



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

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

9:00 a.m.

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

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ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - January 28, 2015 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please SILENCE electronics
during the meeting

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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

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| 6. | <u>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 January 27, 2015.</u> | Information |
| 7. | <u>Excess Insurance Renewals for Liability and Workers' Compensation Program</u>
Action would approve the purchase of excess liability insurance (at limits of \$75 million less a \$2 million self-insured retention [SIR]) and excess workers' compensation insurance (at statutory limits less a \$1 million SIR). The new policies would be in effect from March 1, 2015 through March 1, 2016. | Approve |
| 8. | <u>Hewlett-Packard C7000 Server Platform</u>
Action would authorize the Chief Executive Officer (CEO) to issue a Purchase Order to CDW-G for the provision of a Hewlett-Packard (HP) C7000 BladeSystem server platform, including its associated network and storage interconnect modules, as well as software, support, and professional services necessary for the installation, configuration and testing of the equipment. This procurement utilizes the Western States Contracting Alliance (WSCA) / National Association of State Procurement Officials (NASPO) Master Price Agreement Contract Number B27164-CA. | Approve |
| 9. | <u>Migration of Compass Card Program "Back Office" Software to New Hardware</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1789.0-15 with Cubic Transportation Systems, Inc. (Cubic), on a sole source basis, for the provision of professional services to migrate all software related to the Compass Card "back office" program from existing hardware to new hardware. | Approve |
| 10. | <u>Federal Discretionary State of Good Repair Funding Transfer</u>
Action would approve the transfer of \$809,091 of excess State of Good Repair (SGR) funds from the East County Bus Maintenance Facility CNG Station project to the Enterprise Resource Planning (ERP) / Transit Asset Management (TAM) Replacement project. | Approve |
| 11. | <u>Unallocated Transportation Development Act (TDA) Funds for Transit-Related Projects</u>
Action would authorize the Chief Executive Officer (CEO) to approve the use of \$250,556 in the City of Chula Vista's unallocated TDA funds currently held by the County of San Diego (County). These TDA funds will cover the cost of rehabilitating the John Lippit Public Works Center in the City of Chula Vista. | Approve |
| 12. | <u>Third Party Administration for the San Diego Transit Corporation (SDTC) Retirement Plans - Single Responsive Proposal Contract Award</u>
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. G1706.0-14 with The Howard E. Nyhart Company, Inc. (Nyhart) for the provision of third party administration 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 |
| 13. | <u>Investment Report - December 2014</u> | Information |
| 14. | <u>Revisions to Board Policy No. 22 (Rules of Procedure for the Metropolitan Transit System (MTS))</u>
Action would approve the proposed revisions to Board Policy No. 22. | Approve |

CLOSED SESSION

24. a. CLOSED SESSION - PUBLIC EMPLOYEE PERFORMANCE EVALUATION/CONFERENCE WITH LABOR NEGOTIATORS - CHIEF EXECUTIVE OFFICER Pursuant to California Government Code Sections 54957 and 54957.6;
Agency-Designated Representative: Harry Mathis
Employee: Paul C. Jablonski Possible Action
- b. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS Pursuant To California Government Code Section 54957.6
Agency: San Diego Transit Corporation and San Diego Trolley, Inc.
Agency-Designated Representative: Jeff Stumbo
Employee Organization: International Brotherhood of Electrical Workers, Local 465 (Representing SDTI Flaggers)
Employee Organization: International Brotherhood of Electrical Workers, Local 465 (Representing SDTI Train Operators, Electromechanics, Servicers and Clerical)
Employee Organization: Transit Enforcement Officers Association (Representing Code Compliance Inspectors)
Employee Organization: Amalgamated Transit Union, Local 1309 (Representing Bus Operators and Clerical Employees at SDTC) Possible Action

Oral Report of Final Actions Taken in Closed Session

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS

30. An Ordinance Amending Ordinance No. 11, Providing for the Licensing and the Regulating of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance (Sharon Cooney and Bill Kellerman) Approve
Action would: (1) read the title of Ordinance No. 11, an Ordinance Providing for the Licensing and the Regulation of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance; (2) waive further readings of the ordinance; (3) adopt the proposed ordinance amendments; and (4) direct publication of an ordinance summary.
31. San Diego Metropolitan Transit System (MTS) Bus Shelters - Contract Award (Rob Schupp) Approve
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0615.0-14 with Brasco International, Inc. (Brasco) for the provision of bus shelters.

REPORT ITEMS

45. Operating Revenue Report (Sharon Cooney) Information
46. Quarterly Performance Monitoring Report (Denis Desmond) Information
47. Operations Budget Status Report for December 2014 (Mike Thompson) Information
60. Chairman's Report Information

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| 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>
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> March 12, 2015 | |
| 66. | <u>Adjournment</u> | |

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

DRAFT MINUTES

January 28, 2015

1. Roll Call

Chairman Mathis called the Board meeting to order at 9:05 a.m. A roll call sheet listing Board member attendance is attached.

Chairman Announcement

Chairman Mathis commented on the temporary Board room furniture. He informed the Board members that the current furniture being used is temporary and the permanent furniture would be delivered and installed by the next meeting. Mr. Jablonski also briefly discussed the new features and capabilities of the Board room.

2. Approval of Minutes

Mr. Minto moved to approve the minutes of the December 11, 2015, MTS Board of Directors meeting. Mr. McClellan seconded the motion, and the vote was 11 to 0 in favor with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.

3. Public Comments

Abdul Mohamed – Mid-City CAN. Mr. Mohamed commented on the Low Carbon Transit Operations (LCTOP) funding plan. He referenced the handout provided to the Board members regarding the LCTOP interim guidelines. Mr. Mohamed noted that the handout states this is a good opportunity to partner with educational institutions and low-income housing developers near transit. He also referenced a letter that was sent to Chairman Mathis from Assemblywoman Gonzalez, Senator Block and Senator Hueso expressing their support for the Youth Opportunity Pass (YOP) transit program to be included in the LCTOP funding plan. Mr. Mohamed read a letter from a group of other organizations that are also in support for the YOP transit program to be included in the LCTOP funding plan.

Maria Cortez – Mid-City CAN. Ms. Cortez commented on behalf of Mid-City CAN and the Youth Opportunity Pass. She stated that the students in support of this program could not be there today because they were in school. She said that she has support letters from the students and the community and will provide the Board with copies of these letters as well as additional letters at the next Board meeting.

4. Elect Vice Chair, Chair Pro Tem, and Committee Appointments (Sharon Cooney)

Sharon Cooney, Chief of Staff, provided a brief background on the policy which requires the Board to appoint a slate of MTS committees both internally and externally. She referred to the proposed slate of committees which was made by the Ad Hoc Nominating Committee and

provided to all Board members for review. Chairman Mathis asked if there were any nominations from the floor.

Action Taken

Ms. Rios moved to elect Ron Roberts as Vice Chairman and Todd Gloria as Chair Pro Tem for 2015. The vote was 10 to 0 in favor with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Roberts abstaining.

Mr. Cunningham moved to 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. Mr. Minto seconded the motion, and the votes were as follows:

Accessible Services Advisory Committee (ASAC)

- Lorie Bragg, Chairman: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Ms. Bragg abstaining.

Airport Authority Advisory Committee

- Harry Mathis, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Mathis abstaining.
- Ron Roberts, Alternate: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Roberts abstaining.

Audit Oversight Committee

- Ernie Ewin, Chairman: 11 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.
- Harry Mathis, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Mathis abstaining.
- Ron Roberts, County Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Roberts abstaining.
- Todd Gloria, City of San Diego Representative: 11 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.
- Lorie Bragg, South Bay Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Ms. Bragg abstaining.
- Jim Cunningham, East County Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Cunningham abstaining.

Budget Development Committee

- Harry Mathis, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Mathis abstaining.
- Bob McClellan, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. McClellan abstaining.
- Rob Roberts, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Roberts abstaining.
- Myrtle Cole, Committee Representative: 11 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.
- John Minto, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Minto abstaining.

Executive Committee

- Set by Board Policy.

Joint Committee on Regional Transit (JCRT)

- Harry Mathis, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Mathis abstaining.
- Jim Cunningham, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Cunningham abstaining.
- George Gastil, Committee Representative: 11 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.

Los Angeles – San Diego Rail Corridor Agency (LOSSAN)

- George Gastil, Committee Representative: 11 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.
- Mona Rios, Alternate: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Ms. Rios abstaining.

Public Security Committee

- Jim Cunningham, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Cunningham abstaining.
- Harry Mathis, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Mathis abstaining.
- John Minto, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Minto abstaining.
- Mona Rios, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Ms. Rios abstaining.
- Lorie Zapf, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Ms. Zapf abstaining.

SANDAG Board

- Harry Mathis, Advisory Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. Mathis abstaining.
- Mona Rios, Alternate: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Ms. Rios abstaining.

SANDAG Regional Planning Committee

- Mona Rios, Committee Representative: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Ms. Rios abstaining.
- Myrtle Cole, Alternate: 11 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.

Taxicab Advisory Committee

- Myrtle Cole, Chair: 11 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.
- Bob McClellan, Alternate: 10 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent and Mr. McClellan abstaining.

CONSENT ITEMS

6. 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
Action would approve and adopt the update Board Policy No. 16.
7. Investment Report – November 2014
8. Update the List of San Diego Metropolitan Transit System (MTS) Employees Authorized to Take Action Related to Local Agency Investment Fund (LAIF) Accounts
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.
9. Investment Consulting Services for the San Diego Transit Corporation (SDTC) Retirement Plans - Contract Award
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.
10. Temporary Staffing Services - Creation of On-Call List and Contract Awards
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, 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.
11. Temporary Staffing for Fare Systems Manager - Sole Source
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.
12. Hosted Text Messaging System - Contract Amendment
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.
13. Revisions to Board Policy No. 48 (Transit Service Discrimination Complaints Procedure)
Action would approve and adopt the proposed revisions to Policy No. 48 Transit Service Discrimination Complaints Procedure.
14. 2015 State and Federal Legislative Programs
Action would approve staff recommendations for 2015 federal and state legislative programs.

Board Member Comments

Ms. Salas requested that Consent Agenda Item No. 10 be pulled for discussion. Mr. Mathis said they would discuss Item No. 10 after voting on the remaining consent agenda items.

Action on Recommended Consent Items

Mr. Cunningham moved to approve Consent Agenda Item Nos. 6 – 14, excluding Consent Agenda Item No. 10. Mr. Minto seconded the motion, and the vote was 11 to 0 in favor with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.

Board Member Comments

Ms. Salas inquired if bus drivers would be included in the creation of the temporary staffing call list. Jeff Stumbo, Director of Human Resources and Labor Relations, replied that bus drivers would not be included in the list. He stated that the list is primarily for administrative functions and special assignments. Ms. Salas said that she is aware there are discussions about bus drivers on the mandatory call back list and the need for more bus drivers. She asked if there was any possibility that the temporary staffing call list would include bus drivers in the future. Mr. Jablonski replied that bus drivers would not be included in this list in the future. He also stated that MTS is currently hiring and training more bus drivers to help with these issues. Mr. Jablonski commented that over the previous month, mandatory call backs for bus drivers has been reduced by 60 percent.

Action on Recommended Consent Item Number 10

Ms. Salas moved to approve Consent Agenda Item No. 10. Mr. Roberts seconded the motion, and the vote was 11 to 0 in favor with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.

CLOSED SESSION

24. None.

NOTICED PUBLIC HEARINGS

25. None.

DISCUSSION ITEMS:

30. MTS Transit Service Fixed-Route and Bus Rapid Transit (BRT) Bus Services – Contract Award (Bill Spraul and Jeff Codling)

Bill Spraul, Chief Operating Officer – Transit Services, and Jeff Codling, Manager of South Bay Operations, provided a presentation on the MTS transit service fixed-route and BRT bus services procurement award. Mr. Spraul introduced the item and provided an overview of this service. He discussed the procurement process, proposal evaluation and cost savings. Mr. Spraul stated that the Transdev cost was 2.0% less than the competitor, First Transit, which would save approximately \$14.5 million over 12 years. Mr. Codling discussed the fixed-route contract highlights including MTS's responsibilities, contractor requirements, customer service,

and new innovations. He also discussed the labor provisions related to the contract. Mr. Spraul explained the proposed recommendations related to the contract.

Mr. Jablonski further explained the recommendation related to waiving Policy 41 for this contract. He stated that as part of the MTS budget process, increased service levels will be approved by the Board. He said that by waiving Policy 41, it will allow the contract to be amended, due to service level changes, without having to bring each amendment to the Board for approval.

Mr. Minto asked if MTS has greater control by continuing to pay for bus fuel and facility utilities. Mr. Jablonski replied that in case the contractor does not perform under our standards, it is easier for MTS to remove that contractor and bring in a new contractor very quickly and easily. He stated that it will also reduce costs by providing these items ourselves and not having to pay for volatility on the contractor side. Mr. Minto asked if the drivers on the contractor's side were part of the same unions as the MTS drivers. Mr. Jablonski stated that the South Bay drivers are part of Teamsters and the East County drivers are part of ATU. Mr. Spraul also commented that Transdev negotiates the wages for the drivers; not MTS. Mr. Minto asked if Transdev has contracted with MTS under another name. Mr. Spraul replied that they are the current contractor for this service and their prior name was Veolia.

Ms. Zapf inquired on the costs of the contract between years two and three. Mr. Spraul stated that is the anticipation of the South Bay BRT service implementation. Ms. Zapf asked if the cost could still increase if the service increases beyond the current estimate. Mr. Jablonski said that the contract is reimbursed to Transdev based on revenue miles operated and not on services.

Ms. Rios inquired about Policy No. 41 and the amendments that will or will not be brought to the Board. Mr. Jablonski replied that amendments over \$100,000 are brought to the Board for approval however the amendments with this contract will not be brought to the Board for approval with the waiver of Policy No. 41. Ms. Landers also stated that any service increases, frequencies or route additions will go through the budget process, which is approved by the Board. She commented that when sudden service level changes and increases occur, the contract could be changed accordingly without having to come back to the Board for approval.

Public Comments

Lorraine Leighton – Ms. Leighton commented on the name change of Veolia to Transdev. She inquired as to what the policies and procedures are when there is an accident with a Transdev vehicle.

Action Taken

Ms. Rios moved 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 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) 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. Mr. McClellan seconded the motion, and the vote was 11 to 0 in favor with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.

Transdev Comment

Mark Joseph, CEO of Transdev, commented and thanked MTS for approving this contract and that they are looking forward to continue working for MTS.

31. 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)

Larry Marinesi, Chief Financial Officer, introduced Robert McCrory and Anne Harper of Cheiron Inc. to provide the presentation on the SDTC Employee Retirement Plan's Actuarial Valuation. Mr. McCrory began the presentation and provided a brief summary of the past year's results. Ms. Harper discussed the plan history, plan future, and plan cost including the total contribution reconciliation costs. She stated that the total contribution costs have reduced from 2013 to 2014. Ms. Harper reviewed the new GASB requirements, the plan cost history, the plan funding history, the plan normal cost by benefit, the plan cost by source, and the history of active membership. Mr. McCrory discussed the projected total contribution rate and projected funded ratio going forward. He noted that all projections should be viewed as lies and that it is impossible for the projected contributions and funding to be realized exactly every year. He also said that the investment policy is the most important determinant of cost and funding levels. Mr. McCrory stated that the plan cost was stable over the past year and funding improved.

Mr. Minto commented on the difference in cost between the new pension plan versus the old plan. He stated that it seemed as if the old plan had a lower overall cost. Mr. McCrory clarified that the costs associated with the new plan are lower compared to the old plan. Mr. Minto asked if in the future they could see the actual dollar amounts rather than the percentages of the costs. Mr. Marinesi replied that going forward they will use dollar amounts instead of percentages.

Action Taken

Mr. Cunningham moved 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. Ms. Bragg seconded the motion, and the vote was 11 to 0 in favor, with Ms. Cole, Ms. Emerald, Mr. Gastil and Mr. Gloria absent.

32. Enterprise Resource Planning/Transit Asset Management Implementation Services Contract Award (Larry Marinesi and Fred LaCroix)

Mr. Marinesi and Fred LaCroix, ERP Project Manager, provided a presentation regarding the ERP/TAM implementation service contract award. Mr. Marinesi discussed the ERP/TAM background, FTA TAM requirements, project scope, project goals and project approach. He reviewed the competitive RFP process including the initial proposals, evaluation criteria, interviews, reference checking, negotiations and final scoring. Mr. Marinesi also reviewed the contract summary, stating the total cost is not-to-exceed \$7,612,500.

Mr. Minto inquired about the full implementation timeline. Mr. LaCroix replied that the project plan extends out 16 months. Mr. Minto asked if ten years will be long enough for this contract. Mr. LaCroix replied that after the initial contract is complete, the contract will be eligible for a year-to-year contract option. Mr. Marinesi also commented that these are maintenance services and the maintenance agreements serve as a support role for the system.

Ms. Zapf asked for clarification of the current system and also discussed the issues the City of San Diego experienced with their system. Mr. LaCroix stated that SAP will provide the software and LSI will be implementing the software. Mr. Marinesi also stated that staff has had discussions with people from the City and the lessons learned. There have also been discussions with our counterparts in San Jose regarding their implementation of this system. Ms. Zapf inquired if personnel necessity would be diminished once the system is implemented due to an increase in system efficiency. Mr. Jablonski commented that a primary reason for the new system is because the current system is outdated and needs to be replaced. In addition, the new system will help better business processes.

Action Taken

Ms. Zapf moved to 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 (totaling \$7,612,500 including contingency) for the Enterprise Resource Planning (ERP)/Transit Asset Management (TAM) Project with the option to exercise the Budget Planning module exclusively at the CEO's discretion. Mr. Minto seconded the motion, and the vote was 10 to 0 in favor with Ms. Cole, Ms. Emerald, and Messrs. Cunningham, Gastil and Gloria absent.

REPORT ITEMS

45. Pacific Imperial Railroad (PIR) Desert Line Agreement – Status Update (Karen Landers)

Karen Landers discussed the PIR Desert Line Agreement status update. She provided a brief background on the Desert Line Agreement. She stated that PIR paid the \$500,000 payment and the contract is currently in good standing. Ms. Landers stated that PIR had recently reached an agreement with a new investment group who is now the majority shareholder of the company and will take on all of the current contract milestones. She said it is expected to have more details on this new information at the March Board meeting. Ms. Landers stated the new investment group has expressed a commitment to work with their counterparts in Mexico to try to get a bi-national agreement to move freight on both sides of the border. Those negotiations will continue and are confidential. She stated that the parties have been participating in ongoing discussions. Ms. Landers also noted that if anything significant comes up before the March Board meeting, staff will send a memo to all Board members on the update.

Mr. Jablonski commented that the new investor group is a group of five individuals who now own the majority share of the company. He said they have initially designated one of the individuals, Dan Neveau, as the new CEO.

Ms. Salas asked what the name was of the new investor group. Ms. Landers replied that we do not have that information; however PIR as a company still exists, but the majority shareholders have changed. Ms. Salas inquired who the individual members were of the shareholders. Ms. Landers stated that we do not currently have the list of new individual shareholders. Mr.

Jablonski commented that since PIR is a private company, they may not be required to disclose who the individual shareholders are. Ms. Salas asked if PIR would be required to provide that information since the railroad is MTS's public asset. Ms. Landers stated that she will research whether or not PIR is required to disclose the new shareholder information. She stated that MTS has the right to approve the PIR management team

Mr. Jablonski also commented that when the upcoming repairs on the line take place, MTS will be conducting a lot of oversight during that time.

Ms. Rios commented that she feels it would be in the best interest of MTS to understand who the new investment group will be and if it will be a step in a positive direction.

Mr. Jablonski also commented that the ultimate management tool in this contract is the milestones and whether or not PIR performs.

Public Comment

Juan Hernandez – Mr. Hernandez provided a letter to the Board from City of San Diego Councilmember David Alvarez.

Action Taken

Informational item only. No action taken.

46. Operations Budget Status Report for November 2014 (Mike Thompson)

Mike Thompson provided a presentation on the Operations Budget Status Report for November 2014. He discussed the total operating revenue, total operating expenses, and total combined net operating variance. Mr. Thompson also discussed on-going concerns including sales tax subsidy revenue, State of California budget, passenger levels and energy prices.

Ms. Zapf inquired if there is any correlation between gas prices lowering and people riding transit. Mr. Jablonski replied that there may be some negative impact on ridership; however, 70% of MTS's ridership is transit dependent. He also said there is an offset with the increase in the economy and more people working and taking transit to work.

Action Taken

Informational item only. No action taken.

60. Chairman's Report

Chairman Mathis stated the low floor Blue Line service has officially begun. He commented that there was a great turn out for the Blue Line event and thanked all of the Board members that were able to attend. Misses Rios, Salas and Bragg commented on the success of the Blue Line event and the completion of the new low floor service. Mr. Jablonski commented that there is some remaining construction being done on the Blue Line and it should be completed by April.

61. Audit Oversight Committee Chairman's Report

There was no Audit Oversight Committee Chairman's Report.

62. Chief Executive Officer's Report

There was no Chief Executive Officer's Report.

63. Board Member Communications

Mr. Minto discussed the follow up he conducted after a constituent made a public comment at the last Board meeting regarding the lack of a bus stop near the manufactured mobile home parks in Santee. Mr. Minto stated that the nearest bus stop to the mobile home park is approximately one mile. He requested if it would be possible to speak with staff about adding a bus bench near these mobile home parks. Mr. Jablonski said for Mr. Minto to send him all of the specific information and he would pass it along to staff for this request.

64. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

65. Next Meeting Date

The next regularly scheduled Board meeting is February 12, 2015.

66. Adjournment

Chairman Mathis adjourned the meeting at 11:05 a.m.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): January 28, 2015

CALL TO ORDER (TIME): 9:05 a.m.

RECESS: _____

RECONVENE: _____

CLOSED SESSION: _____

RECONVENE: _____

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: _____

ADJOURN: 11:05 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BRAGG	<input checked="" type="checkbox"/> (Bilbray) <input type="checkbox"/>	9:05 a.m.	11:05 a.m.
COLE	<input type="checkbox"/> (Alvarez) <input type="checkbox"/>		
CUNNINGHAM	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:05 a.m.	10:20 a.m.
EMERALD	<input type="checkbox"/> (Alvarez) <input type="checkbox"/>		
GASTIL	<input type="checkbox"/> (Jones) <input type="checkbox"/>		
GLORIA	<input type="checkbox"/> (Alvarez) <input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/>	9:05 a.m.	11:05 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Ambrose) <input type="checkbox"/>	9:05 a.m.	11:05 a.m.
MCWHIRTER	<input checked="" type="checkbox"/> (Arapostathis) <input type="checkbox"/>	9:05 a.m.	11:05 a.m.
MINTO	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>	9:05 a.m.	11:05 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:05 a.m.	11:05 a.m.
ROBERTS	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:09 a.m.	11:05 a.m.
SALAS	<input checked="" type="checkbox"/> (Miesen) <input type="checkbox"/>	9:05 a.m.	11:05 a.m.
WOIWODE	<input checked="" type="checkbox"/> (Sandke) <input type="checkbox"/>	9:05 a.m.	11:05 a.m.
ZAPF	<input checked="" type="checkbox"/> (Alvarez) <input type="checkbox"/>	9:05 a.m.	11:05 a.m.

SIGNED BY THE CLERK OF THE BOARD:

Julia Farnsworth

CONFIRMED BY THE GENERAL COUNSEL:

Sam C. [Signature]



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

Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

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 JANUARY 27, 2015.

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV, Museum, and
PIR have provided operations reports during the fourth quarter of 2014 (Attachment A).



Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. SD&AE Meeting Agenda and Materials

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

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





**SAN DIEGO & ARIZONA
EASTERN RAILWAY
COMPANY**

A NEVADA NONPROFIT
CORPORATION

1255 IMPERIAL AVENUE,
SUITE 1000
SAN DIEGO, CA
92101-7490
(619) 231-1466

BOARD OF DIRECTORS
PAUL JABLONSKI, CHAIRPERSON
MATT DOMEN
BLAKE JONES

OFFICERS
PAUL JABLONSKI, PRESIDENT
MATT DOMEN, SECRETARY
ERIN DUNN, TREASURER

LEGAL COUNSEL
KAREN LANDERS

AGENDA

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

January 27, 2015

9:00 a.m.

Executive Committee Room
James R. Mills Building
1255 Imperial Avenue, 10th Floor

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

ACTION RECOMMENDED

1. Approval of the Minutes of October 21, 2014
Action would approve the SD&AE Railway Company Minutes of October 21, 2014. Approve
2. Statement of Railway Finances (Erin Dunn)
Action would receive a report for information. Receive
3. Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Matt Domen)
Action would receive a report for information. Receive
4. Report on Pacific Southwest Railway Museum (Diana Hyatt)
Action would receive a report for information. Receive
5. Report on the Desert Line (Chas McHaffie)
Action would receive a report for information. Receive
6. Real Property Matters (Tim Allison)
 - a. Summary of SD&AE Documents Issued Since October 21, 2014
Action would receive a report for information. Receive
 - b. F Street Underpass Crossing Interstate 5 in Chula Vista
Action would receive a report for information.
7. Board Member Communications
8. Public Comments
9. Next Meeting Date: Tuesday, April 14, 2015
10. Adjournment

MINUTES

BOARD OF DIRECTORS MEETING OF THE SAN DIEGO & ARIZONA EASTERN RAILWAY COMPANY

October 21, 2014

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on October 21, 2014, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Blake C. Jones, Matt Domen, and Wayne Terry. Also in attendance were members from:

San Diego Metropolitan Transit System:
Pacific Southwest Railway Museum:
Pacific Imperial Railroad, Inc.:
Carrizo Gorge Railway:
Admicarga:
Trains Magazine:

Tim Allison, Karen Landers, Erin Dunn
Diana Hyatt, Michael Edwards
Don Stoecklein
Charles McHaffie
Lizzeth Sabido
Don Jones

1. Approval of Minutes

Mr. Terry moved to approve the Minutes of the July 15, 2014, SD&AE Railway Board of Directors meeting. Mr. Domen seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Erin Dunn reviewed the financial statement for the third quarter of 2014 (attached to the agenda item). She explained that SD&AE is over budget due to the Desert Line Lease not being included in the original budget. Ms. Dunn reported that the one negative variance is right of entry permits from the Port of San Diego that were reported as 2014 revenue. As there have been issues in collecting the revenue from the Port of San Diego, the \$14,000 had to be written off in 2014. If the money is collected in 2015, it will be recorded as revenue in 2015.

Compared to last year, there is a negative variance in the budget due to the right of entry permits. Ms. Dunn reported that expenses are favorable with only slightly higher personnel costs.

Action Taken

Mr. Terry moved to receive the report for information. Mr. Domen seconded the motion, and it was unanimously approved.

3. Report on San Diego & Imperial Valley Railroad (SD&IV) Operations

Matt Domen reviewed the report of activities for the third quarter of 2014 (attached to the agenda item).

Mr. Terry inquired, in regards to the San Diego Trolley Blue Line to San Ysidro, about the signaling system, and asked Mr. Domen if they were able to move over the roads without issue.

SD&AE Railway Company Board Meeting Minutes

Mr. Domen confirmed this. Mr. Terry further inquired about the frequency at which the SD&IV trains were operating on the San Diego Trolley Orange Line. Mr. Domen reported that they are running one train on Sunday nights, adding that the shorter Trolley operation allows SD&IV to make a round trip.

Action Taken

Mr. Terry moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt reviewed the third quarter of 2014 report (attached to the agenda item).

Karen Landers asked Ms. Hyatt for clarification on payment MTS received from the CPUC as reimbursement for grade crossing maintenance; \$1600 is allocable to PSRM for maintenance they have performed. Ms. Landers advised that MTS will be sending the monies to PSRM.

Matt Domen asked about a trouble call he received from California Highway Patrol. Mr. Domen would like a list of emergency contact numbers to refer to in case there were further issues.

Mr. Terry asked Ms. Hyatt how the PSRM inventory was doing after some thefts on their property. Ms. Hyatt reported that they were running low on supplies due to inventory in Jacumba disappearing. Ms. Hyatt mentioned talking with Mike Fitzgerald, from MTS, about acquiring old signals from MTS. Ms. Landers reported that as long as MTS is not requiring them for service, transferring them to PSRM, for use on the Desert Line, would be acceptable.

Action Taken

Mr. Domen moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

5. Report on the Desert Line

Chas McHaffie reviewed the third quarter of 2014 report (attached to the agenda item).

Action Taken

Mr. Terry moved to receive the report for information. Mr. Domen seconded the motion, and it was unanimously approved.

6. Real Property Matters

A. Summary of SD&AE Documents Issued since July 15, 2014

Since the July 15, 2014, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-13-593.2: Right of Entry Permit Amendment to Ramona Paving & Construction Corp. to construct street improvements at Cesar Chavez Parkway in San Diego.

- S200-14-591: License to Cox Communications for an underground fiber optic crossing on the Coronado Branch north of the Salt Works in Chula Vista.
- S200-14-595: Right of Entry Permit to the State of California Parks and Recreation for invasive species monitoring and eradication near Jacumba on the Desert Line.
- S200-14-598: Right of Entry Permit to Navy Region Southwest Morale, Welfare and Recreation Department for its 28th Annual Bay Bridge Run / Walk event.
- S200-15-600: Right of Entry Permit to the San Diego County Bicycle Coalition for the 7th annual Bike the Bay Bike ride along various locations on the Blue Line and the Coronado Branch.
- S200-15-601: Right of Entry Permit to SDG&E for various electrical service upgrades along the Blue Line for the South Line Freight Improvement Project.
- S200-15-602: Right of Entry Permit to The Fishel Company to construct underground fiber for the San Ysidro Yard Improvement Project impacts to US Sprint.
- S200-15-603: Right of Entry Permit to The Fishel Company to construct underground fiber for the San Ysidro Yard Improvement Project impacts to Level 3.
- S200-15-604: Right of Entry Permit to SDG&E for various electrical service upgrades for the San Ysidro Yard Improvement Project.
- S200-15-605: Right of Entry Permit to Copp Contracting, Inc. to perform street paving at J Street and Palomar Street in Chula Vista.
- S200-15-606: Right of Entry Permit to Anza-Borrego Desert Natural History Association for several hikes on the Desert Line in the vicinity of the Carrizo Gorge.

Action Taken

Mr. Terry moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

B. CLOSED SESSION - CONFERENCE WITH REAL PROPERTY NEGOTIATORS
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 54956.8
PROPERTY: APNs 555-090-13 and unnumbered parcel 555-01, SAN DIEGO, CA

Adjourned into closed 9:17 a.m. – Re-adjourned 9:23 a.m.

Karen Landers reported that the Board received a report from rail property negotiators and gave instructions.

7. Karen Landers explained that SD&AE holds quarterly meetings in January, April, July, and October and asked members to review the proposed dates for the 2015 meeting schedule. All Board members were in agreement of the proposed dates as listed:

Tuesday, January 27, 2015	9:00 a.m.	(Fourth Quarter 2014 Reports)
Tuesday, April 14, 2015	9:00 a.m.	(First Quarter 2015 Reports)
Tuesday, July 14, 2015	9:00 a.m.	(Second Quarter 2015 Reports)
Tuesday, October 13, 2015	9:00 a.m.	(Third Quarter 2015 Reports)

Upon approval of the above meeting dates, additional information regarding materials due dates and mail-outs are as follows:

Materials Due to Clerk

Friday, January 16, 2015
Friday, April 3, 2015
Thursday, July 2, 2015
Friday, October 2, 2015

Materials Mailed

Wednesday, January 21, 2015
Wednesday, April 8, 2015
Wednesday, July 8, 2015
Wednesday, October 7, 2015

Action Taken

Mr. Terry moved to receive the report for information. Mr. Jones seconded the motion, and it was unanimously approved.

8. Public Comments

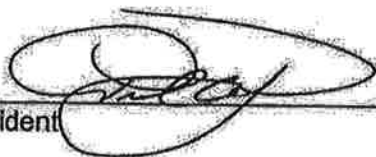
None.

9. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on January 27, 2015.

10. Adjournment

The meeting was adjourned at 9:24 AM.



President



General Counsel

San Diego and Arizona Eastern Railway Company

January 14, 2014

Sign-in Sheet (VOLUNTARY)

Name	Company
1. ED KRAIR	SAN DIEGO JMDUBER RAILWAY PARTNERS LLC.
2. Diana Hyatt	Pacific Southwest Railway Museum
3. R. Mitchel Beauchamp	Ferrocarrilas Peninsulares del Noroeste. S.A. de C.V.
4. Geoffrey T. Schenerman	FPN-USA Inc.
5. Marcus Doran	SDTC
6. Blake C. Jones	SDTC
7. Char McHaffie	CZNY-ARR
8.	
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23.	



Att. A, AI 6, 2/12/15
Date: 1/27/15

Agenda Item No. 8

REQUEST TO SPEAK

Order Request Received ☐

PLEASE SUBMIT THIS COMPLETED FORM (AND ANY WRITTEN STATEMENTS) TO THE CLERK OF THE COMMITTEE PRIOR TO DISCUSSION OF YOUR ITEM¹.

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Committee (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Committee authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.

Please Print

NAME	Reena Deutsch
Address	
Telephone	
Organization represented (if any)	
Subject of your remarks	
Regarding Agenda Item No.	
Your comments are presenting a position of:	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At public hearings of the Committee, persons wishing to speak shall be permitted to address the Committee on any issue relevant to the subject of the hearing.

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each under the Public Comment agenda item. Additional speakers will be heard at the end of the Committee's agenda.

Request to Speak Form.doc

¹ REMEMBER: Subjects of previous hearings or agenda items may not again be addressed under General Public Comments. A-7



REQUEST TO SPEAK

Agenda Item No. 6B
Public Comments + 6B

Order Request Received ☐

PLEASE SUBMIT THIS COMPLETED FORM (AND ANY WRITTEN STATEMENTS) TO THE CLERK OF THE COMMITTEE PRIOR TO DISCUSSION OF YOUR ITEM.

1. INSTRUCTIONS

This Request to Speak form must be filled out and submitted in advance of the discussion of your item to the Clerk of the Committee (please attach your written statement to this form). Communications on hearings and agenda items are generally limited to three (3) minutes per person unless the Committee authorizes additional time. However, the Chairperson may limit comment to one or two minutes each if there are multiple requests to speak on a particular item. General public comments on items not on the agenda are limited to three (3) minutes. Please be brief and to the point. No yielding of time is allowed. Subjects of previous hearings or agenda items may not again be addressed under General Public Comments.

Please Print

NAME	EP KRAVITZ
Address	11 BELDEN DRIVE / PALM FOREST, IL - 60466
Telephone	619-890-8894
Organization represented (if any)	SAN DIEGO + MIDWESTERN RAILWAY PARTNERS LLC
Subject of your remarks <u>(3)</u>	CORONADO BEACH / LEASE / PURCHASE ASSISTANCE WITH THE TO BEACH STUDENT ENVIRONMENTAL
Regarding Agenda Item No. <u>(6B)</u>	EXE X-1-5 OVERPASS - MITIGATION
Your comments are presenting a position of:	<input type="checkbox"/> SUPPORT <input type="checkbox"/> OPPOSITION

2. TESTIMONY AT NOTICED PUBLIC HEARINGS

At public hearings of the Committee, persons wishing to speak shall be permitted to address the Committee on any issue relevant to the subject of the hearing.

3. DISCUSSION OF AGENDA ITEMS

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

4. GENERAL PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA

Public comment on matters not on the agenda will be limited to five (5) speakers with three (3) minutes each under the Public Comment agenda item. Additional speakers will be heard at the end of the Committee's agenda.

Request to Speak Form.doc

Agenda

Item No. 2

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

January 27, 2015

SUBJECT: STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a financial report for the quarter ending December 31, 2014.

