</u>	(c) = (b) – (a) <u>Unexpected</u> <u>Earnings</u>	(d) <u>Phase-In</u> <u>Factor</u>	(c) x (d) <u>Phase-In</u> <u>Adjustment</u>
2009 -10	9,529,082	16,170,202	6,641,120	0%	0
2010 -11	9,689,332	27,361,358	17,672,026	20%	3,534,405
2011 -12	11,416,386	(5,002,447)	(16,418,833)	40%	(6,567,533)
2012 -13	10,765,036	12,739,686	1,974,650	60%	1,184,790
2013 -14	11,577,862	18,159,297	6,581,435	80%	5,265,148
1. Total Unrecognized Asset Gains/(Losses)					3,416,810
2. Market Value of Assets as of June 30, 2014					164,797,330
3. Actuarial Value of Assets as of June 30, 2014: [(2) - (1)]					161,380,520
4. Ratio of Actuarial Value to Market Value [(3) ÷ (2)]					97.93%

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**SECTION II  
ASSETS**

**Investment Performance**

The following table calculates the investment related gain/loss for the plan year on both a Market Value and an Actuarial Value basis. The Market Value gain/loss is an appropriate measure for comparing the actual asset performance to the previous valuation's long-term 7.50% assumption.

<b>Table II-4 Asset Gain/(Loss)</b>		
	<b>Market Value</b>	<b>Actuarial Value</b>
<b>As of June 30, 2013</b>	<b>\$ 148,576,976</b>	<b>\$ 148,451,522</b>
Employer Contributions	12,628,190	12,628,190
Employee Contributions	899,791	899,791
Benefit Payments	(15,466,924)	(15,466,924)
Expected Investment Earnings (7.50%)	<u>11,577,862</u>	<u>11,568,453</u>
Expected Value as of July 1, 2014	<b>\$ 158,215,895</b>	<b>\$ 158,081,032</b>
Investment Gain / (Loss)	<u>6,581,435</u>	<u>3,299,488</u>
<b>As of June 30, 2014</b>	<b>\$ 164,797,330</b>	<b>\$ 161,380,520</b>
Return	12.30%	10.08%

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**SECTION III  
LIABILITIES**

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at July 1, 2013 and July 1, 2014;
- Statement of **changes** in these liabilities during the year.

**Disclosure**

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them.

- **Present Value of Future Benefits:** Used for measuring all future Plan obligations, represents the amount of money needed today to fully pay off all benefits of the Plan both earned as of the valuation date and those to be earned in the future by current plan participants, under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations, this liability is calculated taking the total Projected Value of Future Benefits and subtracting all future Normal Costs. The method used for this Plan is called the Entry Age Normal (EAN) funding method.
- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Actuarial Value of Assets.



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**SECTION III  
LIABILITIES**

Table III-1 discloses each of these liabilities for the current and prior valuations.

<b>Table III-1</b>		
<b>Liabilities and Unfunded Actuarial Liability</b>		
	<b>July 1, 2013</b>	<b>July 1, 2014</b>
(1) Present Value of Future Benefits		
Active Participant Benefits		
ATU/Drivers	\$ 64,046,707	\$ 62,035,855
IBEW/Mechanics	25,876,081	25,356,537
Clerical	2,739,075	2,538,272
Non-Contract/Admin*	21,977,598	22,504,671
Total	<b>\$ 114,639,461</b>	<b>\$ 112,435,335</b>
(2) Inactive Actuarial Liability		
ATU/Drivers	\$ 85,370,630	\$ 90,410,489
IBEW/Mechanics	15,042,417	17,538,279
Clerical	3,173,329	3,659,149
Non-Contract/Admin	49,166,164	50,233,839
Total	<b>\$ 152,752,540</b>	<b>\$ 161,841,756</b>
(3) Active Actuarial Liability		
ATU/Drivers	\$ 47,092,829	\$ 46,906,804
IBEW/Mechanics	20,395,244	20,366,206
Clerical	2,295,436	2,160,589
Non-Contract/Admin*	18,795,421	19,216,238
Total	<b>\$ 88,578,930</b>	<b>\$ 88,649,837</b>
(4) Total Actuarial Liability (2) + (3)	\$ 241,331,470	\$ 250,491,593
(5) Plan Assets (Actuarial Value)	148,451,522	161,380,520
(6) Unfunded Actuarial Liability (UAL), (4) - (5)	<b>\$ 92,879,948</b>	<b>\$ 89,111,073</b>

\* Includes PEPRA members

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
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**SECTION III  
LIABILITIES**

Table III-2 below analyzes the increases or decreases in the liabilities since the last valuation.

**Changes in Liabilities**

Each of the liabilities disclosed in the prior table are expected to change at each valuation. The components of that change (as shown in Table III-2 below), depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments changing benefits (None for the 2014 Valuation)
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method or software

<b>Table III-2</b>		
<b>Changes in Actuarial Liability</b>		
Actuarial Liability at July 1, 2013	\$	241,331,470
Actuarial Liability at July 1, 2014	\$	250,491,593
Liability Increase (Decrease)		9,160,123
Change due to:		
Actuarial Methods / Software Changes	\$	0
Assumption Change		0
Accrual of Benefits		3,908,376
Actual Benefit Payments		(15,466,924)
Interest		17,812,979
Actuarial (Gain)/Loss		2,905,692

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**SECTION III**  
**LIABILITIES**

Unfunded liabilities will change (as shown in Table III-3 below) because of all of the above, and also due to changes in Plan assets resulting from:

- Contributions different than expected
- Investment earnings different than expected
- A change in the method used to measure plan assets

<b>TABLE III-3</b>		
<b>Development of Actuarial Gain / (Loss)</b>		
1. Unfunded Actuarial Liability at Start of Year (not less than zero)	\$	92,879,948
2. Normal Cost at Start of Year		3,908,376
3. Interest on 1. and 2. to End of Year		7,259,125
4. Expected Contributions for Prior Year		11,910,705
5. Interest on 4. to End of Year		893,303
6. Expected Unfunded Actuarial Liability at End of Year [1 + 2 + 3 - 4 - 5]	\$	91,243,441
7. Actual Unfunded Actuarial Liability at End of Year (not less than zero)		89,111,073
8. Actuarial Gain / (Loss) [6 - 7]	\$	2,132,368
(a) Liability Gain / (Loss)		(2,905,692)
(b) Asset Gain / (Loss)		3,299,488
(c) Contributions made to Plan more than expected		1,738,572

#### SECTION IV CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level (if any) of contributions are needed to properly maintain the funding status of the Plan. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

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 three components: The Normal Cost, the amortization of the Unfunded Actuarial Liability (UAL), and assumed administrative expenses.

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.

The table on the following page presents the total Plan contributions for the current and prior valuations.

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**SECTION IV  
CONTRIBUTIONS**

<b>Table IV-1</b>		
<b>Development of Annual Contribution</b>		
	<b>July 1, 2013</b>	<b>July 1, 2014</b>
(1) Total Actuarial Liability	\$ 241,331,470	\$ 250,491,593
(2) Plan Assets (Actuarial Value)	<u>148,451,522</u>	<u>161,380,520</u>
(3) Unfunded Actuarial Liability (UAL), (1) - (2)	\$ 92,879,948	\$ 89,111,073
(4) Amortization Payments		
(a) 25-year payment of July 1, 2012 UAL	\$ 7,311,482	\$ 7,311,482
(b) 15-year payment of July 1, 2013 (Gain)/Loss	690,847	690,847
(c) 15-year payment of July 1, 2014 (Gain)/Loss	<u>0</u>	<u>(224,716)</u>
(d) Total	\$ 8,002,329	\$ 7,777,613
(5) Total Plan Normal Cost	\$ 3,908,376	\$ 3,590,766
(6) Projected Plan Member Payroll	32,707,265	32,313,553
(7) Normal Cost (% of Member Payroll)	11.95%	11.11%
(8) Expected Administrative Expenses	-	250,000
(9) Total Cost (4d) + (5) + (8)	\$ 11,910,705	\$ 11,618,379
(10) Total Cost (Interest Adjusted), (9) * 1.075	\$ 12,804,008	\$ 12,489,757
(11) Total Cost (% of Member Payroll), (10) / (6)	39.15%	38.65%

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**APPENDIX A  
MEMBERSHIP INFORMATION**

Data pertaining to active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan Administrator on electronic media. As is usual in studies of this type, Member data was neither verified nor audited; however, it was reviewed to ensure that it complies with generally accepted actuarial standards.

**Summary of Participant Data**

**Active Participants**

<b>Non-Contract/Admin</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	75	68
Average Age	52.5	51.3
Average Service	15.9	16.6
Average Pay	\$ 64,349	\$ 68,881
<b>Clerical</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	28	25
Average Age	47.6	48.4
Average Service	10.9	11.3
Average Pay	\$ 39,969	\$ 40,859
<b>ATU/Drivers</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	456	398
Average Age	50.3	51.3
Average Service	11.5	12.4
Average Pay	\$ 46,847	\$ 49,643
<b>IBEW/Mechanics</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	163	148
Average Age	47.7	48.6
Average Service	16.5	17.2
Average Pay	\$ 48,234	\$ 50,889
<b>PEPRA</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	n/a	9
Average Age	n/a	42.5
Average Service	n/a	2.2
Average Pay	n/a	\$ 56,371
<b>Total</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	722	648
Average Age	49.8	50.4
Average Service	13.1	13.8
Average Pay	\$ 48,712	\$ 51,701

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**Summary of Participant Data**

**Deferred Participants**

<b>Terminated Vested</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	239	229
Average Age	52.8	52.6
Average Annual Benefit	\$ 8,270	\$ 7,749

**In-Pay Participants**

<b>Service Retired</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	594	639
Average Age	68.6	68.7
Average Annual Benefit	\$ 21,641	\$ 21,850
<b>Beneficiaries</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	134	135
Average Age	71.9	71.5
Average Annual Benefit	\$ 8,406	\$ 8,821
<b>Disabled</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	99	99
Average Age	66.9	67.2
Average Annual Benefit	\$ 9,289	\$ 9,477
<b>Total</b>	<b>July 1, 2013</b>	<b>July 1, 2014</b>
Number	827	873
Average Age	68.9	68.9
Average Annual Benefit	\$ 18,018	\$ 18,432

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**APPENDIX A  
MEMBERSHIP INFORMATION**

**Data Summary as of July 1, 2014**

Active Participants	Non-Contract/Administrative		Clerical	ATU/ Drivers	IBEW/ Mechanics	Chula Vista	Total
	Non PEPA	PEPA Sub-Total					
Number	68	9	77	398	148	0	648
Average Age	51.26	42.53	50.24	51.29	48.58	n/a	50.44
Average Service	16.6	2.19	14.92	12.43	17.21	n/a	13.77
Average Pay	\$70,569	\$59,465	\$69,271	\$51,207	\$52,222	n/a	\$53,229

Inactive Participants	Non-Contract/Administrative		Clerical	ATU/ Drivers	IBEW/ Mechanics	Chula Vista	Total
	Non PEPA	PEPA Sub-Total					
<b>Service Retired</b>							
Number	106	n/a	106	422	80	5	639
Average Age	66.39	n/a	66.39	68.92	69.30	65.72	68.65
Average Annual Benefit	\$35,293	n/a	\$35,293	\$19,699	\$19,455	\$4,318	\$21,850
<b>Beneficiaries</b>							
Number	25	n/a	25	88	18	0	135
Average Age	67.33	n/a	67.33	73.21	69.26	0.00	71.55
Average Annual Benefit	\$17,921	n/a	\$17,921	\$6,877	\$6,799	\$0	\$8,821
<b>Disabled</b>							
Number	2	n/a	2	82	12	0	99
Average Age	64.71	n/a	64.71	67.41	64.15	0.00	67.21
Average Annual Benefit	\$8,600	n/a	\$8,600	\$9,104	\$13,010	\$0	\$9,477
<b>Terminated Vested</b>							
Number	24	n/a	24	132	50	8	229
Average Age	51.89	n/a	51.89	52.28	52.96	57.62	52.64
Average Annual Benefit	\$16,487	n/a	\$16,487	\$7,413	\$5,708	\$2,732	\$7,749



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Status Reconciliation - All Divisions  
Changes in Plan Membership as of July 1, 2014

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2013	722	239	99	594	134	1,788
New Entrants	5					5
Rehires						0
Disabilities	(2)		2			0
Retirements/ Domestic Relations Order (DRO)	(41)	(15)		56		0
Vested Terminations	(9)	9				0
Died, with Beneficiaries' Benefit Payable		(1)		(7)	8	0
Died, without Beneficiary, and Other Terminations	(24)	(3)	(3)	(6)		(36)
Beneficiary Deaths					(8)	(8)
Data Corrections	(3)		1	2	1	1
Total Change	(74)	(10)	0	45	1	(38)
Participant count as of July 1, 2014	648	229	99	639	135	1,750

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APPENDIX A  
MEMBERSHIP INFORMATION

Status Reconciliation - Non-Contract/Administrative\*  
Changes in Plan Membership as of July 1, 2014

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2013	75	26	2	100	26	229
New Entrants	5					5
Rehires						0
Disabilities			0			0
Retirements/ DRO	(7)	(2)		9		0
Vested Terminations		0				0
Died, with Beneficiaries' Benefit Payable				(1)	1	0
Transfers	8			(1)		7
Died, without Beneficiary, and Other Terminations	(1)			(1)		(2)
Beneficiary Deaths					(2)	(2)
Data Corrections	(3)					(3)
Total Change	2	(2)	0	6	(1)	5
Participant count as of July 1, 2014	77	24	2	106	25	234