Budget Impact

None.

DISCUSSION:

Attached are the financial results for the second quarter of Fiscal Year (FY) 2015, which includes the periods ended December 31, 2014 and 2013.

The current year-to-date revenues are \$496,000 favorable to budget primarily due to the Desert Line Lease revenue not included in the budget.

Expenses are \$38,000 unfavorable to budget primarily due to the unfavorable variance in Personnel Costs and Outside Services, including approximately \$25,000 in legal fees for Mexico City legal counsel advising on Desert Line issues. Expenses have increased by \$11,000 over the same period last year primarily due to the increase in Outside Services.

The Net Income for the first two quarters of FY15 was \$459,889 compared to net income of \$469,563 for the same period in FY14.

Attachments: SD&AE Operating Statement 2nd Quarter FY 2015

SD&AE Operating Statement FY2015-14

	Q1 Actual	Q2 Actual	FY 2015 YTD	Budget	Variance	Q1-Q2	FY 2014	Variance
Revenue								
Right of Entry Permits								
Lease Income	(11,800)	20,508	8,908	\$ 15,000	\$ (6,094)	\$ 12,950	\$	(3,644)
Desert Line Lease Revenue	18,881	17,823	36,504	34,998	1,506	31,721		4,783
SD&AE 1% Freight Fee	250,000	250,000	500,000	-	500,000	500,000		-
	9,000	9,000	18,000	17,502	498	17,704		296
Total Revenue	268,281	297,129	563,410	67,500	495,910	561,975		1,435
Expense								
Personnel Costs	32,925	28,889	81,814	46,742	(15,072)	66,923		(5,109)
Outside Services	8,000	25,898	34,048	10,084	(23,964)	18,044		16,004
Risk Management	3,480	3,895	7,375	8,502	1,127	7,088		289
Misc. Operating Expenses	284	-	284	252	(32)	359		(75)
Total Expense	44,739	58,782	103,521	65,580	(32,841)	92,412		11,109
Net Income/(Loss)	\$ 223,542	\$ 238,347	\$ 459,889	\$ 1,920	\$ 457,969	\$ 469,563		\$ 12,544

Reserve Balance 2014	\$ 1,576,036
Allocated Interest Earnings - Estimated	2,500
Operating Profit/(Loss)	459,889
Reserve Balance 2015 - Estimated	\$ 2,038,425

Agenda Item No. 3

**San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting**

January 27, 2015

SUBJECT:

REPORT ON SAN DIEGO AND IMPERIAL VALLEY (SD&IV) RAILROAD OPERATIONS

RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

An oral report will be given during the meeting.

Attachment: Periodic Report for the 4th Quarter of 2014



SD&AE Board
C/O MTS
1255 Imperial Avenue, Suite 1000
San Diego, California 92101

Jan 15, 2015

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company activities of interest for the 4th Quarter of 2014 are listed as follows:

1. Labor

At the end of Dec 31, 2014 the San Diego & Imperial Railroad had 9 employees:

- 1 General Manager
- 1 Trainmaster
- 1 Manager - Marketing & Sales
- 1 Office Manager
- 1 Mechanical Manager
- 1 Maintenance of Way Employee
- 3 Train Service Employees

2. Marketing

Volume in the 4th Quarter declined 36% as compared to 2013. Bridge traffic had a 44% decrease, primarily driven by a decrease in LPG going into Mexico. Traffic terminating or originating on the SDIY was up 12% versus last year.

3. Reportable Injuries/Environmental

Days through year to date, December 31, 2014, there were no FRA Reportable injuries or Environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: 6480

4. Summary of Freight

	2014	2013	2012
Total rail carloads that moved by SDIY Rail Service in the quarter.	826	1301	1421
Total railroad carloads Terminating/Oriinating Mexico in the quarter.	622	1119	1238
Total railroad carloads Terminating/Oriinating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	204	182	183
Total customers directly served by SDIY in the quarter	11	11	9
Regional Truck trips that SDIY Railroad Service replaced in the quarter	2478	3903	4263

Respectfully,

Matt Domen

General Manager

Agenda Item No. 4

**San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting**

January 27, 2015

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

Attachment: Letter to Mr. Don Stoecklein



Pacific Southwest Railway Museum

La Mesa Depot 4885 Nebo Drive La Mesa, CA 91941 619-465-7776

January 16, 2015

SD&AE Board
c/o Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

Re: Fourth Quarter 2014

Dear SD&AE Board:

During the fourth quarter of 2014, utilizing all volunteer crews, the Pacific Southwest Railway Museum ran 50 passenger trains carrying 6,765 passengers with no FRA reportable accidents or injuries. Total income from SD&AE property for fourth quarter, 2014 was \$ 196,218; our check for \$3,924 will follow under separate cover. By comparison, PSRM carried 6535 passengers during the fourth quarter of 2013.

Passenger ridership by comparison to the same quarter in previous years:

6,535	Passengers during the fourth quarter of 2013
6,889	Passengers during the fourth quarter of 2012
6,109	Passengers during the fourth quarter of 2011
4,384	Passengers during the fourth quarter of 2010
3,268	Passengers during the fourth quarter of 2009
4,554	Passengers during the fourth quarter of 2008

There was a slight increase in ridership of 230 passengers from fourth quarter 2013 to fourth quarter 2014 due to an increase of two trains during this time period and a slight increase in available seats on each of the twelve North Pole trains.

Maintenance of Way work continues along the right of way including monthly signal and weekly track inspections. The MOW department has organized several work parties during the quarter changing ties, installing gauge rods and other maintenance efforts.

On Sunday, January 4, 2015 the Christmas Train event or Dia de los Tres Reyes Magos was held at the Tecate Stadium in Tecate. The mayor of Tecate, Cesar Moreno and his wife presided over the festivities. Also in attendance was co-founder Margaret Coval and members of the National

A Federal Tax Exempt 501 (c) 3 California Non-Profit Corporation www.psrn.org

Latino Peace Officers Association, San Diego Metro chapter. PSRM was once again unable to provide the train that once carried the three kings, the Christmas Train volunteers and the gifts for the less fortunate children of Tecate for a sixth year as the daylighting efforts of tunnel 3 are not yet complete. We are hopeful, however, that museum excursion trains will resume by the Spring of this year.

It has been two years since PSRM's operating agreement with SD&AE expired. I respectfully request that the SD&AE Board consider one of the following: agree to renew the original operating agreement with the Pacific Southwest Railway Museum or accept the changes agreed upon between PSRM and PIR in a letter addressed to Mr. Don Stoecklein dated January 14, 2013 and integrate those changes within the operating agreement for a new five year contract. Thank you for your consideration.

Sincerely,


Diana M. Hyatt
President

January 14, 2013

Mr. Don Stoecklein
President
Pacific Imperial Rail
c/o Stoecklein Law Firm
401 West A Street, Suite 1150
San Diego, CA 92101

Re: Our meeting Friday, January 11, 2013

Dear Don:

Please accept this letter as a summary of our meeting held at your office last Friday, January 11, 2013. Those in attendance were: Shella Lemire, PIR, Don Stoecklein, PIR, Greg Luiz, PSRM Director of Operations, Michael Edwards, PSRM Assistant Director of Operations and myself.

The primary objective for this meeting was to discuss the renewal of PSRM's operating agreement with the Metropolitan Transit System (MTS) and its impact upon the parallel operating agreement between MTS and PIR. This letter is intended to identify the responsibilities and establish the administrative infrastructure with regards to rail operations and traffic control as it pertains to the SDAE railway known as the Desert Line between MP 59.94 and MP 74. It was agreed upon that Pacific Southwest Railway Museum will be identified as the "Host Railroad" and control all rail operations between MP 59.94 and MP 74.0, specifically:

1. All rail traffic will be dispatched by PSRM.
2. PSRM will be responsible for training and qualifying dispatchers in accordance with Federal Railroad Administration (FRA) standards including supervision, testing and record keeping.
3. PSRM will establish and maintain all operating rules, policies, timetables, general orders, track bulletins, road frequencies and procedures for all rail traffic operating between MP 59.94 and MP 74.0 in compliance with all FRA and FCC regulations.
4. PSRM will be responsible for maintaining designated track, structures, and right-of-way to Class 2 Federal standards in compliance with all FRA regulations.
5. PSRM will be responsible for vegetation abatement along the right of way and in compliance with Cal-Fire and California PUC requirements.

6. PIR and PSRM agree that PSRM is unable to assume liability for the grade crossings without maintaining financial responsibility for the public utility service at the two automated grade crossing warning systems located at state highway 94 at the west and east ends of the Campo Valley respectively. PSRM will perform all FRA mandated monthly, quarterly, semi-annual and annual inspections and maintenance and any other inspections and maintenance as necessary.
7. The above points shall not inhibit or restrict PIR's ability to operate freight trains along museum's portion of the Desert Line. PIR freight trains will be dispatched in conjunction with PSRM trains and with minimal delay.
8. This agreement shall remain in effect until such time as it naturally expires or until such time as PIR begins revenue freight rail movement on a consistent basis.

Thank you for your time and attention to this matter. I look forward to a mutually benefitting relationship.

Sincerely,

Diana Hyatt
President

Agenda Item No. 5

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

January 27, 2015

SUBJECT:

REPORT ON THE DESERT LINE

RECOMMENDATION:

That the SD&AE Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

A report was not submitted in time for the mail-out.

Attachment: To be provided at the meeting

Agenda

Item No. 6a

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

January 27, 2015

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE OCTOBER 21, 2014

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a report for information.

Budget Impact

None.

DISCUSSION:

Since the October 21, 2014, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-09-383.1: Lease extension to Cox Communications for a billboard at Euclid Ave. and Market St. in San Diego.
- S200-09-413.1: Lease extension to Cox Communications for a billboard at Harbor Drive and Civic Center Drive in National City.
- S200-09-414.1: Lease extension to Cox Communications for a billboard at 28th Street and Harbor Drive in San Diego.
- S200-09-415.1: Lease extension to Cox Communications for a billboard at Imperial Avenue and Merlin Drive in San Diego.
- S200-09-416.1: Lease extension to Cox Communications for a billboard at 32nd Street and Harbor Drive in San Diego.
- S200-15-609: Construction and Maintenance Agreement to SDG&E for at-grade private crossings along the Coronado Branch in Chula Vista.

- S200-15-610: Easements to SDG&E for at-grade private crossings along the Coronado Branch in Chula Vista.

Agenda

Item No. 6b

San Diego and Arizona Eastern (SD&AE)
Railway Company
Board of Directors Meeting

January 27, 2015

SUBJECT: F Street Underpass Crossing Interstate 5 in Chula Vista

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a report for information only.

Budget Impact

None at this time.

DISCUSSION:

SD&AE and the State of California, Department of Transportation (Caltrans), entered into an agreement dated April 12, 1970, (as amended) to document the parties understanding and responsibilities for construction of Interstate 5 (I-5) through the City of Chula Vista.

As part of the agreement, SD&AE agreed to allow Caltrans to demolish the old railroad crossing from SD&AE's Mainline to its Coronado Branch along F Street and construct a new underpass immediately to the north of the present day F Street Overcrossing. The new F Street Underpass railroad bridge was constructed in Caltrans right-of-way. The 1970 Agreement outlined the respective party's responsibilities and authorities relating to construction and maintenance of highway and railroad facilities.

SD&AE is responsible for the operations and maintenance of the F Street Underpass above the bridge seats as described in the agreements. Currently, SD&AE no longer uses the underpass for active railroad service and has removed the connecting infrastructure from the MTS Mainline. The City of Chula Vista and the County of San Diego are interested in using the underpass as a pedestrian / bicycle path to the City of Chula Vista's Bayfront Development and connection to the Bayshore Bikeway.

MTS, Caltrans, and The City Chula Vista staffs have reviewed all the current documentation and discussed the proposal. It appears that there are no objections to

this plan. However, there are a number of discretionary and ministerial actions that would be necessary to accomplish the plan. MTS, through SD&AE, would need to assign its rights and obligations to the F Street Underpass to the City of Chula Vista subject to reversion back to MTS if in the future railroad service is re-established over the bridge. This action would require approval from Caltrans.

MTS sent correspondence to Caltrans, District 11, for concurrence on working together on the proposal, Attachment A, dated November 10, 2014. Also, MTS sent a letter to the City of Chula Vista documenting the intent to cooperate on the proposal, Attachment B, dated November 17, 2014.

As the project progresses, staff will update the Board and seek direction and/or approvals on agreements as necessary.

Attachments: Attachment A - Letter dated November 10, 2014 to Caltrans District 11
Attachment B - Letter dated November 17, 2014 to the City of Chula Vista

ATTACHMENT A



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

Ms. Laurie Berman
 District Director
 California Department of Transportation, District 11
 4050 Taylor Street
 San Diego, CA 92110

November 10, 2014

Dear Ms. Berman:

Subject: F STREET UNDERPASS ON INTERSTATE 5 IN CHULA VISTA

MTS purchased the San Diego and Arizona Eastern Railway Company (SD&AE) in 1979. As the sole member of the Nevada non-profit corporation, MTS controls SD&AE's assets and has responsibility for its authorities and obligations. SD&AE and the State of California, Department of Transportation (Caltrans), entered into an agreement dated April 12, 1970, (as amended) to document the parties understanding and responsibilities for construction of Interstate 5 (I-5) through the City of Chula Vista.

As part of the agreement, SD&AE agreed to allow Caltrans to demolish the old railroad crossing from SD&AE's Mainline to its Coronado Branch along F Street and construct a new underpass immediately to the north of the present day F Street Overcrossing. The new F Street Underpass railroad bridge was constructed in Caltrans right-of-way. The 1970 Agreement outlined the respective party's responsibilities and authorities relating to construction and maintenance of highway and railroad facilities.

SD&AE is responsible for the operations and maintenance of the F Street Underpass above the bridge seats as described in the agreements. Currently, SD&AE no longer uses the underpass for active railroad service and has removed the connecting infrastructure from the MTS Mainline. The City of Chula Vista and the County of San Diego are interested in using the underpass as a pedestrian / bicycle path to the City of Chula Vista's Bayfront Development and connection to the Bayshore Bikeway.

MTS and Caltrans staffs have reviewed all the current documentation and discussed the proposal. It appears that there are no objections to this plan. However, there are a number of discretionary and administrative actions that would be necessary to accomplish the plan. MTS, through SD&AE, would need to assign its rights and obligations to the F Street Underpass to the City of Chula Vista subject to reversion back to MTS if in the future railroad service is re-established over the bridge. This action would require approval from Caltrans.

It is MTS desire to work cooperatively towards this end and intend to direct staff to put every effort necessary to process the required documentation and project approvals going forward. MTS requests concurrence from Caltrans to cooperate with this joint effort of the City of Chula Vista and the County of San Diego as this proposal moves forward to final authorization.

Sincerely,

A handwritten signature in dark ink, appearing to read "Paul C. Jablonski".

Paul C. Jablonski
 Chief Executive Officer - MTS
 President - SD&AE

Concurred by:

A handwritten signature in dark ink, appearing to read "Laurie Berman".

Laurie Berman
 District Director, Caltrans District 11

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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, San Jose, and the County of San Diego.





ATTACHMENT B

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



November 17, 2014

Honorable Cheryl Cox
Mayor
City of Chula Vista
276 Fourth Avenue
Chula Vista, CA 91910

Re: Proposed Pedestrian/Bike Path on F Street Railroad Underpass

Dear Mayor Cox:

You have requested that the City of Chula Vista be allowed to use the F Street railroad bridge (called an "underpass" because Interstate 5 passes under the bridge) as part of its proposed network of bike and/or pedestrian paths. The F Street Underpass was built in 1970 to accommodate a connection between the MTS Coronado Branch and the MTS Mainline railroad. The Coronado Branch line is not currently operating and there are no known plans to operate railroad traffic on this line in the future. The connecting infrastructure to the Mainline has been removed.

Through an agreement with Caltrans, the F Street Underpass was constructed over Caltrans right-of-way. Pursuant to that agreement, MTS is responsible for operations and maintenance of the F Street Underpass above the bridge seats. Caltrans maintains the portions accessible only from Interstate 5.

Because this bridge is not currently used for railroad traffic, MTS is willing to assign its rights and obligations regarding the F Street Underpass to the City of Chula Vista, subject to a reversionary right to take back the property if railroad traffic resumes on this segment. Executive management at MTS, Caltrans and the City have agreed to this proposal.

The next steps to move this project forward include:

1. City staff refining the specific design and location of the proposed bike path;
2. Upon development of a sufficiently detailed and final design and scope of the bike path on MTS-controlled property, the following documents will be drafted and executed:

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ATTACHMENT B

- a. Assignment of MTS¹ rights and obligations to use the F Street Underpass to the City of Chula Vista, subject to a reversionary right if the property is needed for railroad operations; and
- b. Construction, Maintenance & License Agreement for the use of any other MTS property in the vicinity of the F Street Underpass for this project.

I have directed my staff to work cooperatively with City and Caltrans staff to move this project forward as efficiently as possible. Tim Allison, Manager of Real Estate Assets, has been assigned as the MTS lead. Please have your staff contact him directly at (619) 595-4903 or tim.allison@sdmts.com.

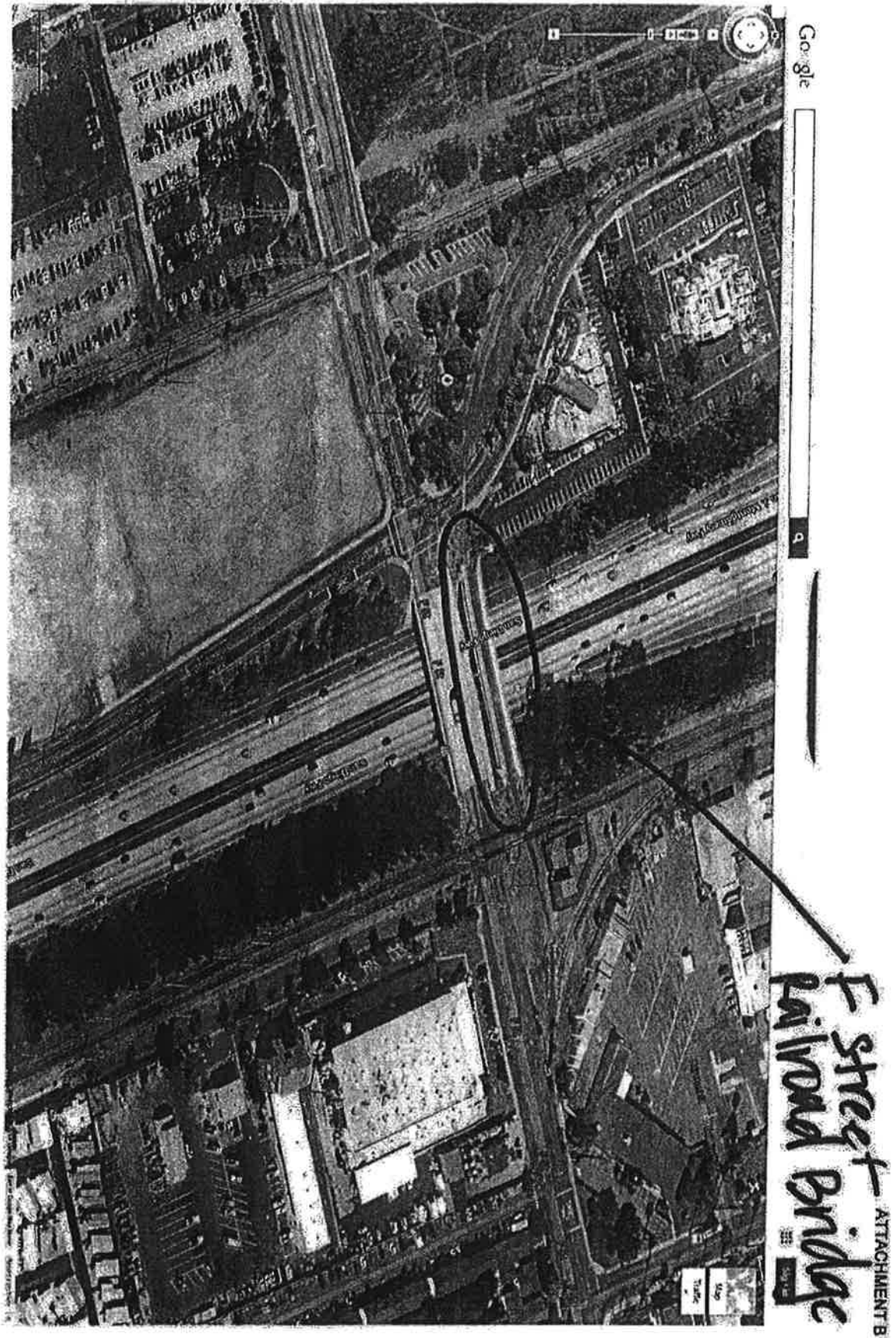
Sincerely,



Paul C. Jablonski
Chief Executive Officer

cc: Laurie Berman, District Director, Caltrans District 11
Tim Allison, MTS Manager of Real Estate Assets

¹ MTS real estate ownership in this area is through its solely owned railroad corporation, San Diego & Arizona Eastern Railway Co.





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

Agenda Item No. 7

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

EXCESS INSURANCE RENEWALS FOR LIABILITY AND WORKERS' COMPENSATION PROGRAM

RECOMMENDATION:

That the Board of Directors approve the purchase of excess liability insurance (at limits of \$75 million less a \$2 million self-insured retention [SIR]) and excess workers' compensation insurance (at statutory limits less a \$1 million SIR). The new policies would be in effect from March 1, 2015 through March 1, 2016.

Budget Impact

The combined proposed premium for both lines of coverage, including taxes and fees, would be \$1,546,354 for the one year period. The total premium for the excess liability insurance and the excess workers' compensation insurance represents a 4.79% (or \$77,791) decrease over the expiring policies. Terrorism coverage is included in both lines.

The specific allocation among MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), and San Diego and Arizona Eastern (SD&AE) Railway Company is based on the underwriting exposure. Costs associated with the excess insurance policies are allocated across two fiscal years. For fiscal year 2015, staff estimates that all of the agencies will be within budget. No budget adjustment is proposed at this time. Fiscal year 2016 budgets are being developed, and funds will be designated and included within them.

The approximate annual breakdown between the agencies is noted within the table below.

COMBINED TOTAL EXCESS INSURANCE PREMIUMS					
AGENCY	MTS	SDTC	SDTI	SD&AE	TOTAL
Excess Liability	\$160,651	\$595,746	\$568,972	\$13,388	\$1,338,757
Excess Workers' Comp.	\$24,912	\$92,380	\$88,229	\$2,076	\$207,597
Total Excess Premium	\$185,563	\$688,126	\$657,201	\$15,464	\$1,546,354
Combined Excess Split	12.0%	44.5%	42.5%	1.0%	



DISCUSSION:

MTS, SDTC, SDTI, and SD&AE jointly purchase commercial general liability insurance to finance large catastrophic losses for bodily injury, property damage and other damage claims in excess of a self-insured retention of \$2 million per occurrence. The agencies also jointly purchase an excess workers' compensation policy to supplement the self-insured program of \$1 million per occurrence. The existing policies will expire on March 1, 2015. MTS's insurance broker, Alliant Insurance Services, Inc. (Alliant), has worked extensively with staff and several interested insurance companies to obtain the best coverage possible for the forthcoming year.

Current Program

MTS currently has excess liability coverage within four layers of insurance limits from various insurance companies. These layers provide for a total general liability limit of \$75 million. The policies each contain coverage for acts of terrorism. The current cost of these policies, including taxes and fees, is \$1,391,806. In addition, MTS purchases excess workers' compensation insurance at statutory limits (i.e., the maximum benefit the State would allow for a single accident/injury) for a cost of \$232,339. These premiums totaled \$1,624,145 under the current program structure.

Proposed Program

The proposed liability insurance program is also anticipated to include four policy layers and would carry a self-insured retention of \$2 million for general liability and public entity excess liability. All of this coverage (including MTS's self-insured retention) would provide full limits up to \$75 million at an annual cost of approximately \$1,338,757. This figure represents a decrease of 3.81% (or \$53,049) over the expiring coverage.

An excess workers' compensation policy is also being recommended for purchase at statutory limits less a \$1 million insurance deductible. The premium cost for this policy is \$207,597, which represents a 10.65% (or \$24,742) decrease over last year's premium for the same limits and retention.

The total premium of \$1,546,354 for the combined excess liability and excess workers' compensation coverage represents an overall 4.79% (or \$77,791) decrease compared to the previous year.

COVERAGE	INSURER	AM BEST RATING	LIMIT & ATTACHMENT	TOTAL PREMIUM
Excess Workers' Comp.	Arch Insurance Company	A+ XV	Statutory x \$1M SIR	\$207,597
1st Layer Excess Liability	National Casualty Co.	A+ XV	\$10M x \$2M SIR	\$716,541
2nd Layer Excess Liability	Berkley National Insurance Company	A+ XV	\$15M x \$10M x \$2M SIR	\$299,416
3rd Layer Excess Liability	Great American Assurance Co.	A XIII	\$25M x \$25M x \$2M SIR	\$224,000
4th Layer Excess Liability	Allied World Assurance Co. (AWAC)	A XV	\$23M x \$50M x \$2M SIR	\$98,800
				\$1,546,354

Renewal Issues – Underwriting Base

Premium rates for the general liability coverage are based on a combination of passenger counts, revenue miles, construction costs, loss history and current market conditions. For excess workers' compensation, premiums are largely driven by payroll as well as loss history and current market conditions. Annual passenger counts for SDTC and SDTI combined increased by 3.61%. Total revenue miles are up by 2.74% compared to mileage submitted in the last policy period. Combined payroll increased by 2.26% over the prior reporting period. For the upcoming renewal, most of the coverage would remain with the same carriers that provided the coverage last year. The biggest change this year is in the lead liability insurance layer, transferring from Starr Indemnity to National Casualty Company.

Insurance Market Conditions

There is currently a favorable (or soft) market for both the excess general liability and excess workers' compensation lines of coverage. The liability insurance carriers that submitted quotes this year continue to have the capacity and willingness to insure public transit risks, such as MTS. With the transfer in its lead liability layer, MTS was able to secure a policy saving over \$53,000 and remaining with its long-standing \$2M self-insured retention.

Workers' compensation insurance has also experienced a positive rebound this past year as demonstrated by more than a \$24,000 premium decrease despite an overall increase in MTS's payroll over the prior renewal period. Overall, MTS's insurance broker, Alliant, did an outstanding job negotiating an advantageous, lower cost excess liability and workers' compensation insurance program for MTS this year. More carriers were interested in obtaining MTS's business compared to past years, which promoted competition and favorable renewal quotes.


Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619-557-4513, Sharon.Cooney@sdmts.com

Attachment: A. MTS 2015 Excess Liability & Excess Workers' Compensation Insurance Proposal

San Diego Metropolitan Transit System

MTS

Excess Liability & Excess Workers' Compensation Insurance Proposal March 1, 2015 – March 1, 2016



Presented on January 30, 2015 by:

Alliant Insurance Services, Inc.

100 Pine St, 11th Floor
San Francisco, CA 94111
(415) 403-1400 / Fax # (415) 874-4812
www.alliant.com



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YOUR SERVICE TEAM

Dennis Mulqueeney

Senior Vice President
DMulqueeney@alliant.com
Team Leader

Phone: (415) 403-1421

Cell: (415) 309-9926

Brian White

Vice President
BWhite@alliant.com
Liability Specialist

Phone: (206) 204-9126

Cell: (415) 203-5983

Kevin Bibler, ARM

Senior Vice President
KBibler@alliant.com
Property Specialist

Phone: (916) 643-2719

Cell: (916) 759-8330

Natalie Parker

Vice President
NParker@alliant.com
Workers' Compensation Specialist

Phone: (619) 849-3866

Cell: (619) 549-8822

Rachel Ramos, AIS, CISR

Account Manager
RRamos@alliant.com
Liability and Property CSR

Phone: (415) 403-1424

Donna Crayton, CISR, AAI

Account Executive
DCrayton@alliant.com
Workers' Compensation CSR

Phone: (619) 849-3785

Robert Frey

First Vice President, Claims Manager
RFrey@alliant.com
Claims Consultant

Phone: (415) 403-1445

Cell: (415) 518-8490



YOUR SERVICE TEAM, Continued

Tim Leech

First Vice President, Director Risk Management Phone: (949) 260-5008
TLeech@alliant.com Cell: (949) 514-0367
Loss Control Consultant

Jim Castle

Senior Executive Vice President Phone: (916) 849-3807
JCastle@alliant.com Cell: (619) 813-0349
Construction Specialist



2015 - 16 Public Entity Market – Recent Observations

Lead Liability Markets

- Starr Ins. Company, a longtime transit carrier is exiting public entity transit business nationwide, and all public entity business in California;
 - Mainly loss driven on their book (despite SD MTS's good experience)
- This has created a somewhat unsettled transit market;
- Fortunately, other markets are more aggressively targeting the public transit business at this time;
- Continued interest in accounts with good loss history and reasonable self-insured retention levels;
- Increased Underwriter focus on Claims Handling;
- Increased interest in writings from Bermuda based markets however forms are less competitive than domestic options.

Excess Liability Markets

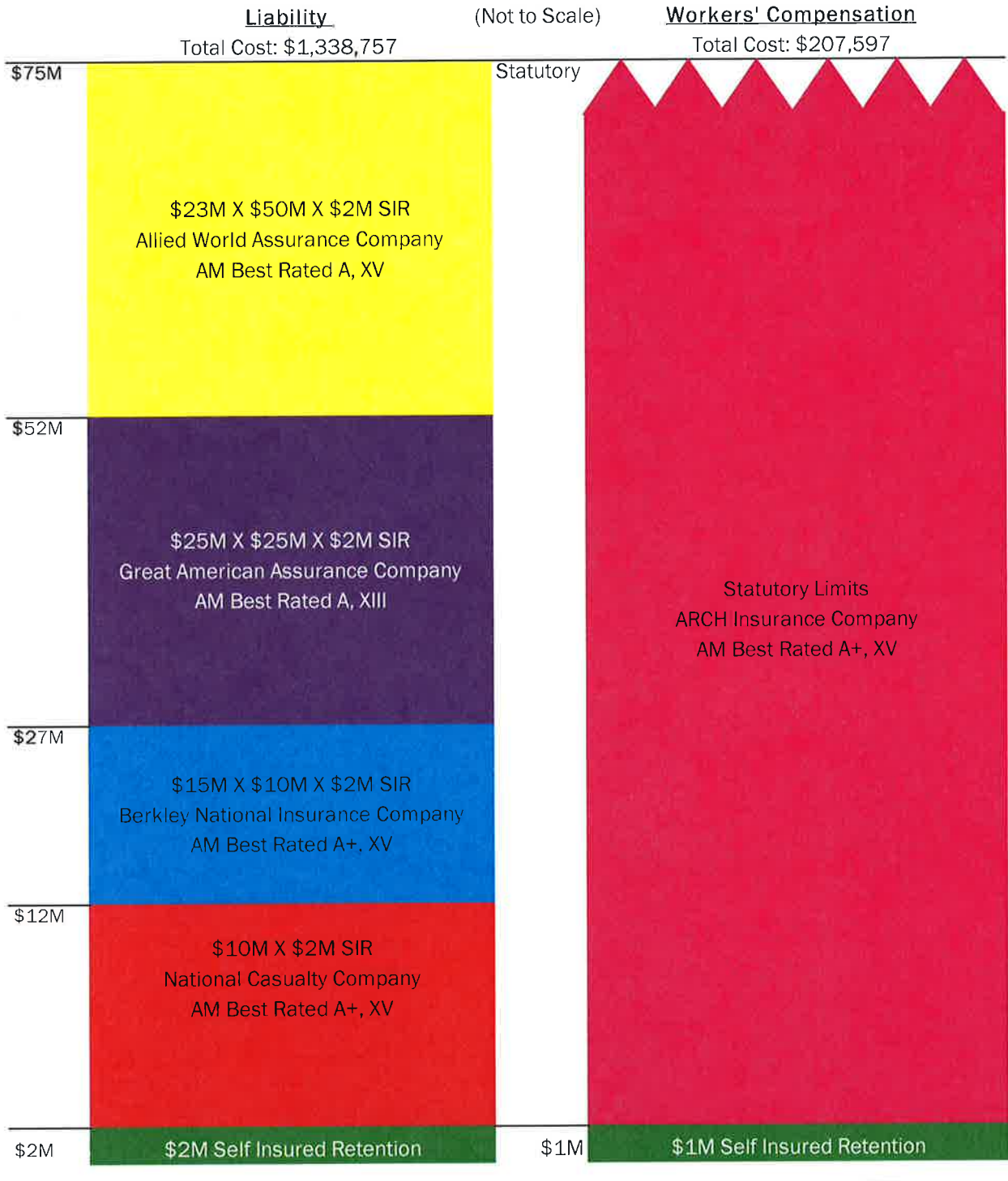
- Capacity remains plentiful and healthy, especially excess of higher attachment points (\$10M - \$20M), and for good risk like SD MTS;
- Pricing stable, but also dependent on lead layer direction.