\*Includes 9 active individuals participating in PEPR4

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Status Reconciliation - Clerical  
Changes in Plan Membership as of July 1, 2014

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2013	28	18	3	21	4	74
New Entrants						0
Rehires						0
Disabilities						0
Retirements/ DRO	(1)	(2)		3		0
Vested Terminations						0
Died, with Beneficiaries' Benefit Payable						0
Transfers	(2)			1		(1)
Died, without Beneficiary, and Other Terminations		(1)				(1)
Beneficiary Deaths					0	0
Data Corrections				1		1
Total Change	(3)	(3)	0	5	0	(1)
Participant count as of July 1, 2014	25	15	3	26	4	73

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Status Reconciliation - ATU/Drivers  
Changes in Plan Membership as of July 1, 2014

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2013	456	135	83	397	86	1,157
New Entrants						0
Rehires						0
Disabilities	(2)		2			0
Retirements/ DRO	(25)	(7)		32		0
Vested Terminations	(7)	7				0
Died, with Beneficiaries' Benefit Payable		(1)		(4)	5	0
Transfers	(4)					(4)
Died, without Beneficiary, and Other Terminations	(20)	(2)	(3)	(4)		(29)
Beneficiary Deaths					(4)	(4)
Data Corrections				1	1	2
Total Change	(58)	(3)	(1)	25	2	(35)
Participant count as of July 1, 2014	398	132	82	422	88	1,122

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APPENDIX A  
MEMBERSHIP INFORMATION

Status Reconciliation - IBEW/Mechanics  
Changes in Plan Membership as of July 1, 2014

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2013	163	52	11	71	18	315
New Entrants						0
Rehires						0
Disabilities						0
Retirements/ DRO	(8)	(4)		12		0
Vested Terminations	(2)	2				0
Died, with Beneficiaries' Benefit Payable				(2)	2	0
Transfers	(2)					(2)
Died, without Beneficiary, and Other Terminations	(3)			(1)		(4)
Beneficiary Deaths					(2)	(2)
Data Corrections			1			1
Total Change	(15)	(2)	1	9	0	(7)
Participant count as of July 1, 2014	148	50	12	80	18	308

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Status Reconciliation - Chula Vista  
Changes in Plan Membership as of July 1, 2014

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2013	0	8	0	5	0	13
New Entrants						0
Rehires						0
Disabilities						0
Retirements/ DRO						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
Total Change	0	0	0	0	0	0
Participant count as of July 1, 2014	0	8	0	5	0	13

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**APPENDIX A  
MEMBERSHIP INFORMATION**

**Age / Service Distribution Of Active Participants - Non-Contract/Administrative\* (Counts)**  
As of July 1, 2014

Age	Service													Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0	
25 to 29	0	0	0	0	0	1	0	0	0	0	0	0	1	
30 to 34	2	0	0	1	0	2	0	0	0	0	0	0	5	
35 to 39	1	0	0	1	1	3	0	0	0	0	0	0	6	
40 to 44	1	0	0	0	1	1	2	2	0	0	0	0	7	
45 to 49	0	2	1	0	0	1	1	4	1	2	0	0	12	
50 to 54	1	0	0	1	0	5	3	4	1	1	2	0	18	
55 to 59	0	0	0	1	0	0	3	3	4	2	5	1	19	
60 to 64	0	0	0	0	1	1	2	2	1	2	0	0	9	
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	5	2	1	4	3	14	11	15	7	7	7	1	77	

\*Includes 9 active individuals participating in PEPPRA

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**APPENDIX A  
MEMBERSHIP INFORMATION**

**Age / Service Distribution Of Active Participants - Non-Contract/Administrative\* (Average Salary)  
As of July 1, 2014**

Age	Service														Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up			
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0		
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0		
25 to 29	0	0	0	0	0	54,961	0	0	0	0	0	0	54,961		
30 to 34	62,754	0	0	56,786	0	60,826	0	0	0	0	0	0	60,789		
35 to 39	62,754	0	0	64,022	56,260	47,997	0	0	0	0	0	0	54,504		
40 to 44	40,000	0	0	0	57,078	58,826	75,972	71,042	0	0	0	0	64,276		
45 to 49	0	54,916	47,094	0	0	58,013	57,729	63,809	60,144	79,673	0	0	62,283		
50 to 54	60,008	0	0	64,958	0	57,481	65,047	66,483	50,877	74,704	103,112	0	66,958		
55 to 59	0	0	0	57,090	0	0	85,495	79,156	76,700	74,799	79,998	67,621	77,634		
60 to 64	0	0	0	0	63,917	54,288	65,904	67,495	97,406	72,651	0	0	69,746		
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	0		
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0		
Total	57,654	54,916	47,094	60,714	59,085	55,652	72,100	69,047	73,604	75,564	86,602	67,621	67,419		

\*Includes 9 active individuals participating in PEPPA



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**Age / Service Distribution Of Active Participants - Clerical (Counts)  
As of July 1, 2014**

Age	Service													Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 to 24	0	0	1	0	0	0	0	0	0	0	0	0	1	
25 to 29	0	1	0	1	0	1	0	0	0	0	0	0	3	
30 to 34	0	0	2	0	0	0	0	0	0	0	0	0	2	
35 to 39	0	0	0	0	0	2	0	0	0	0	0	0	2	
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	0	
45 to 49	0	0	0	1	0	1	1	0	0	0	0	0	3	
50 to 54	0	0	1	0	0	3	1	1	0	0	0	0	6	
55 to 59	0	0	0	0	0	0	0	0	1	0	1	0	2	
60 to 64	0	0	0	0	0	0	0	0	0	2	0	0	2	
65 to 69	0	0	0	0	0	1	1	2	0	0	0	0	4	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	0	1	4	2	0	8	3	3	1	2	1	0	25	

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**Age / Service Distribution Of Active Participants - Clerical (Average Salary)  
As of July 1, 2014**

Age	Service													Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 to 24	0	0	37,569	0	0	0	0	0	0	0	0	0	37,569	
25 to 29	0	34,314	0	37,963	0	37,569	0	0	0	0	0	0	36,615	
30 to 34	0	0	42,311	0	0	0	0	0	0	0	0	0	42,311	
35 to 39	0	0	0	0	0	38,928	0	0	0	0	0	0	38,928	
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	0	
45 to 49	0	0	0	39,532	0	40,366	37,569	0	0	0	0	0	39,155	
50 to 54	0	0	39,531	0	0	42,190	50,302	52,378	0	0	0	0	44,796	
55 to 59	0	0	0	0	0	0	0	0	38,855	0	48,681	0	43,768	
60 to 64	0	0	0	0	0	0	0	0	0	39,411	0	0	39,411	
65 to 69	0	0	0	0	0	45,930	37,756	37,641	0	0	0	0	39,742	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	0	34,314	40,430	38,747	0	41,036	41,876	42,553	38,855	39,411	48,681	0	40,859	

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**Age / Service Distribution Of Active Participants - ATU/Drivers (Counts)**  
As of July 1, 2014

Age	Service													Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 to 24	0	1	0	0	0	0	0	0	0	0	0	0	1	
25 to 29	0	3	2	0	0	4	0	0	0	0	0	0	9	
30 to 34	0	0	7	0	2	8	0	0	0	0	0	0	17	
35 to 39	0	5	2	1	0	14	4	0	0	0	0	0	26	
40 to 44	0	1	6	2	0	18	9	6	0	0	0	0	42	
45 to 49	0	4	4	0	4	27	9	10	3	1	0	0	62	
50 to 54	0	2	5	6	2	20	12	9	20	8	0	0	84	
55 to 59	0	1	6	2	4	21	16	14	10	7	1	1	83	
60 to 64	0	0	1	1	2	18	7	7	8	7	1	6	58	
65 to 69	0	0	0	0	0	3	2	0	2	3	0	4	14	
70 & up	0	0	0	0	0	0	1	0	0	0	0	1	2	
Total	0	17	33	12	14	133	60	46	43	26	2	12	398	

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**Age / Service Distribution Of Active Participants - ATU/Drivers (Average Salary)  
As of July 1, 2014**

Age	Service													Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 to 24	0	35,969	0	0	0	0	0	0	0	0	0	0	35,969	
25 to 29	0	37,366	42,405	0	0	39,871	0	0	0	0	0	0	39,599	
30 to 34	0	0	37,621	0	39,760	46,947	0	0	0	0	0	0	42,262	
35 to 39	0	39,182	40,341	32,099	0	49,805	58,676	0	0	0	0	0	47,718	
40 to 44	0	34,802	35,135	43,459	0	47,982	54,036	50,227	0	0	0	0	47,236	
45 to 49	0	37,512	42,203	0	43,516	48,884	51,422	54,130	50,898	52,480	0	0	48,743	
50 to 54	0	35,166	36,562	38,570	42,626	45,658	52,847	51,758	56,866	57,324	0	0	49,748	
55 to 59	0	36,443	40,269	37,703	39,161	45,475	53,705	59,252	59,180	65,007	59,953	57,132	52,022	
60 to 64	0	0	50,888	42,843	35,124	44,542	49,343	54,068	61,657	60,422	83,766	59,110	52,487	
65 to 69	0	0	0	0	0	43,979	60,671	0	59,685	56,193	0	54,781	54,311	
70 & up	0	0	0	0	0	0	49,187	0	0	0	0	50,174	49,680	
Total	0	37,388	38,902	39,057	40,409	46,750	53,220	54,706	58,010	59,910	71,859	56,758	49,643	

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**Age / Service Distribution Of Active Participants - IBEW/Mechanics (Counts)  
As of July 1, 2014**

Age	Service													Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 to 24	0	0	0	1	1	0	0	0	0	0	0	0	2	
25 to 29	0	0	0	2	2	12	0	0	0	0	0	0	16	
30 to 34	0	0	0	2	0	5	3	0	0	0	0	0	10	
35 to 39	0	0	0	0	1	0	2	5	0	0	0	0	8	
40 to 44	0	0	0	0	2	0	3	3	6	0	0	0	14	
45 to 49	0	0	0	1	0	3	1	5	0	1	0	0	11	
50 to 54	0	0	0	0	0	4	8	2	10	6	4	0	34	
55 to 59	0	0	0	0	1	6	3	5	6	2	4	2	29	
60 to 64	0	0	0	0	0	2	3	3	6	2	0	5	21	
65 to 69	0	0	0	0	0	0	2	0	0	1	0	0	3	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	6	7	32	25	23	28	12	8	7	148	

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**Age / Service Distribution Of Active Participants - IBEW/Mechanics (Average Salary)  
As of July 1, 2014**

Age	Service													Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up		
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 to 24	0	0	0	28,767	42,334	0	0	0	0	0	0	0	35,550	
25 to 29	0	0	0	28,767	37,442	55,251	0	0	0	0	0	0	49,715	
30 to 34	0	0	0	28,767	0	52,838	63,103	0	0	0	0	0	51,103	
35 to 39	0	0	0	0	42,334	0	63,103	48,878	0	0	0	0	51,616	
40 to 44	0	0	0	0	37,485	0	49,694	54,116	59,770	0	0	0	53,216	
45 to 49	0	0	0	28,767	0	29,283	59,942	56,309	0	56,438	0	0	46,776	
50 to 54	0	0	0	0	0	33,126	47,870	59,770	58,373	58,659	61,436	0	53,424	
55 to 59	0	0	0	0	42,334	39,793	49,694	46,960	58,975	56,438	63,103	61,028	51,937	
60 to 64	0	0	0	0	0	29,541	33,590	49,672	55,277	49,450	0	62,273	50,038	
65 to 69	0	0	0	0	0	0	32,841	0	0	42,463	0	0	36,048	
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0	
Total	0	0	0	28,767	39,551	45,169	48,921	51,810	58,138	55,219	62,269	61,917	50,889	

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**APPENDIX B  
ACTUARIAL ASSUMPTIONS AND METHODS**

The assumptions and methods used in the actuarial valuation as of July 1, 2014 are:

**Actuarial Method**

For the Retirement Plans of San Diego Transit Corporation (the Plan), the actuarial funding method used to determine the normal cost and the unfunded actuarial liability is the Individual Entry Age to Final Decrement cost method. This method is consistent with the method required under the new GASB accounting statements.

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. 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 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. Actuarial gains and losses are amortized over closed separate 15-year periods. 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 total Plan cost is the sum of the Normal Cost, assumed administrative expenses, and the amortization of the Unfunded Actuarial Liability. The employer is responsible for contributing the difference between the total cost and member contributions.

**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.

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**APPENDIX B  
ACTUARIAL ASSUMPTIONS AND METHODS**

**Actuarial Assumptions**

**1. Valuation Date**

All assets and liabilities are computed as of July 1, 2014.

**2. Rate of Return**

The annual rate of return on all Plan assets is assumed to be 7.50% net of investment expenses.

**3. Cost of Living**

The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 3.00% per year.

**4. Post Retirement COLA**

Benefits for Non-Contract retirees assumed to increase after retirement at the rate of 2.0% per year.

**5. Pay for Benefits**

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

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

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



**APPENDIX B**  
**ACTUARIAL ASSUMPTIONS AND METHODS**

**6. 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%. The combination of rates are compounded rather than using an additive method.