Workers' Compensation Markets

- Less challenging than years past, some softening on attractive accounts such as SD MTS, however remains a potentially difficult line depending on loss history and attachment levels;
- Medical inflation could be softening;
- Obesity & the aging workforce – the perfect storm?
- Market continues to be very narrow however renewed interest levels from existing carriers



LIABILITY AND WORKERS COMP EXHIBIT



Alliant Insurance Services, Inc.
 CA License No. 0C36861
 Alliant.com



COST OF RISK – RENEWAL PREMIUM COMPARISON

Expiring Compared to Renewal: Includes TRIA

Coverage	Expiring	Renewal
Excess Liability – Layer 1	\$769,590	\$716,541
Excess Liability – Layer 2	\$299,416	\$299,416
Excess Liability – Layer 3	\$224,000	\$224,000
Excess Liability – Layer 4	\$98,800	\$98,800
<i>Excess Liability Sub Total:</i>	<i>\$1,391,806</i>	<i>\$1,338,757</i>
Excess Workers' Compensation	\$232,339	\$207,597
Total Annual Premium	\$1,624,145	\$1,546,354

San Diego Metropolitan Transit
System (SDMTS)
Liability Renewal Historical Pricing by Layer -
2012/13 - 2015/16

12/13 Layering								
Layer	Limit & Attachment	Annual Premium w/o Terrorism	Terrorism Surcharge	Terrorism Elected	Gross Premium	Surplus Lines Taxes & Fees 3.25%	Grand Total (w/ SL T&F's)	Price / Mil. (incl TRIA)
1	Starr Indemnity & Liability Company (Admitted)	10M x 2M SIR	\$ 701,400	\$ 14,029	Yes	\$ 715,429	\$ 715,429	\$ 71,542.90
2	Endurance (Non-Admitted)	15M x 10M x 2M SIR	\$ 312,289	\$ 1,463	Yes	\$ 313,752	\$ 10,197	\$ 20,916.80
3	Great American (Admitted)	25M x 25M x 2M SIR	\$ 222,750	\$ 2,250	Yes	\$ 225,000	\$ 225,000	\$ 9,000.00
4	AXIS Surplus (Non-Admitted)	23M x 50M x 2M SIR	\$ 104,799	\$ 4,569	Yes	\$ 109,368	\$ 3,554	\$ 4,755.13
TOTAL		\$ 1,341,238			\$ 1,363,549		\$ 1,373,746	

13/14 Layering									change over expiring
Layer	Limit & Attachment	Annual Premium w/o Terrorism	Terrorism Surcharge	Terrorism Elected	Gross Premium	Surplus Lines Taxes & Fees 3.20%	Grand Total (w/ SL T&F's)	Price / Mil. (incl TRIA)	
1	Starr Indemnity & Liability Company (Admitted)	10M x 2M SIR	\$ 718,700	\$ 14,374	Yes	\$ 733,074	\$ 733,074	\$ 73,307.40	2.47%
2	Berkley Custom (Admitted)	15M x 10M x 2M SIR	\$ 286,362	\$ 2,863	Yes	\$ 289,245	\$ 289,245	\$ 19,283.00	-10.71%
3	Great American (Admitted)	25M x 25M x 2M SIR	\$ 214,850	\$ 2,150	Yes	\$ 217,000	\$ 217,000	\$ 8,680.00	-3.56%
4	AWAC (Admitted)	23M x 50M x 2M SIR	\$ 94,050	\$ 950	Yes	\$ 95,000	\$ 95,000	\$ 4,130.43	-13.14%
TOTAL		\$ 1,313,962			\$ 1,334,319		\$ 1,334,319		

14/15 Layering									change over expiring
Layer	Limit & Attachment	Annual Premium w/o Terrorism	Terrorism Surcharge	Terrorism Elected	Gross Premium	Surplus Lines Taxes & Fees 3.20%	Grand Total (w/ SL T&F's)	Price / Mil. (incl TRIA)	
1	Starr Indemnity & Liability Company (Admitted)	10M x 2M SIR	\$ 754,500	\$ 15,090	Yes	\$ 769,590	\$ 769,590	\$ 76,959.00	4.98%
2	Berkley National (Admitted)	15M x 10M x 2M SIR	\$ 296,451	\$ 2,965	Yes	\$ 299,416	\$ 299,416	\$ 19,961.07	3.52%
3	Great American (Admitted)	25M x 25M x 2M SIR	\$ 221,760	\$ 2,240	Yes	\$ 224,000	\$ 224,000	\$ 8,960.00	3.23%
4	AWAC (Admitted)	23M x 50M x 2M SIR	\$ 97,812	\$ 988	Yes	\$ 98,800	\$ 98,800	\$ 4,295.65	4.00%
TOTAL		\$ 1,370,523			\$ 1,391,806		\$ 1,391,806		

15/16 Layering									change over expiring
Layer	Limit & Attachment	Annual Premium w/o Terrorism	Terrorism Surcharge	Terrorism Elected	Gross Premium	Surplus Lines Taxes & Fees 3.20%	Grand Total (w/ SL T&F's)	Price / Mil. (incl TRIA)	
1	National Casualty Company (Admitted) ***	10M x 2M SIR	\$ 788,274	\$ 7,683		\$ 796,157	\$ 796,157	\$ 79,615.70	3.45%
2	Berkley National (Admitted)	15M x 10M x 2M SIR	\$ 296,451	\$ 2,965		\$ 299,416	\$ 299,416	\$ 19,961.07	-6.89%
3	Great American (Admitted)	25M x 25M x 2M SIR	\$ 221,760	\$ 2,240		\$ 224,000	\$ 224,000	\$ 8,960.00	0.00%
4	AWAC (Admitted)	23M x 50M x 2M SIR	\$ 98,500	inc		\$ 98,800	\$ 3,162	\$ 98,800	0.00%
TOTAL		\$ 1,405,285			\$ 1,418,373		\$ 1,418,373		

Net of Commission (i.e. less 10% from layer 1) \$ 1,338,757

***Starr Indemnity chose not to renew in 2015



LINE OF COVERAGE

Excess Liability – First Layer – Civic Risk

INSURANCE COMPANY:	<i>National Casualty Company</i>	
A.M. BEST RATING:	A+ (Superior) XV (\$2 Billion or greater)	
STANDARD & POOR'S RATING:	N/A	
CALIFORNIA STATUS:	Admitted	
POLICY / COVERAGE TERM:	3/1/2015 to 3/1/2016 at 12:01 A.M. standard time at the address of the Named Insured	
Coverage Form:	Retained Limit of Liability for Public Entity Policy PG-P-1 (1-11)	
Limits:		
Aggregate Limits		
	\$10,000,000	Any one Occurrence, Wrongful Act or Employee Benefit Wrongful Act in excess of your Retained Limit
	\$10,000,000	Any one Employment Practices Wrongful Act in excess of your Retained Limit
	\$10,000,000	Products-Completed Operations Hazard Aggregate
	\$10,000,000	Errors and Omissions Liability Aggregate
	\$10,000,000	Employment Practices Liability Aggregate
	\$10,000,000	Employee Benefit Liability Aggregate
Retained Limit:		
	\$2,000,000	Any one Occurrence, Wrongful Act or Employee Benefit Wrongful Act
	\$2,000,000	Any one Employment Practices Wrongful Act
Defense Inside/Outside:	Inside the limits and Retention	
Who has the Duty to Defend:		
Endorsement & Exclusions: (including but not limited to)		
• UT-COVPG (12-09) Cover Page	UT-COVPG (12-09) Cover Page	
• NOTX0015CA (2-00) Notice to Policyholder California	NOTX0015CA (2-00) Notice to Policyholder California	
• NOTX0171CW (3-03) Notice to Policyholders - Restrictions and Clarifications of Coverage	NOTX0171CW (3-03) Notice to Policyholders - Restrictions and Clarifications of Coverage	
• NOTX0178CW (02-06) Claim Reporting Information	NOTX0178CW (02-06) Claim Reporting Information	
• PG-D-1 (1-11) Retained Limit Liability Insurance Policy for Public Entities Declarations	PG-D-1 (1-11) Retained Limit Liability Insurance Policy for Public Entities Declarations	
• UT-3g (3-92) Named Insured Endorsement	UT-3g (3-92) Named Insured Endorsement	



LINE OF COVERAGE

Excess Liability – First Layer – Civic Risk, continued

- | | |
|--|--|
| • UT-SP-2L (12-95) Schedule of Forms and Endorsements | UT-SP-2L (12-95) Schedule of Forms and Endorsements |
| • PG-P-1 (1-11) Retained Limit of Liability for Public Entity Policy | PG-P-1 (1-11) Retained Limit of Liability for Public Entity Policy |
| • PG-17s (1-11) Removal of Transit Exclusion | PG-17s (1-11) Removal of Transit Exclusion |
| • PG-25s-CA (1-11) Changes - California | PG-25s-CA (1-11) Changes - California |
| • PG-99s (5-11) Cap on Losses from Certified Acts of Terrorism | PG-99s (5-11) Cap on Losses from Certified Acts of Terrorism |
| • IL 09 85 (01-08) Disclosure Pursuant to Terrorism Risk Insurance Act | IL 09 85 (01-08) Disclosure Pursuant to Terrorism Risk Insurance Act |
| • PG-100s (5-11) Exclusion of Certified Acts of Terrorism | PG-100s (5-11) Exclusion of Certified Acts of Terrorism |

Subject to: Claims audit to be performed within 6 months of binding coverage

Premium: \$716,541.00 (\$788,274 – 10% commission rebate including TRIA Premium)

Minimum Earned Premium: N/A

TRIA Premium: \$7,883.00 Included in the above premium

Policy Auditable: N/A

Binding Conditions: • Written Request to Bind Coverage

Quote Valid Until: 3/1/2015

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

Name Insureds are covered for all operations. Additional insureds are only covered with respect to their interest in your operations. See each individual policy for details.



LINE OF COVERAGE

Excess Liability – Second Layer - Berkley

INSURANCE COMPANY:	<i>Berkley National Insurance Company</i>
A.M. BEST RATING:	A+ (Superior) XV (\$2 Billion or greater)
STANDARD & POOR'S RATING:	A+
CALIFORNIA STATUS:	Admitted
POLICY / COVERAGE TERM:	3/1/2015 to 3/1/2016 at 12:01 A.M. Standard Time at the mailing address of the Named Insured

Coverage Form: Commercial Excess Liability Policy

Limits:

\$15,000,000	Each Occurrence
\$15,000,000	General Aggregate (where applicable)
	In excess of the "controlling underlying limits of insurance" shown below

Underlying Coverages & Limits:
National Casualty Company

Aggregate Limits

\$10,000,000	Per Occurrence or Wrongful Act or Employee Benefit Wrongful Act Limit
\$10,000,000	Any One Occurrence, Wrongful Act or Employee Benefit Wrongful Act in excess of your Retained Limit
\$10,000,000	Per Employment Practices Wrongful Act Limit
\$10,000,000	Any one Employment Practices Wrongful Act in excess of your Retained Limit
\$10,000,000	Products-Completed Operations Hazard Aggregate
	Errors and Omissions Liability Aggregate
	Employment Practices Liability Aggregate
\$10,000,000	Employee Benefit Liability

Excess of:

Retained Limit:

\$2,000,000	Any one Occurrence, Wrongful Act or Employee Benefit Wrongful Act
\$2,000,000	Any one Employment Practices Wrongful Act



LINE OF COVERAGE

Excess Liability – Second Layer – Berkley, continued

The following Terms and Conditions are found as part of the quotation from the Controlling Underlying Insurance.

Per National Casualty Company Retained Limit of Liability for Public Entity Policy PG-P1(1-11) and: Cover Page, Notice to Policyholder California Policyholders, Notice to Policyholders - Restrictions and Clarifications of Coverage, Claim Reporting Information, Retained Limit Liability Insurance Policy for Public Entities Declarations, Named Insured Endorsement, Schedule of Forms and Endorsements, Retained Limit of Liability for Public Entity Policy, Removal of Transit Exclusion, Changes - California, Cap on Losses from Certified Acts of Terrorism, Disclosure Pursuant to Terrorism Risk Insurance Act, Exclusion of Certified Acts of Terrorism.

Berkley National Insurance Company shall follow the above Terms and Conditions, but shall otherwise

- | | |
|--------------------------|---|
| • CEX0001 0314 | Commercial Excess Liability Policy Declarations |
| • BCIM0000 1113 | Forms and Endorsement Schedule |
| • BCIMU0001 1113 | Claim Notice |
| • BCIM0002 1113 | Schedule of Underlying Policies |
| • BCIM0007 1113 | Asbestos Exclusion |
| • BCIM0063 1113 | War Exclusion |
| • BCIM0085 1113 | Financial Services Exclusion |
| • BCIM0226 1113 | Following Form Underlying Aggregates |
| • CX 21 01 09 08 | Nuclear Energy Liability Exclusion Endorsement |
| • BCIM0066 0513 | General Change Endorsement –Cancellation Amendment |
| • CX 21 35 09 08 | Exclusion of Certified Acts of Terrorism and Exclusion of Other |
| • CX 21 29 10 13 | Conditional Exclusion of Terrorism (Relating to Disposition of |
| • CX 02 26 09 12 | California Changes-Cancellation and Nonrenewal |
| • IL 00 17 11 98 | Common Policy Conditions |
| • CX 00 01 04 13 | Commercial Excess Liability Coverage Form |
| • IL DS 77 00 BNLS 04 10 | Signature Page |
| • IL P 001 01 04 | U.S. Treasury Department's Office of Foreign Assets Control |
| • BNIC Disclosure 2014 | Policyholder Disclosure Notice of Terrorism Insurance Coverage |

Special Conditions:

In compliance with the Terrorism Risk Insurance Program Reauthorization Act of 2007 effective December 26, 2007, terrorism coverage under the Act can be included for an additional premium. The completed and signed Policyholder Disclosure Notice of Terrorism Insurance Coverage must be returned at the time of binding.

- Premium is due 45 days from the Effective Date of coverage
- This policy will follow the terms and conditions of the controlling underlying policy(s) listed in the
- Schedule of Underlying Insurance Coverage.
- Cancellation term is 90 days. Term is 10 days for non-payment of premium.
-
-



LINE OF COVERAGE

Excess Liability – Second Layer – Berkley, continued

Subjectivities:

- Signed and Dated TRIA Letter, Required Prior to Binding.

Premium: \$ 296,451.00

Minimum Premium: \$\$296,451.00

TRIA Premium: \$2,965 (Optional) In addition to above premium

Quote Valid Until: 3/1/2015

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.



LINE OF COVERAGE

Excess Liability – Third Layer – Great American

INSURANCE COMPANY: *Great American Assurance Company*
A.M. BEST RATING: A (Excellent), XIII (\$1.50 Billion to \$2.00 Billion)
STANDARD & POOR'S RATING: A+
CALIFORNIA STATUS: Admitted
POLICY / COVERAGE TERM: 3/1/2015 to 3/1/2016 at 12:01 A.M. Standard Time at the mailing address of the Named Insured

Coverage Form: Excess Liability Coverage Form - *GAI6524 (06/97)*

Limits:
 \$25,000,000 Each Occurrence
 \$25,000,000 Aggregate (where applicable)
Defense expenses are included in the limits of liability

Excess of:
First Underlying Insurance:
 National Casualty Company
 \$10,000,000 Any one occurrence or wrongful act or employee benefit wrongful act in excess of retained limit
 \$10,000,000 Any one employment practice liability wrongful act in excess of retained limit
 \$10,000,000 Products-Completed Operations Aggregate
 \$10,000,000 E&O Liability Aggregate
 \$10,000,000 Employment Practice Liability Aggregate
 \$10,000,000 Employee Benefit Liability Aggregate
Defense expenses are included in the limits of liability

Excess of Primary Insurance
 Berkley National Insurance Company
 Each Occurrence or Wrongful Act
 Aggregate (where applicable)
 Excess of:
 \$10,000,000 Each Occurrence/Aggregate (where applicable)

Retained Limits:
 \$2,000,000 Any one occurrence or wrongful act or employee benefit wrongful act – each & every
 \$2,000,000 Any employment practice liability wrongful act – each & every
Defense expenses are included in the limits of liability.

Terms and Conditions:
 This referenced form and any attachments, and/or exclusions thereto become the contract of insurance once a binder is issued. Please review all the coverages, terms, restrictions and limitations of the form, exclusions and attachments for a complete description of the coverages being outlined within this proposal.

First Underlying Forms, Exclusions and/or Limitations:
 We will follow all of the exclusions and limitations of the National Casualty Co coverage form and any additional exclusions/modifications/limitations as noted in their quote.

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LINE OF COVERAGE

Excess Liability – Third Layer – Great American, continued

Attachments: Removal of Transit Exclusion

The National Casualty Co Retained Limit Liability Insurance Co Policy for Public Entities contains the following exclusions:

1. Workers compensation
2. Personal and advertising injury arising out of breach of contract
3. Property damage to property owned by you
4. Contractual liability
5. Pollution
6. Asbestos
7. Criminal acts
8. Wrongful acts
9. Taxes
10. Hospital or health care
11. Injunctions
12. Eminent domain
13. Subsidence
14. Nuclear
15. Transit authority (note removed by way of endorsement)
16. School
17. Aircraft, airfields
18. Dam
19. ERISA
20. Failure to supply – gas, oil, electricity, water, steam
21. Uninsured/underinsured motorists
22. Fiduciary
23. War
24. Fungi
25. Lead

Our Exclusions, Limitations and/or Attachments:

Exclusions:

- GAI6774 (12/13) Email, Fax or Phone Exclusion
 GAI6650 (03/03) War Liability Exclusion

Attachments:

- IL7324 (08/12) Cancellation – need to manuscript to follow form National Casualty, but no broader than intervening Economic and Trade Sanction Clause
 GAI6965 (11/10) Following Form Coverage Endorsement
 IL7268 (09/09) In Witness Signature Form
 GAI6597 (06/97) Loss Defense within Limits Amendment
 GAI6966 (04/09) Pollution Liability Coverage-Follow Form

State Amendatory:

- GAI6704 (01/13) CA Changes



LINE OF COVERAGE

Excess Liability – Third Layer – Great American, continued

If Terrorism Coverage Is Accepted will
attach the following:

GAI6750 (03/13)	Cap On Losses From Certified Acts
GAI6753 (03/13)	Disclosure Pursuant To Terrorism

Subjectivities:	Copies of all Underlying Binders evidencing issuing carrier, policy number, policy limits and terms immediately upon binding coverage. Policy issuance will be upheld pending receipt of confirmation.
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Premium:	\$224,000.00
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TRIA Premium:	\$2,240 Included in the above premium
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Quote Valid Until:	3/1/2015
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CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.



LINE OF COVERAGE

Excess Liability – Fourth Layer – AWAC

INSURANCE COMPANY:	<i>Allied World Assurance Company (U.S.), Inc.</i>
A.M. BEST RATING:	A (Excellent), XV (\$2 Billion or greater)
STANDARD & POOR'S RATING:	A
CALIFORNIA STATUS:	Admitted
POLICY / COVERAGE TERM:	3/1/2015 to 3/1/2016 at 12:01 A.M. Standard Time at the mailing address of the Named Insured

Coverage Form: Excess Liability

Limits:

\$23,000,000	Each Occurrence
\$23,000,000	Other Aggregate (Where Applicable)
\$23,000,000	Products/Completed Operations Aggregate

Attachment Point:

\$52,000,000	Each Occurrence
\$52,000,000	Products/Completed Operations Aggregate
\$52,000,000	Other Aggregate (Where Applicable)

This QUOTATION contemplates the following primary underlying insurance and/or self-insured retentions:

Excess Follow Form:

Carrier:	Great American Assurance Company
Policy Limits:	
\$25,000,000	Each Occurrence
\$25,000,000	Aggregate

Which is in excess of:

Carrier:	Berkley National Insurance Company
Policy Limits:	
\$15,000,000	Each Occurrence
\$15,000,000	Aggregate

Which is in excess of:

Carrier:	National Casualty Company
\$10,000,000	Any one Occurrence, Wrongful Act or Employee Benefit Wrongful Act
\$10,000,000	Any one Employment Practices Wrongful Act
\$10,000,000	Products-Completed Operations Aggregate
\$10,000,000	Errors and Omissions Liability Aggregate
\$10,000,000	Employment Practices Liability Aggregate
\$10,000,000	Employee Benefit Liability Aggregate

Which is further excess of:

\$2,000,000	Each Occurrence Self Insured Retention
Defense Type:	Defense costs erode the Policy Limits and the Self Insured Retentions listed above



LINE OF COVERAGE

Excess Liability – Fourth Layer – AWAC, continued

Applicable AWAC Endorsements:

GL 00139 00 (12/11)	AWAC – U.S. Follow-Form Occurrence – Claims Made – Declarations
00135 00 (11/05)	Schedule of Underlying Insurance
00135 (11/05)	U.S. Treasury Departments Office Of Foreign Assets Control (“OFAC”) Advisory Notice To Policyholders
00241 (11/05)	Asbestos Exclusion
GL 00117 00 (01/08)	Policyholder Disclosure Statement Under the Terrorism Risk Insurance Act
GL 00286 04 (02/07)	California Amendatory Endorsement
GL 00366 (09/11)	Other Aggregate Limit Amendatory

Quotation Terms and Conditions:

This **QUOTATION** is subject to review if there are any significant changes in operations, exposure or experience prior to Allied World's binding. Any restrictive policy terms and conditions that apply to underlying policies that are in excess of the Followed Policy but underlying to the Allied World Excess policy will also apply to the Allied World Excess limit of liability. Any additional endorsements to the Allied World Policy will be determined upon review of the above-required documentation.

- Allied World cannot release Policy documentation without:
 1. A complete copy of the Followed Policy (including all endorsements and scheduled), inclusive of underlying layers or other documentation.

Subjectivities:

This QUOTATION is subject to receipt, review and acceptance of the following items at binding:

- Completed and signed TRIA Disclosure Statement
- Underlying Binders

Minimum Earned Premium:	25%
Premium:	\$98,800 Premium
TRIA Premium:	\$988 Included in the above premium
Quote Valid Until:	3/1/2014

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.



LINE OF COVERAGE

Excess Workers Compensation - Arch

INSURANCE COMPANY:		<i>Arch Insurance Company</i>
A.M. BEST RATING:		A+ (Superior), XV (\$2 Billion or greater)
STANDARD & POOR'S RATING:		AA-
CALIFORNIA STATUS:		Admitted
POLICY / COVERAGE TERM:		3/1/2015 to 3/1/2016
Coverage:		Excess Workers Compensation and Employers Liability
Limits:		
	Statutory	Workers Compensation
	\$2,000,000	Employers Liability Each Accident
	\$2,000,000	Employers Liability Each Employee for Disease
	\$5,000,000	Employers Liability Aggregate
Self Insured Retention:		
For Workers Compensation and Employers Liability Combined		
	\$1,000,000	Each Accident / Each Employee for Disease
Estimated Payroll:		\$79,875,611
Rate per \$100 of Payroll:		.2599
Endorsement &Exclusions: (including but not limited to)		
		<ul style="list-style-type: none">• Named Insured Addition Endorsement• Losses Redefined to Include Allocated Loss Adjustment Expenses Endorsement• California Foreign Voluntary Compensation and Employers Liability and Repatriation Coverage Endorsement• Terrorism Risk Insurance Program Reauthorization Act Endorsement• California Amendatory Endorsement
Deposit Premium:		\$207,597
Minimum Premium:		\$197,217
Terrorism Premium:		\$6,228 This premium is included in, not in addition to, the policy premium.
Quote Valid Until:		3/1/2015

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.



LINE OF COVERAGE

Excess Workers Compensation – US Specialty

INSURANCE COMPANY:	US Specialty Underwriters	
A.M. BEST RATING:	A (Excellent), XIII (\$2 Billion or greater)	
STANDARD & POOR'S RATING:	AA-	
CALIFORNIA STATUS:	Admitted	
POLICY / COVERAGE TERM:	3/1/2015 to 3/1/2016	
Coverage:	Excess Workers Compensation and Employers Liability	
Limits:		
	Statutory	Workers Compensation
	\$5,000,000	Employers Liability Occurrence
	\$5,000,000	Employers Liability Aggregate
Self Insured Retention:		
For Workers Compensation and Employers Liability Combined		
	Option #1:	
	\$1,000,000	Each Accident / Each Employee for Disease
	Option #2:	
	\$1,250,000	Each Accident / Each Employee for Disease
Estimated Payroll:	\$79,875,611	
Rate per \$100 of Payroll:		
	Option #1:	.2612
	Option #2:	.2228
Endorsement & Exclusions: (including but not limited to)		
	WC990603 0812	Terrorism Premium Endorsement
	WC990602 0812	Catastrophe Premium Endorsement
	4673 WC0807	Escalation Exclusion Endorsement
	4682 WC0807	Notice of Cancellation
	4713 WC1007	California Changes
	4669 WC807	Communicable Disease
	4666 WC0807	Voluntary Compensation
	4675 WC0807	Late Reporting Penalty
Deposit Premium:		
	Option #1:	\$208,635
	Option #2:	\$177,963
Minimum Premium:	90% of Deposit Premium	
Terrorism Premium:	Included	

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LINE OF COVERAGE

Excess Workers Compensation – US Specialty, contd.

Comments / Options: Terms require Quarterly Claims Reporting
Cash Flow Protection (4670 WC0807) with a Per-Occurrence, Per-Year Paid Loss Retention of **\$350,000** can be added for an additional rate / premium of **.0304 / \$24,282**

Quote Valid Until: 3/1/2015

CLAIMS REPORTING NOTICE

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
2015-16 Excess Workers' Compensation
Marketing Results - All Options

2015/16 Estimated Payroll: \$ 79,875,611

2014/15 Carrier
 2014/15 S.I.R.
 2014/15 Rate
 2014/15 Premium
 2014/15 Payroll
 2013/14 Audited Payroll
 2013/14 Audited Premium

Arch Insurance Company
 1,000,000
 0.3197
 232,339
 75,336,576
 78,111,020
 240,113

Carrier	Rate Per \$100 of Payroll	Rate Delta over Expiring	TRIA (Optional)	Estimated Premium	Workers Compensation Limit	Employers Liability Limit	Self Insured Retention
Excess Quotes							
Arch Insurance Company	0.2599	-19%	Included	\$207,597 Deposit Premium \$197,217 Minimum Premium	Statutory	\$2,000,000 Aggregate: \$5,000,000	\$1,000,000
Midwest Employers Casualty	0.4430	39%	Included	\$350,000 Indication	\$50,000,000	\$1,000,000	\$1,000,000
State National Insurance Co	0.2612	-18%	Included	\$208,635 Deposit Premium \$187,772 Minimum Premium	Statutory	\$5,000,000 Aggregate: \$5,000,000	\$1,000,000

State National Insurance Co. Quote--Cash Flow Protection with a Per Occurrence, Per-Year paid loss retention of \$350,000 can be added for an additional rate of .0304--\$24,282 Premium



MARKETING SUMMARY

Excess Liability

Company	Results
Lead Markets	
Starr Indemnity & Liability Company*	Incumbent Carrier, Non-Renewing
ACE Public Entity	Declined – outside of current risk appetite
AIG (Risk Specialists)	Submitted – Response pending
Allied Public Risk (AWAC Paper)	Declined – Transit is not a target glass of business at this time.
Alteris (Argo Paper)	Submitted – Response pending
Berkley Public Entity Managers	Declined – Not in a position to offer the limits the current program is offering due to rail exposure.
Brit	Submitted – Response pending
Catlin, Inc (US)	Declined – Not a market for this class due to significant auto exposure.
CivicRisk (Scottsdale Paper)	Quoted: \$716,541 for \$10M x \$2M SIR
Gemini Transportation Underwriters	Submitted – Response pending
Genesis	Submitted – Looking into offering 1x2 (premium indication to follow. Have asked for 2x2 and 2x3 as well.
Great American Insurance Group	Declined - Only interested in pools at this time
Houston Casualty Company (HCC)	Submitted – would only consider excess of \$25M
Ironshore	Submitted (See excess) – Minimum attachment would be \$10M
Markel (via Midlands)	Declined – Still now approved to consider CA based risks. Also, the rail exposure is a “no-go”
Munich Reinsurance American Risk	Quoted: \$805,694 for \$10M x \$2M SIR
One Beacon	Declined – Risk falls outside of current appetite; while they do write transit districts, they do not if there is rail exposure
Safety National	Declined – Needs collateral lines.



MARKETING SUMMARY, continued

Excess Liability, continued

Company	Results
Lead Markets, contd	
Travelers	Declined – Risk does not meet appetite for several reasons (rail, large urban area served/population, geographic area)
Following Form Excess Markets	
Berkley Custom Insurance Managers*	Incumbent – Quoted
Great American Custom*	Incumbent – Quoted
AWAC*	Incumbent – Quoted.
ACE Westchester	Declined – Due to the multiple rail operations
AIG (Risk Specialists)	See lead comments
Arch	Declined – Will not pick up the light rail service
AXIS	Submitted – Response pending
Berkshire Hathaway Specialty	Declined – Still not a market for Transit Authorities
CivicRisk (Scottsdale Paper)	See lead comments
Colony	Declined – Unable to entertain any Class 1 railroads, subway and street railway cannot write any railroad construction
Cover X	Declined – Falls outside of appetite
Endurance	Declined – Unable to offer terms due to rail exposure.
Houston Casualty Company (HCC)	Submitted – Would likely fall high up the tower before an exception would be made; excess of \$25M
Ironshore	Submitted – Response pending – Minimum attachment would be \$10M
Navigators	Declined – Due to class of business/appetite
Torus	Declined – Still does not fit appetite



MARKETING SUMMARY, continued

Excess Workers' Compensation

Company	Results
Excess Markets	
Arch Insurance Company	Quoted
Midwest Employer Casualty	Quoted – Pricing indication provided
State National Insurance Company (US Specialty)	Quoted



DISCLOSURES

This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.

Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal whether or not this offer has already been accepted.

This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance



DISCLOSURES

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at www.alliantinsurance.com. For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at www.ambest.com. For additional information regarding insurer financial strength ratings visit Standard and Poor's website at www.standardandpoors.com.

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.



CERTIFICATES / EVIDENCE OF INSURANCE

Certificates of insurance are issued as a matter of information only and confer no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

Glossary of Insurance Terms

Below are a couple of links to assist you in understanding the insurance terms you may find within your insurance coverages:

<http://insurancecommunityuniversity.com/UniversityResources/InsuranceGlossaryFREE.aspx>

<http://www.ambest.com/resource/glossary.html>

<http://www.irmi.com/online/insurance-glossary/default.aspx>



OTHER ALLIANT SERVICES

AlliantConnect

AlliantConnect is an online portal created especially for you to access and manage your insurance information in real time.

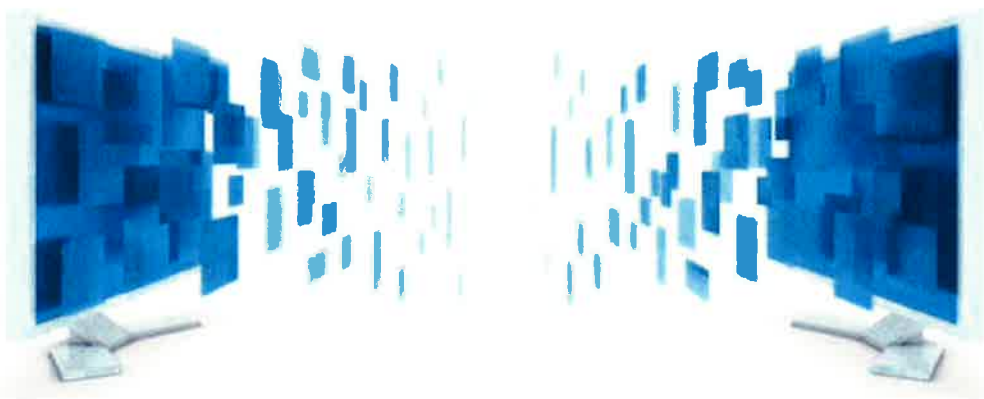
What is AlliantConnect?

This secure, easy-to-use portal enables you to easily access and manage your insurance information from any Internet connection at any time. Your customized portal provides you with the following:

- A transparent view into your insurance business
- Easy management of your documents, including certificate issuance
- Help with risk control through a comprehensive library of fact sheets, white papers, presentations, and training videos
- An easy place for clients to find a summary of their policy coverages
- A single source to track important dates and announcements
- Access to your Alliant service team

All client data is secured to the appropriate account teams, and the database itself and all backups are stored in a highly encrypted format. In addition, all document changes are archived for audit history.

Contact your service team to set up AlliantConnect today!





OTHER ALLIANT SERVICES

Alliant Business Services: HR Membership Program

Strategic HR

Strategic HR's Membership Program is designed to help our clients protect their company or organization by averting potential problems before they develop, and quickly responding to employment-related issues after they occur. In addition, HR members have access to a wide array of tools and resources to help them navigate the complex world of human resources.

The HR Membership Program provides clients of Alliant Insurance Services with the following:

- **Consultation with Human Resources Experts:** Assigned consultants respond quickly with advice and guidance on any HR or safety issue, such as:
 - Problem employees
 - Terminations
 - Compliance
 - Wage and hour issues
 - Leaves of absence
 - Harassment
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 - Performance Evaluations
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 - Discipline and Termination
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 - HR Plus: accurate and timely background information
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 - Strategic HR Staffing – temporary and fulltime placement

Please contact SHR for details.

Contact Information:
(866)716-6294 Toll free
clientcare@strategichr.com



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When seeking a qualified risk control consultant, you should ask:

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riskcontrol@alliantinsurance.com



BIND COVERAGE REQUEST

Binding of the renewal option may be requested by signing, dating below, and returning to Alliant Insurance prior to 3/1/2015.

This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. The Actual terms and conditions of the policy will prevail.

Signature of Authorized Insurance Representative
San Diego Metropolitan Transit District

Date



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San Diego, CA 92101-7490
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Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

HEWLETT-PACKARD C7000 SERVER PLATFORM

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to issue a Purchase Order to CDW-G for the provision of a Hewlett-Packard (HP) C7000 BladeSystem server platform, including its associated network and storage interconnect modules, as well as software, support, and professional services necessary for the installation, configuration and testing of the equipment. This procurement utilizes the Western States Contracting Alliance (WSCA) / National Association of State Procurement Officials (NASPO) Master Price Agreement Contract Number B27164-CA.

Budget Impact

The total cost of this procurement will not exceed \$299,236.16 and the funding and expense itemization are as follows:

MTS Capital Improvement Project: 11380	Hardware:	\$	125,560.98
	Software:		49,715.90
	Installation:		6,599.40
	Tax		10,044.88
		\$	191,921.16
Operating Budget: 532-53910	5 Year Maintenance		107,315.00
Grand Total		\$	299,236.16

Under MTS's Compass Card agreement with North County Transit District (NCTD), NCTD is responsible for 25% of these costs.



DISCUSSION:

In early 2009, MTS, the San Diego Association of Governments (SANDAG) and NCTD began transitioning from paper fare products to the Compass Card smart card. Under a Memorandum of Understanding between MTS, SANDAG and NCTD, SANDAG's Information Technology (IT) department had the responsibility of operating and maintaining the Compass Card "back office" software programs.

Also, in 2009, SANDAG entered into a five-year agreement with the software developer, Cubic, for software maintenance. The agreement was annually renewable with the last year of service ending on December 12, 2013. In August 2013, MTS and SANDAG negotiated a new agreement with Cubic to continue the service to support daily operations. This was part of the transition of responsibilities of Compass Card program operations from SANDAG to MTS.

In July 2014, MTS took over responsibilities of managing the Compass Card program and all technology-related components including support services from SANDAG.

The Compass Card program operates on a 24 X 7 X 365 schedule, has high visibility and is a critical revenue program for MTS. At this time, the hardware that supports the Compass Card program is out of date and requires replacement.

MTS is standardized on the HP BladeSystem C7000 as a means of providing an economical, flexible, efficient, compact and reliable server platform. MTS currently has two HP C7000's deployed and they have proven to be outstanding general purpose server platforms capable of accommodating all of MTS's business needs. These systems utilize a small footprint and are high-performance, high-efficiency, scalable devices which have allowed MTS to consolidate server, storage, networking and power management into a single solution. The systems are centrally managed and staff is knowledgeable in their configuration and support. MTS will utilize this platform to replace all Compass Card program servers.

The WSCA / NASPO Cooperative Purchasing Organization is a national cooperative purchasing program organized in 2012 by and among the Chief Procurement Officers of all 50 states, the District of Columbia and the organized U.S. territories to create nationwide procurement cooperatives that will leverage the collective procurement expertise and experience among its members. It also leverages the collective bargaining power of all participants in a manner that will spur innovation and promote competition in the marketplace. Agreements awarded by this cooperative procurement organization are results of competitive solicitations.

Staff recommends that the Board authorizes the CEO to issue a Purchase Order to CDW-G for the provision of an HP C7000 BladeSystem which will be used to replace the current end-of-life servers supporting the Compass Card program.



Paul C. Jablonski
Chief Executive Officer

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



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

Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT: MIGRATION OF COMPASS CARD PROGRAM "BACK OFFICE" SOFTWARE TO NEW
HARDWARE

RECOMMENDATION:

That the Board of Directors (Board) authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1789.0-15 (in substantially the same format as Attachment A), with Cubic Transportation Systems, Inc. (Cubic), on a sole source basis, for the provision of professional services to migrate all software related to the Compass Card "back office" program from existing hardware to new hardware.

Budget Impact

The total cost of this agreement is a firm-fixed price of \$236,531.00, as follows:

Mobilization	\$ 59,132.70
Project Completion	177,398.30
Total	<u>\$ 236,531.00</u>

This project will be funded through the MTS Capital Improvement Program (CIP) project number 11380. Under MTS's Compass Card agreement with North County Transit District (NCTD), NCTD is responsible for 25% of these costs.

DISCUSSION:

In early 2009, MTS, the San Diego Association of Governments (SANDAG) and North County Transit District (NCTD) began transitioning from paper fare products to the Compass Card smart card. Under a Memorandum of Understanding (MOU) between MTS, SANDAG and NCTD, SANDAG's Information Technology (IT) department had the responsibility of operating and maintaining the Compass Card "back office" software programs.

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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.

Also, in 2009, SANDAG entered into a five-year agreement with the software developer, Cubic, for software maintenance. The agreement was annually renewable with the last year of service ending on December 12, 2013. In August 2013, MTS and SANDAG negotiated a new agreement with Cubic to continue the service to support daily operations. This was part of the transition of responsibilities of Compass Card program operations from SANDAG to MTS.