**7. Active and Retired Participant Mortality**

Rates of mortality for active and retired Drivers and Mechanics and their spouses, beneficiaries and survivors are given by the Retired Pensioners (RP) 2000 Combined Healthy Tables published by the Society of Actuaries, with a one year set-forward for females.

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

**8. Disabled Participant Mortality**

Rates of mortality for disabled Drivers and Mechanics are given by the Retired Pensioners (RP) 2000 Combined Healthy Tables published by the Society of Actuaries, with a seven year set-forward for males.

Rates of mortality for Clerical and Non-Contract disabled Participants are given by the Mortality Table for Female Participants Receiving Social Security Benefits published by the Pension Benefit Guaranty Corporation (PBGC), with no age adjustment.

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**9. 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.

**10. 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.

**11. Plan Expenses**

Plan administrative expenses of \$250,000 are included in the annual cost calculated.

**12. Family Composition**

100% of active Participants are assumed to be married. Male spouses are assumed to be four years older than their wives.

**13. Service Retirement**

Retirement is assumed to occur in accordance with the rates shown in the following table:

<b>Age</b>	<b>ATU</b>	<b>IBEW</b>	<b>Clerical/Non Contract</b>
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 and older	100%	100%	100%

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**APPENDIX B  
ACTUARIAL ASSUMPTIONS AND METHODS**

**14. Termination**

Termination for ATU and IBEW Participants is assumed to occur in accordance with the rates shown in the following table:

<b>Age</b>	<b>0-1 Years</b>	<b>2-3 Years</b>	<b>4-9 Years</b>	<b>10+ Years</b>
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 and older	25.0%	14.0%	8.0%	0.0%

Termination for Non-Contract Participants is assumed to occur in accordance with the rates shown in the following table:

<b>Age</b>	<b>0-3 Years</b>	<b>4-9 Years</b>	<b>10+ Years</b>
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 and older	0.0%	0.0%	0.0%

Termination for Clerical Participants is assumed to occur in accordance with the rates shown in the following table:

<b>Age</b>	<b>Rate</b>
20-24	25.0%
25-29	11.0%
30-34	13.0%
35-39	17.0%
40-44	12.0%
45-49	8.0%
50-52	5.0%
53-54	5.0%
55 and older	0.0%

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**15. Employment Status**

No future transfers among Participant groups are assumed.

**16. Changes in Actuarial Methods and Assumptions since Prior Valuation**

An explicit assumption for annual administrative expenses of \$250,000 is included in the Plan cost.

APPENDIX C  
SUMMARY OF PLAN PROVISIONS

A. 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 July 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 Participant did not work full-time may be subject to change.
- Use the total of the Periodic Pensionable Earnings from the highest three calendar (payroll) years. These years need not be consecutive years. There shall be no skips and drops within the three calendar (payroll) years. Add the total Periodic Pensionable Earnings to Terminal Earnings and then divide by 36.

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 Participants joining the Plan on and after July 1, 2013, only base compensation up to the Social Security Taxable Wage Base (\$115,064 for 2014 and \$117,020 for 2015) will count for computing Plan benefits and employee contributions; in particular, all or most overtime will be excluded.

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**APPENDIX C  
SUMMARY OF PLAN PROVISIONS**

**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 Participants joining the Plan on and after July 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 Participants.

**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.

**B. Membership**

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 Participants of a separate defined contribution plan and will not be Participants of this Plan.

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**APPENDIX C  
SUMMARY OF PLAN PROVISIONS**

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 Participants of a separate defined contribution plan and will not be Participants of this Plan.

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

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

**C. Retirement Benefit**

**Eligibility:** Clerical and Non-Contract Participants are eligible for normal service retirement upon attaining age 63 and completing five or more Credited Years of Service and eligible for early service retirement upon attaining age 53 and completing five or more Credited Years of Service.

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

PEPRA: New Participants are eligible to retire upon attaining age 52 and completing five or more Credited 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 July 1, 2006, the benefit from the table is limited to 60%.
- For IBEW Participants terminating prior to January 1, 2007, IBEW Table A-1 is used; for IBEW Participants terminating on and after January 1, 2007, 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.

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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 July 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 Participants, 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 Participants will be making employee contributions, the Participant's beneficiaries may be eligible to receive a refund of accumulated contributions that exceed the benefits paid out to the Participant (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 Credited Years of Service or were hired between April 1, 1968 and March 31, 1971



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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 at the end of Appendix C herein.

**D. Disability Retirement Benefit**

Eligibility: A Participant is eligible for a Disability Retirement Benefit if:

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

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

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

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

PEPRA: Note that the Disability Retirement Benefit for New Participants 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

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for participants who have been married for at least one year. Otherwise, the normal form will be paid.

Because Participants will be making employee contributions, the Participant's beneficiaries may be eligible to receive a refund of accumulated contributions that exceed the benefits paid out to the Participant (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.

**E. Pre-Retirement Death Benefit**

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

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

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

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

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

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

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PEPRA: Note that the Pre-Retirement Death Benefit for New Participants 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 Participants will be making employee contributions, the Participant's beneficiaries may be eligible to receive a refund of accumulated contributions that exceed the benefits paid out to the Participant or spouse (if any) upon death.

**F. Termination Benefit**

**Eligibility:** A Participant is eligible for a termination benefit after earning five Credited 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 Participants, 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 Participants is based on the new definition of Compensation, which is subject to a maximum and excludes overtime.

We assume a refund of employee 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.

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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 Participants will be making employee contributions, the Participant's beneficiaries may be eligible to receive a refund of accumulated contributions that exceed the benefits paid out to the (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.

**G. 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 to 6% of the initial benefit amount in any year; and,
- A Participant's benefit cannot be reduced below the benefit level when payments commenced.

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**H. Voluntary Early Retirement Program**

The Plan provided enhanced benefits to ATU participants who voluntarily elected early retirement during the window period from July 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.

**I. DROP Program**

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

**J. Funding**

IBEW members contributed 2% of Compensation to the Plan prior to April, 2013. The IBEW member contribution increased to 3% of Compensation in April 2013 and 4% of Compensation in April 2014. The contribution rate will increase to 6% of Compensation in April of 2015 and 8% of Compensation in April 2016.

ATU and clerical members contributed 2% of Compensation to the Plan prior to July, 2013. The ATU and clerical member contributions increased to 3% of Compensation in July 2013 and to 5% in July 2014. Future contribution rates may change in response to collective bargaining.

Non-contract members hired before July 1, 2013, will contribute 2% of Compensation to the Plan. This Non-contract member contribution increased to 4% in January 2014 and will increase to 6% of Compensation in January 2015, 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%. Currently, PEPRA members are paying 6.25% of pay and the employer pays the remaining cost of the Plan.

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

**K. Changes in Plan Provisions since Prior Valuation**

None.

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**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%



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**ATU/Clerical Table A-2: Retirement Benefit Multipliers**

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

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**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%



**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**APPENDIX C  
SUMMARY OF PLAN PROVISIONS**

**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%

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**APPENDIX C  
SUMMARY OF PLAN PROVISIONS**

**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%

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**APPENDIX C  
SUMMARY OF PLAN PROVISIONS**

**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%

RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014

APPENDIX C  
SUMMARY OF PLAN PROVISIONS

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%

**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**APPENDIX D  
GLOSSARY**

**1. Actuarial Assumptions**

Assumptions as to the occurrence of future events affecting pension costs such as mortality, withdrawal, disability, retirement, changes in compensation, and rates of investment return.

**2. Actuarial Cost Method**

A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a Normal Cost and an Actuarial Liability.

**3. Actuarial Gain (Loss)**

The difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

**4. Actuarial Liability**

The portion of the Actuarial Present Value of Projected Benefits which will not be paid by future Normal Costs. It represents the value of the past Normal Costs with interest to the valuation date.

**5. Actuarial Present Value (Present Value)**

The value as of a given date of a future amount or series of payments. The Actuarial Present Value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made.

**6. Actuarial Valuation**

The determination, as of a specified date, of the Normal Cost, Actuarial Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.



**RETIREMENT PLANS OF SAN DIEGO TRANSIT CORPORATION  
ACTUARIAL VALUATION REPORT AS OF JULY 1, 2014**

**APPENDIX D  
GLOSSARY**

**7. Actuarial Value of Assets**

The value of cash, investments and other property belonging to a pension plan as used by the actuary for the purpose of an Actuarial Valuation. The purpose of an Actuarial Value of Assets is to smooth out fluctuations in market values.

**8. Actuarially Equivalent**

Of equal Actuarial Present Value, determined as of a given date, with each value based on the same set of actuarial assumptions.

**9. Amortization Payment**

The portion of the pension plan contribution which is designed to pay interest and principal on the Unfunded Actuarial Liability in order to pay for that liability in a given number of years.

**10. Entry Age Normal Actuarial Cost Method**

A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages.

**11. Funded Ratio**

The ratio of the Actuarial Value of Assets to the Actuarial Liabilities.

**12. Normal Cost**

That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

**13. Projected Benefits**

Those pension plan benefit amounts which are expected to be paid in the future under a particular set of Actuarial Assumptions, taking into account such items as increases in future compensation and service credits.

**14. Unfunded Actuarial Liability**

The excess of the Actuarial Liability over the Actuarial Value of Assets.



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## Agenda Item No. C5

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 22, 2014

#### SUBJECT:

ENTERPRISE RESOURCE PLANNING / TRANSIT ASSET MANAGEMENT  
IMPLEMENTATION SERVICES - CONTRACT AWARD (LARRY MARINESI AND FRED  
LACROIX)

#### RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to:

- 1) Authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1731.0-15, with Labyrinth Solutions, Inc. (in substantially the same format as Attachment A) for the provision of software implementation services for the Enterprise Resource Planning (ERP)/Transit Asset Management (TAM) Project with the option to exercise the Budget Planning module exclusively at MTS's discretion; and
- 2) Authorize the CEO to exercise the Budget Planning module option at his discretion, if deemed to be in the best interest of MTS; and
- 3) Waive the requirements of Policy 41 and authorize the CEO to approve amendments of up to a spending contingency of 5% of the approved contract amount. No part of the contingency amount will be utilized without review and written approval from the Project Manager, the Project Sponsor, and the Steering Committee, including the CEO.

#### Budget Impact

The total cost of this agreement is a not-to-exceed \$7,612,500.00 and is itemized as follows:



<b>Description</b>	<b>Cost</b>
Software Implementation Services	\$6,950,000
Budget Planning Module Option	\$300,000
Contingency	\$362,500
<b>Grand Total Cost:</b>	<b>\$7,612,500</b>

The software implementation services costs are funded through MTS Capital Improvement Program (CIP) project number 11345.

#### DISCUSSION:

MTS has been using two separate systems, Integrated Financial and Administrative Solution (IFAS), and Ellipse for accounting, budget management, inventory control, and maintenance of revenue vehicles and wayside infrastructure. These systems were originally installed in 1997 and 2003 respectively and were legacy systems prior to the consolidation of MTS in 2003.

These systems are inefficient and require a significant amount of internal resource time and paper-driven processes to produce necessary reporting and data. Furthermore, the Federal Transit Administration (FTA) is formulating new State of Good Repair (SGR) requirements under the federal Moving Ahead for Progress in the 21<sup>st</sup> Century (MAP-21) legislation that the current systems cannot support. The FTA granted MTS \$3.0 million (matched with \$750,000 in local funds) as part of a pilot project to procure this TAM application.

MTS has taken the approach of splitting out this technology project by first selecting the best fit ERP/TAM software, and second selecting an implementation partner. The selection of the SAP software for this purpose was approved by the MTS Board of Directors at the July 10, 2014 Board meeting. This agenda item relates to the second phase of this project which is to select an implementation partner. This second phase will be funded through the 2015 and 2016 CIP budgets.

There are several goals with the procurement of this application including:

- The provision of a highly functional application with streamlined workflow to allow for the removal of intensive paper-based business processes;
- The technology distribution to maintenance employees in the field for live preventative maintenance inspections, improving efficiency;
- The improvement of reporting and quicker reference to important indicators (including SGR condition rating) for quicker management response; and
- The use of technology to drive more efficient business processes through automated workflow.

The implementation partner and its subcontractors will install and configure the SAP ERP/TAM system to best meet MTS's needs under MTS's direction. Major tasks include documenting industry best practices using the SAP software applicable to MTS; configuring a large number of system settings for MTS; setting up and testing automated workflow and approvals; assisting MTS in converting legacy data to SAP; writing report and interface programs; testing the system; developing user documentation and training materials; conducting end-user training; assisting MTS in organizational change management; and support MTS in the period after go-live.



The implementation team is expected to begin work in February 2015. The Finance, Procurement and Materials Management functions are planned to go-live on January 1, 2016. The Transit Asset Management function, including work orders and linear assets, will follow a near simultaneous path with a planned go-live date of February 1, 2016. If MTS decides to implement the optional Budget Preparation function, that work will begin January 2016 through July 2016.

Staff created a project structure of a Project Manager overseeing the day-to-day aspects of this procurement and implementation, a Selection Committee made up of representatives from Bus Operations, Wayside Maintenance, Bus Maintenance, LRV Maintenance, IT, Finance, Procurement and Materials/Stores, and a Steering Committee made up of the CEO, Chief Operational Officers, Chief Technology Officer and Chief Financial Officer.

The Selection Committee participated in the development of the functional requirements and the Request for Proposals. The evaluation process included vendor requirement responses, vendor oral presentations of the applicability of their respective solution, on-site key staff member interviews and reference checking. Throughout the procurement process, the Project Manager briefed the Steering Committee as to the progress and received direction.

### **Functional Areas Within Project Scope**

This project is to replace the legacy systems and includes the following functional areas:

#### **Financial Management:**

- General Ledger / Financial Accounting
- Budget Control
- Grants Management

#### **Procurement and Materials Management:**

- Contracts
- Purchasing / Receiving
- Inventory and Warehouse Control
- On-line Order / Fulfillment

#### **Asset Management Areas:**

- Equipment and Vehicle Maintenance Management
- Work Order Management
- Warranty Tracking
- Condition Monitoring (as required by the FTA SGR initiative)
- Linear Asset Management (Rail Track, Electric Power Grid & Related)

#### **Customer Service Areas:**

- Customer Service / Lost and Found
- Incidents, Accidents and Claims Management

During phase one of the proposal evaluations, the vendors' solutions were scored based on:

- Background/Experience
- References
- Requirements
- Cost

As a result, all three (3) vendors were invited to the second phase. During phase two of the evaluation, the vendors' solutions were scored based on:

- Detailed Project Plan
- Project Staffing
- Interview (Oral Presentations)
- Refined Cost Proposal

The selection of Labyrinth Solutions, Inc. (LSI) is the recommendation of the Selection Committee, has been approved by the Steering Committee, and best meets MTS' requirements at a competitive price. LSI has a strong record in successful SAP implementations in private and public sector organizations.

MTS's Policy 41, Signature Authority, sets specific dollar limits on financial transactions that key staff may approve. Under this document the MTS CEO has the authority to approve transactions of up to \$100,000.00. Staff also requests that the Executive Committee recommend to the Board to waive this cap and authorize the CEO to approve amendments above the \$100,000 limit, up to a maximum of 5% of the approved contract amount, if and when absolutely necessary upon the recommendation of the Project Manager, Project Sponsor, and the Steering Committee. Having this flexibility will allow staff to rapidly respond to those issues that may need very quick action by staff. Any other amendment that may result in an increase in the project budget or the established spend authority will be submitted to the Board for approval. Amendments issued under the waiver will be reported under Agenda Item 62 (Chief Executive Officer's Report) at the monthly Board of Directors' meetings.

Therefore, staff recommends that the Executive Committee forward a recommendation to the Board of Directors to authorize the CEO to execute MTS Doc. No. G1731.0-15 with LSI for the provision of software implementation services for the ERP/TAM Project with the option to exercise the Budget Planning module and the five (5%) percent contingency at MTS's sole discretion.

Handwritten signature of Sharon Cooney in cursive script, followed by the word "for" in a smaller, simpler font.

Paul C. Jablonski  
Chief Executive Officer

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

Attachment: A. Draft Standard Services Agreement; Contract No. G1731.0-15

## STANDARD SERVICES AGREEMENT

G1731.0-15  
CONTRACT NUMBER

FILE NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, 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: Labyrinth Solutions, Inc.Address: 401 B Street, Suite 2020Form of Business: Corporation  
(Corporation, partnership, sole proprietor, etc.)San Diego, CA 92101Telephone: 858-342-6665

Authorized person to sign contracts: Steven Roach Managing Partner  
Name Title

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

Enterprise Resource Planning System Implementation services, as specified in the MTS Statement of Work with appendices (attached as Exhibit A), the Pricing Document (attached as Exhibit B), and the Standard Conditions Services (attached as Exhibit C), and the Federal Requirements (attached as Exhibits D).

The anticipated period of performance is twenty-four (24) months from date of contract execution.

Total contract amount shall not exceed \$ 6,950,000.00 for the base implementation project and \$300,000.00 for the Budget Planning module implementation option exercisable at MTS' sole discretion for a total of **\$7,250,000.00.**

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION
By: _____ Chief Executive Officer		Firm: <u>Labyrinth Solutions, Inc.</u>
Approved as to form:		By: _____ Signature
By: _____ Office of General Counsel		Title: _____
AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
<u>\$7,250,000</u>	<u>11345</u>	<u>2015</u>

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

(XX total pages, each bearing contract number)

SA-SERVICES REVISED (REV 2-14)  
DATE



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## Agenda Item No. C6

### MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM EXECUTIVE COMMITTEE

January 22, 2015

#### SUBJECT:

PACIFIC IMPERIAL RAILROAD (PIR) DESERT LINE AGREEMENT – STATUS  
UPDATE (KAREN LANDERS)


#### INFORMATIONAL ONLY

##### Budget Impact

None. To date, MTS has received \$2,000,000 in revenue related to this lease agreement. In addition, inspections have been undertaken of the Desert Line infrastructure by engineering firm JL Patterson, Inc. at no cost to MTS.

#### DISCUSSION:

Staff will give a status update on the PIR Desert Line agreement.

 *for*  
Paul C. Jablonski  
Chief Executive Officer

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



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DRAFT

## Agenda

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

January 29, 2015

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 - December 11, 2014 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. Elect Vice Chair, Chair Pro Tem, and Committee Appointments (Sharon Cooney) Elect  
Action would: (1) elect a Vice Chair and a Chair Pro Tem for 2015; and (2) consider the nominating slate proposed by the Ad Hoc Nominating Committee for the appointment of representatives to MTS committees for 2015 and vote to appoint representatives to those committees.

Please SILENCE electronics  
during the meeting

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



## CONSENT ITEMS

- |     |   |             |
|-----|---|-------------|
| 6.  | <u>Revisions to Board Policy No. 16 to Establish Procedures for Filing Claims and Institution and Maintenance of Lawsuits for Damage to or Destruction of MTS Property and to Establish Procedures for Settlement of Such Lawsuits</u><br>Action would approve and adopt the updated Board Policy No. 16.   | Approve     |
| 7.  | <u>Investment Report - November 2014</u>  | Information |
| 8.  | <u>Update the List of San Diego Metropolitan Transit System (MTS) Employees Authorized to Take Action Related to Local Agency Investment Fund (LAIF) Accounts</u><br><br>Action would approve Resolution No. 15-1 and Resolution No. 15-2 to update the list of MTS employees authorized to take action related to the LAIF investment accounts, administered by the State Treasurer, in the name of the San Diego Metropolitan Transit System and San Diego Transit Corporation.   | Approve     |
| 9.  | <u>Investment Consulting Services for the San Diego Transit Corporation (SDTC) Retirement Plans - Contract Award</u><br>Action would authorize the Chief Executive Officer (CEO) to: (1) execute, as agent for the Retirement Boards of the SDTC Employees' Retirement Plans (Plan), MTS Doc. No. G1705.0-14 with RVK Inc. (RVK) for the provision of investment consulting services for the Plan for a five-year base period with five one-year optional terms (for a total of 10 years); and (2) exercise each option year at the Retirement Boards' discretion.  | Approve     |
| 10. | <u>Temporary Staffing Services - Creation of On-Call List and Contract Awards</u><br>Action would authorize the Chief Executive Officer (CEO) to: (1) execute MTS. Doc. Nos. G1778.0-15 through G1786.0-15 with nine (9) Temporary Staffing firms (AppleOne, Kforce Technology, Lawton Group, Modis, Networld Solutions, PrideStaff, Randstad Technologies, Thornburg & Littecken, LLC dba GLR & ISR, and Yoh) for the provision of Temporary Staffing Services for a three (3)-year base period with two (2) one-year option terms (for a total of five years); and (2) exercise each option year at the CEO's discretion. | Approve     |
| 11. | <u>Temporary Staffing for Fare Systems Manager - Sole Source</u><br>Action would authorize the Chief Executive Officer (CEO) to ratify the existing Purchase Order (PO); and extend the current engagement with Contraflow Consulting for two (2) years to provide temporary staffing services for a Fare Systems Manager.  | Approve     |
| 12. | <u>Hosted Text Messaging System - Contract Amendment</u><br>Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 4 to MTS Doc. No. G1326.0-10 with MIS Sciences, Corporation (MIS) for an additional expenditure authority of \$74,459.00.   | Approve     |
| 13. | <u>Revisions to Board Policy No. 48 (Transit Service Discrimination Complaints Procedure)</u><br>Action would approve and adopt the proposed revisions to Policy No. 48 Transit Service Discrimination Complaints Procedure.  | Approve     |
| 14. | <u>2015 State and Federal Legislative Programs</u><br>Action would approve staff recommendations for 2015 federal and state legislative programs.   | Approve     |

## CLOSED SESSION

24. None.

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

## NOTICED PUBLIC HEARINGS

25. None.

## DISCUSSION ITEMS

- |     |   |         |
|-----|---|---------|
| 30. | <u>Taxicab - Ordinance 11 Amendments (Sharon Cooney)</u>  | Approve |
| 31. | <u>MTS Transit Service Fixed-Route and Bus Rapid Transit (BRT) Bus Services - Contract Award (Bill Spraul and Jeff Codling)</u>       | Approve |
| 32. | <u>SDTC Employee Retirement Plan's Actuarial Valuation as of July 1, 2014 (Larry Marinesi)</u>  | Approve |
| 33. | <u>Enterprise Resource Planning/Transit Asset Management Implementation Services Contract Award (Larry Marinesi and Fred LaCroix)</u> | Approve |

## REPORT ITEMS

- |     |   |             |
|-----|---|-------------|
| 45. | <u>Pacific Imperial Railroad (PIR) Desert Line Agreement - Status Update (Karen Landers)</u>  | Information |
| 46. | <u>Operations Budget Status Report for November 2014 (Mike Thompson)</u>  | Information |
| 47. | <u>Youth Pilot Program Update (Sharon Cooney)</u>   | Information |
| 60. | <u>Chairman's Report</u>  | Information |
| 61. | <u>Audit Oversight Committee Chairman's Report</u>  | Information |
| 62. | <u>Chief Executive Officer's Report</u>   | Information |
| 63. | <u>Board Member Communications</u>  |             |
| 64. | <u>Additional Public Comments Not on the Agenda</u><br>If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. |             |
| 65. | <u>Next Meeting Date:</u> February 12, 2015   |             |
| 66. | <u>Adjournment</u>  |             |



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## Agenda Item No. 6

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

January 29, 2015

**Draft for  
Executive Committee  
Review Date: 1-22-15**

#### SUBJECT:

REVISIONS TO BOARD POLICY NO. 16 TO ESTABLISH PROCEDURES FOR FILING CLAIMS AND INSTITUTION AND MAINTENANCE OF LAWSUITS FOR DAMAGE TO OR DESTRUCTION OF MTS PROPERTY AND TO ESTABLISH PROCEDURES FOR SETTLEMENT OF SUCH LAWSUITS

#### RECOMMENDATION:

That the Board of Directors approve and adopt the updated Board Policy No. 16 (Attachment A).

#### Budget Impact

None. Today's action does not authorize any specific expenditure. Payment of individual claims are accounted for in the annual budget process based on the estimated cost to evaluate, defend and compromise legal claims each fiscal year.

#### DISCUSSION:

Board Policy No. 16 authorizes the Chief Executive Officer (CEO) to file administrative claims and to initiate and maintain lawsuits on behalf of the MTS Board to recover for damage to or destruction of MTS property. Currently, the policy requires any claims or lawsuits over \$25,000 to be brought to the Board for approval. Government Code section 935.4 allows a local public entity to authorize an employee to compromise or settle claims if the amount paid does not exceed \$50,000. The proposed amendments to Board Policy No. 16 would raise the delegated settlement authority of the CEO to the Government Code limit of \$50,000. These changes are consistent with changes approved by the Board to Board Policy No. 51 (Claims Against the San Diego Metropolitan Transit System, A





California Public Agency, or its Subsidiaries, San Diego Transit Corporation or San Diego Trolley, Inc.) on October 30, 2014.

Sharon Cooney for  
Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)  
Attachment: A. Proposed Board Policy No. 16 (redline version)



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## Policies and Procedures

No. 16

Board Approval: [2/12/04](#) [1/29/15](#)

### SUBJECT:

LEGAL ACTION BY OR AGAINST THE BOARD

### PURPOSE:

To establish procedures for filing claims and institution and maintenance of lawsuits for damage to or destruction of MTS property and to establish procedures for settlement of such lawsuits.

### BACKGROUND:

MTS owns the capital facilities and equipment used for operation of the trolley as well as other property. Damage to or destruction of that property may require legal action.

Under Public Utilities Code 120201, MTS may sue and be sued, except as provided by law, in all actions and proceedings, in all courts and tribunals of competent jurisdiction. There is no law that prevents MTS from filing claims or lawsuits for damage to its property.

### POLICY:

#### 16.1 Filing of Administrative Claims; Litigation

The Chief Executive Officer is authorized to file administrative claims and to initiate and maintain lawsuits on behalf of the Board to recover for damage to or destruction of MTS property. The Chief Executive Officer shall report to the Board concerning all claims and lawsuits filed on behalf of the Board.

#### 16.2 Settlement of Lawsuits

The Chief Executive Officer shall have the authority to settle claims or lawsuits for \$2550,000 per claim or lawsuit or less without Board approval. The Chief Executive Officer shall report to the Board concerning all settlements made for \$2550,000 or less. Prior Board approval shall be required to settle any claim or lawsuit for more than \$2550,000.