In July 2014, MTS took over responsibilities of managing the Compass Card program and all technology-related components including support services from SANDAG.

The Compass Card program operates on a 24 X 7 X 365 schedule, has high visibility and is a critical revenue program for MTS. At this time, the hardware that supports the Compass Card program is out of date and requires replacement. MTS has completed a separate procurement for hardware upgrades and is requesting MTS Board approval as a separate agenda item in February 2015.

As the software that makes up the Compass Card program is part of Cubic's proprietary system, MTS must engage Cubic to migrate the software from the old to new hardware. This sole source award is recommended because Cubic software has no licensed third party service providers and all intellectual property rights are held by Cubic.

Staff is recommending that the Board authorizes MTS to contract with Cubic on a sole source basis, for the provision of professional services to migrate all software related to the Compass Card "back office" program to refreshed hardware.


Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft Standard Service Agreement, MTS Doc. No. G1789.0-15

**ATTACHMENT A
(DRAFT)**

**STANDARD SERVICES AGREEMENT
FOR
COMPASS CARD SOFTWARE MIGRATION**

G1789.0-15
CONTRACT NUMBER

CIP 11380
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: CUBIC Transportation Systems, Inc.

Address: 1308 South Washington Street.

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

Tullahoma, TN 37388

Telephone: (213) 814-5032

Authorized person to sign contracts: Paul McDevitt Project Manager
Name Title

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

Provide software migration services as described in Cubic Transportation Systems, Inc. Hardware Refresh Scope of Work (attached as Exhibit A), and in accordance with the Standard Conditions Services Agreement, including the Standard Conditions Services (attached as Exhibit B).

Total contract will be a firm fixed price in the amount of **\$236,531.00.**

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
<u>\$ 236,531.00</u>	<u>11380-0200</u>	<u>FY 15</u>

By: _____
Chief Financial Officer Date

(____ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 6-13)
DATE



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Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

FEDERAL DISCRETIONARY STATE OF GOOD REPAIR FUNDING TRANSFER

RECOMMENDATION:

That the Board of Directors approve the transfer of \$809,091 of excess State of Good Repair (SGR) funds from the East County Bus Maintenance Facility CNG Station project to the Enterprise Resource Planning (ERP) / Transit Asset Management (TAM) Replacement project.

Budget Impact

Funds are available within MTS Capital Improvement Project (CIP) 11482 (ECBMF CNG Station) in the amount of \$809,091 which would be transferred to MTS CIP 11345 (ERP / TAM Replacement).

DISCUSSION:

MTS was awarded federal discretionary SGR funding in July 2012, which consisted of \$10,000,000 of funding to support the East County Bus Maintenance Facility (ECBMF) (\$6,000,000 for ECBMF construction and \$4,000,000 for ECBMF CNG Station) project and an additional \$3,000,000 for a TAM system.

The overall ECBMF construction project has been divided into two parts. The San Diego Association of Governments (SANDAG) is overseeing the design-bid-build project for the ECBMF construction and has a budget of \$44,957,017. Due to the considerable experience and knowledge of MTS's own project management staff in regard to construction of CNG stations, MTS is responsible for an additional \$5,000,000 budget for the CNG Station construction project.

The ECBMF construction and CNG Station projects are fully funded. The CNG Station is funded with \$4,000,000 in federal SGR funds and \$1,000,000 of local matching funds. In 2014, the CNG Station was completed and came in \$809,091 under budget.



Per federal grant requirements, the excess SGR funding needs to be spent on either the ECBMF project or the TAM Replacement project.

The TAM Replacement project is part of a larger project to replace MTS's ERP system and is currently not fully funded. Therefore, staff recommends transferring the remaining \$809,091 of funding from MTS CIP 11482 for the ECBMF CNG Station to MTS CIP 11345 for the ERP / TAM Replacement project.



Paul C. Jablonski
Chief Executive Officer

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

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Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

UNALLOCATED TRANSPORTATION DEVELOPMENT ACT (TDA) FUNDS FOR
TRANSIT-RELATED PROJECTS

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to approve the use of \$250,556 in the City of Chula Vista's unallocated TDA funds currently held by the County of San Diego (County). These TDA funds will cover the cost of rehabilitating the John Lippit Public Works Center in the City of Chula Vista.

Budget Impact

The use of unallocated TDA funds set aside by the County for transit-related projects in various jurisdictions would have no impact on MTS's operating or capital budgets. This request of \$250,556 will exhaust the entire balance of the total available unallocated TDA funds held by the County for the benefit of the City of Chula Vista.

DISCUSSION:

On January 21, 2015, MTS received a request from the City of Chula Vista (Attachment A) for \$250,556 of the City of Chula Vista's portion of the unallocated TDA funds held by the County. The purpose of this request is to rehabilitate the John Lippit Public Works Center which includes the pavement of the transit yard for the City of Chula Vista.

The total available City of Chula Vista's unallocated TDA funds, totaling \$250,556, will be exhausted after this request.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Sharon Cooney, 619.557.4513, Sharon.Cooney@sdmts.com
Attachment: A. Letter from City of Chula Vista





Public Works Department - Transit Division

January 14, 2015
File No. DS 022

Mr. Paul C. Jablonski, Chief Executive Officer
San Diego Metropolitan Transit System
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101-7490

Dear Mr. Jablonski:

CITY OF CHULA VISTA UNALLOCATED TDA CLAIM

The City of Chula Vista is requesting City of Chula Vista prior-year, unallocated Transportation Development Act (TDA) funds for the transit yard pavement rehabilitation project. After twelve years of operating transit services from the City's Public Works yard, Transit staff has identified the above mentioned project. On December 12, 2014, the Chula Vista City Council passed a resolution allocating \$261,556 of available City TDA funds for this project. We ask that the MTS Board take action on our behalf in requesting the amount of \$250,556 that is available to the City per SANDAG. Please inform us of any additional requirements and/or procedures we need to complete in order for your agency to process this request. If you need additional information, please call me at 397-6061(o) or 921-9858 (m).

Sincerely,

ANDRES S TRUJILLO
TRANSIT MANAGER

AST:ast

Attachments

cc: Rick Hopkins, Director of Public Works
Iracseman Quilantan, Asst. Director of Public Works
Sookyung Kim, SANDAG
Eric Cheng, SDMTS

RESOLUTION NO. 2014-247

RESOLUTION OF THE CITY OF COUNCIL OF THE CITY OF CHULA VISTA REQUESTING THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM APPROVE THE USE OF CITY OF CHULA VISTA PRIOR-YEAR UNALLOCATED TRANSPORTATION DEVELOPMENT ACT ARTICLE 4.0 FUNDS IN THE AMOUNT OF \$261,556 FOR THE REHABILITATION OF THE PUBLIC WORKS CENTER/TRANSIT YARD PAVEMENT; ESTABLISHING A NEW CAPITAL IMPROVEMENT PROJECT "PUBLIC WORKS CENTER/TRANSIT YARD PAVEMENT PROJECT" (GG224); AND APPROPRIATING \$261,556 OF TRANSPORTATION DEVELOPMENT ACT FUNDS TO THE GG224 PROJECT

WHEREAS, the City of Chula Vista's transit service has been operating from the John Lippit Public Works Center (PWC) since 2002; and

WHEREAS, the PWC is in need of facility repairs, after twelve years of operating transit services; and

WHEREAS, Public Works staff has recommended the use of City of Chula Vista unallocated prior-year Transportation Development Act (TDA) funds to undertake these repairs; and

WHEREAS, staff has estimated the amount of \$261,556 to complete the recommended repairs that include rehabilitating the PWC yard pavement; and

WHEREAS, the City currently has approximately \$261,556 in unallocated TDA fund that can be used for the above mentioned project.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chula Vista, that it request that the San Diego Metropolitan Transit System approve the use of \$261,556 in prior-year TDA funds for the rehabilitation of the Public Works Center/Transit Yard pavement and authorize and direct the Director of Public Works to take all actions necessary to secure the funds for this purpose.

BE IT FURTHER RESOLVED by the City Council of the City of Chula Vista that it appropriate \$261,556 to the Transit Capital Projects fund's CIP expense category for the newly established CIP "Public Works Center/Transit Yard Pavement Project" (GG224); this appropriation will be offset by prior-year TDA revenues.

Resolution No. 2014-247
Page No. 2

Presented by

Approved as to form by


Richard A. Hopkins
Director of Public Works



Glen R. Googins
City Attorney

PASSED, APPROVED, and ADOPTED by the City Council of the City of Chula Vista, California, this 16th day of December 2014 by the following vote:

AYES: Councilmembers: Aguilar, Bensoussan, McCann and Salas

NAYS: Councilmembers: None

ABSENT: Councilmembers: None


Mary Salas, Mayor

ATTEST:


Donna R. Norris, CMC, City Clerk

STATE OF CALIFORNIA)
COUNTY OF SAN DIEGO)
CITY OF CHULA VISTA)

I, Donna R. Norris, City Clerk of Chula Vista, California, do hereby certify that the foregoing Resolution No. 2014-247 was duly passed, approved, and adopted by the City Council at a regular meeting of the Chula Vista City Council held on the 16th day of December 2014.

Executed this 16th day of December 2014.


Donna R. Norris, CMC, City Clerk



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Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

THIRD PARTY ADMINISTRATION FOR THE SAN DIEGO TRANSIT CORPORATION
(SDTC) RETIREMENT PLANS – SINGLE RESPONSIVE PROPOSAL 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 San Diego Transit Corporation Employees' Retirement Plans (Plan), MTS Doc. No. G1706.0-14 (in substantially the same format as Attachment A) with The Howard E. Nyhart Company, Inc. (Nyhart) for the provision of third party administration 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 \$309,060. 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 (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 (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 IBEW. The ATU Retirement Board consists of three members from MTS and three members from ATU and the Noncontract Retirement Board consists of three members from MTS.

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 third party administrator. Therefore, the MTS procurement department worked with the Retirement Boards and conducted a competitive process to select a new third party administrator. 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 July 18, 2014, MTS issued, on behalf of the Retirement Boards, a Request for Proposals (RFP) for Third Party Administration Services for the Plan to secure a multiyear contract and provide professional services, on behalf of the retirement plans for employees of San Diego Transit Corporation. The services include administering and distributing pension applications, generation and mailing of annual pension statements, tracking participants who have retired on a disability pension, providing a timely customer service and a secure recordkeeping system, and scheduling monthly Pension Board meetings that include pension application presentations.

On September 24, 2014, a single proposal was received from Nyhart, whose proposal satisfactorily met the RFP requirements and was deemed responsive and responsible. To ascertain that the RFP solicitation was properly published and to ensure that its contents were not restrictive, staff conducted a post-proposal survey of potential proposers that chose not to submit a proposal. Based on the responses received, it was determined that there was adequate competition as the reasons for choosing not to submit a proposal were caused by conditions beyond MTS's control.

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	25%
3.	Proposed Methodology and Work Plan	20%
4.	Cost/Price	<u>40%</u>
		Total 100%

Based on the selection committee's evaluation of the technical proposal, discussions, and analysis of the price offered, it was determined that Nyhart's proposal illustrated a reasonable understanding of the scope of work and offered a knowledgeable and professional management team.

As this is a single responsive proposal, staff performed a cost analysis of the benefits of creating a new position to bring the TPA service in-house as an alternative, and also

compared the independent cost estimate to Nyhart's cost proposal, and determined Nyhart's price to be fair and reasonable (Attachment B).

On January 29, 2015, the SDTC Pension Board voted to recommend that the Board authorize the CEO of MTS, as agent for the Retirement Boards, to execute the contract with Nyhart.

The following table represents the final score for Nyhart:

PROPOSER NAME	TOTAL AVG. TECH. SCORE	AVG. COST SCORE	TOTAL SCORE (Tech + Cost) Total Possible Points: 100
NYHART	36	40	76



Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft Standard Services Agreement; Contract G1706.0-14
B. Cost Analysis

MTS Doc No.: G1706.0-14

ORIGINAL

STANDARD SERVICES AGREEMENT (the "Agreement")

AMONG

THE RETIREMENT BOARDS OF THE RETIREMENT PLAN FOR A.T.U. LOCAL 1309 CONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION, THE RETIREMENT PLAN FOR I.B.E.W LOCAL 465 CONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION, AND THE RETIREMENT PLAN FOR NONCONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION, METROPOLITAN TRANSIT SYSTEM

AND

THE HOWARD E. NYHART COMPANY, INC.

FOR THE THIRD PARTY ADMINISTRATION SERVICES FOR

THE RETIREMENT PLAN FOR A.T.U. LOCAL 1309 CONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION, THE RETIREMENT PLAN FOR I.B.E.W LOCAL 465 CONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION, AND THE RETIREMENT PLAN FOR NONCONTRACT EMPLOYEES OF SAN DIEGO TRANSIT CORPORATION (collectively, the "Plans")

This Agreement is entered into this ____ day of _____, 2014, by and among (A) (i) the Retirement Board of the Retirement Plan for A.T.U. Local 1309 Contract Employees of San Diego Transit Corporation, (ii) the Retirement Board of the Retirement Plan for I.B.E.W Local 465 Contract Employees of San Diego Transit Corporation, and (iii) the Retirement Board of the Retirement Plan for Noncontract Employees Of San Diego Transit Corporation (collectively, the Retirement Boards"), (B) the San Diego Metropolitan Transit System (hereinafter MTS), and (C) The Howard E. Nyhart Company, Inc. (hereinafter "Nyhart").

WHEREAS, pursuant to Article XVI, Section 17 of the California Constitution, the Retirement Boards have the responsibility for management of the assets of the Plans; and

WHEREAS, the assets of the Plans are held in a single trust and the Retirement Boards desire to engage the services of a third party administrator with respect to assets of the Plans; and

WHEREAS, Nyhart, as the authorized "Contractor" shall provide third party administration services on behalf of the Plans for employees of the San Diego Transit Corporation as set forth in the Scope of Work (attached as Exhibit A), Nyhart's Proposal dated September 3, 2014 (attached as Exhibit B), in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C); and

WHEREAS, the contract term is for up to a 10-year period (5-year base with five 1-year options exercisable at the Retirement Boards' sole discretion); base period shall be effective December 1, 2014, through November 30, 2019, and Option Years 1 through 5 shall be effective December 1, 2019, through November 30, 2024; payment terms shall be net 30 days from invoice date; total contract cost shall not exceed \$168,762 for the base period and \$140,298 for the option years for a total of **\$309,060**; and

WHEREAS, MTS, a California public agency, is the sole statutory member of San Diego Transit Corporation and, inasmuch as the Retirement Boards do not have any employees or staff to administer and oversee this Agreement, MTS shall act as an agent and contract administrator on behalf of the Retirement Boards; and

WHEREAS, all parties hereto acknowledge and agree that references in the Agreement to MTS shall be deemed to refer to MTS as the agent and contract administrator on behalf of the Retirement Boards, and, without limiting the foregoing, the parties agree that

- (i) the Retirement Boards shall be additional named insureds as provided under Section 2.A(1)(a) of this Agreement;
- (ii) Contractor waives any right of subrogation against the Retirement Boards under Section 2.A(1)(c) of this Agreement;

- (iii) any insurance of the Retirement Boards shall be excess and noncontributory as provided under Section 2.B.11 of the Agreement;
- (iv) the Retirement Boards shall be entitled to indemnification as provided under Section 4 of the Agreement;
- (v) any and all rights to terminate the Agreement, as set forth in Section 3 of the Agreement shall be exercised by the Retirement Boards;
- (vi) any and all rights in connection with the assignability of the Agreement, as set forth in Section 5(a) of the Agreement shall be exercised by the Retirement Boards;
- (vii) ownership of the documents described in Section 18 of the Agreement shall be vested in the Retirement Boards;
- (viii) Exercise of the remedies specified in Section 21 of the Agreement shall be by the Retirement Boards;
- (ix) the Retirement Boards shall be entitled to indemnification as provided under Section 25 of the Agreement; and
- (x) the Retirement Boards shall be entitled to be held harmless as provided under Section 27.E of the Agreement; and

WHEREAS, This Agreement may be amended at any time by mutual written consent; and

WHEREAS, the parties signing below, desire that the recitals set forth above be incorporated into and become part of this Agreement.

DRAFT

IN WITNESS WHEREOF, the parties to this Standard Services Agreement have executed same as of date first above written.

Retirement Board of the Retirement Plan for A.T.U.
Local 1309 Contract Employees of San Diego
Transit Corporation

By: _____
Its: _____

By: _____
Its: _____

Retirement Board of the Retirement Plan for
I.B.E.W Local 465 Contract Employees of San
Diego Transit Corporation

By: _____
Its: _____

By: _____
Its: _____

Retirement Board of the Retirement Plan for
Noncontract Employees Of San Diego Transit
Corporation

By: _____
Its: _____

By: _____
Its: _____

San Diego Metropolitan Transit System,
a California public agency

By: _____
Paul Jablonski,
Chief Executive Officer

The Howard E. Nyhart Company, Inc. ("Nyhart")

By: _____
Teena M. Sarkissian
Co-Director, West Coast Operations

(___ total pages, each bearing contract number)

SA-SERVICES REVISED (REV 2-14)
DATE

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

**3RD PARTY ADMINISTRATION SERVICES _ SDTC PENSION PLAN
MTS DOC. NO. G1706.0-14**

COST ANALYSIS

Description	Nyhart's Proposed Pricing	Independent Cost Estimate (ICE)
Rate per Participant per month (based on est. 835 participants *)	\$37,575	\$37,517
General Misc.	\$ 500	\$ 980
Total Cost – FY15	\$38,075	\$38,497

* Rate per Participant	\$ 3.74	\$ 3.75
------------------------	---------	---------

Description	New MTS Employee – TPA Pension Plan Administrator (In-House Alternative)
Annual Salary	\$ 45,000
Benefits	\$ 32,409
Overhead	\$ 16,341
Total Annual Cost	\$ 93,750
FTE Level	0.5
Estimated Annual Cost	\$46,875



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Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

FEBRUARY 12, 2015

SUBJECT:

INVESTMENT REPORT – DECEMBER 2014

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of December 31, 2014. The combined total of all investments has decreased month to month from \$215.3 million to \$203.1 million. This \$12.2 million decrease is attributable to expenditures of \$10.0 million for acquisition of capital assets, 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

Attachment: A. Investment Report for December 2014

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

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



**San Diego Metropolitan Transit System
Investment Report
December 31, 2014**

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	9,973,349	9,973,349	0.00%
Total Cash and Cash Equivalents	<u>-</u>	<u>9,973,349</u>	<u>9,973,349</u>	
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	3,672,380	184,253	3,856,633	
Total Cash - Restricted for Capital Support	<u>8,430,962</u>	<u>184,253</u>	<u>8,615,215</u>	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	19,745,588	48,511,046	68,256,634	0.267%
Total Investments - Working Capital	<u>19,745,588</u>	<u>48,511,046</u>	<u>68,256,634</u>	
Investments - Restricted for Debt Service				
US Bank - Treasury Strips - market value (Par value \$39,474,000)	39,433,887	-	39,433,887	
Rabobank - Payment Undertaking Agreement	76,816,295	-	76,816,295	7.69%
Total Investments Restricted for Debt Service	<u>116,250,182</u>	<u>-</u>	<u>116,250,182</u>	
Total cash and investments	<u>\$ 144,426,732</u>	<u>\$ 58,668,648</u>	<u>\$ 203,095,380</u>	

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



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

Agenda Item No. 14

MEETING OF SAN DIEGO THE METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

REVISIONS TO BOARD POLICY NO. 22 (RULES OF PROCEDURE FOR THE
METROPOLITAN TRANSIT SYSTEM (MTS))

RECOMMENDATION:

That the Board of Directors approve the proposed revisions to Board Policy No. 22
(Attachment A).

Budget Impact

None.

DISCUSSION:

Board Policy No. 22, titled "Rules of Procedure for the Metropolitan Transit System (MTS)" sets for rules and procedures related to membership on the MTS Board of Directors, Board meetings, ordinances, public comment, appointment of a Chairperson, election of Board officers and committee appointments, membership and duties of the Executive Committee, membership and duties of the Audit Oversight Committee, and Board member standards of conduct.

Board Policy No. 22 was last updated in 2008 and certain updates are necessary to conform the policy to current legal standards and Board practices.

The proposed revisions are as follows:

1. Adding a reference to the MTS enabling legislation set forth in Sections 120000 through 120702 of the Public Utilities Code. Proposed revisions simply clarify that this legislation, and any other applicable law, controls in the event of any conflict with this board policy.



2. Deleting the requirement that the Board hold a meeting in each month of the calendar year. In certain instances, due to the unavailability of a quorum or a lack of business for the Board, an individual board meeting may be cancelled by the Chairperson. The MTS enabling legislation does not require that the Board meet each and every month. Removing this provision gives the Board flexibility to hold meetings only when there is business to conduct and a sufficient quorum of Board members is available to attend.
3. Adding a requirement that the Board's annual schedule of meetings be published on the MTS website and posted at the MTS Executive Offices. This addition simply updates the policy to reflect current practices.
4. Deleting requirement that all ordinances adopted or revised by the Board be considered at two separate Board meetings. The MTS enabling legislation does not require that ordinances be adopted after at least two meetings. Instead, Public Utilities Code section 120109 simply requires that the Clerk of the Board publish and post a summary of the proposed ordinance or amendment at least five days prior to the Board meeting at which the ordinance will be adopted. The revisions in Section 22.4 of the policy simply aligns the Board policy with the legal requirements for such actions. This rule change will not prevent the Board from deciding to consider and discuss a proposed ordinance or amendment over a series of meetings, if public comment or issues warrant extended discussion or consideration. However, this policy change will allow minor or routine actions to be considered and approved at a single meeting.
5. Align South Bay Executive Committee membership with procedure for East County membership. Section 22.8.2 of the policy specifies the rotation of membership on the Executive Committee for members from the East County and South Bay cities. In general, the policy provides for a rotation of staggered 2-year terms for each group of cities. Current policy has a special exception related to a minimum tenure on the MTS Board for the South Bay cities' Executive Committee rotation. In previous years, this resulted in certain cities being skipped in the rotation because the city's Board member did not have the minimum two years' tenure required. The South Bay Board members (Chula Vista, Coronado, Imperial Beach and National City) have requested that the minimum tenure requirements be removed from Section 22.8.2. This change will not impact current membership on the Executive Committee since Lorie Bragg meets the minimum tenure requirements set forth in Section 22.8.2. Her two-year Executive Committee term on behalf of the City of Imperial Beach began January 2015.
6. Clarify that the City of San Diego chooses its Executive Committee alternate member. Section 22.8.3.2 specifies that the City of San Diego Executive Committee alternate shall be chosen from the three other City of San Diego Board members. The proposed revision simply clarifies that the choice of alternates (from the three other MTS Board members) is made by the City of San Diego. Current practice is that the City Council makes an appointment each year specifying the four council members appointed to the MTS Board, the individual council member/Board member appointed to represent the City of San Diego on the Executive Committee, and the individual council member/Board member appointed to represent the City of San Diego as the alternate member of the Executive Committee. The proposed policy clarification will not affect this practice.

7. Allowing Flexibility in Audit Oversight Committee membership. Proposed changes in Section 22.9 are intended to provide flexibility for the Board to make appointments to the Audit Oversight Committee. Current policy is that committee membership is limited to Board members. Other individuals may be appointed as non-voting advisory members only. The proposed changes to Section 22.9 would allow the Board to appoint non-board members to the Audit Oversight Committee and specifies that the Chair of this committee is a voting member.

Current policy states that no additional compensation is provided for service on the Audit Oversight Committee if a committee member is already receiving compensation for attending a Board or Executive Committee meeting on the same day. The proposed change maintains this provision against "double compensation" for serial meetings in a single day but clarifies that voting members (regardless of Board membership) will be compensated for attendance at an Audit Oversight Committee meeting if it is the only MTS-related meeting attended by the member that day.

These proposed changes provide greater flexibility for the Board in appointing representatives to this advisory committee. It also will allow the current appointments for the 2015 Audit Oversight Committee, which includes former MTS Board member Ernest Ewin as the Chairperson of the committee.

8. Clarifies that applicable laws and regulations also govern Board Member standards of conduct. Proposed changes to Section 22.10.2 simply acknowledge that various other laws and regulations (such as the Brown Act, Government Code section 1090 and the Political Reform Act) govern Board Member standards of conduct, in addition to the MTS Conflict of Interest Code that is referenced in that section. Board Policy No. 22 is intended to supplement such laws and regulations, not to contravene or supersede them.


Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Board Policy No. 22 (redline format)



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

Policies and Procedures

No. 22

Board Approval: 12/11/08 2/12/15

SUBJECT:

RULES OF PROCEDURE FOR THE SAN DIEGO METROPOLITAN TRANSIT
SYSTEM (MTS) BOARD OF DIRECTORS

PURPOSE:

To define and clarify Board Rules of Procedure and incorporate them in Board Policy.

BACKGROUND:

In 1977, the Board adopted Rules of Procedure by resolution and from time to time amendments have been adopted. The Rules shall be contained in Board Policy for ease of reference and periodic updating. The Board is established and governed by the Mills-Deddeh Transit Development Act, set forth in the Sections 120000 through 120702 of the California Public Utilities Code ("MTS Enabling Legislation"). Section 120101 requires to the Board to "establish rules for its proceedings." In the event the rules of procedure set forth herein conflict with the MTS Enabling Legislation, or other applicable law, the applicable law shall supersede these rules.

22.1 Membership and Organization

- 22.1.1 Membership in this Board is established by Division 11, Chapter 1, Sections 120050 through 120051.6 of the California Public Utilities Code.
- 22.1.2 The Board consists of 15 members selected as follows:
- a. One member of the County of San Diego Board of Supervisors appointed by the Board of Supervisors.
 - b. Four members of the City Council of the City of San Diego, one of whom may be the mayor, appointed by the City Council.



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.

- c. One member of each city council appointed individually by the City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.
- d. One person, a resident of San Diego County, elected by a two-thirds vote of the Board, a quorum being present, who shall serve as chairperson of the Board.

22.1.3 Any person who is a member of the Board may be appointed by his or her appointing authority to continue to serve as a member of the Board after the termination of his or her term of office for a period not to exceed four years after the date of termination of his or her term of elected office.

22.1.4 Alternate members of the Board shall be appointed as follows:

- a. The County of San Diego Board of Supervisors shall appoint any other county supervisor who qualifies for appointment to serve as an alternate member.
- b. The City Council of the City of San Diego shall appoint a member of the City Council not already appointed to serve as an alternate member.
- c. The City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee shall each individually appoint a member of their respective city councils not already appointed to serve as an alternate member.

22.1.5 This Board shall exercise all powers authorized by the laws of the State of California.

22.1.6 Only the duly selected official representative, or in his or her absence his or her duly selected alternate, shall be entitled to represent a member agency in the deliberations of the Board.

22.1.7 Names of the official representatives and alternates shall be communicated in writing to the Board by each participating member agency and shall thereafter be annually communicated or reaffirmed prior to the February meeting of the Board and at such other times as changes in representation are made by member agencies.

22.1.8 The Board shall have the authority to appoint committees or subcommittees and may provide for the appointment of alternates to these committees or subcommittees.

- 22.1.9 Standing committees shall be appointed by the Board as may be required to carry out general and continuing functions and shall be abolished only upon specific action by the Board.
- 22.1.10 Ad hoc specialized subcommittees may be appointed by the Board as the need arises to accomplish specific tasks. Upon completion of its assignment, each ad hoc subcommittee shall disband.
- 22.1.11 Board members serving on such subcommittees shall be compensated as provided by Board ordinance. The Chief Executive Officer is authorized to enter into agreements to compensate individuals who were Board members at the time of their appointments to such subcommittees and who continue to serve on such subcommittees after their terms of office as Board members, subject to the same limitations as exist for compensation of Board members, and subject to replacement by the Board.

22.2 Meetings

- 22.2.1 On or before the first regular meeting of the Board in December of each year, the Board shall adopt a schedule of its meetings by date, time, and location for the coming year. ~~The Board shall conduct at least one regular meeting in each of the subsequent twelve months.~~ The schedule of the meetings shall be published in the local newspaper of general circulation prior to the next regular meeting. The schedule of meetings shall also be published on the MTS website and posted at the MTS Executive Offices.
- 22.2.2 The Board may, when necessary, change the time and place of regular meetings. Notice of such change shall be posted pursuant to the Ralph M. Brown Act.
- 22.2.3 The Clerk of the Board shall forward written notice of the annual schedule of regular meetings and any changes thereto stating the dates, times, and locations to each member's agency and to the respective members and alternates of the Board and the standing committees.
- 22.2.4 Special meetings may be called and noticed under the provisions of the Ralph M. Brown Act as applicable and, specifically, Section 54956 of the California Government Code. The call and notice shall be posted in an area accessible to the public at least 24 hours prior to the meeting.
- Special meetings normally shall be called by a majority of the Board or Executive Committee only upon a finding that extraordinary circumstances require Board action prior to the next scheduled Board meeting, such as to discuss a work stoppage or

significant litigation, or that a special meeting is necessary to hold a workshop, a joint meeting with another agency, or for other special purposes at a future date beyond the next Board meeting. The Chair may call such meetings only when such extraordinary circumstances arise after the last Board or Executive Committee meeting and Board action is required prior to the next regularly scheduled Board or Executive Committee meeting.

- 22.2.5 A majority of the members of the Board shall constitute a quorum for the transaction of business, and all official acts of the Board shall require the affirmative vote of a majority of the members of the Board.
- 22.2.6 Parliamentary procedure at all meetings shall be governed by Robert's Rules of Order Newly Revised except as otherwise modified herein.
- 22.2.7 Prior to each regular meeting, the Clerk of the Board shall forward a copy of the agenda to each member in accordance with the schedule adopted by the Board. The agendas shall also be mailed to each person or entity previously requesting such in writing. The Clerk shall post the agenda in an area accessible to the public at least 72 hours before the meeting in accordance with the Ralph M. Brown Act. Agenda materials shall be available as public record in accordance with the Ralph M. Brown Act and, specifically, Section 54957.5 of the California Government Code.
- 22.2.8 The Board may take action on items of business not appearing on the posted agenda in accordance with the Ralph M. Brown Act.
- 22.2.9 Requests for Board action may be initiated by any member of the Board or any staff officer.
- 22.2.10 Communication requests may be initiated by an individual and submitted to the Clerk by letter or on forms provided by the Clerk and must state the subject matter and the action which the writer wishes the Board to take. The Clerk shall review all communication requests so received and shall list them on the Board's docket under those items which the Clerk deems to be proper areas of discussion or action by the Board. When a Communications item is listed on the docket, it is not debatable and must be referred to an appropriate committee, other public agency, or to staff to prepare a report or response.
- 22.2.11 Any permanent rule of the Board as set forth herein and unless otherwise established by law may be suspended temporarily by a two-thirds vote of the members present.

22.3 Amendments

- 22.3.1 The Board shall be responsible for making all amendments to these rules.
- 22.3.2 Proposed amendments may be originated by the Board, or any member of such, or by the Chief Executive Officer.
- 22.3.3 Each proposed amendment shall be considered by the Board and a copy thereof forwarded by the Clerk of the Board to the official representative of each member agency.

22.4 Ordinances

- 22.4.1 Every ordinance shall be signed by the Chairman of the Board and attested by the Clerk of the Board.
- 22.4.2 On the passage of all ordinances, the votes of the several members of the Board shall be entered on the minutes.
- 22.4.3 Ordinances shall not be passed ~~within five days of their introduction nor~~ at other than a regular meeting or at an adjourned regular meeting. However, an urgency ordinance may be passed ~~immediately upon introduction either at a regular or~~ special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board members present, all ordinances shall be read in full either at the time of introduction or passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.
- 22.4.4 ~~The Consistent with Section 120109 of the MTS Enabling Legislation, the~~ Clerk of the Board shall cause a proposed ordinance or proposed amendment to an ordinance, and any ordinance adopted by the Board, to be published at least once, in a newspaper of general circulation published and circulated in the Board's area of jurisdiction.
- 22.4.5 The publication of an ordinance, as required by subdivision 22.4.4, may be satisfied by either of the following actions:
- a. The Board may publish a summary of a proposed ordinance or proposed amendment to an ordinance. The summary shall be prepared by the Clerk of the Board and General Counsel. The summary shall be published and a certified copy of the full text of the proposed ordinance or proposed amendment shall be posted in the office of the Clerk of the Board at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is

to be adopted. Within 15 days after adoption of the ordinance or amendment, the Board shall publish a summary of the ordinance or amendment with the names of those Board members voting for and against the ordinance or amendment, and the Clerk of the Board shall post in the office of the clerk a certified copy of the full text of the adopted ordinance or amendment along with the names of those Board members voting for and against the ordinance or amendment.

- b. If the person designated by the Board determines that it is not feasible to prepare a fair and adequate summary of the proposed ordinance or amendment, and if the Board so orders, a display advertisement of at least one-quarter of a page in a newspaper of general circulation in the Board's area of jurisdiction shall be published at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption of the ordinance or amendment, a display advertisement of at least one-quarter of a page shall be published. The advertisement shall indicate the general nature of, and provide information regarding, the adopted ordinance or amendment, including information sufficient to enable the public to obtain copy of the complete text of the ordinance or amendment and the name of those Board members voting for and against the ordinance amendment.

22.4.6 Ordinances shall take effect thirty days after their final passage. An ordinance takes effect immediately, if it is an ordinance for the immediate preservation of the public peace, health, or safety, containing a declaration of the facts constituting the urgency and is passed by a four-fifths vote of the Board.

22.5 Public Comment

22.5.1 At a public hearing of the Board, persons wishing to provide comment and testimony shall be permitted to address the Board after submitting a written request to speak to the Clerk identifying the person and the subject agenda item. The Chairman may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.

22.5.2 Persons wishing to comment on agenda items other than a public hearing must submit a written request to speak in advance to the Clerk identifying the person and the subject agenda item. Comments must be limited to issues relevant to the particular agenda item. The Chairman may limit the time for each presentation and may permit additional time to speakers representing a group of individuals or organizations to avoid

duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.

- 22.5.3 Public comment on matters not on the agenda will be permitted on items of interest to the public that are within the subject matter jurisdiction of the Board. Persons wishing to comment must submit a written request in advance to the Clerk identifying the person and subject matter. The Chairman may limit the time for each speaker. Ordinarily, each speaker will be allowed no more than three minutes.

22.6 Chairperson

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

22.7 Election of Board Officers and Appointments to Committees

- 22.7.1 On or before the Board's first meeting in November, the Board shall appoint less than a quorum of members to an Ad Hoc Nominating Committee. The Ad Hoc Nominating Committee shall review the list of MTS committees and make recommendations to the Board with respect to the appointment of members of the Board or former Board members to serve on each MTS committee.
- 22.7.2 The Ad Hoc Nominating Committee shall also review the list of outside boards and/or committees and make recommendations to the Board with respect to the appointment of members of the Board to represent MTS on each outside board or committee, except for the Board representative appointed to the San Diego Association of Governments (SANDAG) Transportation Committee, which shall be appointed by the Executive Committee.
- 22.7.3 The Ad Hoc Nominating Committee shall also make a recommendation to the Board with respect to the appointment of the Vice Chairman and the Chair Pro Tem and any other board officers.
- 22.7.4 The Ad Hoc Nominating Committee shall forward its recommendations for appointments of officers and committee members on or before the first Board meeting in January.
- 22.7.5 At its first meeting in January, the Board shall elect a Vice Chairman and a Chair Pro Tem from amongst its members. The Vice Chairman shall preside in the absence of the Chairman. In

the event of the absence or inability to act by the Chairman and Vice Chairman, the Chair Pro Tem shall preside.

22.7.6 The Board shall then vote on the recommendations made by the Ad Hoc Nominating Committee with respect to all other committee appointments.