DDarre/JGarde  
POLICY 16-LEGAL ACTION BY OR AGAINST THE BOARD  
2/23/04



Original Policy approved on 10/26/81.  
Policy revised on 2/7/85.  
Policy revised/renumbered on 2/12/04.  
Policy revised on 1/29/2015



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## Agenda Item No. 7

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

JANUARY 29, 2015

#### SUBJECT:

INVESTMENT REPORT – NOVEMBER 2014

**Draft for**

**Executive Committee**

**Review Date: 1-22-15**

#### INFORMATIONAL ONLY

##### Budget Impact


None.

#### DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of November 30, 2014. The combined total of all investments has decreased month to month from \$222.2 million to \$215.3 million. This \$6.9 million decrease is attributable to a \$4.0 million partial release of retention funds to Siemens and expenditures of \$3.4 million for acquisition of capital assets, partially offset by \$4.1 million received for State Transit Assistance (STA) funding, 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. These restricted funds will be liquidated to satisfy the outstanding debt obligation in full by the end of the calendar year 2015.

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](mailto:Sharon.Cooney@sdmts.com)

Attachment: A. Investment Report for November 2014

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



**San Diego Metropolitan Transit System  
Investment Report  
November 30, 2014**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	<b>Average rate of return</b>
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	12,151,609	12,151,609	0.00%
Total Cash and Cash Equivalents	-	12,151,609	12,151,609	
Cash - Restricted for Capital Support				
US Bank - retention trust account	4,758,582	-	4,758,582	N/A *
San Diego County Investment Pool				
Proposition 1B TSGP grant funds	3,856,634	22,671	3,879,305	
Total Cash - Restricted for Capital Support	8,615,216	22,671	8,637,887	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	19,745,588	58,511,046	78,256,634	0.261%
Total Investments - Working Capital	19,745,588	58,511,046	78,256,634	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	39,443,938	-	39,443,938	
Rabobank -				
Payment Undertaking Agreement	76,816,295	-	76,816,295	7.69%
Total Investments Restricted for Debt Service	116,260,233	-	116,260,233	
Total cash and investments	<u>\$ 144,621,037</u>	<u>\$ 70,685,326</u>	<u>\$ 215,306,363</u>	

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



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## Agenda Item No. 8

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

JANUARY 29, 2015

**Draft for  
Executive Committee  
Review Date: 1-22-15**

#### SUBJECT:

UPDATE THE LIST OF SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)  
EMPLOYEES AUTHORIZED TO TAKE ACTION RELATED TO LOCAL AGENCY  
INVESTMENT FUND (LAIF) ACCOUNTS

#### RECOMMENDATION:

That the Board of Directors approve Resolution No. 15-1 (Attachment A) and Resolution No. 15-2 (Attachment B) to update the list of MTS employees authorized to take action related to the LAIF investment accounts, administered by the State Treasurer, in the name of the San Diego Metropolitan Transit System and San Diego Transit Corporation.

#### DISCUSSION:

MTS invests excess funds into two accounts at LAIF, which currently pays a favorable rate of interest. Attachment A contains a list of MTS employees to be authorized to take action related to the investment account at LAIF in the name of the San Diego Metropolitan Transit System. Attachment B contains a list of MTS employees to be authorized to take action related to the investment account at LAIF in the name of the San Diego Transit Corporation. As LAIF requires agency adopted Resolutions, staff is requesting that the Board of Directors approve Resolution No. 15-1 and Resolution No. 15-2.

  
Paul C. Jablonski  
Chief Executive Officer

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

Attachment: A. Resolution No. 15-1  
B. Resolution No. 15-2



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 15-1

Resolution Regarding the LAIF Investment Account in the name of San Diego Metropolitan Transit System, also known as San Diego Metropolitan Transit Development Board

WHEREAS, section 16429.1 was added to the California Government code to create a Local Agency Investment Fund (LAIF) in the State Treasury for the deposit of money of a local agency for the purposes of investment by the State Treasurer; and

WHEREAS, San Diego Metropolitan Transit System (MTS) has established an account with the LAIF in accordance with Government Code section 16429.1 et. seq. for the purpose of investment in the best interests of San Diego Metropolitan Transit System; and

WHEREAS, MTS desires to update the list of individuals authorized to take action related to the LAIF account;

NOW THEREFORE, BE IT RESOLVED:

Section 1. The following MTS officers holding the titles specified below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the LAIF and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

<u>Paul Jablonski</u>	<u>Karen Landers</u>	<u>Larry Marinesi</u>
(NAME)	(NAME)	(NAME)

<u>Chief Executive Officer</u>	<u>General Counsel</u>	<u>Chief Financial Officer</u>
(TITLE)	(TITLE)	(TITLE)

_____	_____	_____
(SIGNATURE)	(SIGNATURE)	(SIGNATURE)

<u>Erin Dunn</u>	<u>Mike Thompson</u>
(NAME)	(NAME)

<u>Controller</u>	<u>Director of Financial Planning &amp; Analysis</u>
(TITLE)	(TITLE)

_____	_____
(SIGNATURE)	(SIGNATURE)

Section 2. This resolution shall remain in full force and effect until rescinded by the MTS Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED by the Board of Directors this \_\_\_\_ day of \_\_\_\_\_ 2014,  
by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

---

Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

---

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

---

Office of the General Counsel  
San Diego Metropolitan Transit System



SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 15-2

Resolution Regarding the Additional LAIF Investment Account in the name of San Diego Transit Corporation, a wholly owned subsidiary of San Diego Metropolitan Transit System

WHEREAS, section 16429.1 was added to the California Government code to create a Local Agency Investment Fund (LAIF) in the State Treasury for the deposit of money of a local agency for the purposes of investment by the State Treasurer; and

WHEREAS, San Diego Metropolitan Transit System (MTS) has established an account in the name of San Diego Transit Corporation with LAIF in accordance with Government Code section 16429.1 et. seq. for the purpose of investment in the best interests of San Diego Metropolitan Transit System; and

WHEREAS, MTS desires to update the list of individuals authorized to take action related to the LAIF account in the name of San Diego Transit Corporation;

NOW THEREFORE, BE IT RESOLVED:

Section 1: The following MTS officers holding the titles specified below or their successors in office are each hereby authorized to order the deposit or withdrawal of monies in the LAIF and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

<u>Paul Jablonski</u> (NAME)	<u>Karen Landers</u> (NAME)	<u>Larry Marinesi</u> (NAME)
<u>Chief Executive Officer</u> (TITLE)	<u>General Counsel</u> (TITLE)	<u>Chief Financial Officer</u> (TITLE)
_____ (SIGNATURE)	_____ (SIGNATURE)	_____ (SIGNATURE)
<u>Erin Dunn</u> (NAME)	<u>Mike Thompson</u> (NAME)	
<u>Controller</u> (TITLE)	<u>Director of Financial Planning &amp; Analysis</u> (TITLE)	
_____ (SIGNATURE)	_____ (SIGNATURE)	

Section 2. This resolution shall remain in full force and effect until rescinded by the MTS Board of Directors by resolution and a copy of the resolution rescinding this resolution is filed with the State Treasurer's Office.

PASSED AND ADOPTED by the Board of Directors this \_\_\_\_ day of \_\_\_\_\_ 2014,  
by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

---

Chairperson  
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

---

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

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Office of the General Counsel  
San Diego Metropolitan Transit System



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## Agenda Item No. 9

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

January 29, 2015

**Draft for  
Executive Committee  
Review Date: 1-22-14**

#### SUBJECT:

INVESTMENT CONSULTING SERVICES FOR THE SAN DIEGO TRANSIT  
CORPORATION (SDTC) RETIREMENT PLANS - CONTRACT AWARD

#### RECOMMENDATION:

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

- 1) execute, as agent for the Retirement Boards of the SDTC Employees' Retirement Plans (Plan), MTS Doc. No. G1705.0-14 (in substantially the same format as Attachment A) with RVK Inc. (RVK) for the provision of investment consulting services for the Plan for a five-year base period with five one-year optional terms (for a total of 10 years); and
- 2) exercise each option year at the Retirement Boards' discretion.

#### Budget Impact

The total estimated cost of this agreement would not exceed \$1,037,796.87. This amount includes a maximum annual Consumer Price Index (CPI) adjustment of 3%. The funding of this expense will be provided by the Plan.

#### DISCUSSION:

Through the San Diego Transit Corporation, MTS participates in the funding of the Plan as a legacy pension plan for SDTC employees. As of June 30, 2014, the Plan has 873 retirees receiving benefits, 648 active employees and 229 vested inactive members.

Effective May 1, 2011, employees in the International Brotherhood of Electrical Workers, Local 465 (IBEW) bargaining unit hired after May 1, 2011 participate in a separate defined contribution IRC 401(a) plan, and effective November 1, 2012, employees in the Amalgamated Transit Union, Local 1309 (ATU) bargaining unit hired after November 1, 2012 participate in a separate defined contribution IRC 401(a) plan.



The Plan is managed by Retirement Boards which have plenary authority and fiduciary responsibility for the investment of Plan assets and administration of the Plan. The IBEW Retirement Board consists of three members from MTS and three members from the IBEW. The ATU Retirement Board consists of three members from MTS and three members from the ATU and the Noncontract Retirement Board consists of three members from MTS.

MTS's contributions to the Plan are governed by its collective bargaining agreements with the ATU and IBEW. As of July 1, 2014, total contributions as a percent of payroll total 39.147% which are shared between the employer and employees (employee contributions total 5% from ATU employees, 4% from IBEW employees and 4% for non-contract employees).

An Actuarial Valuation is prepared every year to provide visibility into the funding of the Plan and an Actuarial Experience Study is prepared every four years to help guide the investment strategy for the Plan. The Retirement Boards and the MTS Board receive annual reports each year detailing the investment performance of the Plan investments.

Since MTS and employee contributions are the sole sources of funding for the Plan, and employee contributions are capped, it is in MTS's best interests to help the Plan control costs and to work closely with the Retirement Boards' chosen investment consultant. Therefore, the MTS procurement department worked with the Retirement Boards and conducted a competitive process to select a new investment consultant. It is proposed that MTS enter into the contract, as the designated agent and contract administrator for the Retirement Board.

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

On May 16, 2014, MTS issued, on behalf of the Retirement Boards, a Request for Proposals (RFP) for Investment Consulting Services for the Plan to secure a multiyear contract and provide professional services, on behalf of the Plans for employees of SDTC. The services include review of Plan asset allocation, provide monthly performance reports, provide searches for investment managers, review existing investment guidelines and investment policies, report annually to the MTS Board of Directors, and administer quarterly updates that include investment manager presentations.

On June 25, 2014, MTS received a total of four (4) proposals from the following:

1. Meketa Investment Group, Carlsbad, CA 92008
2. Milliman, Inc., San Francisco, CA 94108
3. RVK, Portland, OR 97204
4. Wurts & Associates, Seattle, WA 98104

A selection committee consisting of Retirement Board representatives from the MTS Finance department, ATU, and IBEW met and rated the proposals. The ratings were based on the following criteria:

1.	Organizational Structure, Qualifications and Experience of Firm	15%
2.	Proposed Staffing and Management Plan	15%
3.	Proposed Methodology and Work Plan	30%
4.	Cost/Price	<u>40%</u>
Total		100%

All proposals were deemed responsive and responsible except for Wurts & Associates, whose cost proposal was deemed incomplete. After the evaluation, RVK received the highest overall scores. RVK's proposal illustrated a broad and clear understanding of the scope of work and offered a highly knowledgeable and expert management team. RVK's was the only proposal that advanced to the next phase of the evaluation, which included interviews and negotiations.

Based on the committee's evaluation of the technical proposal, discussions, and analysis of the price offered, it was determined that RVK's proposal is fair and reasonable and represents the best overall value for the Plan. During the Best and Final Offer (BAFO) phase, RVK also further reduced its price proposal by \$66,953 (or roughly 6%) from the original price of \$1,104,750.00 to \$1,037,796.87. Additionally, the Plan will save approximately \$22,750 (20%) annually with the implementation of this contract with RVK.

On December 23, 2014, the SDTC Pension Investment Committee voted to recommend that the Board authorize the CEO of MTS, as agent for the Retirement Boards, to execute the contract with RVK.

The following table represents the final scores and rankings for all proposers:

PROPOSER NAME	TOTAL AVG. TECH. SCORE	AVG. COST SCORE	TOTAL SCORE (Tech + Cost) Total Possible Points: 100	RANKING
MEKETA INVESTMENT GROUP	41	34.17	<b>75.17</b>	2
MILLIMAN, INC.	31	37.91	<b>68.91</b>	3
RVK, INC.	57	40.00	<b>97.00</b>	1

 for

Paul C. Jablonski  
Chief Executive Officer

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

Attachments: A. Draft Standard Services Agreement; Contract G1705.0-14  
B. Cost Summary

## STANDARD SERVICES AGREEMENT

DRAFT

G1705.0-14  
 CONTRACT NUMBER  
 OPS 960  
 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, solely in its capacity as agent for the Retirement Boards ("Retirement Boards") of the San Diego Transit Corporation (SDTC) Retirement Plans, and the following contractor, hereinafter referred to as "Contractor":

Name: RVK, Inc. Address: 1211 SW 5<sup>th</sup> Avenue, Ste. 900  
 Form of Business: Corporation Portland, OR 97204  
 (Corporation, partnership, sole proprietor, etc.)  
 Telephone: 503-221-4200

Authorized person to sign contracts: Rebecca A. Gratsinger CEO, Senior Consultant, Principal  
 Name Title

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

Investment consulting services for the San Diego Transit Corporation (SDTC) Retirement Plans as set forth in the MTS Scope of Work (attached as Exhibit A), RVK Inc.'s Proposal dated June 23, 2014 and Best and Final Offer (BAFO) dated August 4, 2014 (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 a 10-year period (5-year base with five 1-year options exercisable at Retirement Board's sole discretion). Base period shall be effective October 1, 2014, through September 30, 2019, and Option Years 1 through 5 shall be effective October 1, 2019, through September 30, 2024. Payment terms shall be net 30 days from invoice date.

Annual fees for the first two years shall be fixed and will be adjusted thereafter by the *lesser* of 3%, or the percentage change in the Consumer Price Index (CPI-U) for the previous 12 months. The estimated total contract cost shall not exceed \$482,077.31 for the base period and \$555,719.56 for the option years for a total of \$1,037,796.87.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM,  
 solely as agent for the Retirement Boards

## CONTRACTOR AUTHORIZATION

By: \_\_\_\_\_  
 Chief Executive Officer

Approved as to form:

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

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

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

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

AMOUNT ENCUMBERED

BUDGET ITEM

FISCAL YEAR

\$ 482,077.31 – Base

\$ 555,719.56 – Options

**\$1,037,796.87 – Total**

Paid out of SDTC Pension Fund

15-24

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

Date

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

## COST SUMMARY

**INVESTMENT CONSULTING SERVICES – SDTC PENSION PLAN RFP  
MTS DOC. NO. G1705.0-14**

COMPANY NAME	TOTAL COST
Meketa Investment Group	\$ 1,215,000.00
Milliman, Inc.	\$ 1,095,000.00
<b>RVK, Inc. *</b>	<b>\$ 1,037,796.87</b>

\* RVK's offer was found to be the most advantageous and of the greatest value to MTS.





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

## Agenda Item No. 10

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

January 29, 2015

**Draft for  
Executive Committee  
Review Date: 1-22-14**

#### SUBJECT:

TEMPORARY STAFFING SERVICES – CREATION OF ON-CALL LIST AND  
CONTRACT AWARDS

#### RECOMMENDATION:

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

- 1) execute MTS Doc. Nos. G1778.0-15 through G1786.0-15 (in substantially the same format as Attachments A through I) with nine (9) Temporary Staffing firms (Apple One, Kforce Technology, Lawton Group, Modis, Network Solutions, PrideStaff, Randstad Technologies, Thornburg & Littecken, LLC dba GLR & ISR, and Yoh) for the provision of Temporary Staffing Services for a three (3)-year base period with two (2) one-year option terms (for a total of five years); and
- 2) exercise each option year at the CEO's discretion.

#### Budget Impact

The total cost of each of Temporary Staffing Services agreement will be rate-based and will depend on actual usage of temporary staffing services by MTS. As individual work orders are issued under each Temporary Staffing Services contract, funds from the requesting department's operating or capital budget (as applicable) will be encumbered. Individual work orders exceeding the CEO's authority (\$100,000) will be brought to the Board for approval.

#### DISCUSSION:

MTS currently solicits three (3) quotes as temporary staffing services needs arise. Such needs may come from prolonged illness, leaves of absence, periods of unusually high workload, needs for specialized skill sets and supplemental staffing for projects which





may not warrant the recruitment of full time staff. As MTS's needs have significantly grown, staff believes that the Agency will gain time and labor efficiencies and achieve significant cost savings by shifting from the current reactive (i.e., procure as needed) to a more proactive (i.e., on-call service provider) position.

MTS pays a billable rate (employee's hourly rate plus a general and administrative fee in the form of a percentage markup) for each temporary employee. Should circumstances change and MTS desire to convert a temporary employee to full time staff, a previously negotiated conversion rate is applied. On occasion, MTS also seeks the assistance of temporary staffing consultants in recruitments for hard-to-fill positions and a previously negotiated direct hire rate is applied.

On April 22, 2014, staff issued a Request for Proposals (RFP) for Temporary Staffing Services to develop a list of on-call providers for the following categories:

1. Information Technology (IT) Staffing
2. General Staffing

On June 13, 2014, MTS received a total of fourteen (14) proposals from the following:

1. 22<sup>nd</sup> Century
2. Adecco
3. AppleOne
4. Comforce
5. IQ Pipeline
6. Kforce Technology
7. Lawton Group (DBE)
8. Modis
9. Networld Solutions
10. PrideStaff (DBE)
11. Randstad Technologies
12. Sayva
13. Thornburg & Litteken, LLC
14. Yoh

All were deemed responsive and responsible and were evaluated on the following criteria:

1.	Qualifications, Related Experience, and References of Proposer	15%
2.	Proposed Staffing, Organization, and Management Plan	10%
3.	Work Plan	35%
4.	Cost (Rates)	40%
Total		100%

MTS interviewed all fourteen (14) candidate firms and shortlisted nine (9). MTS requested revised proposals followed by Best and Final Offers. The proposed On-Call List of nine (9) Temporary Staffing firms, and associated markup rates and fees, is as follows:

General Staffing Services On-Call List:

		AppleOne	Kforce	Lawton (DBE)	Pridestaff (DBE)	Thornburg & Litteken LLC (dba GLR & ISR)
Markup Rate		43%	48%	36%	36%	43%
Conversion fee	0 – 90 days	15%	20%	15%	10%	18%
	91 – 180 days	0%	10%	0%	0%	9%
	After 180 days	0%	0%	0%	0%	0%
Direct Placement Fee		15%	20%	15%	15%	18%

IT Staffing On-Call List:

		Kforce	Networld Solutions	Modis	Randstad	Thornburg & Litteken LLC (dba GLR & ISR)	Yoh
Markup Rate		48%	20%	50%	45%	43%	45%
Conversion fee	0 – 90 days	20%	25%	18%	18%	18%	18%
	91 – 180 days	10%	20%	12%	15%	9%	10%
	After 180 days	0%	0%	0%	0%	0%	0%
Direct Placement Fee		20%	15%	18%	18%	18%	18%

A cost analysis using current internet published market rates and a comparison of markups paid by other agencies revealed that rates differ based on multiple costing considerations such as profit, overhead (including administration, sourcing, recruiting, payroll taxes, background checks, workers compensation insurance and unemployment insurance) and measures to address market driven difficulties in recruiting and retaining high quality candidates in IT. Based on this analysis, staff determined that the rates presented by the nine firms were no different from prevailing market rates, and thus, were deemed fair and reasonable.

Procurement and Human Resources department staff will establish a rotation schedule for work order requests from each On-Call list. Assignments will be distributed as evenly as possible, but consideration may be given to a particular firm based on the expertise and experience of temporary employees available for assignment. Finding the best available temporary employee for each assignment will be the priority in any placement. Depending on the pool of available temporary employees and the difficulty or ease of filling a temporary staffing need, an individual firm's markup rate/cost may also be a factor in distributing work orders amongst the On-Call list.

  
Paul C. Jablonski  
Chief Executive Officer

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

Attachments: A. Draft Standard Services Agreement; Contract G1778.0-15  
B. Draft Standard Services Agreement; Contract G1779.0-15  
C. Draft Standard Services Agreement; Contract G1780.0-15  
D. Draft Standard Services Agreement; Contract G1781.0-15  
E. Draft Standard Services Agreement; Contract G1782.0-15  
F. Draft Standard Services Agreement; Contract G1783.0-15  
G. Draft Standard Services Agreement; Contract G1784.0-15  
H. Draft Standard Services Agreement; Contract G1785.0-15  
I. Draft Standard Services Agreement; Contract G1786.0-15

**ATTACHMENT A  
(DRAFT)**

<b>G1778.0-15</b> <b>CONTRACT NUMBER</b>  Various <b>FILE/PO NUMBER(S)</b>
--

**STANDARD PROCUREMENT AGREEMENT  
FOR  
TEMPORARY STAFFING SERVICES**

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: Kforce Technology Address: 4275 Executive Square, Suite 250  
 Form of Business: Corporation La Jolla, CA 92037  
 (Corporation, partnership, sole proprietor, etc.) Telephone: (858) 550-1638

Authorized person to sign contracts: Stephen M. Audifferen Market Manager  
 Name Title

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

On-call Temporary Staffing Services, as specified in the Scope of Work (attached as Exhibit A), Kforce Technology's cost proposal dated December 2, 2014 (attached as Exhibit B), and in accordance with the Standard Conditions Procurement, including the Standard Procurement Agreement (attached as Exhibit C), and the Federal Requirements (attached as Exhibits D).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS' sole discretion, for a total of five years. Base period shall be effective February 1, 2015 through January 31, 2018; and option years shall be effective February 1, 2018 through January 31, 2020, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The rates shall be per the percentages shown in Exhibit B.

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
\$ N/A	Various (per department)	FY 15 – FY 21

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

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

SA-PROCUREMENT  
DATE

**ATTACHMENT A  
(DRAFT)**

<b>G1779.0-15</b> <b>CONTRACT NUMBER</b>  Various <b>FILE/PO NUMBER(S)</b>
--

**STANDARD PROCUREMENT AGREEMENT  
FOR  
TEMPORARY STAFFING SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, 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: Modis Address: 4747 Executive Drive, Suite 240  
 Form of Business: Corporation San Diego, CA 92121  
 (Corporation, partnership, sole proprietor, etc.) Telephone: (858) 410-1111

Authorized person to sign contracts: Keenan Field Business Development Manager  
 Name Title

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

On-call Temporary Staffing Services, as specified in the Scope of Work (attached as Exhibit A), Modis' cost proposal dated December 4, 2014 (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).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS' sole discretion, for a total of five years. Base period shall be effective February 1, 2015 through January 31, 2018; and option years shall be effective February 1, 2018 through January 31, 2020, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The markup rates shall be per the percentages shown in Exhibit B.

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	
\$ N/A	Various (per department)	FY 15 – FY 21	

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

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

SA-PROCUREMENT  
DATE

**ATTACHMENT A  
(DRAFT)**

<b>G1780.0-15</b> <b>CONTRACT NUMBER</b>  Various <b>FILE/PO NUMBER(S)</b>
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**STANDARD PROCUREMENT AGREEMENT  
FOR  
TEMPORARY STAFFING SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, 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: Networld Solutions, Inc.

Address: 8316 Clairemont Mesa Blvd.,  
Suite 210

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

San Diego, CA 92111

Telephone: (760) 427-0790

Authorized person to sign contracts:

Darryl Turner  
Name

Director, Technical Services  
Title

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

On-call Temporary Staffing Services, as specified in the Scope of Work (attached as Exhibit A), Networld Solutions' cost proposal dated November 19, 2014 (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).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS' sole discretion, for a total of five years. Base period shall be effective February 1, 2015 through January 31, 2018; and option years shall be effective February 1, 2018 through January 31, 2020, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The markup rates shall be per the percentages shown in Exhibit B.

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
\$ N/A	Various (per department)	FY 15 – FY 21

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

Date

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

SA-PROCUREMENT  
DATE

**ATTACHMENT A  
(DRAFT)**

<b>G1781.0-15</b> <b>CONTRACT NUMBER</b>  Various <b>FILE/PO NUMBER(S)</b>
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**STANDARD PROCUREMENT AGREEMENT  
FOR  
TEMPORARY STAFFING SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, 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: Randstad Technologies

Address: 4660 La Jolla Village Dr., Suite 800

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

San Diego, CA 92122

Telephone: (800) 431-2187

Authorized person to sign contracts: Luke McDonough Managing Director  
Name Title

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

On-call Temporary Staffing Services, as specified in the Scope of Work (attached as Exhibit A), Randstad's cost proposal dated December 3, 2014 (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).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS' sole discretion, for a total of five years. Base period shall be effective February 1, 2015 through January 31, 2018; and option years shall be effective February 1, 2018 through January 31, 2020, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The markup rates shall be per the percentages shown in Exhibit B.

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
\$ N/A	Various (per department)	FY 15 – FY 21

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

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

SA-PROCUREMENT  
DATE

**ATTACHMENT A  
(DRAFT)**

**G1782.0-15**  
CONTRACT NUMBER

Various  
FILE/PO NUMBER(S)

**STANDARD PROCUREMENT AGREEMENT  
FOR  
TEMPORARY STAFFING SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, 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: Thornburg & Littenken, LLC (dba GLR & ISR)

Address: 13280 Evening Creek Dr. South,  
Suite 225

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

San Diego, CA 92128

Telephone: (800) 426-1202 Ext 261

Authorized person to sign contracts:

Anthony Thornburg  
Name

President  
Title

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

On-call Temporary Staffing Services, as specified in the Scope of Work (attached as Exhibit A), Thornburg & Littenken, LLC's cost proposal dated December 4, 2014 (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).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS' sole discretion, for a total of five years. Base period shall be effective February 1, 2015 through January 31, 2018; and option years shall be effective February 1, 2018 through January 31, 2020, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The markup rates shall be per the percentages shown in Exhibit B.

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
\$ N/A	Various (per department)	FY 15 – FY 21

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

Date

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

SA-PROCUREMENT  
DATE



**ATTACHMENT A  
(DRAFT)**

<b>G1783.0-15</b> <b>CONTRACT NUMBER</b>  Various <b>FILE/PO NUMBER(S)</b>
--

**STANDARD PROCUREMENT AGREEMENT  
FOR  
TEMPORARY STAFFING SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, 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: Yoh Services LLC Address: 9605 Scranton Road, Suite 610  
 Form of Business: LLC San Diego, CA 92121  
 (Corporation, partnership, sole proprietor, etc.) Telephone: (858) 245-4629

Authorized person to sign contracts: Tammy Browning Sr. Vice President  
 Name Title

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

On-call Temporary Staffing Services, as specified in the Scope of Work (attached as Exhibit A), Yoh's cost proposal dated December 4, 2014 (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).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS' sole discretion, for a total of five years. Base period shall be effective February 1, 2015 through January 31, 2018; and option years shall be effective February 1, 2018 through January 31, 2020, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The markup rates shall be per the percentages shown in Exhibit B.