22.7.7 In the event that a Board member vacates his or her position on the Board, at the next meeting, the Chairperson shall take nominations from the floor to fill any opening in any Committee positions vacated by that Board member.

22.8 Executive Committee

22.8.1 The Executive Committee of the Board shall consist of the Chairman, the Vice Chairman (if he or she is not already a voting member), a member from the County of San Diego, a member from the City of San Diego, the Transportation Committee Representative (if he or she is not already a voting member), one member who represents the cities of Chula Vista, National City, Coronado, and Imperial Beach (the "South Bay Cities' representative"), and one member who represents the cities of Lemon Grove, La Mesa, El Cajon, Poway, and Santee (the "East County Cities' representative"). The South Bay Cities' representative and the East County Cities' representative shall serve as members of the Executive Committee for a term of two years each. The terms of these two members shall be staggered so as to avoid replacement of both members at the same time.

22.8.2 The East County and South Bay representatives shall serve in the following order:

East County: El Cajon, La Mesa, Lemon Grove, Santee, Poway—each serving a two-year term.

South Bay: Chula Vista, Coronado, Imperial Beach, National City—each serving a two-year term; ~~however, the representative must have been the primary Board member for two years in order to serve as the Executive Committee representative. In the event that the South Bay representative has not been the primary Board member for two years, the rotation schedule shall be adjusted so that the next city in the rotation serves as the representative, and the city whose member has not yet served two years as the primary Board member would serve the term immediately thereafter; i.e., if Imperial Beach lacked two years of experience, National City would serve first, then Imperial Beach and then the rotation would continue on as set forth above. The requirement for two years of service as the primary Board member shall only apply to the South Bay representative.~~

After each member has served as either the East County or South Bay representative, the rotation schedule shall repeat.

22.8.3 The alternates to the Executive Committee members shall be as follows:

22.8.3.1 The alternate for the County of San Diego shall be the alternate appointed by the County of San Diego to serve as the alternate for the Board.

2.8.3.2 The alternate for the City of San Diego shall be selected by the City of San Diego from amongst the three remaining City of San Diego Board members.

2.8.3.3 The alternates for the East County Cities' and the South Bay Cities' representatives shall be the representative from the city that is next in the rotation order set forth in section 22.8.2 above (for example, if the City of El Cajon is currently the primary Executive Committee member, then the City of La Mesa member shall be the alternate Executive Committee member). Alternates shall be appointed for a term of two years or such lesser term as necessary to coincide with the term of the member for whom the alternate is appointed.

22.8.4 The Vice Chairman shall attend each Executive Committee meeting as a voting member. The Vice Chairman shall serve as the alternate to the Chairman in his or her absence and as a second alternate at large for any of the Executive Committee representatives and shall be a voting member when serving in this capacity.

22.8.5 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.

- 22.8.6 The primary purpose of the Executive Committee shall be to review and recommend consent items for the agenda of the next MTS Board of Directors meeting; add or delete items as appropriate; and provide input and direction on emerging policies, plans, and issues, in advance, for Board consideration. The Executive Committee shall have the authority to create ad hoc subcommittees for purposes of carrying out its duties and responsibilities.
- 22.8.7 Three members shall constitute a quorum of the Executive Committee, and a majority vote of the members present shall be required to approve any item. In the absence of a quorum, the Chairman may review and recommend consent items for the agenda, establish the order of items, and add or delete items.
- 22.8.8 The Executive Committee shall adopt operating procedures as are necessary for the conduct of its business.

22.9 Audit Oversight Committee

- 22.9.1 The Audit Oversight Committee shall be comprised of the same members that make up the Executive Committee and such other individuals as the Board may appoint at the first MTS Board meeting each calendar year. The Chairman of the Audit Oversight Committee shall be appointed from amongst its members at the first meeting held during each calendar year a voting member. The Chairman of the Audit Oversight Committee shall be another member other than not be the member who serves as the Executive Committee Chairman. Additional members of the MTS Board may be appointed on an annual basis at the first MTS Board meeting in January at the discretion of the MTS Board. The Board may also appoint individuals who are not members of the Board to serve as non-voting advisory members to the Audit Oversight Committee.
- 22.9.2 No additional compensation shall be paid to the members of the Audit Oversight Committee unless a meeting takes place on a day other than a regularly scheduled MTS Board meeting or MTS Executive Committee meeting. Compensation shall be paid to any additional voting members of the MTS Board who are appointed to serve on the Audit Oversight Committee meeting. No compensation shall be paid to any non-voting advisory member appointed by the MTS Board.
- 22.9.3 The primary duties and responsibilities of the Audit Oversight Committee shall be to ensure that management is maintaining a comprehensive framework of internal control, to ensure that management's financial reporting practices are assessed objectively, and to determine to its own satisfaction that the financial statements are properly audited and that any problems disclosed in the course of the audit are properly resolved.

22.9.4 The tasks to be performed by the Audit Oversight Committee shall be as follows:

- a. Review the appropriate scope of the annual independent audit and any other audit the committee feels is appropriate.
- b. Review the appropriate scope of nonaudit services to be performed by the independent auditor.
- c. Oversee the procurement of outside auditor services with final approval by the Board.
- d. Review and oversee the preparation of annual financial statements, the annual financial reporting process, internal controls, and independent auditors using an appropriate degree of professional skepticism.
- e. Assess the performance of any independent auditors.
- f. Provide a forum for MTS internal auditors to report findings.
- g. Provide at least an annual written and oral report to the Board on how the committee discharged its duties and responsibilities.
- h. Establish a procedure for receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters.

22.9.5 The annual scheduled functions to be performed by the Audit Oversight Committee shall be as follows:

- a. In June of each year or as soon as reasonably practicable, review the independent audit engagement letter.
- b. In March or April of each year or as soon as reasonably practicable, establish a plan for review of the audits with independent auditor.
- c. In September of each year or as soon as reasonably practicable, receive report on the status of any audit(s).
- d. In October of each year or as soon as reasonably practicable, receive a report on the preliminary audit findings.
- e. In December of each year or as soon as reasonably practicable, receive a report and provide feedback on

financial and compliance statements to Board, and provide the annual report to the Board on the committee's activities.

- f. In March of each year or as soon as reasonably practicable, review the management letter and management's response to the letter.

22.9.6 On a periodic basis the Audit Oversight Committee shall perform the following functions:

- a. Establish procedure for handling complaints.
- b. Receive reports from MTS internal auditor.
- c. Report to the Board in addition to annual report.
- d. Review the appropriate scope of any nonaudit services recommended for performance by the independent auditor.
- e. Review the procurement of independent auditor services and make a recommendation to the Board.
- f. Request procurement of outside independent advisor(s) with Board concurrence.
- g. Meet with the independent auditor without MTS management present.

22.9.7 At a minimum, the Audit Oversight Committee shall ask the following questions of MTS Staff, the Internal Auditor and/or the independent auditors:

- a. What is the name of the audit firm performing the audit, and how long has such firm been under contract to perform such audits?
- b. Was the audit performed in accordance with generally accepted auditing standards (AICPA GAAS standards) or generally accepted government-auditing standards (GAO GAGAS)? If not, why?
- c. Has the independent auditor(s) prepared an unqualified opinion regarding the financial statements? If not, what type of opinion was issued and why?
- d. Was the audit performed independently? The Audit Oversight Committee should ask how the audit firm maintained its independence during the course of the audit.

- e. The Audit Oversight Committee should have the independent auditor(s) describe, in general, the audit procedures performed.
- f. The Audit Oversight Committee should have the independent auditor(s) discuss whether any new accounting principles were adopted, whether any changes were made, or whether the independent auditor(s) recommends any changes in the accounting policies used or their application. In particular, the relevant issue is whether the audit applied best or merely permissible principles.
- g. The Audit Oversight Committee should have the independent auditor(s) describe any significant accounting adjustments affecting the financial statements (prior year as well as current year).
- h. Did the independent auditor(s) encounter any difficulties in dealing with management in performing the audit, including whether there were any disagreements with management regarding any accruals, estimates, reserves, or accounting principles? Did the independent auditor(s) have the full cooperation of MTS management and staff?
- i. The Audit Oversight Committee should ask the audit firm about the quality of the component unit's accounting, internal controls, and the competency of staff. Did the independent auditor(s) issue a management letter? What nonmaterial weaknesses or reportable conditions has the independent auditor(s) noted?
- j. Were there any accounting issues on which the audit firm sought the advice of other audit firms or regulatory bodies?
- k. The Audit Oversight Committee should ask the audit firm whether there are new pronouncements and/or areas of potential financial risk affecting future financial statements of which the Audit Oversight Committee should be aware.

22.9.8 Three members shall constitute a quorum of the Audit Oversight Committee, and a majority vote of the members present shall be required to approve any item. In the absence of a quorum, the Chairman may review and recommend consent items for the agenda, establish the order of items, and add or delete items.

22.9.9 The Audit Oversight Committee shall adopt operating procedures as are necessary for the conduct of its business.

22.10 Board Member Standards of Conduct

- 22.10.1 The purpose of this policy is to emphasize that each Board member occupies a position of public trust that demands the highest moral and ethical standard of conduct.
- 22.10.2 This policy shall be supplemental and in addition to the Conflict of Interest Code of the Board and any applicable laws or regulations (including, but not limited to, the Brown Act, Government Code section 1090 and the Political Reform Act) and is not intended to supersede ~~such Code or~~ any provisions thereof.
- 22.10.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or apparent, which is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such business, transaction, or interest shall constitute a conflict of interest.
- 22.10.4 No Board member shall engage in any enterprise or activity that shall result in any of the following:
- a. Using the prestige or influence of the Board office for private gain or advantage of the member or another person.
 - b. Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member or another person.
 - c. Using official information not available to the general public for private gain or advantage of the member or another person.
 - d. Receiving or accepting money or other consideration from anyone other than the Board for the performance of acts done in the regular course of duty.
 - e. Receiving or accepting, directly or indirectly, any gift or favor from any one doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in such person's duties or as a reward for official action.
 - f. Soliciting any gift or favor in such person's official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on such person's duties or decision, or when the individual's position as a Board member would in any way influence the decision of the person being solicited.

- g. Engaging in or accepting private employment or rendering services for private interest, direct or indirect, which may conflict with such person's responsibility or duty, or which, because of that person's position, may influence a decision to the benefit of the organization in which such person has an interest.

- 22.10.5 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item, and the Board will make a decision regarding this agenda item during an open session meeting, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. If the Board member has a conflict, he or she may observe, but not participate, in the decision-making process.
- 22.10.6 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board member shall be disqualified and not present during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to influence the discussion or decision. In such case, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. In accordance with the Brown Act, the Board member would be entitled to any information that is publicly reported. The Board member would not, however, be privy to any confidential or privileged information or communications pertaining to the closed session agenda item.
- 22.10.7 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote by a majority of the Board.
- 22.10.8 No Board member may disclose confidential or privileged information or communications to any person other than a Board member, General Counsel to the Board, or other Board staff designated to handle such matters, unless disclosure is mandated by law or the Board authorizes such disclosure by the affirmative vote of a majority of the Board.
- 22.10.9 A Board member shall not be privy to confidential or privileged information or communications concerning threatened, anticipated, or actual litigation affecting the Board where the Board member has an actual, potential, or apparent conflict of interest. In the case of uncertainty as to whether a conflict of interest exists, the Board's General Counsel shall issue a binding determination.

- 22.10.10 No Board member shall represent a position on an issue to be the Board's unless the Board has formally adopted such position at a public meeting.
- 22.10.11 Any violation of this policy shall constitute official misconduct if determined by an affirmative vote of the majority of the Board in an open and public meeting. The Board may elect to censure the Board member and the violation may be subject to criminal and/or civil penalties as provided for by applicable law.

| FEB21-08.31.AttB.POLICY 22.TLOREN.doc

Original Policy approved on
4/5/84.

Policy revised on 1/12/84.

Policy revised on 7/11/85.

Policy revised on 1/8/87.

Policy revised on 1/11/90.

Policy revised on 8/23/90.

Policy revised on 1/10/91.

Policy revised on 3/24/94.

Policy revised on 1/14/99.

Policy revised on 6/14/01.

Policy revised on 1/10/02.

Policy revised on 1/24/02.

Policy revised on 5/8/03.

Policy revised 2/26/04.

Policy revised 1/12/06.

Policy revised 3/9/06.

Policy revised 3/23/06.

Policy revised 6/14/07.

Policy revised 7/19/07.

Policy revised 2/21/08.

Policy revised 12/11/08.

Policy revised 2/12/15.



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

Agenda Item No. 30

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

AN ORDINANCE AMENDING ORDINANCE NO. 11, PROVIDING FOR THE LICENSING AND THE REGULATING OF TRANSPORTATION SERVICES WITHIN THE CITY BY THE ADOPTION OF A UNIFORM PARATRANSIT ORDINANCE (SHARON COONEY AND BILL KELLERMAN)

RECOMMENDATION:

That the MTS Board of Directors:

1. read the title of Ordinance No. 11, an Ordinance Providing for the Licensing and the Regulating of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance (Attachment A);
2. waive further readings of the ordinance;
3. adopt the proposed ordinance amendments; and
4. direct publication of an ordinance summary.

Budget Impact

None with this action.

DISCUSSION:

Council Policy 500-02 Revisions

Under MTS's agreement with the City of San Diego for for-hire vehicle administration, the City Council sets fundamental policy, which is then enforced and regulated by MTS Taxicab Administration. City Council Policy 500-02 Draft Alternative B (Attachment B) sets policies for taxicabs with City of San Diego permits. In order to enforce those policies



MTS must incorporate them into Ordinance 11, an Ordinance Providing for the Licensing and the Regulating of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance. Once adopted by the Board, changes to Ordinance 11 govern the licensing and regulation of taxicab permits in all of the cities that have taxicab administration agreements with MTS.

On November 10, 2014, the San Diego City Council approved substantial changes to Council Policy 500-02. At the request of the City, MTS staff is recommending changes to the Ordinance in keeping with the 2014 Council Policy 500-02 Draft Alternative B changes. (Attachment A)

The changes recommended today would do the following:

- establish City of San Diego Council Policy 500-02 Draft Alternative B as the basis for the Board decision to remove the limit on the total number of permits issued and transferred (Section 1.5 (a) and other locations)
- establish screening criteria to be met for all permits issued or transferred after approval of the Ordinance changes, including:
 - applicant experience and abilities (Sections 1.3 (a) (12) and 1.5 (a) (1))
 - vehicle type requirements - All vehicles must be either zero emission or low emission. (Sections 1.3 (a) (7), 1.5 (a) (2), and 1.8 (d))
 - vehicles must be equipped with Global Positioning System (GPS), be no older than 10 years of the model age, and not have a "salvage" title (Sections 1.3 (a) (7), 1.8 (d))
 - a requirement for drivers to accept credit cards; detailed record keeping of all calls for service and trips provided; and a customer service complaint resolution plan. (Section 1.3 (a) (13), 1.5 (a) (3),)
 - provision of a plan for administrative functions, vehicle maintenance, and off-street storage for vehicles when not in use. (Sections 1.3 (a) (14 and 15) and 1.5 (a)(4 and 5))
- require that all existing corporate or limited liability partnership permit holders show proof that they comply with the screening criteria in Council Policy 500-02 Draft Alternative B within five years of this policy. (Section 1.4 (e) and Section 1.5 (b))

One Council Policy 500-02 screening criterion that is not being recommended by staff is the requirement to equip all vehicles with security cameras. It is not recommended at this time due to the determination that this requirement is in violation of state law. In the event that state law changes, it is anticipated that MTS will revise Ordinance 11 to include this requirement.

Council Policy 500-02 requires that taxicabs be "equipped with security cameras." However, Vehicle Code Section 26708(b)(13) only allows a "video event recorder" to monitor driver performance "to implement driver safety." The recorder must be configured so that it "saves video only when triggered by an unusual motion or crash or when

operated by the driver to monitor driver performance." Video event recorders "shall store no more than 30 seconds before and after a triggered event." These restrictions do not provide the functionality necessary to protect drivers from assaults because it will only provide a recording if the driver is able to reach the video system and turn it on. Imposing this requirement now would require permit holders to purchase and install technology that does not meet their needs. Legislation to authorize security cameras in taxicabs (SB 1534) was introduced in 2012 but did not make it to a vote. We are not aware of any currently pending legislation to address this issue.

Credit Card Equipment and Passenger Receipt Requirements

In addition to the Ordinance 11 changes pursuant to Council Policy 500-02, staff is recommending adding requirements specific to credit card machines and information that is required on passenger receipts. To enhance the professionalism of the passenger payment experience inside the taxicab and to address increasing customer complaints of fraud and privacy concerns, staff recommends incorporating language that describes the type of device to be equipped in the vehicle. The proposed language shall require the taxicab driver to use a device capable of electronically processing credit card transactions independently of the driver, that is linked to the meter, and which provides the customer with a detailed receipt. (Sections 1.8(q) and 2.3(g).)

City of San Diego and MTS Ninth Amendment to the Agreement Revisions

When MTS and the City of San Diego finalized their agreement for the continuation of MTS's regulation of for-hire vehicles, a provision was added to require that the permit holders maintain financial records for all aspects of the relationship between the permit holder and lessees, and written receipts of all payments from lessees. This provision is recommended for incorporation in Ordinance 11. (Section 1.10 (a) (1).)

Additional Ordinance 11 Changes

Pursuant to Board direction, staff will continue to assist the City of San Diego in establishing regulations. As the City adopts new regulations, staff will introduce these to the Board for consideration.



for

Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Redline Draft Amended Ordinance No. 11, An Ordinance Providing for the Licensing and the Regulating of Transportation Services within the City by the Adoption of a Uniform Paratransit Ordinance

B. City of San Diego Council Policy 500-02 Draft Alternative B

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CODIFIED ORDINANCE NO. 11

(as amended through ~~November 15, 2012~~ February 12, 2015)

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

MTS CODIFIED ORDINANCE NO. 11

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM

CODIFIED ORDINANCE NO. 11

(as amended through ~~February 12, 2015~~ ~~October 18, 2012~~)

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

SECTION 1.0 - GENERAL REGULATIONS

Section 1.1 - Definitions

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

- (a) "Association" shall mean an incorporated or unincorporated group of persons united for some purpose related to the operation of for-hire vehicles.
- (b) "Board" shall mean the Board of Directors of the San Diego Metropolitan Transit System.
- (c) A "low-speed vehicle" is a motor vehicle, other than a motor truck, having four wheels on the ground and an unladen weight of 1,800 pounds or less, that is capable of propelling itself at a minimum speed of 20 miles per hour and a maximum speed of 25 miles per hour, on a paved level surface. For the purposes of this section, a "low-speed vehicle" is not a golf cart, except when operated pursuant to California Vehicle Code Section 21115 or 21115.1.
- (d) "Charter vehicle" shall mean every vehicle which:
 - (1) Transports passengers or parcels or both over the public streets of the City;
 - (2) Is routed at the direction of the hiring passenger;
 - (3) Is prearranged in writing for hire;
 - (4) Is not made available through "cruising"; and
 - (5) Is hired by and at the service of a person for the benefit of himself or herself or a specified group.
- (e) "City" and "Cities" shall mean the incorporated areas of the Cities of El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, and Santee; and the unincorporated area of the county of San Diego within MTS's area of jurisdiction.
- (f) "Compensation" shall mean any money, thing of value, payment, consideration, reward, tip, donation, gratuity or profit paid to, accepted, or received by the driver or owner of any vehicle in exchange for transportation of a person, or persons; whether paid upon solicitation, demand or contract, or voluntarily, or intended as a gratuity or donation.

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

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

(i) "Doing business" shall mean accepting or soliciting passengers for hire in a City.

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

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

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

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

(n) "For-hire vehicle" shall mean every vehicle, other than public transit vehicles or vehicles involved in an organized carpool not available to the general public, which is operated for any fare for compensation and used for the transportation of passengers over city public streets, irrespective of whether such operations extend beyond the boundary limits of said City. Such for-hire vehicles shall include taxicabs, vehicles for charter, jitneys, nonemergency medical vehicles, sightseeing vehicles, and LSVs.

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

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

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

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

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

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

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

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

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

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

(v) "Nonemergency medical vehicle" shall mean every vehicle which:

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

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

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

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

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

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

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

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

(dd) "Sightseeing vehicle" shall mean every vehicle which:

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

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

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

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

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

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

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

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

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

(Section 1.1 amended 8/7/03)

(Section 1.1 amended 11/14/02)

(Section 1.1 amended 6/24/99)

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

(Section 1.1 amended 1/12/95)

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

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

Section 1.2 - Operating Permits

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

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

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

(e)

(Section 1.2 amended 8/7/03)

(Section 1.2 amended 11/14/02)

(Section 1.2 amended 6/24/99)

Section 1.3 - Application for Permit

(a) All persons applying to the Chief Executive Officer for new permit(s) for the operation of one or more for-hire vehicles shall file with the Chief Executive Officer a proposal to meet San Diego City Council Policy 500-02 requirements, and a sworn application therefore on forms provided by the Chief Executive Officer, stating as follows:

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

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

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

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

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

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

(7) The intended make, type, year of manufacture and passenger seating capacity of each vehicle for which application for permit is made; Proof that vehicle(s) meet California Air Resources Board criteria for zero emissions/low emissions-, are ADA-compliant, are no older than 10 years of the model age and do not have a "salvage" title, and are equipped with a Global Positioning System (GPS).

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

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

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

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

(12) Provide evidence of at least six-months' experience driving a taxicab, transportation network vehicle, charter party carrier services, or similar service oriented transportation or managing a demand responsive transportation service, or similar service oriented business.

(13) Provide a customer service -and a customer complaint plan.

(14) Provide a plan for administrative functions, vehicle maintenance, and off-street storage for vehicle when not in use.

(15) Provide a radio service plan incorporating 24 hour staffing and computerized dispatch utilizing GPS technology.

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

(Section 1.3 amended 2/12/15)

(Section 1.3 amended 11/15/12)

(Section 1.3 amended 8/7/03)

(Section 1.3 amended 11/14/02)

Section 1.4 - Issuance of Permit

(a) Based on San Diego City Council Policy 500-02 requirements, ~~The Board shall, in its discretion, determine the total number of for hire vehicle permits to be granted.~~

~~(b) The Chief Executive Officer shall, in accordance with Board policy, determine the number of permits to be granted any applicant(s) and approve permits for any applicant(s) subject to such conditions as the Board and San Diego City Council Policy 500-02 may deem advisable or necessary in the public interest. Before a permit may be approved, the applicant shall pay an initial regulatory fee in an amount to be determined by the Chief Executive Officer.~~

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

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

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

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

(c) All permits issued after April 1, 2015 shall be renewable annually upon evidence San Diego City Council Policy 500-02 requirements are being met, and payment of a regulatory fee in an amount and on a date to be determined by the Chief Executive Officer.

(d) No permit issued after April 1, 2015 shall be approved or renewed for any person who has not fully complied with all of the requirements of this Ordinance, San Diego City Council Policy 500-02, and all other applicable laws and/or regulations necessary to be complied with before commencement of the operation of the proposed service.

(e) Permits held prior to April 1, 2015 by corporations and LLCs shall meet all of the screening criteria included in San Diego City Council Policy 500-02 by February 12, 2020. However, upon issuance of any new permits to said corporation or LLC, or upon the transfer of a permit to said

corporation or LLC, the corporation or LLC shall need to be in compliance with requirements of this Ordinance and San Diego City Council Policy 500-02 for the new permit(s).

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

(Section 1.4 amended 2/12/15)

(Section 1.4 amended 11/15/12)

(Section 1.4 amended 11/14/02)

Section 1.5 - Transfer and Administration of Permits

(a) Each permit issued pursuant to the provisions of this section is separate and distinct and shall be transferable from the permit holder to another person or entity only with the approval of the Chief Executive Officer, and upon meeting the requirements of this Ordinance and San Diego City Council Policy 500-02 including, but not limited to:

(1) Provide evidence of at least six-months' experience driving a taxicab, transportation network vehicle, charter party carrier services, or similar service oriented transportation or managing a demand responsive transportation service, or similar service oriented business.

(2) Vehicle(s) must meet California Air Resources Board criteria for zero emissions/low emissions, -be ADA-compliant, -be equipped with a Global Positioning System (GPS), -be no older than 10 years of the model age and not have a "salvage" title.

(3) Provide a customer service plan that demonstrates, -a requirement for drivers to accept credit cards, detailed record keeping of all calls for service, trips provided, and a customer service complaint resolution plan.

(4) Provide a plan for administrative functions, vehicle maintenance, and off-street storage for vehicle when not in use.

(5) Provide a radio service plan incorporating 24 hour staffing and computerized dispatch utilizing GPS technology.

~~City of San Diego taxicab permits represented by medallion numbers 0001 through 1199 may be transferred only after the passage of one (1) year from the date a permit was issued to the current permit holder. All other City of San Diego taxicab permits and LSV permits shall be transferable only after the passage of five (5) years from the date a permit was issued to the current permit holder. All taxicab permits may be transferred upon the verifiable death or permanent disability of the current permit holder. The transferability of permits may be limited by policy of the Board established by resolution.~~

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

(b) Permits held prior to April 1, 2015 -shall be in compliance with San Diego City Council Policy 500-02 Screening Criteria by February 12, 2020. Whenever a corporation or LLC is issued any new

permits, then it shall be in compliance with requirements of this Ordinance and San Diego City Council Policy 500-02.

(c) The proposed transferee shall file with the Chief Executive Officer a sworn application for the transfer and shall comply with the requirements of Section 1.3. The permit holder shall certify in writing that the permit holder has notified the proposed transferee of the requirements of this section pertaining to the transfer of a permit. Whenever an application for a transfer of permit is filed, the Chief Executive Officer shall process the application for transfer in accordance with Section 1.4 of this Ordinance.

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

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

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

(Section 1.5 amended 2/12/15)

(Section 1.5 amended 8/7/03)

(Section 1.5 amended 11/14/02)

Section 1.6 Limited Permits

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

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

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

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

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

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

The text of Section 1.7 is deleted in its entirety effective February 12, 2015.

(Section 1.6 deleted 2/12/15)

(Section 1.6 amended 11/14/02)

Section 1.7 - Blank

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

(Section 1.7 was deleted 9/24/98)

Section 1.8 - Equipment and Operating Regulations

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

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

(c) The permit holder shall maintain a business address, a mailing address where he or she can accept mail directed to his or her company, and a business telephone in working order which must be answered during normal business hours, Monday through Friday, and during all hours of operation. The permit holder shall, in the case of any change in his or her business address, mailing address, or

business telephone, notify the Chief Executive Officer in writing of such change within forty-eight (48) hours of the effective date of this change.

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

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

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

- (1) Tires fail to meet the requirements of the California Vehicle Code;
- (2) Headlights, taillights or signal lights are inoperable during hours of darkness (sunset to sunrise);
- (3) Windshield wipers are inoperable during rain conditions;
- (4) Meter is not working or the seal is broken;
- (5) Brakes, brake lights or brake system are inoperable or otherwise fail to meet the requirements of the California Vehicle Code;
- (6) Excessive play in steering wheel exceeding three (3) inches;
- (7) Windshield glass contains cracks or chips that interfere with driver's vision;
- (8) Any door latch is inoperable from either the interior or exterior of the vehicle;
- (9) Any seat is not securely fastened to the floor;
- (10) Seat belts, when required, fail to meet requirements of the California Vehicle Code;
- (11) Either side or rearview mirrors are missing or defective; and
- (12) Any other condition which reasonably and rationally pertains to the operating safety of the vehicle or to passenger or pedestrian safety.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(k) The medallion issued to the permit holder must be affixed by an MTS inspector on the for-hire vehicle for which the permit is approved in plain view from the rear of the for-hire vehicle. The permit holder must immediately report the loss, destruction, or defacing of a medallion to the Chief Executive Officer. Except as provided in Subsection (j), it shall be unlawful to operate a for-hire vehicle without the medallion affixed and visible.

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

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

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

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

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

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

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

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

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

- (1) The number of the license of the driver;
- (2) The name and business address of the driver;
- (3) The name of the owner of the vehicle; and
- (4) A small photograph of the driver.

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

(q) The driver shall offer each passenger a printed receipt upon payment of the fare. The receipt shall accurately show the date, the amount of the fare, the driver's name and ID number, the taxicab number, the medallion number, the company (DBA) trade name, and the radio service name with phone number ~~name and signature of the driver.~~

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

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

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

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

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

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

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

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

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

(3) The term "neat and suitably dressed" shall be interpreted to require that a driver shall be fully covered by clothing at a minimum from a point not to exceed four (4) inches above the center of the kneecap to the base of the neck, excluding the arms. Drivers shall wear shoes. It shall not be permissible for any driver to wear as an outer garment any of the following: undershirt or underwear, tank tops, body shirts (see-through mesh), swim wear, jogging or warm-up suits or sweatshirts or similar attire, jogging or bathing shorts or trunks, or sandals. Trouser-type shorts that are no shorter than four inches above the center of the kneecap are permissible.

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

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

(Section 1.8 amended 2/12/15)

(Section 1.8 amended 8/7/03)

(Section 1.8 amended 11/14/02)

(Section 1.8 amended 9/24/98)

(Section 1.8 amended 2/13/97)

(Section 1.8 amended 6/24/93)

Section 1.9 - Public Liability

(a) It shall be unlawful to operate a for-hire vehicle unless the permit holder establishes and maintains in effect one of the forms of financial responsibility specified in this section.

(1) This requirement may be met by maintaining a valid policy of insurance executed and delivered by a company authorized to carry on an insurance business in the State of California, the financial responsibility of which company has been approved by the Chief Executive Officer. The terms of the policy shall provide that the insurance company assumes financial responsibility for injuries to persons or property caused by the operation of the for-hire vehicle in an amount determined by the Chief Executive Officer.

(2) The permit holder may also meet this requirement by obtaining a certificate of self-insurance for a specified amount approved by the Board and pursuant to the applicable provisions of the California Vehicle Code.

(b) A valid proof of insurance issued by the company providing the insurance policy required under Subsection (a) (1) of this section shall be filed with and approved by the Chief Executive Officer. This certificate shall provide that MTS is a named certificate holder and shall be placed in each vehicle, per California Vehicle Code Section 16020. It shall also provide that the insurer will notify MTS of any cancellation and that the cancellation notice shall be in writing and shall be sent by registered mail at least thirty (30) days prior to cancellation of the policy. The certificate shall also state:

- (1) The full name of the insurer;
- (2) The name and address of the insured;
- (3) The insurance policy number;
- (4) The type and limits of coverage;
- (5) The specific vehicle(s) insured;
- (6) The effective dates of the certificate; and
- (7) The certificate issue date.

(Section 1.9 amended 11/14/02)

Section 1.10 - Financial Ownership and Operating Records: Reporting Requirements

(a) Every person engaged in the business of operating a for-hire vehicle within the City under a permit granted by the Chief Executive Officer shall maintain:

(1) Financial records, including but not limited to the current executed taxicab driver lease agreement; that includes all aspects of the business relationship between the permit holder and the lessee, and written receipts of all payments from lessee in accordance with good accounting practices;

(2) Ownership records; and

(3) Operating records in a form, and at intervals, which shall be determined from time to time by the Chief Executive Officer.

(b) Ownership and operating records shall be made available to the Chief Executive Officer upon demand at any reasonable time. The permit holder shall retain operating records for a minimum of six (6) months from the date the records are created.

(c) For purposes of this section, ownership records shall include, but are not limited to, the following:

(1) Copies of the Articles of Incorporation as filed with the Secretary of State of California;

(2) Records identifying all corporate officers and members of the corporation's Board of Directors. A corporation shall report any change in corporate officers or members of its Board of Directors to MTS within ten (10) days of the effective date.

(3) A stock register recording the issuance or transfer of any shares of the corporate stock; and

(4) The registration cards issued by the State of California Department of Motor Vehicles to the vehicle owner for all for-hire vehicles operated under the authority of an MTS for-hire vehicle permit.

(d) For purposes of this section, operating records shall include, but are not limited to, the following:

(1) Typed or written dispatch records for taxicab or LSV companies which operate their own radio dispatch service;

(2) Any logs which a for-hire vehicle driver keeps describing the trips carried by a for-hire vehicle other than a taxicab;

(3) Copies of the daily trip log required by taxicab or LSV drivers under Section 2.4 (p); and

(4) Any other similar records.

(e) Between January 1 and December 31 of each calendar year, every permit holder shall file with the Chief Executive Officer a signed statement which shall report and attest to the accuracy of the following information:

(1) The individual name(s), business name, business address, and telephone number of the permit holder(s);

(2) The name and address of all legal and registered owner(s) of the for-hire vehicle(s);

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

(4) The year, manufacturer, model, vehicle identification number, license plate, and medallion number affixed to the permitted vehicle(s).

(f) If the permit holder is an individual, the permit holder must appear in person in the offices of MTS to file the statement; if the permit holder is a partnership, one of the partners must appear in person in the offices of MTS to file the statement; if the permit holder is an ~~association or corporation or LLC~~, an officer of the ~~association or corporation~~, or a member of the LLC, authorized to represent the company, must appear in person in the offices of MTS to file the statement and provide evidence San Diego City Council Policy 500-02 requirements are being met.

(Section 1.10 amended 2/12/15)

(Section 1.10 amended 8/7/03)

(Section 1.10 amended 11/14/02)

(Section 1.10 amended 6/24/93)

Section 1.11 - Destruction, Permanent Replacement or Retirement of For-Hire Vehicles

(a) Whenever a for-hire vehicle is destroyed, rendered permanently inoperative, is sold, or the permit holder is no longer the owner of the for-hire vehicle, the permit holder shall notify the Chief Executive Officer in writing within forty-eight (48) hours.

(b) A replacement vehicle must be placed in service within sixty (60) days of the date the original vehicle is removed from service unless prior written permission has been obtained from the Chief Executive Officer. It is the intent of this section that the Chief Executive Officer, in granting such permission, gives due consideration to the operating situation of the permit holder on a case-by-case basis.

The following guidelines are to be used in granting permission for a permit holder to take longer than sixty (60) days in placing a replacement vehicle in service.

(1) The permit holder must submit a written request for an extension of time, stating the specific reason(s) additional time is required and identifying a plan and timetable for placing the replacement vehicle in service. Written documents sufficient to substantiate the factual information contained in the request should also be submitted.

(2) The plan and timetable submitted must reflect a reasonable approach for placing the vehicle in service within the shortest possible time frame.

(3) An additional period of time, not to exceed sixty (60) calendar days, may be granted to a permit holder in case of severe personal illness or other similar hardship.

(4) An additional period of time, not to exceed thirty (30) calendar days, may be granted to a permit holder in case of extensive vehicle repairs or other similar reasons.

(5) No extensions will be granted to any permit holder who is unable to meet the basic operational costs, including liability insurance, regulatory fees, and normal maintenance and repairs of operating a for-hire vehicle.

(6) No more than one (1) extension will be granted for each vehicle in a single twelve (12) month period.

(c) The Chief Executive Officer shall, as a matter of owner right, allow the replacement of a vehicle which is destroyed, rendered inoperative, sold or transferred, provided that the permit holder has complied with, and the for-hire vehicle is in conformance with, all applicable provisions of this Ordinance. An owner must remove the markings from the vehicle that indicate it is a taxicab or LSV before the owner disposes of it.

(d) When a permit holder retires any for-hire vehicle or vehicles from service and does not replace them within sixty (60) days, the permit for each such retired for-hire vehicle shall be considered abandoned and will be void. The permit holder shall immediately surrender each related medallion to the Chief Executive Officer. Such abandoned permits may not be restored by any means other than through application for new permits in the manner provided in this Ordinance.

(Section 1.11 amended 8/7/03)

(Section 1.11 amended 11/14/02)

(Section 1.11 amended 2/13/97)

Section 1.12 - Driver's Identification Cards

(a) No person shall drive or operate any for-hire vehicle under the authority of a permit granted under this Ordinance unless such person has and displays a valid driver's identification card obtained annually through the Sheriff of the County of San Diego.

(b) No permit holder shall employ as a for-hire vehicle driver or operator any person who has not obtained a for-hire vehicle driver's identification card through the Sheriff of the County of San Diego.

(c) No permit holder shall employ as a driver or operator any person whose privilege to operate a for-hire vehicle within the City has expired, or has been revoked, denied or suspended or prohibited.

(d) A driver may drive for more than one permit holder. The driver must, however, have on file with and accepted by the Sheriff of the County of San Diego, a separate application on forms provided by the Sheriff, for each permit holder with whom he has a current driving agreement. A driver may have on file with the Sheriff a maximum of four (4) such applications at any one time. It shall be unlawful for a driver to accept or solicit passengers for hire in the City while operating the taxicab or LSV of any permit holder for whom the driver does not have such an application on file with the Sheriff.

(e) No person shall drive or operate any for-hire vehicle, except nonemergency medical, under the authority of a permit granted under this Ordinance unless such person has successfully completed an MTS-approved driver training course concerning driver safety, rules, and regulations. Map reading, crime prevention, courtesy and professionalism and a corresponding qualification examination.

(f) No person who has received a notice of prohibition pursuant to Section 1.14, or whose privilege to operate a for-hire vehicle within the City has expired, or has been suspended, revoked or denied by the Sheriff or the Chief Executive Officer shall drive or operate a for-hire vehicle within the City.

(g) No for-hire vehicle driver's identification card shall be issued or renewed to any of the following persons:

(1) Any person under the age of twenty-one (21) years.

(2) Any person who has been convicted of a felony involving a crime of force or violence against any person, or the theft of property, unless five (5) years have elapsed since his or her discharge from a penal institution or satisfactory completion of probation for such conviction during which period of time his or her record is good.

(3) Any person who has been convicted of assault, battery, resisting arrest, any infraction, misdemeanor, or felony involving force and violence, or any crime reasonably and rationally related to the paratransit industry or any similar business operation which bears upon the integrity or ability of the driver to operate a for-hire vehicle business and transport passengers, unless five (5) years shall have elapsed from the date of discharge from a penal institution or the satisfactory completion of probation for such conviction.

(4) Any person who, within the five (5) years immediately preceding the processing of the application, has been convicted of or held by any final administrative determination to have been in violation of any statute, ordinance, or regulation reasonably and rationally related to the for-hire vehicle industry or any similar business operation which would have authorized the suspension or revocation of the driver's identification card in accordance with Section 1.14 of this Ordinance.

(5) Any person who is required to register as a sex offender pursuant to the California Penal Code.

(6) Any person who has provided false information of a material fact in their application within the past five (5) years.

(7) No person shall obtain or renew a driver's identification card unless such person has successfully completed a personal safety training course approved by the Chief Executive Officer.

(8) When a driver permanently no longer drives for an MTS Taxicab Administration permit holder, the permit holder shall report this to the Sheriff's Department within 10 calendar days.

(h) The Sheriff is authorized to issue temporary for-hire vehicle driver identification cards pending the approval or denial of an application for a regular for-hire vehicle driver identification card. No temporary for-hire vehicle driver identification card shall be issued without the satisfactory completion of a local law enforcement agency record check of the applicant. Any temporary identification card so issued shall be valid for a period not to exceed ninety (90) days or until the date of approval or denial of the application for a regular for-hire vehicle driver identification card, whichever shall occur first. The issuance of a temporary identification card hereunder shall not authorize the operation of a for-hire vehicle following the denial of the application while pending the resolution of any appeal otherwise provided for in Section 1.16 of this Ordinance.

(1) The Sheriff or the Chief Executive Officer shall establish nonrefundable filing fees to defray the costs of processing regular and temporary driver identification cards.

(Section 1.12 amended 11/15/12)

(Section 1.12 amended 8/7/03)

(Section 1.12 amended 11/14/02)

(Section 1.12 amended 9/24/98)

(Section 1.12 amended 10/30/97)

(Section 1.12 amended 11/9/95)

Section 1.13 - Suspension and Revocation of Permit

(a) Permits may be suspended or revoked by the Chief Executive Officer at any time in case:

(1) The Chief Executive Officer finds the permit holder's past record to be unsatisfactory with respect to satisfying the provisions of this Ordinance.

(2) The permit holder fails to comply with the applicable provisions of this Ordinance.

(3) The drivers of the for-hire vehicle or vehicles fail to act in accordance with those provisions of this Ordinance which govern driver actions. The permit holder shall have strict liability in this regard; however, this provision shall not restrict the Chief Executive Officer's ability to penalize a driver for violations of those provisions of this Ordinance which govern driver actions.

(4) The owner shall cease to operate any for-hire vehicle for a period of sixty (60) consecutive days without having obtained written permission for cessation of such operation from the Chief Executive Officer. It is the intent of this section that the Chief Executive Officer, in granting such permission, gives due consideration to the operating situation of the permit holder on a case-by-case basis.

The following guidelines are to be used in granting permission for a permit holder to cease operating a for-hire vehicle for a period longer than sixty (60) days.

(a) The permit holder must submit a written request for an extension of time, stating the specific reason(s) additional time is required and identifying a plan and timetable for placing the vehicle back in service. Written documents sufficient to substantiate the factual information contained in the request should also be submitted.

(b) The plan and timetable submitted must reflect a reasonable approach for placing the vehicle back in service within the shortest possible time frame.

(c) An additional period of time, not to exceed sixty (60) calendar days, may be granted to a permit holder in case of severe personal illness or other similar hardship.

(d) An additional period of time, not to exceed thirty (30) calendar days, may be granted to a permit holder in case of extensive vehicle repairs or other similar reasons.

(e) No extension will be granted to any permit holder who is unable to meet the basic operational costs including liability insurance, regulatory fees, and normal maintenance and repairs of operating a for-hire vehicle.

(f) No more than one (1) extension in time will be granted for each vehicle permit in a single twelve (12) month period.

(5) The for-hire vehicle or vehicles, if operated as other than a taxicab, are operated at a rate of fare other than those fares on file with the Chief Executive Officer.

(6) The for-hire vehicle or vehicles, if operated as a taxicab or LSV, are operated at a rate of fare greater than those fares on file with the Chief Executive Officer or posted on the taxicab or LSV pursuant to Section 2.2 (b) of this Ordinance.

(7) The for-hire vehicle or vehicles, if operated as a taxicab or LSV, are operated at a rate of fare greater than current maximum rate established by the Board pursuant to Section 2.2(a) of this Ordinance.

(8) The permit holder fails to begin operating the for-hire vehicle for which the permit is first approved within ninety (90) days after the approval date.

(9) The permit holder has been convicted of assault, battery, resisting arrest, any infraction, misdemeanor, or felony involving force and violence, or any crime reasonably and rationally related to the paratransit industry or any similar business operation which bears upon the integrity or ability of the applicant or permit holder to operate a for-hire vehicle business and transport passengers, unless five (5) years shall have elapsed from the date of discharge from a penal institution or the satisfactory completion of probation for such conviction.

(10) The permit holder has been convicted of a crime that would require a person to register as a sex offender under the California Penal Code. For purposes of this section, a plea or verdict of guilty, a finding of guilt by a court, a plea of nolo contendere or a forfeiture of bail shall be considered a conviction.

(a) A permit holder shall be notified in writing within 10 working days when a credible complaint has been filed with the Chief Executive Officer by a member of the public where such complaint involves the permit holder, the driver of the permitted for-hire vehicle, or the radio service to which the permit holder is subscribed. It shall be the responsibility of the permit holder to investigate the complaint and report in writing to the Chief Executive Officer within 30 days the result of the investigation and any corrective action taken or proposed. Where the complainant has agreed to the sharing of their identity, the results of the investigation, findings, and actions shall be communicated to the complainant.

(b) In the event the Chief Executive Officer finds a permit holder has failed to responsibly respond to notification of complaints or to initiate corrective action, the Chief Executive Officer shall issue a notice of proposed adverse action to the permit holder. If the circumstances of the complaint or subsequent investigation so warrant, the Chief Executive Officer may issue a notice of adverse action to a driver independently of or in conjunction with any adverse action proposed to the permit holder. The Chief Executive Officer shall refer to the Administrative Penalty Guidelines in determining a proposed adverse action.

(c) The permit holder or driver in receipt of a notice of proposed adverse action shall be given the opportunity to appear for an informal hearing before the Chief Executive Officer or his designated representative. Failure to appear will constitute waiver of the hearing. Following the hearing or waiver thereof, the Chief Executive Officer shall issue the notice of adverse action if justified by the facts. If the Chief Executive Officer determines that the performance of the permit holder or driver involves criminal activity or constitutes a serious degradation of the public safety, convenience, or necessity, a notice of adverse action may be issued and the action effected without hearing.

(d) Upon a finding by the Chief Executive Officer that a permit holder falls within the provisions of this section, the permit holder or driver shall be notified that his or her permit has been subjected to an adverse action and that the matter is such that the action may be appealed. In lieu of an action provided for in the Administrative Penalty Guidelines, the Chief Executive Officer may impose a fine or a fine and a period of suspension for any violation(s) of this Ordinance.

(Section 1.13 amended 8/7/03)

(Section 1.13 amended 11/14/02)

(Section 1.13 amended 6/24/99)

Section 1.14 - Suspension and Revocation of Driver's Identification Cards

(a) Driver's identification cards may be suspended or revoked by the Chief Executive Officer at any time in case:

(1) The Chief Executive Officer finds the driver's past record to be unsatisfactory with respect to satisfying the provisions of this Ordinance; or

(2) The driver fails to comply with the applicable provisions of this Ordinance; or

(3) Circumstances furnish grounds for the denial, suspension, revocation or refusal to renew the driver's identification card by the Sheriff under the terms of the applicable Ordinance of the County of San Diego; or

(4) His/her California Driver's License is revoked or suspended; or

(5) The driver is convicted of reckless driving or driving while under the influence of intoxicating liquors and/or narcotics; or

(6) The driver has been convicted of assault, battery, resisting arrest, any crime involving force and violence, or reasonably and rationally is related to the ability or integrity of the driver to operate a for-hire vehicle or transport passengers; or

(7) The driver has ever been convicted of a crime that requires registration under the California Penal Code as a sex offender.

(b) For purposes of Subsections (a) (1) through (a) (6) of this section, a plea of nolo contendere, or a forfeiture of bail shall be considered a conviction if it occurred within the five (5) years immediately preceding the date of application for a permit or identification card.

(c) Notwithstanding a driver's possession of a valid taxicab or LSV driver identification card, the Chief Executive Officer may deny, suspend, revoke, or refuse to renew the driver's privilege to operate a for-hire vehicle in the City if the driver falls within the provisions of this section. The Chief Executive Officer shall send a notice of prohibition the date postmarked to operate a taxicab or LSV to any holder of a Sheriff's driver identification card who is ineligible under Subsection (a) to operate a for-hire vehicle within the City limits. The notice of prohibition shall be appealable in accordance with Section 1.16.

(Section 1.14 amended 8/7/03)

(Section 1.14 amended 11/14/02)

(Section 1.14 amended 6/24/99)

Section 1.15 - Surrender of Medallion

(a) When a permit has been suspended or revoked, the operation of any for-hire vehicle authorized by such permit shall cease, and its medallion surrendered immediately to the Chief Executive Officer.

(Section 1.15 amended 11/14/02)

Section 1.16 - Right of Administrative Appeal from Denial, Suspension or Revocation of Permit or Driver's Identification Card or Related Adverse Action

(a) The permit holder or driver shall be notified that he or she may file with the Chief Executive Officer a written administrative appeal ten (10) days after delivery of the notice of revocation or suspension, or the denial of a license, permit, or driver's identification card, the notice of prohibition to operate or the imposition of a fine. The permit holder or driver shall set forth in the appeal the reasons why such action is not proper.

(b) If no administrative appeal is filed within the proper time, the permit or driver's identification card shall be considered revoked, suspended or denied, and shall be surrendered, the fine be imposed, as applicable, or the notice of prohibition to operate take effect.

(c) Except as provided in Subsection (d), once an administrative appeal is filed, the revocation or suspension of the permit or driver's identification card, the effect of the notice of prohibition to operate, or the imposition of the fine shall be stayed pending the final determination of the administrative appeal.

(d) If, in the Chief Executive Officer's opinion, the continued operation of a for-hire vehicle or possession of a driver's identification card represents an unsafe condition for any passenger or pedestrian, the revocation or suspension of the related permit, driver's identification card, or the effect of any notice of prohibition to operate shall not be stayed. A revocation or suspension of a permit imposed for failure to comply with Section 1.8 (f) or Section 1.9 is rebuttably presumed to represent an unsafe condition pending the determination of the appeal or the correction of the violation, whichever shall occur first. Notwithstanding, no medallion shall be reaffixed to a vehicle until the violation under Sections 1.8 (f) or 1.9 has been corrected.

(Section 1.16 amended 8/7/03)

(Section 1.16 amended 11/14/02)

Section 1.17 - Procedure Upon Administrative Appeal

(a) When an appeal is filed, the Chief Executive Officer shall review the appeal, and based on additional information provided therein, may revise his findings and penalty; in accordance with the additional information provided; or cause the appeal to be assigned to a Hearing Officer, who shall expeditiously schedule the hearing before him/her.

(1) The Chief Executive Officer shall maintain a list of qualified Hearing Officers and shall regularly rotate assignments based on availability of the proposed Hearing Officers.

(2) The Hearing Officer shall be appointed by the Chief Executive Officer, shall be a member of the California State Bar, and shall not be an MTS employee.

(b) The appellant and the Chief Executive Officer or designate shall each have the right to appear in person and be represented by legal counsel, to receive notice, to present evidence, to call and cross-examine witnesses under oath, and to present argument.

(c) An appellant may select an individual to interpret for them. MTS will not pay any costs or be held responsible for any aspect of the interpreter's ability to accurately interpret the hearing.

(1) The Hearing Officer shall have the power to compel attendance of witnesses and documents by subpoena, in accordance with state law.

(2) The formal rules of evidence need not apply, and any relevant evidence that is the sort of evidence upon which responsible persons are accustomed to rely in the conduct of serious affairs shall be admissible. Hearsay evidence may be considered by the Hearing Officer, but no findings may be based solely on hearsay evidence unless supported or corroborated by other relevant and competent evidence. The formal exceptions to the hearsay rule shall apply.

(c) The Chief Executive Officer shall promulgate supplementary rules and procedures for the conduct of the hearing, the forms of notice and proceedings, and the preparation and submission of the record.

(d) The decision of the Hearing Officer shall be the final administrative remedy and shall be binding upon the parties to the appeal.

(e) If the Hearing Officer decides to suspend or revoke a permit or driver's identification card, the appellant shall immediately surrender the medallion or driver's identification card to the Chief Executive Officer.

(Section 1.17 amended 11/15/12)

Section 1.18 - Exceptions to Provisions

(a) The provisions of this Ordinance do not apply to a vehicle properly licensed under the jurisdiction of the Public Utilities Commission of the State of California (CPUC), or to public transit vehicles owned, operated, or contracted for by the Metropolitan Transit System Board or to a vehicle properly licensed by the State or County as an ambulance.

~~(b)~~(c) For compliance purposes, MTS Inspectors may inspect all CPUC licensed vehicles, ensure they are not exceeding the authority granted by their license or operating as unlicensed private-hire transportation provider.

(Section 1.18 amended 11/15/12)

(Section renumbered to 1.18 9/24/98)

(Section 1.17 amended 1/12/95)

(Section 1.17 amended 6/24/93)

Section 1.19 - Chief Executive Officer's Authority to Adopt Rules and Promulgate a Schedule of Fines

(a) Except where Board action is specifically required in this Ordinance, the Chief Executive Officer may adopt any rules and regulations reasonable and necessary to implement the provisions of this Ordinance. The Chief Executive Officer shall promulgate a schedule of administrative fines and penalties for violations of this Ordinance in lieu of the revocation or suspension of a permit or identification card, a copy of which schedule shall be filed with the Clerk of the Board.

(Section renumbered to 1.19 9/24/98)

Section 1.20 - Americans with Disabilities Act

(a) Permit holders, vehicles, and drivers are required to comply with the requirements of the federal Americans with Disabilities Act (ADA), and ADA regulations are hereby incorporated into MTS Ordinance No. 11 by reference. A violation of ADA requirements is a violation of this Ordinance and subject to a fine or suspension or revocation or a combination.

(Section renumbered to 1.20 9/24/98)

(Section 1.19(a) was added 4/10/97)

SECTION 2.0 - TAXICABS AND/OR LSVs

Section 2.1 - Types of Service

(a) A taxicab or LSV is authorized to provide exclusive ride and group ride service.
(Section 2.0 and 2.1 amended 8/7/03)

Section 2.2 - Rates of Fare

(a) After a notice and open public hearing of the Taxicab Advisory Committee, MTS shall establish a maximum rate of fare for exclusive ride and group ride hire of taxicabs and/or LSVs except for trips from San Diego International Airport. A permit holder may petition the Board for any desired change in the maximum taxicab or LSV rates for exclusive ride and/or zone rates and group ride hire.

(b) Taxicab trips from San Diego International Airport shall be at a uniform rate of fare. Rates for trips originating at the airport may include an extra charge equal to the Airport Trip Fee assessed against the individual taxicab operator by the San Diego County Regional Airport Authority. The extra may not be charged on any trip that does not originate at the airport or on any trip where the taxicab operator does not pay the fee to the San Diego County Regional Airport Authority. The extra charge may only be charged to the customer by utilizing the extra button on the taxicab meter. A driver may not verbally request payment. All taxicabs utilizing the Airport Trip Fee extra button must have a decal, approved by the Chief Executive Officer and the County of San Diego Office of Weights and Measures. The decal shall identify and accurately describe the extra charge consistent with regulatory requirements.

(c) Each permit holder shall file with the Chief Executive Officer the rates of fare that he/she will charge, which shall not exceed the maximum rate set by the Board pursuant to Section 2.2(a).

(1) Each taxicab permit holder shall have the taximeter set by properly licensed personnel for the rate that he/she will charge and have the taximeter sealed and inspected.

(2) All taxicabs shall accept major credit cards including, but not limited to, VISA, MasterCard, American Express, and Discover. Fees shall not be passed onto passengers.

(3) Each taxicab permit holder shall prominently post rates in dollars-per-mile centered on the upper third part of both rear doors one (1) inch in height utilizing "Univers" or other MTS pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability.

(4) No other information shall be posted on rear doors.

(d) If a taxicab permit holder desires to change his/her rates of fare, he/she shall file with the Chief Executive Officer the new rates, reset the taximeter, have the taximeter sealed and inspected, and post the revised rates on each side of the taxicab as provided in Subsection (c) of this section.

(e) It shall be unlawful for a permit holder or driver to operate any taxicab in the City, unless the vehicle is equipped with a taximeter that meets the requirements of the State of California.

(1) The taximeter shall be of a style and design approved by the Chief Executive Officer.

(2) The taximeter shall calculate fares upon the basis of a combination of mileage traveled and time elapsed. When operative with respect to fare indication, the fare-indicating mechanism shall be actuated by the mileage mechanism whenever the vehicle is in motion at such a speed that the rate of mileage revenue equals or exceeds the time rate, and may be actuated by the time mechanism whenever the vehicle speed is less than this, and when the vehicle is not in motion.

(3) Waiting time shall include all time when a taxicab occupied or engaged by a passenger is not in motion or is traveling at a speed which is slow enough for the time rate to exceed the mileage rate. Waiting time will also include the time consumed while standing at the direction of the passenger or person who has engaged the taxicab.

(4) It shall be the duty of every permit holder operating a taxicab to keep the taximeter in proper condition so that the taximeter will, at all times, correctly and accurately indicate the charge for the distance traveled and waiting time. The taximeter shall be at all times subject to the charge for the distance traveled and waiting time.

(5) The taximeter shall be at all times subject to inspection by an MTS inspector or any peace officer. The MTS inspector or peace officer is hereby authorized at his or her instance or upon complaint of any person to investigate or cause to be investigated the taximeter, and upon discovery of any inaccuracy in the taximeter, or if the taximeter is unsealed, to remove or cause to be removed the vehicle equipped with this taximeter from the streets of the City until the taximeter has been correctly adjusted and sealed. Before being returned to service, the vehicle and taximeter must be inspected and approved by the Chief Executive Officer.

(6) Any device repairperson who places into service, repairs, or recalibrates a taximeter shall record the tire size and pressure of the drive wheels of that vehicle, as tested, on the repair person's sticker.

(7) It shall be the duty of the permit holder to ensure the proper device repair person's sticker is affixed to the taximeter and to ensure the tires are the proper size.

(f) It shall be unlawful for any driver of a taxicab, while carrying exclusive or group ride passengers, to display the flag or device attached to the taximeter in such a position as to denote that the vehicle is for hire, or is not employed, or to have the flag or other attached device in such a position as to prevent the taximeter from operating. It shall be unlawful for any driver to throw the flag into a position which causes the taximeter to record when the vehicle is not actually employed, or to fail to throw the flag or other device into nonrecording position at the termination of each and every service.

(g) The taximeter shall be so placed in the taxicab that the reading dial showing the amount of fare to be charged shall be well-lighted and easily readable by the passenger riding in such taxicab.

(h) It shall be unlawful for any permit holder and/or driver of a taxicab or LSV to demand of a passenger a charge for hire which is greater than the current maximum rate approved by the Board pursuant to Section 2.2 (a) or (b) of this Ordinance.

(i) Except as provided in this section, it shall be unlawful for any permit holder and/or driver to demand of a passenger a charge for hire which is greater than the permit holder's meter rate filed with the Chief Executive Officer pursuant to Sections 2.1 (a), 2.2 (b), or 2.2 (c) of this Ordinance.

(j) Nothing in this Ordinance shall preclude a permit holder or driver from agreeing with prospective passenger(s) to a rate of fare which is less than the permit holder's filed and posted rates of fare if the agreement is entered into in advance of the passenger(s), hiring the taxicab for the trip, except for trips commencing at the Lindbergh Field International Airport.

(Section 2.2(c)(2) amended 11/15/12)

(Section 2.2(b) amended 4/19/12)

(Section 2.2 amended 8/7/03)

(Section 2.2 amended 5/8/03)

(Section 2.2 amended 11/14/02)

(Section 2.2 amended 6/24/99)

(Section 2.2 amended 9/24/98; Section 2.2c operative May 1, 1999)

(Section 2.2 amended 10/30/97)

(Section 2.2 amended 4/10/97)

Section 2.3 - Equipment and Specifications

(a) No taxicab shall be operated until the taximeter thereon has been inspected, tested, approved and sealed by an authorized representative of the State of California, and thereafter so maintained in a manner satisfactory to the Chief Executive Officer.

(b) Each taxicab shall be equipped with a device which shall plainly indicate to a person outside the taxicab whether the taximeter is in operation or is not in operation.

(c) Exterior Markings

(1) The permit holder's trade name shall be painted or permanently affixed in letters and numerals four (4) inches high all on one line on the upper third part of both front doors utilizing "Univers" or other Chief Executive Officer pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability. In the event the trade name does not fit on one line utilizing four (4) inch lettering, the trade name lettering must be as large as possible, up to four (4) inches in height, to enable the trade name to fit on one line.

(2) The medallion number shall be painted or permanently affixed, on both front doors, one (1) inch below the permit holder's trade name, six (6) inches high, utilizing "Univers" or other Chief Executive Officer pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability.

(3) The permit holder's trade name and medallion number shall be painted or permanently affixed on the rear of the taxicab, four (4) inches high, utilizing "Univers" or other Chief Executive Officer pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability. In the event the rear of the vehicle does not have four inches of vertical space for the trade name and medallion number, the rear lettering may be less than four inches, provided that it is easily readable from a distance of 50 feet.

(4) No other information shall be permitted to be posted on front doors.

(5) Optional Exterior Vehicle Markings. The permit holder has the option of choosing to post any combination of the below-listed five options on his or her taxicab which must be posted only at the specific location and in the size noted and are subject to the Chief Executive Officer's approval.

a) Trade Name Logo. If the permit holder chooses to display his or her trade name logo, the trade name logo shall be posted only on the rear portion of both side rear quarter panels.

b) Radio Service Provider. If the permit holder chooses to display the radio service provider name or logo, the radio service provider name or logo cannot utilize the words "cab" or "taxi." The radio service provider name or logo must be displayed only on the rear portion of both side rear quarter panels.

c) Telephone Number. If permit holder chooses to display a telephone number, the telephone number must be no more than three (3) inches in height and posted only on the top front portion of both front side quarter panels.

d) "Driver Carries Only \$ _____ Change." If the permit holder chooses to post "Driver Carries only \$ _____ Change," postings must be located only on rear quarter panels near the rear door but clear of the rates of fare.

e) "Leased to Driver." If permit holder chooses to post "Leased to Driver," it must be posted only on both side rear quarter panels near the rear door but clear of the rate of fares in lettering no larger than 1 inch.

(6) Body Numbers. If the permit holder chooses to post an internally assigned body number, different from the medallion number, the body number shall be posted in one (1) inch numerals on the front and rear bumpers.

(7) All other exterior vehicle markings are prohibited unless they are directly related to the permit holder's business and pre-approved by the Chief Executive Officer.

(d) All taxicabs shall be equipped and operated so that they may be dispatched by two-way radio communication in response to a telephone or other request for service by a prospective passenger. This requirement may not be met by use of a mobile radio telephone service.

(1) Radio must be turned on, and audible to driver, at all times the taxicab is in service.

(e) The radio dispatch capability described in paragraph (d) of this section must be provided so as to conform to the regulations of the Federal Communications Commission pertaining to Land Transportation Radio Services. Failure to conform to those regulations will additionally constitute a failure to meet the requirements of this section.

(1) The current valid FCC license shall be on file with MTS.

(2) Taxicab permit holder shall provide current proof the radio has passed inspection by an MTS-approved inspector.

(3) Taxicab radios shall have the capability to receive or transmit only on frequencies specified in the FCC license of the radio service subscribed to by the permit holder.

(f) Radio scanners are not allowed in taxicabs.

(g) Each permit holder shall equip each permitted taxicab with a device capable of electronically processing credit card transactions. The device must be visible to all passengers and must allow the passenger to operate the payment device independently of the driver, without having to hand the credit card to the driver. The device must be electronically linked to the taxicab fare meter.

(Section 2.3 amended 2/12/15)

(Section 2.3 amended 11/15/12)

(Section 2.3 amended 6/27/02)

(Section 2.3 amended 9/24/98; Section 2.3c operative May 1, 1999)

(Section 2.3 amended 6/27/91; effective 7/27/91)

(Section 2.3 amended 4/10/97)

Section 2.4 - Operating Regulations

(a) Operating regulations shall be promulgated and adopted from time to time by resolution of the Board. These resolutions will have the force of law and will be published and processed as though set forth in this Ordinance.

(1) Smoking is not permitted at any time inside a MTS-permitted vehicle.

(b) Any driver employed to transport passengers to a definite point shall take the most direct route possible that will carry the passenger to his destination safely and expeditiously.

(c) It shall be unlawful for the driver or operator of any taxicab or LSV to refuse a prospective or actual fare or to take any action to actively discourage a prospective or actual fare on the basis of race, creed, color, age, sex, national origin, disability, or for any other reason, unless it shall be readily apparent that the prospective or actual fare is a hazard to the driver or operator. Rude or abusive language directed to a passenger(s) or any physical action that a reasonable person would construe as threatening or intimidating shall be specifically defined as a violation of this section.

(1) A driver, however, is not obligated to transport any person who is verbally or otherwise abusive to the driver. Such incidents shall also be noted on the trip log and notification shall be immediately sent to the radio service organization, which shall record the incident and keep the record for the minimum of 6 months.

(2) A failure of the driver of any taxicab or LSV to assist a passenger with the loading or unloading of a reasonable size, number, and kind of passenger luggage or other items, when requested to do so, shall be specifically defined as a violation of this section. A driver is not required to lift any single piece of passenger luggage or other item that exceeds 25 pounds in weight. The requirement for loading or unloading assistance shall be limited to retrieval from or deposit onto the nearest curbside adjacent to the legally parked taxicab or LSV. A sign in the form of a transparent decal may be affixed to the rear-door, side window stating that, "DRIVER IS NOT REQUIRED TO LOAD LUGGAGE IN EXCESS OF 25 POUNDS PER ITEM OR OF A SIZE OR KIND THAT WILL NOT SAFELY FIT IN THE DESIGNATED LUGGAGE AREA OF THIS VEHICLE."

(3) A driver with a lawful disability that prevents him/her from handling items as defined in subsection (2) above is, upon submission of proof of such disability, relieved of responsibility for the requirements of subsection (2). A driver so situated may affix a small sign either in the

passenger section of the vehicle to be clearly visible to a rear seat passenger or on the inside of the trunk cover lid stating that, "DRIVER HAS DISABILITY THAT PREVENTS HANDLING OF LUGGAGE."

(d) It shall be unlawful for taxicab operators to refuse or discourage a prospective or actual fare based upon trip length within the cities.

(1) A vehicle designated as an LSV may refuse a prospective or actual fare if the trip distance is outside allowed areas of operations.

(2) All LSV operators will carry a current list of MTS-approved radio services and refer the prospective or actual fare to that list of radio service organizations. All referrals shall be noted on the driver daily trip sheet.

(3) A failure to promptly dispatch (within the standards required by Sections 2.6(a)(1), (2), and (3) of this Ordinance), or any action by a driver of any taxicab or LSV to refuse or discourage a prospective or actual passenger who must transport foodstuffs or who must meet a medical appointment, irrespective of trip length, shall be specifically defined as a violation of this section so long as that prospective passenger has notified the dispatch service of this circumstance at the time a request for taxi service was made.

(e) No driver of any taxicab or LSV shall stop, park, or otherwise leave standing a taxicab or LSV on the same side of the street in any block in which taxicabs or LSVs are already stopped, parked, or otherwise standing except the taxicab or LSV may actively unload in a passenger loading zone or be parked in a marked taxi/LSV stand.

(f) No driver shall stop, park or otherwise leave standing a taxicab or LSV within one-hundred (100) feet of any other taxicab or LSV except in a marked taxi/LSV stand or while actively loading or unloading passengers.

(g) No driver shall stop, park, or otherwise leave standing a taxicab or LSV within fifteen (15) feet of any fire plug except as modified in Section 2.5 of this Ordinance.

(h) An out-of-service sign must be displayed when the taxicab or LSV is not available for hire and is being operated or is lawfully parked for purposes of maintenance, inspection, or personal use. The sign must be placed in a location in the vehicle that is clearly visible from the exterior of the vehicle. The sign must be of durable material and written in block letters in black ink and easily readable from a distance of not less than 10 feet.

(i) A taxicab driver may seek passengers by driving through any public street or place without stops, other than those due to obstruction of traffic, and at such speed as not to interfere with or impede traffic.

(j) It shall be unlawful, however, for the driver to seek passengers by stopping at or driving slowly in the vicinity of an entertainment center or transportation center or any other location of public gathering, in such a manner as to interfere with public access to or departure from that center or location, or so as to interfere with or impede traffic.

(k) It shall also be unlawful for a taxicab or LSV driver, having parked and left his or her taxicab or LSV, to solicit patronage among pedestrians on the sidewalk, or at any entertainment center, transportation center, or other location of public gathering.

(l) No person shall solicit passengers for a taxicab or LSV other than the driver thereof; however, the Chief Executive Officer may authorize a dispatcher to solicit passengers and assist in loading passengers at such times and places as, in his or her discretion, public service and traffic conditions require.

(m) It shall be unlawful for the driver or operator of any taxicab or LSV to remain standing in any established taxicab or LSV stand or passenger loading zone, unless the driver or operator remains within twelve (12) feet of his or her taxicab or LSV, except when the driver or operator is actually engaged in assisting passengers to load or unload.

(n) Only paying passengers and persons specifically authorized by the Chief Executive Officer may occupy a taxicab or LSV that is already occupied by a paying passenger. No driver, once a paying passenger has occupied his taxicab or LSV, shall permit any other nonpaying passenger to occupy or ride in the taxicab or LSV.

(o) It shall be unlawful to respond to a call for service dispatched to another operator except when an LSV refers service to another operator because the trip distance is outside of the approved area of jurisdiction.

(p) The taxicab or LSV driver shall maintain a daily trip log which shall be available for inspection upon request by any peace officer or MTS inspector. The trip log will accurately show the driver's name, taxicab or LSV number, date, time, beginning odometer reading, starting and ending locations, type of service provided, and fare paid for each trip provided.

(1) The daily trip log shall consist, at a minimum, of a five- by seven-inch paper form retained on a stiff-board writing surface with ruled lines and columns sufficient to contain the required information. All entries will be in black or dark blue ink, block letters, and be clearly legible. Colored paper that is lightly shaded is allowed provided there is sufficient contrast for entries to be easily read. Onboard electronically generated reports that meet the legibility requirements are acceptable.

(2) The driver shall deliver trip logs to the permit holder upon request or at a weekly interval, whichever is less.

(q) All operating regulations set forth in Section 1.8 apply.

(r) The permit holder for any taxicab or LSV with a permit issued after July 1, 1991, shall comply with the following:

(1) The color scheme of the vehicle will conform to that of the radio dispatch service organization.

(2) Establish a business office in a location available to the public, and have staff on duty during regular business hours.

(3) File with MTS, and charge a rate of fare common to the radio service organization providing service required by this Ordinance.

(4) Maintain a current executed taxicab driver lease agreement for each current driver that includes all aspects of the business relationship between the permit holder and the lessee, and written receipts of all payments from lessee.

(Section 2.4 amended 2/12/15)

(Section 2.4 amended 11/15/12)

(Section 2.4 amended 8/7/03)

(Section 2.4 amended 11/14/02)

(Section 2.4 amended 6/24/99)

(Section 2.4 amended 2/13/97)

(Section 2.4 amended 6/27/91; effective 7/27/91)

Section 2.5 - Stands

(a) The Chief Executive Officer may establish, locate and designate shared use taxicab/LSV stands for one or more taxicabs/LSVs, which stands when so established shall be appropriately designated "Taxis/LSVs Only." The operating regulations of this Ordinance shall apply to such stands and to taxicab/LSV stands established by the San Diego Unified Port District in areas under its jurisdiction within the City.

(b) Each taxicab or LSV stand established hereunder may be in operation twenty-four (24) hours of every day, unless otherwise specified by the Chief Executive Officer.

(c) Any individual, partnership, association, or other organization may petition MTS requesting that a new taxicab/LSV stand be established, or that the location of an existing taxicab/LSV stand be changed to another location. A nonrefundable filing fee to be determined by the Chief Executive Officer must be paid at the time the petition is submitted.

(d) It shall be unlawful for a vehicle other than a taxicab or LSV with a proper MTS taxicab or LSV permit to occupy a taxi/LSV stand.

(e) LSVs may only occupy taxicab stands that are specially signed, designated their approved use.

(Section 2.5 amended 11/15/12)

(Section 2.5 amended 8/7/03)

Section 2.6 - Radio Services

(a) In order to provide taxicab or LSV radio dispatch service required by Section 2.3(d, e), the dispatch service organization adding or changing subscribers after July 1, 1991 shall establish and conform to written policies and procedures concerning the following:

(1) Standard time elapse for answering the telephone service-request line(s).

(2) Standard time elapse for the taxicab's or LSV's arrival at requested pick-up location.

(3) Passenger's request for a specific driver ("personals").

(4) Additional two-way communication devices (mobile or cellular phones) in taxicabs or LSVs.

(5) 10-code.

(6) Lost and found for passengers' items.

(7) Assignment of vehicle body numbers.

(8) Immediately notify the permit holder of all lost items and inquiries.

Current written policies and procedures shall be available to subscribers from the radio dispatch organization, and on file with MTS.