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
\$ N/A	Various (per department)	FY 15 – FY 21

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

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

SA-PROCUREMENT  
DATE

**ATTACHMENT A  
(DRAFT)**

**G1784.0-15**  
**CONTRACT NUMBER**

Various  
**FILE/PO NUMBER(S)**

**STANDARD PROCUREMENT AGREEMENT  
FOR  
TEMPORARY STAFFING SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, 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: AppleOne Address: 1999 W. 190<sup>th</sup> Street  
Form of Business: Corporation Torrance, CA 90504  
(Corporation, partnership, sole proprietor, etc.) Telephone: (310) 750-3400

Authorized person to sign contracts: Linda Madigan Sr. Vice President  
Name Title

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

On-call Temporary Staffing Services, as specified in the Scope of Work (attached as Exhibit A), AppleOne's cost proposal dated December 4, 2014 (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).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS' sole discretion, for a total of five years. Base period shall be effective February 1, 2015 through January 31, 2018; and option years shall be effective February 1, 2018 through January 31, 2020, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The markup rates shall be per the percentages shown in Exhibit B.

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
\$ N/A	Various (per department)	FY 15 – FY 21

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

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

SA-PROCUREMENT  
DATE

**ATTACHMENT A  
(DRAFT)**

<b>G1785.0-15</b>
CONTRACT NUMBER
Various
FILE/PO NUMBER(S)

**STANDARD PROCUREMENT AGREEMENT  
FOR  
TEMPORARY STAFFING SERVICES**

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, 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: The Lawton Group Address: 4747 Viewridge Ave, Suite 210  
 Form of Business: Corporation San Diego, CA 92123  
 (Corporation, partnership, sole proprietor, etc.)  
 Telephone: (858) 232-0712

Authorized person to sign contracts: Shannon Erdell Sr. Contracts and Project Manager  
 Name Title

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

On-call Temporary Staffing Services, as specified in the Scope of Work (attached as Exhibit A), The Lawton Group's cost proposal dated December 1, 2014 (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).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS' sole discretion, for a total of five years. Base period shall be effective February 1, 2015 through January 31, 2018; and option years shall be effective February 1, 2018 through January 31, 2020, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The markup rates shall be per the percentages shown in Exhibit B.

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
\$ N/A	Various (per department)	FY 15 – FY 21
By: _____ Chief Financial Officer		Date

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

SA-PROCUREMENT  
DATE

**ATTACHMENT A  
(DRAFT)**

**STANDARD PROCUREMENT AGREEMENT  
FOR  
TEMPORARY STAFFING SERVICES**

**G1786.0-15**  
CONTRACT NUMBER

Various  
FILE/PO NUMBER(S)

THIS AGREEMENT is entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2015, 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: PrideStaff Address: 8950 Villa La Jolla Drive, Suite A127

Form of Business: Corporation La Jolla, CA 92037

(Corporation, partnership, sole proprietor, etc.)

Telephone: (858) 453-7823

Authorized person to sign contracts: Christine Rupp Owner  
Name Title

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

On-call Temporary Staffing Services, as specified in the Scope of Work (attached as Exhibit A), PrideStaff's cost proposal dated December 3, 2014 (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).

The contract term is for up to a three (3)-year base period and two (2) 1-year option terms, exercisable at MTS' sole discretion, for a total of five years. Base period shall be effective February 1, 2015 through January 31, 2018; and option years shall be effective February 1, 2018 through January 31, 2020, if exercised by MTS.

Payment terms shall be net 30 days from invoice date. The markup rates shall be per the percentages shown in Exhibit B.

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
\$ N/A	Various (per department)	FY 15 – FY 21

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

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

SA-PROCUREMENT  
DATE



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

## Agenda Item No. 11

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

January 29, 2015

**Draft for  
Executive Committee  
Review Date: 1-22-15**

#### SUBJECT:

TEMPORARY STAFFING FOR FARE SYSTEMS MANAGER – SOLE SOURCE

#### RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to ratify the existing Purchase Order (PO); and extend the current engagement with Contraflow Consulting for two (2) years to provide temporary staffing services for a Fare Systems Manager.

#### Budget Impact

The total estimated cost of this contract would not exceed \$390,400 (original PO amount of \$97,600 plus the two-year extension amount of \$292,800) and will be funded through the Compass Card budget under 532-50701.

#### DISCUSSION:

Since July 2013, MTS has taken over responsibilities of managing the regional Compass Card fare collection program from the San Diego Association of Governments (SANDAG) which includes call center operations, all relevant back-office technology maintenance and support, program management, and the exploration of future fare technologies.

In June 2014, MTS issued a PO with Contraflow Consulting to provide temporary staffing services for a Fare Systems Manager as part of MTS's effort of transitioning Compass Card program management functions from SANDAG to MTS.

The responsibilities of the Fare Systems Manager include, but are not limited to, the ongoing program administration of fare technology and systems, as well as identification and development of the best-in-class future fare technology system for MTS.



Due to the complex and sophisticated nature of MTS's fare technology and systems, it has been determined that it is in the best interest of MTS to extend the current engagement with Contraflow Consulting. The Fare Systems Manager has a strong technical background, has gained familiarity with MTS's fare programs, and has knowledge specific to MTS practices allowing for continuity to the fare program. The Fare Systems Manager is a critical position, which will serve as the staff expert to help ensure the continued transition of the Compass program and successful implementation of the next fare collection systems for MTS.

As this is a sole source procurement, staff performed a cost analysis comparing market rates to the current pricing (Attachment A), and determined Contraflow Consulting's price to be fair and reasonable.



Paul C. Jablonski  
Chief Executive Officer

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

Attachment: A. Cost Analysis

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## TEMPORARY STAFFING FOR FARE SYSTEMS MANAGER – SOLE SOURCE

### COST ANALYSIS

Description	Annual	Monthly	Hourly
MTS's Estimated Salary Range	\$69,951 - \$111,676	\$9,723	\$53.69
<b>Current rate - Contraflow Consulting (Brittany Petersen)</b>	\$73,600 (plus \$24,000 for lodging/ travel expense = \$97,600 total for 8 mos.)	\$12,200 (\$9,200 + \$3,000 lodging/travel expense)	\$53.08
2013 Transit Salary Survey	\$115,000	\$9,583	\$55.29
2011 Transit Salary Survey	\$92,873	\$7,739	\$44.65
2010 Transit Salary Survey	\$109,000	\$9,083	\$52.40
2009 Transit Salary Survey	\$140,000	\$11,666	\$67.31
2008 Transit Salary Survey	\$150,000	\$12,500	\$72.12

(Source: *TransitTalent.com*–Salary Survey; *Golden Gate Bridge Highway & Transportation District*)





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## Agenda Item No. 12

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

January 29, 2015

**Draft for  
Executive Committee  
Review Date: 1-22-15**

#### SUBJECT:

HOSTED TEXT MESSAGING SYSTEM – CONTRACT AMENDMENT

#### RECOMMENDATION:

That the Board of Directors (Board) authorize the Chief Executive Officer (CEO) to execute Amendment No. 4 to MTS Doc. No. G1326.0-10 (in substantially the same form as Attachment A) with MIS Sciences, Corporation (MIS) for an additional expenditure authority of \$74,459.00.

#### Budget Impact

This contract amendment will increase the total contract value by \$74,459.00, from \$260,661.00 (which includes an Amendment made under the CEO's authority) to \$335,120.00. Funding is through the Information Technology annual operating budget, account number 661-53910.

#### DISCUSSION:

In January 2011, MTS entered into a contract with MIS for one base-year and four option-years for the provision of a custom texting number or "short code", GOMTS, and hosted text messaging services to provide real time bus and trolley arrival data. The requested Amendment No. 4 is intended to exercise the final option year of the contract.

In addition to the annual fee for the GOMTS short code, the original contract included up to 1,000,000 text messages per year, plus an option to purchase additional text messages in increments of 500,000. Customer utilization of the service has resulted in a volume of nearly 5,000,000 text messages per year. Due to this significant increase from original projections, service costs have increased beyond the original authorized contract amount.





Therefore, due to the increased usage of text messaging services, staff recommends the Board authorize the CEO to execute Amendment No. 4 with MIS for an additional expenditure authority of \$74,459 which includes a \$12,000 annual fee for the SMS short code and \$62,459 for up to 5,000,000 text messages during option year 4 (February 1, 2015 through January 31, 2016).

 for

Paul C. Jablonski  
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. G1326.4-10

January 29, 2015

MTS Doc. No. G1326.4-10

MIS Sciences, Corporation  
Attn: Jeff Willis  
2550 North Hollywood Way, Ste. 104  
Burbank, CA 91505

Subject: AMENDMENT NO. 4 TO MTS DOC. NO. G1326.0-10 HOSTED TEXT MESSAGING  
SYSTEM

This shall serve as Amendment No. 4 to our agreement for a Hosted Text Messaging system as further described below.

SCOPE OF SERVICES

Continue to provide a hosted text messaging system in accordance with the terms and conditions of the original agreement. Provide 5,000,000 annual text messages and renew MTS SMS short code and provisioning.

SCHEDULE

The period of performance shall be from February 1, 2015 through January 31, 2016.

PAYMENT

Option Year 4 shall consist of the following as per the contract pricing pages (Exhibit A): fixed annual fee of \$12,000.00 for the SMS short code and provisioning and \$62,459.00 for up to 5,000,000 text messages. As a result of this Amendment, the total contract price has increased by \$74,459.00 from \$260,661.00 to \$335,120.00.

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

Sincerely,

Agreed:

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

\_\_\_\_\_  
Jeff Willis, Vice President  
MIS Sciences, Corporation

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



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## Agenda Item No. 13

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

January 29, 2015

**Draft for  
Executive Committee  
Review Date: 1-22-15**

#### SUBJECT:

REVISIONS TO BOARD POLICY NO. 48 (TRANSIT SERVICE DISCRIMINATION  
COMPLAINTS PROCEDURE)

#### RECOMMENDATION:

That the Board of Directors approve and adopt the proposed revisions to Policy No. 48  
Transit Service Discrimination Complaints Procedure (Attachment A).

#### Budget Impact

None.

#### DISCUSSION:

Board Policy No. 48 sets forth the procedures for filing, investigating and making determinations on transit service discrimination complaints. Per the requirements of the FTA, ADA and Title VI, these procedures must be established for both ADA and Title VI discrimination complaints. Currently the policy only expressly relates to Title VI complaints alleging discrimination based on race, color or national origin. Although in practice MTS uses these grievance procedures for ADA complaints, the proposed amendments to Board Policy No. 48 would formally include ADA complaints alleging discrimination on the basis of disability. Other revisions include: clarifying the role of the Office of General Counsel as the responsible department for implementing the complaint procedures; providing a more detailed description of the investigation procedures; and establishing a right to appeal to the Chief Executive Officer.

A handwritten signature in cursive script that reads 'Sharon Cooney for'.

Paul C. Jablonski  
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, [Sharon.Cooney@sdmts.com](mailto:Sharon.Cooney@sdmts.com)  
Attachment: A. Proposed Revisions to Board Policy No. 48



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

## Policies and Procedures

No. 48

**SUBJECT:**

5/13/041/29/2015

**Board Approval:**

### TRANSIT SERVICE DISCRIMINATION COMPLAINTS PROCEDURES

**PURPOSE:**

To carry out [Title II of the Americans with Disabilities Act of 1990 \(ADA\)](#) and Title VI of the Civil Rights Act of 1964 (Title VI), the Federal Transit Administration (FTA) recommends that transit agencies adopt a procedure in which complaints alleging discrimination in provision of transit service are filed, investigated, and a determination made. This policy sets forth such procedures.

**BACKGROUND:**

It is the policy of the San Diego Metropolitan Transit System, hereinafter "MTS"; its subsidiaries, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI); and its contractors to follow the established procedure for handling [all alleged transit service ADA discrimination complaints on the basis of disability and](#) all alleged transit service [Title VI](#) discrimination complaints on the basis of race, color, or national origin, hereinafter "[complaints](#)".

The responsibility for the implementation of the discrimination complaint procedures is assigned to the Office of General Counsel. [Contact information for the Office of General Counsel is as follows:](#)

[San Diego Metropolitan Transit System](#)  
[Attn: Staff Attorney – Regulatory Compliance](#)  
[1255 Imperial Avenue, Suite 1000](#)  
[San Diego, CA 92101.](#)  
[Tel.: 619-814-1559](#)

All management personnel within MTS, SDTC, and SDTI are expected to support and implement the following procedures.

**PROCEDURES:**



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



- 48.1 All complaints must be in writing and signed by the complainant or his/her representative, hereinafter "complainant", before any action will be taken. A written complaint is necessary to provide a clear record of the issue to be investigated and to help define the scope of the investigation. If complainant is unable to complete the form in writing due to a disability or limited-English proficiency, upon request, reasonable accommodations will be made.