(b) Taxicab and/or LSV service organizations shall, 24 hours a day, have dispatch staff on duty at the business location, which must be a preapproved physical address, answer telephone-request line(s), properly dispatch those requests to all members, provide radio response to all licensed radio frequencies/channels, and respond to direct requests from drivers, permit holders, and MTS as well as law enforcement and local regulatory agencies.

(c) Taxicab and or LSV radio dispatch services shall keep written records of all requests for taxi and/or LSV service, calls dispatched, and the time(s) each taxicab and/or LSV goes in and out of service. These records shall be kept on file for a minimum of six months, and made available to MTS, upon request.

(d) Taxicab and/or LSV radio dispatch services shall maintain a listing in the major business telephone directory.

(e) No person, partnership, corporation, association, other organization providing radio or other dispatch service shall dispatch a request for service to a driver, owner, or vehicle unless the driver, owner, and vehicle are properly licensed to provide the service requested.

(f) The Chief Executive Officer may, at any time, revoke or suspend the taxicab or LSV privileges of or fine any person, partnership, corporation, association, other organization providing radio or other dispatch service that violates a provision of this ordinance.

(Section 2.6 amended 11/15/12)

(Section 2.6 amended 8/7/03)

(Section 2.6 amended 9/24/98)

(Section 2.6 added 6/27/91; effective 7/27/91)

Section 2.7 - Driver Safety Requirements

(a) No taxicab vehicle or LSV shall be operated unless such vehicle is equipped with an emergency signaling device approved by the Chief Executive Officer.

(b) No taxicab vehicle may be operated with window tinting, shades, or markings that could interfere with a clear view of the cab interior from the outside.

(c) Taxicab/LSV radio services required by Section 2.3 shall at all times have a dispatch staff person on duty who has successfully completed a driver safety training course approved by the Chief Executive Officer.

(d) Cellular phone use by drivers is prohibited at all times when a passenger is in the vehicle and the vehicle begins moving. Otherwise, California Vehicle Code rules apply.
(Section 2.7 amended 11/15/12)
(Section 2.7 amended 8/7/03)
(Section 2.7 added 9/24/98)

SECTION 3.0 - CHARTER VEHICLES

Section 3.1 - Rates of Fare

(a) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder for charter services.

(b) If a permit holder desires to change the rates of fare being charged for charter services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said change.

(c) No permit holder shall charge any rate of fare for charter services unless said rates are on file with the Chief Executive Officer as aforesaid, and duly displayed.

(d) The rates of fare shall be established by a prearranged written contract on a per-mile or per-hour basis.

(Section 3.1 amended 4/10/97)

Section 3.2 - Operating Regulations

(a) It shall be unlawful for any charter vehicle to remain standing on any public street in the City, except such reasonable time necessary when enabling passengers to load or unload.

(b) It shall be unlawful for any person, either as owner, driver, or agent, to approach and solicit patronage upon the streets, sidewalks, in any theater, hall, hotel, public resort, railway or airport, or light rail transit station.

(c) The charter for-hire vehicle driver shall maintain a daily trip log which shall be available for inspection upon request by any peace officer or MTS inspector. The trip log will accurately show the driver's name and the medallion number on the vehicle. In addition, the trip log shall identify the scheduling parties by name, date, and time of the prearranged hire.

(d) All other operating regulations defined in Section 1.8 apply.
(Section 3.2 amended 11/14/02)

SECTION 4.0 - SIGHTSEEING VEHICLES

Section 4.1 - Rates of Fare

(a) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder of sightseeing vehicle services.

(b) If a permit holder desires to change the rates of fare being charged for sightseeing services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said changes.

(c) No permit holder shall charge any rate of fare for sightseeing services unless said rates are on file with the Chief Executive Officer as aforesaid, and duly displayed.

(d) The rate of fare shall be established on a per capita or per event basis.
(Section 4.1 amended 4/10/97)

Section 4.2 - Operating Regulations

(a) It shall be unlawful for any sightseeing vehicle to remain standing on any public street in the City, except such reasonable time necessary when enabling passengers to load or unload.

(b) It shall be unlawful for any person, either as owner, driver, or agent, to approach and solicit patronage upon the streets, sidewalks, in any theater, hall, hotel, public resort, railway or airport, or light rail transit station.

(c) All other operating regulations defined in Section 1.8 apply, except Section 1.8 (v).

SECTION 5.0 - NONEMERGENCY MEDICAL VEHICLES

Section 5.1 - Rates of Fare

(a) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder for nonemergency medical vehicle services.

(b) If a permit holder desires to change the rates of fare being charged for nonemergency medical vehicle services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said change.

(c) No permit holder shall charge any rate of fare for nonemergency medical vehicle services unless said rates are on file with the Chief Executive Officer as aforesaid, and duly displayed.

(d) The rate of fare for exclusive ride service shall be established on a per capita plus per mile basis.

(e) The rates of fare for shared ride service shall be established on a per capita plus per mile basis, or on a per capita plus per zone basis.

(Section 5.1 amended 4/10/97)

Section 5.2 - Operating and Equipment Regulations

(a) It shall be unlawful for any nonemergency medical vehicle to remain standing on any public street in the City, except when enabling passengers to load or unload.

(b) All other operating regulations defined in Section 1.8 apply.

(c) Special equipment on a nonemergency medical vehicle shall, at all times the vehicle is in operation, be in proper working order. Such vehicles equipped with wheelchair ramps or lifts shall have proper device(s) to secure each wheelchair on board.

(d) The permit holder is responsible for ensuring that the driver of a nonemergency medical vehicle is properly trained:

(1) in the use of any of the vehicle's special equipment;

(2) concerning supervision of or assistance to the disabled passengers whom the driver is to transport.

(Section 5.2 amended 6/22/95)

(Section 5.2 amended 6/24/93)

Section 5.3 - Driver Identification Cards

In addition to the requirements set forth in Section 1.12, nonemergency medical vehicle drivers shall acquire and maintain valid proof of proper first-aid and CPR training.

(Section 5.3 added 6/24/93)

SECTION 6.0 - JITNEY VEHICLES

Section 6.1 - Rates of Fare

(a) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder for jitney services.

(b) If a permit holder desires to change the rates of fare being charged for jitney services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said change.

(c) No permit holder shall charge any rate of fare for jitney services unless said rates are on file with the General Manager as aforesaid, and duly displayed.

(d) The rates of fare shall be established on a per capita basis.
(Section 6.1 amended 4/10/97)

Section 6.2 - Jitney Routes

(a) A permit holder who wishes to provide a fixed route service shall apply to the Chief Executive Officer for authorization to serve a defined route with a specific vehicle. No for-hire vehicle may be operated as a jitney until it has met all other requirements of this Ordinance and has been approved for service on a specific fixed route. A jitney may be authorized to serve more than one route; however, a jitney may provide fixed route service on only those routes which the Chief Executive Officer has approved in writing for that vehicle.

(b) The application for a fixed route shall be in writing and shall contain the following information:

- (1) A description of the vehicle(s) which will be utilizing the route;
- (2) A detailed written description of the route, to include starting location, ending location, and the street name and direction of travel for all streets to be used in the route;
- (3) A map in sufficient detail to clearly indicate the proposed route;
- (4) The fare to be charged; and
- (5) Such other information as the Chief Executive Officer may, in his or her discretion, require.

(c) Upon approval of a fixed route by the Chief Executive Officer, the permit holder shall display a representation of the route, the fare, and the permit holder's trade name on each side of the vehicle in letters large enough to be easily read by potential customers in accordance with the standards established by the Chief Executive Officer under Section 6.5 of this Ordinance. Only one (1) route may be displayed on a vehicle at any time.

(d) If a permit holder wishes to alter his or her approved fixed route(s), he or she must apply in writing to the Chief Executive Officer, submitting the information required in Section 6.2 (b).

(e) The Chief Executive Officer may, in his or her discretion, place conditions on the approval of fixed routes.

(f) The Chief Executive Officer may change a route that has been approved previously when the Chief Executive Officer finds it necessary to do so. A change of route may be necessary when a street has been closed temporarily or permanently because of construction, or the direction of a street has been changed, or a street has been vacated, or for similar reasons as determined by the Chief Executive Officer. The Chief Executive Officer shall notify in writing any permit holder whose route has been changed. The Chief Executive Officer's change of a route is subject to appeal under Section 1.16 of this Ordinance.

(g) Except as provided for within this subsection, an approved fixed route may not be transferred to another vehicle or permit holder. A permit holder may receive approval for a vehicle that is replacing a jitney already in service to use the approved fixed routes of the replaced vehicle.
(Section 6.2 amended 11/14/02)

Section 6.3 – Operating Regulations

(a) It is unlawful for any jitney to remain standing on any public street in the City, except when enabling passengers to load or unload, or except when standing in a jitney holding zone for the time period established by MTS.

(b) It is unlawful for any person including, but not limited to, a jitney owner, driver, or agent thereof, to approach and solicit patronage upon the streets, sidewalks, in any theater, hall, hotel, public resort, railway, airport, or light rail transit station.

(c) A peace officer or MTS inspector may authorize a dispatcher to solicit passengers and assist with loading passengers at such times and places as, in his/her discretion, public service and traffic conditions require.

(d) Except when a driver or operator is actually engaged in assisting passengers to load or unload, a jitney driver or operator must remain within twelve (12) feet of his/her jitney while the jitney is in service.

(e) It is unlawful for a jitney vehicle to operate a fixed route service on other than that route designated by the Chief Executive Officer.

(f) It shall be unlawful for a jitney driver to load or unload passengers in any place other than an authorized jitney stop, bus stop, or passenger loading zone.

(g) All other operating regulations defined in Section 1.8 apply.
(Section 6.3 amended 11/14/02)

Section 6.4 - Jitney Holding Zones

(a) The Chief Executive Officer may, by resolution, locate and designate holding zones for one (1) or more jitneys, which holding zones when so established, shall be designated by appropriate signs. The operating regulations of Section 6.3 shall apply to any holding zones so established, and to holding zones established by the San Diego Unified Port District in areas under its jurisdiction. The Chief Executive Officer may, by his or her discretion, establish the maximum number of jitneys permitted to remain standing at one time in a holding zone.

(b) Each holding zone established hereunder shall be in operation twenty-four (24) hours of every day, unless otherwise specified by the Chief Executive Officer. The Chief Executive Officer shall adopt written standards to determine whether to allow holding zones to be in operation fewer than twenty-four (24) hours every day. If a holding zone is to be in operation fewer than twenty-four (24) hours every day, the Chief Executive Officer shall cause signs to be posted at or near the holding zone indicating the hours and days of operation.

(c) The Chief Executive Officer may, on his or her own motion, establish holding zones.

(d) Any individual, partnership, corporation, association or other organization may petition MTS requesting that a new holding zone be established. The petition must be filed in writing with the Chief Executive Officer or his/her designee. The petition must state the reason for the request and the proposed location(s). The Board may approve, deny, or modify the request.

(e) Whether initiated by the Chief Executive Officer under Subsection (c) of this section or by persons described in Subsection (d) of this section, before any holding zone is established, the proposed location of any holding zone must be reviewed by the Traffic Engineer of the City. The Traffic Engineer shall report his/her recommendations to approve, deny, or modify the proposed location in writing to the Chief Executive Officer. The Traffic Engineer's report shall include a statement of reasons supporting the recommendation to the Chief Executive Officer.

(f) The Chief Executive Officer shall, by resolution, establish a maximum time limit for individual jitneys to remain standing in any holding zone. The time limit shall apply uniformly to all holding zones.

(g) It shall be unlawful for a vehicle other than a jitney with a proper MTS jitney permit to occupy a jitney holding zone.

(Section 6.4 amended 11/15/12)

Section 6.5 - Equipment and Specifications

(a) Each jitney shall bear on the outside, signs clearly designating the route which it serves. The specifications of the sign are subject to the approval of the Chief Executive Officer. The Chief Executive Officer shall adopt written standards for approval or denial of the size of the signs, the location of the signs on the vehicle, the size of the lettering or graphics on the signs, and other specifications that the Chief Executive Officer finds necessary.

(b) All jitney vehicles must bear a trade name and shall be assigned a body number by the permit holder. The trade name and body number so assigned shall be placed on the vehicle in accordance with written standards adopted by the Chief Executive Officer.

Any violation of this Ordinance shall constitute an infraction unless otherwise specified.

SECTION 7.0 – LOW-SPEED VEHICLES

Section 7.1 – Low-Speed Vehicle (LSV) Definition

Low-Speed Vehicles (LSV) shall mean every vehicle that is designated per the requirements of Ordinance No. 11, Section 1.1(c). LSVs may operate by zones and/or a prearranged basis as set forth in Section 1.1 (d) (1)-(5).

(Section 7.0 and 7.1 added 8/7/03)

Section 7.2 – Establishment of Zones

The Chief Executive Officer shall establish and authorize the use of zones of operation.
(Section 7.2 added 8/7/03)

Section 7.3 – Zone Rates of Fare

(a) All vehicles permitted as LSV may use two methods of seeking compensation, either by zone rates or on a prearranged basis. Either method may be used when working inside of an approved zone. However, when operating on a prearranged charter basis, within an approved zone, no operator may exceed the maximum number of vehicles that are medallioned.

(b) Within thirty (30) calendar days following the issuance of a permit by the Chief Executive Officer, each permit holder shall file a document with the Chief Executive Officer reflecting the rates of fare being charged by said permit holder for LSV services.

(c) When a permit holder desires to change the rates of fare being charged for LSV services during any calendar year, he shall first file a document with the Chief Executive Officer indicating said changes, and no change shall be effective until fourteen (14) days following the filing of said change.

(d) No permit holder shall charge any rate of fare for LSV services unless said rates are on file with the Chief Executive Officer as aforesaid, and duly displayed.

(e) The rates of fare shall be established by a zone and/or prearranged written contract on a per-mile or per-hour basis.

(f) The maximum rates of fare shall be established pursuant to Section 2.2.
(Section 7.3 added 8/7/03)

Section 7.4 – Spare Vehicle Policy

(a) The following sets out procedures for LSV permit holders to place a spare vehicle into service as either a temporary replacement for a permitted vehicle that is out of service for recharging or mechanical problems.

(1) Spare LSVs must be marked with the approved company markings.

(2) In place of the medallion number, the spare LSV must be marked "Spare LSV." Where more than one spare LSV is being requested, under the provisions of paragraph 9, the LSVs will be marked "Spare LSV 1," "Spare LSV 2," and so on. The "Spare LSV" marking should be sized to fit in approximately the same space as the medallion number would otherwise be placed with legibility and visibility being the primary criteria.

(3) Spare LSVs must be inspected upon initial issuance and annually thereafter.

(4) All spare LSVs must meet all MTS insurance requirements.

(5) To use a spare LSV that meets the requirements of 1 through 4 above, the permit holder must communicate in writing (facsimile is acceptable), a request to place a spare LSV into service.

The request must state:

(a) the medallion number of the LSV being taken out of service, the reason for being out of service, and the location of the out-of-service LSV; and

(b) the estimated time the spare LSV will be in use.

(6) When the out-of-service LSV is ready to re-enter service, the permit holder must immediately notify MTS in writing (facsimile is acceptable).

(7) The out-of-service LSV may not be required to be reinspected to be placed back into service.

(8) The spare LSV must be removed from service at the time the LSV it has been replacing is placed back into service.

(9) Under normal circumstances, a permit holder may utilize spare LSVs. Permit holders may utilize spare LSVs in a ratio of 3:1 permits held.

(10) Spare LSVs that are placed in service may only operate inside of the MTS-approved zone or zones. A permit holder shall not operate more spare vehicles than he/she has regular medallioned vehicles.

(11) A permit holder found to have operated a spare LSV in deliberate violation of these procedures will be subject to immediate suspension/revocation of the permit and the loss of the spare LSV utilization privilege.

(Section 7.4 amended 10/16/03)

(Section 7.4 added 8/7/03)

Section 7.5 – LSV Driver Identification Cards

(a) Refer to Section 1.12 of this Ordinance to reference driver and permit holder ID requirements.

(Section 7.5 added 8/7/03)

Section 7.6 - Equipment and Specifications

(a) Each LSV shall be equipped with a device which shall plainly indicate to a person outside the LSV whether the LSV is in operation or is not.

(b) Exterior Markings

(1) The permit holder's trade name shall be painted or permanently affixed in letters and numerals 2-1/2 inches high all on one line on the upper third part of both the front and rear of the vehicle utilizing "Univers" or other Chief Executive Officer preapproved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability. In the event the trade name does not fit on one line utilizing 2-1/2 inch lettering, the trade name lettering must be as large as possible, up to 2-1/2 inches in height, to enable the trade name to fit on one line.

(2) The medallion number shall be painted or permanently affixed, on both the front and rear of the vehicle, one (1) inch below the permit holder's trade name, two (2) inches high, utilizing "Univers" or other Chief Executive Officer pre-approved font in black or white lettering to produce maximum contrast adequately spaced for maximum readability.

(3) Optional Exterior Vehicle Markings. The permit holder has the option of choosing to post any combination of the below-listed five options on his or her LSV which must be posted only at the specific location and in the size noted and are subject to the Chief Executive Officer's approval.

a) Trade Name Logo. If the permit holder chooses to display his or her trade name logo, the trade name logo shall be posted only on the rear portion of both side rear quarter panels.

b) Radio Service Provider. If the permit holder chooses to display the radio service provider name or logo, the radio service provider name or logo cannot utilize the words "cab" or "taxi." The radio service provider name or logo must be displayed only on the rear portion of both side rear quarter panels.

c) Telephone Number. If permit holder chooses to display a telephone number, the telephone number must be no more than two (2) inches in height and posted only on the top front portion of both front side quarter panels.

d) "Driver Carries Only \$ _____ Change." If the permit holder chooses to post "Driver Carries only \$ _____ Change," postings must be located only on panels near the rear door but clear of the rates of fare.

e) "Leased to Driver." If permit holder chooses to post "Leased to Driver," it must be posted only on both rear quarter panels near the rear door area but clear of the rate of fares in lettering no larger than 1 inch.

(4) All other exterior vehicle markings are prohibited unless they are directly related to the permit holder's business and pre-approved by the Chief Executive Officer.

(c) All LSVs shall be equipped and operated so that they may be dispatched by two-way radio communication in response to a telephone or other request for service by a prospective passenger. This requirement may not be met by use of a mobile radio telephone service.

(1) Radio must be turned on, and audible to driver, at all times the LSV is in service.

(d) The radio dispatch capability described in paragraph (d) of this section must be provided so as to conform to the regulations of the Federal Communications Commission pertaining to Land

Transportation Radio Services. Failure to conform to those regulations will additionally constitute a failure to meet the requirements of this section.

- (1) The current valid FCC license shall be on file with MTS.
- (2) LSV permit holder shall provide current proof the radio has passed inspection by an MTS-approved inspector.
- (3) LSV radios shall have the capability to receive or transmit only on frequencies specified in the FCC license of the radio service subscribed to by the permit holder.
- (e) Radio scanners are not allowed in LSVs.
(Section 7.6 added 8/7/03)

SECTION 8 - EFFECTIVE DATE OF ORDINANCE

This Ordinance shall be effective 30 days after adoption, and before the expiration of 15 days after its passage, this Ordinance shall be published once with the names of the members voting for and against the same in a newspaper of general circulation published in the County of San Diego.

| Amended: 2/12/15
Amended: 11/15/12
Amended: 4/19/12
Amended: 10/16/03
Amended: 8/7/03
Amended: 5/8/03
Amended: 11/14/02
Amended: 6/27/02
Amended: 5/23/02
Amended: 6/24/99
Amended: 9/24/98
Amended: 10/30/97
Amended: 4/10/97
Amended: 2/13/97
Amended: 11/9/95
Amended: 6/22/95
Amended: 1/12/95
Amended: 6/24/93
Amended: 6/27/91
Amended: 5/23/91
Amended: 10/11/90
Repealed & Readopted: 8/9/90
Amended: 4/12/90
Amended: 4/27/89
Adopted: 8/11/88

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

**DRAFT
ALTERNATIVE B**

SUBJECT: TAXICAB PERMITS
POLICY NO.: 500-02
EFFECTIVE DATE: June 26, 2012

BACKGROUND:

Regulation of taxicab service is in the interest of providing residents and visitors to the City of San Diego with a good quality local transportation service. Towards this end, the City finds it desirable to regulate the issuance of taxicab permits.

PURPOSE:

To establish a policy for the issuance of additional taxicab permits, for the purpose of expanding the taxi industry to meet growing demand for taxi service throughout the City, and providing opportunity for both existing and new taxi operators and for experienced drivers.

POLICY:

The City will periodically issue taxicab permits to applicants *who can demonstrate that they have the experience and resources to provide outstanding quality service to customers and the community.* based on a formula. The formula will take into account both the demand for taxicab services and the supply of taxicabs.

New permits will be issued on a full cost recovery basis. All applicants will first have to submit an application and satisfy Screening Criteria based on quality and customer service standards. Two methods of issuance will be used:

1. 60% of new permits will be issued in blocks of five or more permits by lottery to entities that demonstrate an ability to manage a fleet of taxicabs.
2. 40% of new permits will be issued one at a time by lottery to experienced drivers.

The process through which permits are issued will limit the concentration of permits. No permits will be issued or transferred to any person, company, business, corporation, or other entity if such issuance or transfer would result in any permit holder having an interest in more than 40% of the existing permits. New permits shall not be transferred for a period of five years after issuance. No single permit will be issued or transferred to any person, company, business, corporation, or other entity if such issuance or transfer would result in single permit holders in aggregate having interest in more than 40% of the existing permits.

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Permit holders of newly awarded permits must demonstrate that they are in compliance with Screening Criteria as a condition of annual permit renewal or the permit may be suspended or revoked.

When any taxicab permit is transferred, the transferee must satisfy Screening Criteria at time of transfer and thereafter as a condition of annual permit renewal or the permit may be suspended or revoked.

All permits held by corporations or limited liability companies shall comply with Screening Criteria within five years of the adoption of this Policy.

IMPLEMENTATION:

Increases in the number of taxicab permits will be based on a formula to be computed every three years. Permits that are authorized but not awarded, as well as permits that are vacant due to revocation or relinquishment, shall not be considered to be active permits for the purposes of determining need for new permits.

Screening Criteria will be evaluated on a pass-fail basis. Each element must be a “pass” in order for the applicant to have been considered to have satisfied the screening. Applicants are responsible for providing complete and accurate information needed for the screening evaluations.

1. Screening Criteria

A. Applicants must:

- a. Meet regulatory requirements for a taxicab permit holder and operator specified in ordinance and regulation
- b. Provide evidence of at least six-months' experience driving a taxicab, transportation network vehicle, charter party carrier services, or similar service oriented transportation or managing a demand responsive transportation service, or similar service oriented business. Provide evidence of at least five years' experience driving a taxicab or managing a demand responsive transportation service, or similar service oriented business

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- c. Provide evidence of ability to meet insurance requirements
 - d. Provide evidence of ability to finance the meeting of screening criteria and regulatory requirements
- B. Vehicles must:
- a. Meet regulatory and ordinance requirements
 - b. Meet California Air Resources Board criteria for Zero Emission Vehicle or Low Emission Vehicle
 - c. Be ADA-compliant (applies to first permit, thereafter at least 50% of vehicles must comply)
 - d. Be equipped with a GPS Global Positioning System (GPS)
 - e. Be equipped with security cameras
 - f. Be no older than 10 years of the model age
 - g. Not have a "salvage" title
- C. Adequate facilities must be demonstrated for:
- a. Administrative functions
 - b. Vehicle maintenance
 - c. Off-street vehicle storage when not in service
- D. Dispatch must be:
- a. Staffed 24 hours
 - b. Computerized
 - c. Utilize GPS-a Global Positioning System (GPS)
- E. Customer service plan must include:
- a. Acceptance of credit cards
 - b. Customer complaint system
 - c. Record keeping of every call, dispatch, trip, and complaint

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d. — 25% of trips must originate in underserved communities

- F. Additional screening criteria may be added as needed by regulatory action to fulfill the purpose of improving industry standards and customer service and keeping current with technology.

2. Lottery of Permit Blocks

Eligibility: Applicants must satisfy Screening Criteria as well as demonstrating ability to finance and manage a fleet of taxicabs.

Blocks of Permits: 60% of the permits available shall be divided as evenly as possible into blocks five or more permits, maximizing the number of blocks available. For example, if 24 permits are available, then they shall be divided into four blocks of six permits; 25 permits shall be divided into five blocks of five permits; and 26 permits shall be divided into one block of six and four blocks of five permits.

Distribution: Applicants shall be screened for eligibility. Eligible applicants are placed in a lottery. The first 25 names drawn shall be placed on a list based on order of selection, with blocks awarded starting with the first drawn until all of the available blocks have been awarded. Larger blocks shall be awarded first. Names that are drawn but not awarded blocks shall constitute a waiting list. Applicants who subsequently fail to meet regulatory requirements shall be removed from the list and blocks reassigned in order to include the next listed applicant on the waiting list.

3. Lottery to Individual Drivers

Eligibility: Applicants must satisfy Screening Criteria, and: 1) not have any ownership interest in any taxicab permits, 2) have a current Taxicab Drivers Identification Card issued by the San Diego County Sheriff, 3) demonstrate a minimum of five years' experience leasing and driving a taxicab for at least 1000 hours per year, and 4) if awarded a permit, must drive the taxicab for at least 1000 hours per year for the first five years that the permit is held.

Individual Permits: 40% of the permits available shall be distributed one at a time.

Distribution: Applicants shall be screened for eligibility. Eligible applicants are placed in a lottery. The number of names drawn shall equal twice the number of permits available in the lottery. The names drawn shall be placed on a list based on order of selection. One permit shall

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Att. B, AI 30, 2/12/15

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be awarded starting with the first name on the list until all of the available permits have been awarded. Names that are drawn but not awarded a permit shall constitute a waiting list. Applicants who subsequently fail to meet regulatory requirements shall be removed from the list and the permit reassigned to the next listed applicant on the waiting list.

FORMULA

The formula will be computed as follows:

$$S = \frac{D}{M}$$

Where:

- S= the calculated ideal supply of taxicabs
- D= measured aggregate demand for taxicab trips
- M= the number of taxicab trips needed to sustain one new taxicab vehicle entering the market

The formula shall be applied every three years. Economic studies shall be conducted to determine the values of D and M.

Additional permits shall be issued when S exceeds the number of active permits by 40 or more. The number of permits distributed shall be S minus the number of active permits. The number of active permits is the number of authorized permits minus unassigned and vacant permits.

HISTORY:

“Taxicabs - Certificates of Convenience and Necessity”
Adopted by Resolution R-72292 - 08/21/1962
Amended by Resolution R-216590 - 08/11/1976
Amended by Resolution R-217293 - 12/15/1976
Amended by Resolution R-222474 - 12/19/1978

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Repealed by Resolution R-258090 - 03/14/1983

"Taxicabs - Permits"

Added by Resolution R-260636 - 05/07/1984

Amended by Resolution R-261739 - 10/15/1984

Amended by Resolution R-271307 - 06/28/1988

Amended by Resolution R-295355 - 08/06/2001

Amended by Resolution R-302130 - 12/06/2006

Amended by Resolution R-307494 - 06/26/2012



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

Agenda Item No. 31

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS) BUS SHELTERS -
CONTRACT AWARD (ROB SCHUPP)

RECOMMENDATION:

That the Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0615.0-14 (in substantially the same format as Attachment A) with Brasco International, Inc. (Brasco) for the provision of bus shelters.

Budget Impact

The total estimated cost of this agreement would not exceed \$6,407,655.00 for up to 600 shelters. Funding will be through the Capital Improvement Project (CIP) number 11362 for fiscal years 2015 through 2017. Revenue from bus shelter advertising is designated to fund this project.

DISCUSSION:

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

MTS currently has 444 bus shelters in its inventory, with the majority in the City of San Diego. All shelters are in excess of 20 years old, are generally well maintained, but are at the end of their useful life. It is the intent of MTS to replace its shelters with new and modern shelters with MTS branding elements as part of a coordinated street furniture project located in the public right of way within selected cities of MTS service territory. MTS has the right to purchase up to 600 shelters under the proposed agreement, which allows MTS to install shelters at new locations if desired.

On September 19, 2014, MTS issued a Request for Proposals for bus shelters. Shelters would include roofs, panels, seats, advertising kiosks, map cases, trash and recycling receptacles, lighting and other features including solar power. MTS is seeking shelter materials and construction methods to best maintain structural integrity over a 20-year life span with minimal ongoing maintenance costs. The goal of the coordinated street



furniture program is to improve and maintain safe pedestrian thoroughways and comply with all Americans with Disabilities Act requirements.

On November 12, 2014, MTS received a total of five (5) proposals from the following:

1. Brasco, Madison Heights, MI
2. Enseicom, Quebec, Canada
3. LNI Custom Manufacturing, Hawthorne, CA
4. Lucid Management Group, British Columbia, Canada
5. Tolar Manufacturing, Corona, CA

A selection committee consisting of representatives from the MTS Finance, Marketing, and Transportation departments met and rated the proposals. The ratings were based on the following criteria:

- | | | |
|----|---|------------|
| 1. | Qualifications and Experience of the Firm and Management Team | 25% |
| 2. | Work Plan: Design and Fabrication | 25% |
| 3. | Cost | 50% |
| | | Total 100% |

All proposals were deemed responsive and responsible. After the evaluation, Brasco and Tolar Manufacturing were considered to be within the competitive range and advanced to the next step of the evaluation process which included interviews and negotiations.

MTS requested Refined Revised Proposals from Brasco and Tolar Manufacturing which added optional LED light strips on two shelter legs, panel modifications, and construction of a prototype shelter for MTS approval after contract award. The MTS Engineering department carefully examined the shelter renderings, materials lists, shipping weights, and quality control plans and confirmed that both final proposers were submitting shelters adequate to support MTS's needs.

Based on the evaluation panel's analysis of the technical proposal, discussions, interviews, negotiations and evaluation of price (Attachment B), MTS staff has determined that Brasco's proposal is fair and reasonable and represents the best overall value for MTS.

The following table represents the final scores and rankings:

PROPOSER NAME	TOTAL AVG. TECH. SCORE	COST SCORE	TOTAL SCORE (Tech + Cost) Total Possible Points: 100	RANKING
Brasco International, Inc.	36.3	50	86.3	1
Tolar Manufacturing	42.5	42.2	84.7	2


Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft Standard Services Agreement; Contract B0615.0-14
B. Cost Summary

STANDARD PROCUREMENT AGREEMENT

B0615.0-14
CONTRACT NUMBER

DRAFT

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 contractor, hereinafter referred to as "Contractor":

Name: Brasco International Inc.Address: 32400 Industrial Dr.Form of Business: Corporation
(Corporation, partnership, sole proprietor, etc.)Madison Heights, MI 48071Telephone: (313) 393-0393

Authorized person to sign contracts: _____
Name Title

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

Provide Bus Shelters as set forth in the MTS Scope of Work (attached as Exhibit A), Brasco International's Proposal (attached as Exhibit B), in accordance with the Standard Procurement Agreement, including Standard Conditions Procurement (attached as Exhibit C).

The total contract cost shall not exceed \$6,407,655.00.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEARS
\$6,407,655.00	CIP11362	2015-17

By: _____ Date
Chief Financial Officer

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

COST SUMMARY

MTS BUS SHELTERS RFP
MTS DOC. NO. B0615.0-14

COMPANY NAME	TOTAL COST
Brasco International, Inc. *	\$6,407,655.00
Enseicom ^	\$18,550,730.00
LNI Custom Manufacturing ^	\$10,954,152.20
Lucid Management Group ^	\$17,989,256.00
Tolar Manufacturing	\$7,587,245.00

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

^ Does not include pricing for additional options (LED Light Strips, Prototype, and Panel Modification) requested in Refined Revised Proposal.



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

Agenda Item No. 45

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

OPERATING REVENUE REPORT (SHARON COONEY)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Fare revenue is a significant funding source for MTS transit service operations. Staff will provide a report on fares and special fare programs.


Paul C. Jablonski
Chief Executive Officer

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





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

Agenda Item No. 46

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

QUARTERLY PERFORMANCE MONITORING REPORT (DENIS DESMOND)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

MTS Board Policy No. 42, Transit Service Evaluation and Adjustment, establishes a process for evaluating existing transit services to achieve the objective of developing a customer-focused, competitive, integrated, and sustainable system. Additionally, federal Title VI guidance requires that certain performance measures be evaluated and reported to the Board periodically. The analyses, included in the attachment to this report, show trends for the current fiscal year and help to track performance throughout the year.

Staff from the Planning department will provide a summary of fiscal year 2015 service performance through the end of the second quarter.


Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Service Performance Monitoring Report



San Diego Metropolitan Transit System
POLICY 42 PERFORMANCE MONITORING REPORT
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Att. A, AI 46, 2/12/15

The following measures of productivity and service quality are used to ensure that services are focused on providing competitive and attractive transportation that meets our customers' needs.

Total Passengers (July - December)

Route Categories*	FY 2013	FY 2014	FY 2015	# Change FY13- FY14	# Change FY14- FY15	% Change FY13- FY14	% Change FY14- FY15
Premium Express	156,517	151,528	4,250	(4,989)	(147,278)	-3.2%	-97.2%
Rapid Express (Route 270, 280, 290)	-	-	148,292	-	148,292	-	-
Express	1,186,633	1,226,731	1,083,945	40,098	(142,786)	3.4%	-11.6%
Light Rail	15,340,836	20,090,539	20,099,102	4,749,703	8,563	31.0%	0.0%
Silver Line (Light Rail)	-	13,712	15,864	13,712	2,152	-	15.7%
Rapid (SuperLoop, Route 215, 235, 237)	792,515	812,575	1,951,171	20,060	1,138,596	2.5%	140.1%
Urban Frequent	19,421,540	19,094,007	19,071,586	(327,533)	(22,421)	-1.7%	-0.1%
Urban Standard	5,969,216	5,691,377	5,854,322	(277,839)	162,945	-4.7%	2.9%
Circulator	394,134	356,903	388,491	(37,231)	31,588	-9.4%	8.9%
Rural	20,980	34,700	38,107	13,720	3,407	65.4%	9.8%
Demand-Responsive	186,962	201,350	231,210	14,388	29,860	7.7%	14.8%
System Total Passengers	43,469,333	47,673,422	48,886,340	4,204,089	1,212,918	9.7%	2.5%
Fixed-Route Bus Ridership	27,941,535	27,367,821	28,540,164	(573,714)	1,172,343	-2.1%	4.3%

NOTES: Overall, MTS system-wide ridership increased +2.5%. New Rapid services, low-floor Trolley cars, reconfigured routes, an improved economy, and additional service contributed to the ridership gains. Fixed-route bus ridership increased significantly, partially due to construction delays on major routes ending, and implementation of new services. Ridership decreases in some categories, such as Premium Express, reflect routes changing to a different route category and implementation of new routes under a new category.

Average Weekday Passengers (July - December)

Route Categories*	FY 2013	FY 2014	FY 2015	# Change FY13- FY14	# Change FY14- FY15	% Change FY13- FY14	% Change FY14- FY15
Premium Express	1,223	1,174	98	(49)	(1,076)	-4.0%	-91.7%
Rapid Express (Route 270, 280, 290)	-	-	1,157	-	1,157	-	-
Express	8,482	8,827	7,907	345	(920)	4.1%	-10.4%
Light Rail	95,319	122,170	121,929	26,851	(241)	28.2%	-0.2%
Silver Line (Light Rail)	-	174	195	174	21	-	12.1%
Rapid (SuperLoop, Route 215, 235, 237)	1,665	5,149	13,032	3,484	7,883	209.2%	153.1%
Urban Frequent	129,971	123,470	125,420	(6,501)	1,950	-5.0%	1.6%
Urban Standard	40,490	38,769	39,848	(1,721)	1,079	-4.3%	2.8%
Circulator	3,386	2,707	2,950	(679)	243	-20.1%	9.0%
Rural	248	290	336	42	46	16.9%	15.9%
Demand-Responsive	1,315	1,433	1,645	118	212	9.0%	14.8%
System Avg. Weekday Pass.	282,099	304,163	314,517	22,064	10,354	7.8%	3.4%
Fixed-Route Bus Avg. Weekday Pass.	185,465	180,386	190,748	(5,079)	10,362	-2.7%	5.7%

NOTES: The average weekday passenger statistics show how many passengers ride MTS on a typical weekday. For FY15, there is a +3.4% increase in system-wide average weekday passengers (10,354 passengers per average weekday). Most of this is a result of an increase of +10,362 fixed-route bus passengers per average weekday (+5.7%). The greatest fixed-route percentage decrease in average weekday passengers was the Premium Express category, with a -91.7% decrease in average weekday passengers, mainly the result of routes changing categories to Rapid Express. Added together, overall, average weekday ridership for premium fixed-route bus services along the I-15 corridor has increased (Premium Express plus Rapid Express).

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Passengers Per Revenue Hour (July - December)

Route Categories*	FY 2013	FY 2014	FY 2015	% Change FY13-FY14	% Change FY14-FY15
Premium Express	24.6	21.5	18.0	-12.6%	-16.3%
Rapid Express (Route 270, 280, 290)	-	-	25.2	-	-
Express	32.5	31.3	28.1	-3.7%	-10.2%
Light Rail	166.2	224.7	232.3	35.2%	3.4%
Silver Line (Light Rail)	-	37.6	54.6	-	45.2%
Rapid (SuperLoop, Route 215, 235, 237)	33.0	33.2	29.2	0.6%	-12.0%
Urban Frequent	37.5	35.2	35.7	-6.1%	1.4%
Urban Standard	27.3	26.2	26.6	-4.0%	1.5%
Circulator	19.6	17.4	17.0	-11.2%	-2.3%
Rural	9.4	12.4	14.1	31.9%	13.7%
Demand-Responsive	2.0	2.1	2.0	5.0%	-4.8%
System Riders Per Rev. Hour	43.1	45.9	44.8	6.5%	-2.4%
Fixed-Route Bus Riders Per Rev. Hr.	33.9	32.1	32.0	-5.3%	-0.3%

NOTES: MTS operated 5% more revenue hours in FY15 than in FY14. The 'passengers per revenue hour' metric shows how the revenue hours (in-service hours plus layover hours) that were added or removed relate to ridership increases or decreases. Increasing riders per revenue hour would indicate that the system is more efficient, for example, carrying more passengers with the same number of buses. For FY15, all MTS services carried 44.8 passengers per revenue hour, a decrease of -2.4% (-1.1 riders per revenue hour). The change in riders per revenue hour figure on MTS' fixed-route bus services was a minor decrease of -0.3% (-0.1 riders per revenue hour). For FY15, Trolley passengers per revenue hour increased +3.4% to 232.3 passengers per revenue hour, an increase of +7.6 riders per revenue hour.

Weekday Passengers Per In-Service Hour (July - December)

The 'passengers per in-service hour' measure is related to the above 'passengers per revenue hour,' but shows how many passengers are carried while the vehicle is in-service picking up passengers, excluding layover time. Analyzing this figure helps MTS to understand how effective it is at providing the right level of service, instead of how effective MTS is at grouping trips and breaks together for a vehicle to operate (revenue hours).

Route Categories*	FY 2013	FY 2014	FY 2015	% Change FY13-FY14	% Change FY14-FY15
Premium Express	27.5	22.5	19.6	-18.2%	-12.9%
Rapid Express (Route 270, 280, 290)	-	-	27.9	-	-
Express	40.7	38.2	34.1	-6.1%	-10.7%
Light Rail	233.1	277.7	277.1	19.1%	-0.2%
Silver Line (Light Rail)	-	61.2	68.2	-	11.4%
Rapid (SuperLoop, Route 215, 235, 237)	15.7	50.1	46.0	219.1%	-8.2%
Urban Frequent	47.2	43.8	45.3	-7.2%	3.4%
Urban Standard	36.2	35.6	36.1	-1.7%	1.4%
Circulator	34.3	27.0	25.9	-21.3%	-4.1%
Rural	9.3	9.2	10.3	-1.1%	12.0%
Demand-Responsive	N/A	N/A	N/A	N/A	N/A
System Riders/In-Svc. Hour	59.2	62.5	62.6	5.6%	0.2%
Fixed-Route Bus Riders Per In-Svc. Hr.	42.6	40.8	41.7	-4.2%	2.2%

NOTES: Compared to FY14, MTS' system-wide passengers per in-service hour increased +0.1 to 62.6 passengers per in-service hour (+0.2%) in FY15. For FY15, fixed-route bus passengers per in-service hour experienced a slight +2.2% increase to 41.7 passengers per in-service hour.

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On-Time Performance

On-time performance is defined as departing within 5 minutes of the scheduled time. It is measured by service change period in order to show the results of scheduling changes. MTS' goal for on-time performance is 85% for Urban Frequent and Rapid bus routes, and 90% for Trolley and all other bus route categories.

Route Categories*	Service Change					GOAL
	Sept. 2013	Jan. 2014	Jun. 2014	Aug. 2014	Oct. 2014	
Premium Express	91.9%	99.2%	-	-	-	90.0%
Rapid Express (Route 270, 280, 290)	-	-	85.7%	100.0%	98.9%	90.0%
Express	80.0%	80.2%	83.3%	86.1%	78.7%	90.0%
Light Rail	90.7%	89.0%	88.0%	89.0%	89.1%	90.0%
Silver Line (Light Rail)	88.8%	88.6%	91.0%	96.4%	88.1%	90.0%
Rapid (SuperLoop, Route 215, 235, 237)	84.0%	88.6%	90.8%	86.5%	83.2%	85.0%
Urban Frequent	83.4%	82.1%	81.2%	79.5%	81.2%	85.0%
Urban Standard	86.0%	83.1%	86.1%	79.7%	83.4%	90.0%
Circulator	86.6%	92.4%	90.5%	95.3%	71.0%	90.0%
Rural	N/A	N/A	N/A	N/A	N/A	
Demand-Responsive	N/A	N/A	N/A	N/A	N/A	
System On-Time Performance	85.1%	84.5%	85.0%	83.0%	81.8%	

NOTES: Overall, on-time performance remained around 85%. Following the October 2014 service change, five route categories have not met their goal. Each route is continually evaluated to determine if performance below the target is a result of issues that MTS controls, such as driver performance or scheduling, or situations outside MTS' direct control, such as construction, traffic congestion, and passenger issues. Trolley on-time performance has been impacted by Blue Line Trolley Renewal construction activities and is expected to increase as the project wraps up next year. Performance of bus routes that operate in heavily used corridors, and carry the greatest number of passengers, is heavily impacted by construction, traffic signals, and traffic as they typically go through high density corridors.

Preventable Accidents Per 100,000 Miles

Operator	FY 2013	FY 2014	FY 2015
MTS Directly-Operated Bus	1.28	1.52	1.04
MTS Contract Services	1.37	1.65	1.39
MTS Rail	0.08	0.05	-

NOTES: MTS Directly-Operated Bus preventable accidents were slightly down for FY15 compared to FY14. MTS Contract Services preventable accidents are down comparing FY15 versus FY14. There are no preventable Trolley accidents to report in FY15. Accidents deemed "preventable" by MTS' definition may not be violations of the California Vehicle Code (CVC). For bus and Trolley operations, continued operator retraining and safety awareness programs are held throughout the year to improve the operator average for this safety metric.

OBJECTIVE | Develop a Sustainable System

The following measures are used to ensure that transit resources are deployed efficiently and do not exceed budgetary constraints.

In-Service Hours (Weekly)

Operator	Sept. 2013	Oct. 2014	# Diff	% Diff
MTS Directly-Operated Bus	12,451	12,698	247	2.0%
MTS Contract Svcs. Fixed-Route Bus	13,365	14,642	1,277	9.6%
MTS Rail	2,862	2,861	(1)	0.0%
System	28,678	30,201	1,523	5.3%

NOTES: Service levels have increased compared to last fiscal year, largely due to changes made in conjunction with new Rapid services along the I-15 Corridor and in Mid-City.

San Diego Metropolitan Transit System
POLICY 42 PERFORMANCE MONITORING REPORT
FY 2015: JULY 2014 - DECEMBER 2014
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In-Service Miles (Weekly)

Operator	Sept. 2013	Oct. 2014	# Diff	% Diff
MTS Directly-Operated Bus	167,865	188,001	20,136	12.0%
MTS Contract Svcs. Fixed-Route Bus	188,776	202,460	13,684	7.2%
MTS Rail	59,660	59,642	(18)	0.0%
System	416,301	450,103	33,802	8.1%

NOTES: Service levels have increased compared to last fiscal year, largely due to changes made in conjunction with new Rapid services along the I-15 Corridor and in Mid-City.

Weekday Peak-Vehicle Requirement

This measure shows the maximum number of vehicles that are on the road at any time in order to provide the levels of service that have been scheduled.

Operator	Sept. 2013	Oct. 2014	# Change FY14-FY15
MTS Directly-Operated Bus	215	228	13
MTS Contract Svcs. Fixed-Route Bus	265	281	16
MTS Rail	96	96	-

NOTES: Peak vehicles have seen an increase for MTS Bus Directly-Operated and MTS Contract Services fixed-route services. These increases are mainly due to changes made in conjunction with new Rapid services along the I-15 Corridor and in Mid-City. Trolley's peak car requirement has remained consistent between FY15 and FY14.

In-Service Speeds (MPH) (Weekday)

Operator	Sept. 2013	Oct. 2014	% Change FY14-FY15
MTS Directly-Operated Bus	13.5	14.8	9.6%
MTS Contract Svcs. FR Bus	14.2	13.9	-2.1%
MTS Rail	20.8	20.9	0.5%

NOTES: MTS Directly-Operated Bus speeds are up due to implementation of Rapid service along the I-15 Corridor, which operates on managed lanes along Interstate 15. MTS Contract Services speeds are down mainly due to MTS Contract Services assuming operation of routes with slower speeds.

In-Service/Total Miles (Weekly)

The 'in-service miles per total miles' ratio is only calculated for MTS in-house bus operations, as contractors are responsible for bus and driver assignments (runcutting) for MTS Contract Services.

Operator	Sept. 2013	Oct. 2014	% Change FY14-FY15
MTS Directly-Operated Bus	85.9%	85.6%	-0.3%
MTS Contract Svcs. FR Bus	N/A	N/A	N/A
MTS Rail	99.3%	99.3%	0.0%

NOTES: Ratios have remained practically steady over the two service periods reported for MTS Directly-Operated Bus and MTS Trolley operations.

In-Service/Total Hours (Weekly)

As with the mileage statistic, 'in-service hours' per total hours are only calculated for MTS in-house bus operations.

Operator	Sept. 2013	Oct. 2014	% Change FY14-FY15
MTS Directly-Operated Bus	76.0%	75.2%	-0.8%
MTS Contract Svcs. FR Bus	N/A	N/A	N/A
MTS Rail	97.7%	97.7%	0.0%

NOTES: Efficiency of scheduling has kept the ratio generally consistent over time.

San Diego Metropolitan Transit System
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Title VI Compliance

The indicators below are required by the FTA to be monitored by and reported to the MTS Board.

Route Headway, On-Time Performance, and Passenger Load Factor

Category/Mode	Headway Standard (Base Weekday) P = Peak B = Base
Premium Express	
Goal	30 min.
Routes	Actual
880#	50
Rapid Express	
Goal	30 min.
Routes	Actual
270^	60
280^	15
290^	10 P
Express	
Goal	30 min.
Routes	Actual
20	15 P / 30 B
50	15 P / 30 P / 60 B
60^	15 P / 30 P
110^	20
150	15 P / 30 P / 60 B
870	90
950^	30
Light Rail	
Goal	15 min.
Routes	Actual
Blue	7.5 P / 15 B
Orange	15
Green	15
Silver Line	30
Rapid	
Goal	15 min.
Routes	Actual
201	10 P / 15 B
202	10 P / 15 B
204	10 P / 15 B
215^	10 P / 15 B
235^	15 P / 30 B
237^	15
Urban Frequent	
Goal	15 min.
Routes	Actual
1	15
2	12 P / 15 B
3	15
5	15
6	15
7	6 P / 12 B
8	20
9	20
10	12 P / 15 B
11	15
13	15
15#	10 P / 15 B
30	15 P
41	7.5 P / 15 B
44	7.5 P / 15 B
120	15
701	15
709	15

San Diego Metropolitan Transit System
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Urban Frequent	
<i>Goal</i>	<i>15 min.</i>
Routes	Actual
712	15
901	15 P / 30 B
906/907	15
929	12 P / 15 B
932	15
933/934	15
955	15
961	15
992	15
Urban Standard	
<i>Goal</i>	<i>30 min.</i>
Routes	Actual
4	30
14	60
27	30
28	30
31	30
35	15 P / 30 B
105	30
115	30
703	60
704	30
705	30
707	60
815	30
816	30
832	30
833	30
834	30
848	30
854	30
855	30
856	30
864	30
871/872	30
874/875	30
904	30
905	30
916/917	30 P / 60 B
921	30
923	30
928	30
936	30
944/945 ^A	30
962/963	30
967	60
968	60

San Diego Metropolitan Transit System
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FY 2015: JULY 2014 - DECEMBER 2014
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Circulator	
Goal	60 min.
Routes	Actual
18	30
25	60
83	60
84	60
88	30
851	30
964	30
965	30
972	~30
973	~30
978	~30
979	~30

Note 1: (#) Route discontinued in FY15. (*) New route in FY14/15.

Note 2: Routes 972, 973, 978, are 979 are timed to the COASTER schedule and wait for passengers to transfer from the selected COASTER trips.

Note 3: Rural and Demand Responsive services have no specific goals for on-time performance, headway, or load standard.

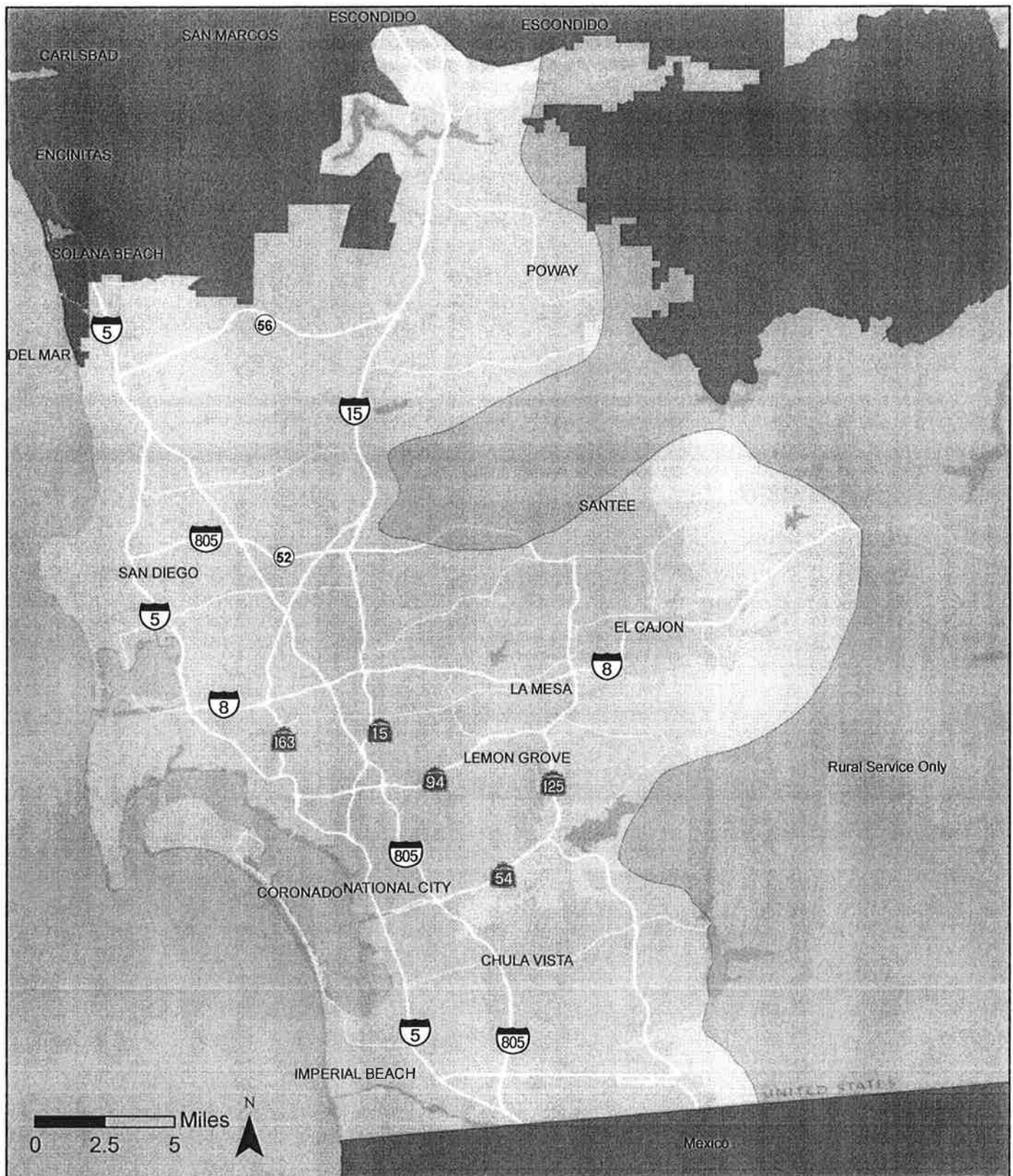
Service Availability

> 80% of residents or jobs within ½ mile of a bus stop or rail station in urban areas.

Goal		
80% of residents or jobs within ½ mile of a bus stop or rail station in urban area	% of residents within 1/2 mile of a bus stop or rail station in urban areas	% of jobs within 1/2 mile of a bus stop or rail station in urban areas
	98.1%	98.2%
100% of suburban residences within 5 miles of a bus stop or rail station.	% of suburban residents within 5 miles of a bus stop or rail station	
	100.0%	
One return trip at least 2 days/week to destinations from rural villages (Lakeside and Alpine).	Available Service	
	Route 848 serves Lakeside seven days a week and Route 864 serves Alpine seven days a week.	

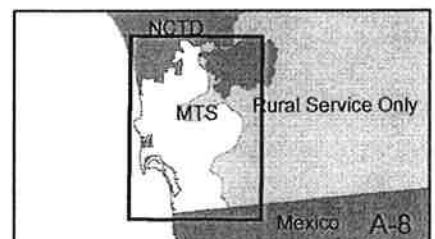
See attached map entitled 'Metropolitan Transit System Area of Jurisdiction'.

*FY13 and FY14 data updated to reflect latent data.



Metropolitan Transit System AREA OF JURISDICTION

June, 2014



A-8



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

Agenda Item No. 47

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 12, 2015

SUBJECT:

OPERATIONS BUDGET STATUS REPORT FOR DECEMBER 2014 (MIKE THOMPSON)

INFORMATIONAL ONLY

Budget Impact

None at this time.

DISCUSSION:

This report summarizes the year-to-date operating results for December 2014 compared to the fiscal year (FY) 2015 budget for San Diego Metropolitan Transit System (MTS). Attachment A-1 combines the operations', administration's and other activities' results for December 2014. Attachment A-2 details the December 2014 combined operations' results and Attachments A-3 to A-8 present budget comparisons for each MTS operation. Attachment A-9 details budget comparisons for MTS administration, and Attachment A-10 provides December 2014 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company).

MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, for the year-to-date period ending December 2014, MTS net-operating income unfavorable variance totaled \$263,000 (-0.4%). Operations produced a \$636,000 (-0.9%) unfavorable variance and the administrative/other activities areas were favorable by \$373,000.

MTS COMBINED RESULTS

Revenues. Year-to-date combined revenues through December 2014 were \$54,104,000, compared to the year-to-date budget of \$54,438,000, representing a \$333,000 (-0.6%) unfavorable variance.



Expenses. Year-to-date combined expenses through December 2014 were \$127,795,000, compared to the budget of \$127,866,000, resulting in a \$71,000 (0.1%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$60,013,000, compared to a budgetary figure of \$60,750,000, producing a favorable variance of \$737,000 (1.2%). The favorable variance is primarily due to personnel costs in Trolley operations.

Outside Services and Purchased Transportation. Total outside services for the first six months of FY 2015 totaled \$43,034,000, compared to a budget of \$43,283,000, resulting in a favorable variance of \$249,000 (0.6%). This is primarily due to a favorable variance of repairs/maintenance costs within operations, partially offset by increased purchased transportation costs for ADA Paratransit services.

Materials and Supplies. Total year-to-date materials and supplies expenses were \$4,971,000, compared to a budgetary figure of \$5,129,000, resulting in a favorable expense variance of \$158,000 (3.1%). This favorable variance is primarily due to revenue vehicle parts costs within operations.

Energy. Total year-to-date energy costs were \$15,753,000, compared to the budget of \$14,553,000 resulting in an unfavorable variance of \$1,200,000 (-8.2%). The unfavorable variance is due to increased electricity rates that were higher than expected.

Risk Management. Total year-to-date expenses for risk management were \$2,019,000, compared to the budget of \$2,219,000, resulting in a favorable variance totaling \$200,000 (9.0%).

General and Administrative. The year-to-date general and administrative costs, including vehicle and facilities leases, were \$2,005,000 through December 2014, compared to a budget of \$1,932,000, resulting in a unfavorable variance of \$73,000 (-3.8%).

YEAR-TO-DATE SUMMARY

The December 2014 year-to-date net-operating income totaled an unfavorable variance of \$263,000 (-0.4%). These factors include unfavorable variances in operating revenue, energy costs, and general and administrative costs; partially offset by favorable variances in personnel, outside services, materials and risk management.


Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 49,881	\$ 50,176	\$ (294)	-0.6%
Other Revenue	4,223	4,262	(39)	-0.9%
Total Operating Revenue	\$ 54,104	\$ 54,438	\$ (333)	-0.6%
Personnel costs	\$ 60,013	\$ 60,750	\$ 737	1.2%
Outside services	43,034	43,283	249	0.6%
Transit operations funding	-	-	-	-
Materials and supplies	4,971	5,129	158	3.1%
Energy	15,753	14,553	(1,200)	-8.2%
Risk management	2,019	2,219	200	9.0%
General & administrative	1,370	1,271	(99)	-7.8%
Vehicle/facility leases	635	661	26	3.9%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 127,795	\$ 127,866	\$ 71	0.1%
Operating income (loss)	\$ (73,691)	\$ (73,428)	\$ (263)	-0.4%
Total public support and nonoperating revenues	63	14	49	338.0%
Income (loss) before capital contributions	\$ (73,628)	\$ (73,414)	\$ (214)	0.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 49,881	\$ 50,176	\$ (294)	-0.6%
Other Revenue	310	355	(44)	-12.5%
Total Operating Revenue	\$ 50,192	\$ 50,530	\$ (338)	-0.7%
Personnel costs	\$ 50,608	\$ 50,989	\$ 381	0.7%
Outside services	36,535	36,538	3	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	4,939	5,114	174	3.4%
Energy	15,337	14,144	(1,193)	-8.4%
Risk management	1,761	2,026	266	13.1%
General & administrative	128	173	45	25.9%
Vehicle/facility leases	490	516	27	5.1%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	14,580	14,580	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 124,378	\$ 124,081	\$ (298)	-0.2%
Operating income (loss)	\$ (74,187)	\$ (73,551)	\$ (636)	-0.9%
Total public support and nonoperating revenues	763	765	(2)	-0.3%
Income (loss) before capital contributions	\$ (73,424)	\$ (72,786)	\$ (638)	0.9%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
TRANSIT SERVICES (SAN DIEGO TRANSIT CORPORATION)
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 13,397	\$ 13,368	\$ 29	0.2%
Other Revenue	2	3	(1)	-38.4%
Total Operating Revenue	\$ 13,398	\$ 13,371	\$ 28	0.2%
Personnel costs	\$ 34,022	\$ 33,900	\$ (122)	-0.4%
Outside services	731	893	162	18.1%
Transit operations funding	-	-	-	-
Materials and supplies	2,312	2,470	158	6.4%
Energy	3,310	3,545	235	6.6%
Risk management	822	964	143	14.8%
General & administrative	71	91	20	22.2%
Vehicle/facility leases	164	183	20	10.7%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	5,526	5,526	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 46,958	\$ 47,573	\$ 615	1.3%
Operating income (loss)	\$ (33,560)	\$ (34,202)	\$ 642	1.9%
Total public support and nonoperating revenues	(577)	(575)	(2)	0.4%
Income (loss) before capital contributions	\$ (34,136)	\$ (34,777)	\$ 640	-1.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
RAIL OPERATIONS (SAN DIEGO TROLLEY, INCORPORATED)
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 20,898	\$ 21,008	\$ (109)	-0.5%
Other Revenue	309	352	(43)	-12.3%
Total Operating Revenue	\$ 21,207	\$ 21,360	\$ (152)	-0.7%
Personnel costs	\$ 15,995	\$ 16,510	\$ 515	3.1%
Outside services	2,021	1,995	(26)	-1.3%
Transit operations funding	-	-	-	-
Materials and supplies	2,596	2,599	2	0.1%
Energy	6,957	5,764	(1,193)	-20.7%
Risk management	931	1,054	123	11.7%
General & administrative	53	69	16	22.7%
Vehicle/facility leases	178	183	5	2.8%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	8,065	8,065	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 36,797	\$ 36,239	\$ (558)	-1.5%
Operating income (loss)	\$ (15,590)	\$ (14,880)	\$ (710)	-4.8%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (15,590)	\$ (14,880)	\$ (710)	4.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (FIXED ROUTE)
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 13,074	\$ 13,317	\$ (243)	-1.8%
Other Revenue	0	-	0	-
Total Operating Revenue	\$ 13,075	\$ 13,317	\$ (243)	-1.8%
Personnel costs	\$ 221	\$ 170	\$ (50)	-29.6%
Outside services	23,588	23,876	288	1.2%
Transit operations funding	-	-	-	-
Materials and supplies	28	41	13	32.4%
Energy	3,538	3,411	(127)	-3.7%
Risk management	-	-	-	-
General & administrative	2	2	0	15.4%
Vehicle/facility leases	8	9	2	18.6%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	722	722	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 28,106	\$ 28,232	\$ 126	0.4%
Operating income (loss)	\$ (15,031)	\$ (14,914)	\$ (117)	-0.8%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (15,031)	\$ (14,914)	\$ (117)	0.8%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
MULTIMODAL OPERATIONS (PARATRANSIT)
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 1,191	\$ 1,098	\$ 93	8.5%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,191	\$ 1,098	\$ 93	8.5%
Personnel costs	\$ 54	\$ 64	\$ 10	15.8%
Outside services	7,023	6,558	(466)	-7.1%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	1,266	1,174	(91)	-7.8%
Risk management	8	8	-	0.0%
General & administrative	0	7	7	99.2%
Vehicle/facility leases	140	140	0	0.0%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	221	221	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 8,711	\$ 8,171	\$ (540)	-6.6%
Operating income (loss)	\$ (7,520)	\$ (7,072)	\$ (447)	-6.3%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (7,520)	\$ (7,072)	\$ (447)	6.3%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CONSOLIDATED CHULA VISTA TRANSIT OPERATIONS
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 1,320	\$ 1,384	\$ (64)	-4.6%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 1,320	\$ 1,384	\$ (64)	-4.6%
Personnel costs	\$ 128	\$ 156	\$ 28	18.1%
Outside services	2,921	2,966	45	1.5%
Transit operations funding	-	-	-	-
Materials and supplies	4	5	1	21.5%
Energy	267	251	(17)	-6.6%
Risk management	-	-	-	-
General & administrative	2	4	2	42.7%
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	46	46	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 3,367	\$ 3,427	\$ 60	1.7%
Operating income (loss)	\$ (2,047)	\$ (2,043)	\$ (4)	-0.2%
Total public support and nonoperating revenues	1,234	1,234	-	0.0%
Income (loss) before capital contributions	\$ (813)	\$ (808)	\$ (4)	0.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS
CORONADO FERRY
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	95	95	-	0.0%
Transit operations funding	-	-	-	-
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	-	-	-	-
Depreciation	-	-	-	-
Total Operating Expenses	\$ 95	\$ 95	\$ -	0.0%
Operating income (loss)	\$ (95)	\$ (95)	\$ -	0.0%
Total public support and nonoperating revenues	105	105	-	0.0%
Income (loss) before capital contributions	\$ 10	\$ 10	\$ -	0.0%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATION
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	3,765	3,717	48	1.3%
Total Operating Revenue	\$ 3,765	\$ 3,717	\$ 48	1.3%
Personnel costs	\$ 9,023	\$ 9,390	\$ 367	3.9%
Outside services	6,453	6,692	239	3.6%
Transit operations funding	-	-	-	-
Materials and supplies	31	12	(19)	-166.3%
Energy	409	403	(6)	-1.5%
Risk management	251	184	(67)	-36.4%
General & administrative	1,187	1,044	(143)	-13.7%
Vehicle/facility leases	146	145	(1)	-0.4%
Amortization of net pension asset	-	-	-	-
Administrative Allocation	(14,636)	(14,636)	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 2,864	\$ 3,235	\$ 370	11.4%
Operating income (loss)	\$ 901	\$ 483	\$ 418	-86.6%
Total public support and nonoperating revenues	(700)	(751)	51	-6.8%
Income (loss) before capital contributions	\$ 201	\$ (268)	\$ 469	-175.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OTHER ACTIVITIES
CONSOLIDATED
COMPARISON TO BUDGET - FISCAL YEAR 2015
DECEMBER 31, 2014
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	147	190	(43)	-22.6%
Total Operating Revenue	\$ 147	\$ 190	\$ (43)	-22.6%
Personnel costs	\$ 382	\$ 371	\$ (11)	-3.0%
Outside services	46	53	7	13.5%
Transit operations funding	-	-	-	-
Materials and supplies	1	4	3	77.9%
Energy	6	5	(1)	-15.8%
Risk management	7	9	1	13.3%
General & administrative	55	53	(1)	-2.4%
Vehicle/ facility leases	-	-	-	-
Amortization of net pension asset	-	-	-	-
Administrative Allocation	56	56	-	0.0%
Depreciation	-	-	-	-
Total Operating Expenses	\$ 553	\$ 550	\$ (2)	-0.4%
Operating income (loss)	\$ (405)	\$ (360)	\$ (45)	-12.5%
Total public support and nonoperating revenues	-	-	-	-
Income (loss) before capital contributions	\$ (405)	\$ (360)	\$ (45)	12.5%



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

Agenda Item No. 62

Chief Executive Officer's Report

ADM 121.7

February 12, 2015

In accordance with Board Policy No. 52, Procurement of Goods and Services, attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period January 21, 2015 through February 3, 2015.



EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
G1415.4-12	NMS MANAGEMENT INC	AMENDMENT TO TAXI JANITORIAL AGMT	\$12,403.00	2/2/2015
PWL158.1-14	ELECTRO SPECIALTY SYSTEMS	PROCURE AND INSTALL BLUE CCTV AMENDMENT	\$8,832.00	2/2/2015
PWB133.2-11	SOUTHCOAST HVAC	HVAC MAINTENANCE SVCS FOR KMD AND IAD	\$18,880.00	2/3/2015

REVENUE CONTRACTS

Doc #	Organization	Subject	Amount	Day
L1240.0-15	KLEINFELDER GROUP, INC.	ROE PERMIT - ENV PLANNING ARCHIT AND ENG	\$0.00	1/21/2015
G1795.0-15	CLEAR AND BLACK PRODUCTIONS IN	ROE PERMIT FOR FILMING ON VARIOUS TROLLEY	\$0.00	1/22/2015
L1159.1-14	R.D. ENGINEERING & CONSTRUCTION	AMNDMT 1 TO ROE PERMIT	(\$500.00)	1/22/2015
L1243.0-15	AM ORTEGA CONSTRUCTION INC	ROE PERMIT SDGE PIPELINE INTEGRITY	(\$1,500.00)	1/26/2015
L4624.0-14	BOSA DEVELOPMENT CALI INC	JROE PERMIT- 850 W BROADWAY CONSTRUCT	(\$4,100.00)	1/26/2015
L6699.0-14	ABC CONSTRUCTION CO	JROE PERMIT - GENERAL CIVIL CONSTRUCTION	\$0.00	1/26/2015
S200-15-613	US FISH AND WILDLIFE SERVICE	MTS/SD&AE PROPERTY ACCESS AGREEMENT	\$0.00	1/29/2015
B0201.3-99	COAST UNITED ADVERTISING	8-MONTH EXTENSION FOR BUS BENCH AD	(\$90,160.00)	2/2/2015
L1244.0-15	SOCAL CONSTRUCTION & CONSULTIN	ROE PERMIT - INSTALL AT&T TRENCH & CONDU	(\$1,500.00)	2/2/2015
L5773.0-15	DAVEY TREE EXPERT CO	ROE PERMIT- TREE MAINTENANCE NCTD OPS	\$0.00	2/2/2015
L6704.0-15	TC CONSTRUCTION COMPANY INC	ROE PERMIT - INSTALL CITY SD 18" SEWER	(\$750.00)	2/2/2015
B0574.1-12	CUMMINS CAL PACIFIC LLC	REBUILT TRANSMISSIONS AND IN-FRAME OVERH	(\$96,768.09)	2/3/2015
G1790.0-15	PM REALTY GROUP	HAZARD CENTER IN-KIND	(\$10,600.00)	2/3/2015

PURCHASE ORDERS				
DATE	Organization	Subject	AMOUNT	
1/21/2015	AQUENT	TEMP EMPLOYEE - COMM DESIGNER	\$24,480.00	
1/21/2015	XEROX TRANSPORT SOLUTIONS	GARMIN 19X ANTENNA SOFTWARE	\$5,722.00	
1/21/2015	SD CONVENTION CENTER	FULL PAGE ADS	\$13,095.00	
1/21/2015	RSI ROOFING	ROOF AND GUTTER REPAIR	\$3,371.00	
1/23/2015	CDW GOVERNMENT	PIONEER 17" POS AIO	\$4,963.68	
1/26/2015	CDW GOVERNMENT	CANON DR G1100 IMAGE FORMULA	\$5,070.60	
1/26/2015	SHI INTERNATIONAL CORP	MAINTENANCE FOR COMMVAULT BACKUP	\$18,922.00	
1/26/2015	HEAVILAND ENTERPRISES INC	MTS IMPERIAL AV STATION LANDSCAPING	\$19,201.23	
1/26/2015	A-1 ALL AMERICAN ROOFING CO	ROOF REPAIR AT 306 FRONT STREET	\$1,317.00	
1/28/2015	CDW GOVERNMENT	ANTI VIRUS LICENSES	\$13,945.00	
1/29/2015	SOLARWINDS INC	SAM SCANNING ENGINE	\$13,000.00	
1/30/2015	MERCHANT SOLUTIONS CO	VERIFONE FACTORY WARRANTY	\$2,172.96	
1/30/2015	VINYARD DOORS INC	BUILDING B ROLLUP DOOR LUMP SUM	\$8,875.00	
1/30/2015	BAY ALARM	INSTALLATION BAYS 1-3 AND 4	\$12,780.00	
2/2/2015	EOUTREACH SOLUTIONS LLC	MEDIA MONITORING SERVICES	\$29,997.00	

WORK ORDERS				
Doc #	Organization	Subject	Amount	Day
G1496.0-13.02.02	RAILPROS	DESIGN FOR BUS WASH CLARIFIER UTILI	\$2,759.00	1/21/2015
G1493.0-13.05.02	KIMLEY HORN	GREEN LINE COMM UPGRADE GENERAL ENG	\$28,000.00	2/3/2015