~~The complaint must be filed within 180 days from the time of the alleged discrimination.~~ The complaints shall provide all pertinent facts and circumstances surrounding the alleged discrimination that will help the MTS Chief Executive Officer reach a decision, allow a thorough review and/or investigation. The complainant may use MTS's ADA or Title VI Complaint Form to submit their complaint, as seen in Exhibit A, B, C and D of this Policy.

The complaint should be filed within 180 calendar days from the time of the alleged discrimination. A complaint may be administratively closed when received later than this deadline if evidence of the alleged discrimination no longer exists to properly investigate the complaint.

- 48.2 Upon receipt of a written complaint, the Office of General Counsel will document and assign the complaint to investigating staff for further investigation. Within 10 working days after receipt, the investigating staff will begin investigating the complaint. The investigating staff may use the following resources when available to complete its investigation of the complaint: reviewing video footage, incident reports and employee reports and interviewing applicable personnel.

In instances where additional information is needed, the investigating staff will contact the complainant in writing or where appropriate, in a format accessible to the complainant. Failure of the complainant to provide the requested information by a certain date may result in the administrative closure of the complaint or a delay in complaint resolution.

~~MTS will provide the complainant or his/her representative with a written acknowledgement within 10 working days of receipt of the complaint.~~

~~The MTS Chief Executive Officer will review~~ Based upon all the information available from both parties (i.e., the complainant and the identified agency or department) the investigating staff will prepare a written response subject to review and approval by the Office of General Counsel. The investigating staff will use its best efforts to provide a written response of its determination on the matter to the complainant within 90 working days after receipt of complaint. If noncompliance with ADA or Title VI is determined, a recommendation on remedial action will be made. If no violation of ADA or Title VI is determined, the complaint will be administratively closed by MTS.  
~~to determine if the complaint has sufficient merit to warrant further investigation.~~

~~Should further investigation be warranted, the MTS Chief Executive Officer shall proceed with an informal hearing from all sides of the issue.~~

- 48.3 Upon completion of the hearing, the MTS Chief Executive Officer will evaluate all information received and make a final determination on the matter. If noncompliance with Title VI is determined, a recommendation on remedial action will be made. The complainant may appeal the determination from investigating staff to the Chief Executive Officer within 10 working days after receipt.

Within 15 working days after receipt of an appeal, the Chief Executive Officer will evaluate all information received and respond in writing, and, where appropriate, in a format accessible to the complainant, with a final determination of the complaint.

- 48.4 ~~The complainant or his/her representative may appeal MTS's final determination to the FTA.~~ who is dissatisfied with the final determination of the Chief Executive Officer may submit their complaint to the FTA at the address below no later than 180 days after the date of the alleged discrimination, unless the time for filing is extended by the FTA.

United States Department of Transportation  
Federal Transit Administration  
Office of Civil Rights, Region IX  
201 Mission St., Suite 1650  
San Francisco, California 94105-1839

LTresc/SChamp/JGarde  
POLICY.48.TRANSIT SVC DISCRIM COMPLAINTS PROCEDURES  
7/21/06

This policy was adopted 3/12/98.

Policy revised on 5/13/04.

Policy revised on 1/29/2015

Attachments: Exhibit A – Title VI Complaint Form – English  
Exhibit B – Title VI Complaint Form – Spanish  
Exhibit C – ADA Complaint Form – English  
Exhibit D – ADA Complaint Form - Spanish



## Title VI Complaint Form

Title VI of the 1964 Civil Rights Act requires that "No person in the United States shall, on the ground of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance."

If you believe you have been discriminated against by MTS, you may file a signed, written complaint within 180 days of the date of alleged discrimination. You may use the form below, which includes the necessary information to process your claim. When completed, please return this form to the Metropolitan Transit System, Title VI Officer, 1255 Imperial Avenue #1000, San Diego, CA 92101.

### SECTION 1: BASIC INFORMATION

#### COMPLAINANT'S INFORMATION

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

#### VICTIM'S INFORMATION (if other than above)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Date of alleged discrimination: \_\_\_\_\_

Do you believe that the reason for the alleged discrimination:

☐ Race/Color

☐ National Origin

Have you filed this complaint with any other federal, state, or local agency; or with any federal or state court?

☐ No

☐ Yes →

If yes, mark all appropriate boxes:

☐ State agency

☐ Local agency

☐ Federal court

☐ Federal agency

☐ State court

Contact information for the agency/court where the complaint was filed:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

## SECTION 2: EVENT DETAILS

Describe in your own words the alleged discrimination. Please explain what happened and whom you believe was responsible. Provide all details and pertinent facts and circumstances surrounding the alleged discrimination that will help MTS investigate your complaint. You may use the back of this form if additional space is required. (You may also attach any written materials or other information that you think is relevant to your complaint.)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

### SECTION 3: SIGNATURE

Complainant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_





## Formulario de queja de Título VI

El Título VI del Decreto de los Derechos Civiles de 1964 dispone que “ninguna persona en los Estados Unidos debe ser excluida de participar en, negada de los beneficios de sus servicios en base a su raza, color u origen étnico, o ser sujeto(a) a discriminación bajo cualquier programa o actividad que reciba ayuda económica federal.”

Si cree que ha sufrido discriminación, puede presentar una queja por escrito y firmada en un plazo de 180 días de la fecha de la presunta discriminación. Puede utilizar el formulario a continuación, que incluye la información necesaria para procesar su queja. Cuando termine, favor de entregar este formulario a Metropolitan Transit System, Title VI Officer, 1255 Imperial Avenue #1000, San Diego, CA 92101.

### SECCIÓN 1: INFORMACIÓN BÁSICA

#### DATOS DEL RECLAMANTE

Nombre: \_\_\_\_\_

Dirección \_\_\_\_\_

Ciudad/Estado/Código postal: \_\_\_\_\_

Número telefónico: \_\_\_\_\_

#### DATOS DE LA VÍCTIMA (si es diferente del anterior)

Nombre: \_\_\_\_\_

Dirección \_\_\_\_\_

Ciudad/Estado/Código postal: \_\_\_\_\_

Número telefónico: \_\_\_\_\_

Fecha de la presunta discriminación: \_\_\_\_\_

Cree que la razón para la presunta discriminación es debido a:

☐ Raza/Color

☐ Origen étnico

¿Ha entregado esta queja a cualquier otro organismo local, estatal, o federal o con cualquier tribunal estatal o federal?

☐ No

☐ Sí

De ser así, marque todas las cajas apropiadas: ☐ Organismo local ☐ Organismo federal  
☐ Organismo estatal ☐ Tribunal federal ☐ Tribunal estatal

Información de contacto para el organismo/tribunal donde se presentó la queja:

Nombre: \_\_\_\_\_

Dirección: \_\_\_\_\_

Ciudad/Estado/Código postal: \_\_\_\_\_

Número telefónico: \_\_\_\_\_

## SECCIÓN 2: DETALLES DEL EVENTO

Describa en sus propias palabras la presunta discriminación. Favor de explicar qué fue lo que sucedió y quién cree que es responsable. Proporcione todos los detalles y hechos pertinentes, y circunstancias en torno a la presunta discriminación que ayudarán a MTS a investigar su queja. Puede utilizar el reverso de este formulario si requiere espacio adicional. (También puede añadir cualquier material escrito u otra información que considere relevante a su queja.)

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

### SECCIÓN 3: FIRMA

Firma del reclamante: \_\_\_\_\_ Fecha: \_\_\_\_\_



## ADA Complaint Form

MTS is committed to ensuring that our implementation of public transportation services is fully compliant with Title II of the American Disabilities Act and Section 504 of the Rehabilitation Act of 1973. Any person who believes there may be either a(n): 1) **ACCESSIBILITY ISSUE** (e.g., physical barriers) or 2) **DISCRIMINATION BASED ON DISABILITY** may file a signed, written ADA complaint with MTS.

Please mail or deliver this form to: Metropolitan Transit System, General Counsel, 1255 Imperial Avenue #1000, San Diego, CA 92101.

### SECTION 1: BASIC INFORMATION OF COMPLAINANT

<u>PERSON SUBMITTING COMPLAINANT INFORMATION</u>	<u>COMPLAINANT'S INFORMATION (only if different than the person submitting the complaint)</u>
Name: _____	Name: _____
Address: _____	Address: _____
City/State/Zip: _____	City/State/Zip: _____
Telephone Number: _____	Telephone Number: _____
Email Address: _____	Email Address: _____

### SECTION 2: INCIDENT DETAILS

<u>ACCESSIBILITY COMPLAINT</u>	<u>DISCRIMINATION BASED ON DISABILITY COMPLAINT</u>
1) Date, if any, when accessibility issue occurred? _____	1) Date of alleged discrimination based on disability? _____
2) Location of Accessibility Issue:  Bus/Trolley Station? _____ Bus/Trolley Stop? _____ Bus/Trolley Route or Number? _____ Other? _____	2) Have you filed this complaint with any other federal, state or local agency; or with any federal or state court? NO? _____ YES? _____
3) Describe in detail the incident below in SECTION 3.	3) If yes, please provide the contact information for the agency/court where the complaint was filed? Agency/Court Name? _____ Address? _____ _____ Telephone Number? _____
	4) If yes, please provide the applicable complaint number, if known. _____
	5) Describe in detail the incident below in SECTION 3.

Complainant's Signature: \_\_\_\_\_ Date: \_\_\_\_\_



## Formulario de cumplimiento ADA

MTS está comprometido a asegurar que nuestra implementación de servicios de transporte público cumpla totalmente con Título II de la Ley de Estadounidenses con Discapacidades y la Sección 504 de la Ley de Rehabilitación de 1973.

Cualquier persona que cree que podrá haber un:

- 1) **ASUNTO DE ACCESIBILIDAD** (p. ej., barreras físicas) o 2) **DISCRIMINACIÓN A BASE DE DISCAPACIDAD**

puede presentar una denuncia ADA escrita y firmada con MTS.

Favor de mandar este formulario por correo o entréguelo a: Metropolitan Transit System, General Counsel, 1255 Imperial Avenue #1000, San Diego, CA 92101.

### SECCIÓN 1: INFORMACIÓN BÁSICA DE LA DENUNCIA

<u>PERSONA PRESENTANDO LA INFORMACIÓN SOBRE LA DENUNCIA</u>	<u>INFORMACIÓN SOBRE EL QUERELLANTE (solo si es diferente que la persona presentando la denuncia)</u>
Nombre: _____	Nombre: _____
Dirección: _____	Dirección: _____
Ciudad/Estado/Código postal: _____	Ciudad/Estado/Código postal: _____
Número telefónico: _____	Número telefónico: _____
Correo electrónico: _____	Correo electrónico: _____

### SECCIÓN 2: DETALLES DEL INCIDENTE

<u>DENUNCIA DE ACCESIBILIDAD</u>	<u>DISCRIMINACIÓN BASADA EN DENUNCIA DE DISCAPACIDAD</u>
1) ¿Fecha, si existe, cuando sucedió el asunto de accesibilidad? _____	1) ¿Fecha de alegada discriminación basada en discapacidad? _____
2) Ubicación de asunto de accesibilidad: ¿Estación de autobús/Trolley? _____ ¿Parada de autobús/Trolley Stop? _____ ¿Número o ruta de autobús/Trolley? _____ ¿Otro? _____	2) ¿Has presentado esta denuncia con cualquier otra agencia federal, estatal o local; o cualquier corte federal o estatal? ¿NO? _____ ¿SÍ? _____
3) Describir en detalle el incidente al seguir en la SECCIÓN 3.	3) ¿Si es que sí, favor de proporcionar la información de contacto para la agencia/corte donde se presentó la denuncia? ¿Nombre de la agencia/corte? _____ ¿Dirección? _____ _____ ¿Número telefónico? _____

4) Si es que sí, favor de proporcionar el número aplicable de la denuncia, si lo sabe.

5) Describe en detalle el incidente al seguir en la SECCIÓN 3.

### SECCIÓN 3: DETALLES DEL EVENTO

**ASUNTO DE ACCESIBILIDAD:** Si hay un asunto de accesibilidad, favor de explicar cómo, cuándo, donde y como usted cree que MTS no es accesible a personas con discapacidades. Puede incluir hojas adicionales si se requiere espacio adicional. Usted también puede incluir cualquier material escrito u otra información que usted cree que es relevante a su denuncia.

**DISCRIMINACIÓN A BASE DE DISCAPACIDAD:** Si hay alegada discriminación a base de discapacidad, favor de explicar que pasó y quien usted cree que es responsable. Proporcionar todos los detalles, hechos pertinentes y circunstancias relacionadas a la alegada discriminación que ayudará MTS a investigar su denuncia. Detalles específicos incluyen: fechas, horarios, números de ruta, números de autobús y ubicaciones. Usted puede incluir hojas adicionales si requiere espacio adicional. Usted puede también incluir cualquier material escrito u otra información que usted crea ser relevante a su denuncia.

### SECCIÓN 4: FIRMA

Firma del querellante: \_\_\_\_\_ Fecha: \_\_\_\_\_



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## Agenda Item No. 14

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

January 29, 2015

**Draft for  
Executive Committee  
Review Date: 1-22-15**

#### SUBJECT:

2015 STATE AND FEDERAL LEGISLATIVE PROGRAMS

#### RECOMMENDATION:

That the Board of Directors approve staff recommendations for 2015 federal and state legislative programs (see Attachments A and B).

**This item will be provided with the  
Board meeting materials**

