MTS Metropolitan Transit System

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

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
EXECUTIVE COMMITTEE

12-30-15P01:51 RCVD

January 7, 2016

Executive Conference Room
9:00 a.m.

		ACTION RECOMMENDED
A.	ROLL CALL	
B.	APPROVAL OF MINUTES - December 3, 2015	Approve
C.	COMMITTEE DISCUSSION ITEMS	

1. Appointment of San Diego Association of Governments Transportation Committee Representative and Alternate (Sharon Cooney) — Approve
Action would take nomination from the floor and elect and appoint a representative and an alternate from the MTS Board to serve on the San Diego Association of Governments (SANDAG) Transportation Committee for the 2016 calendar year.

2. San Diego Transit Corporation (SDTC) Employee Retirement Plan's Actuarial Valuation as of July 1, 2015 (Robert McCrory and Anne Harper of Cheiron Inc. and Larry Marinesi) — Possible Action
Action would forward a recommendation to the Board of Directors to receive the SDTC Employee Retirement Plan's (Plan) actuarial valuation as of July 1, 2015, and adopt the pension contribution amount of $12,443,402 for fiscal year 2017.

3. Superlative Group - Contract Extension (Paul Jablonski) — Possible Action
Action would forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to extend the San Diego Metropolitan Transit System (MTS) contract with the Superlative Group (MTS Doc. No. G1262.0-09), consistent with the draft Amendment No. 5.

4. Pacific Imperial Railroad (PIR) Desert Line Agreement - Status Update (Karen Landers) — Information

5. 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

D. REVIEW OF DRAFT January 14, 2015 BOARD AGENDA

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA
Review of SANDAG Transportation Committee Agenda and discussion regarding any items pertaining to MTS, San Diego Transit Corporation, or San Diego Trolley, Inc. Relevant excerpts will be provided during the meeting.

Possible Action

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

G. PUBLIC COMMENTS

H. NEXT MEETING DATE: February 4, 2016

I. ADJOURNMENT

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

December 3, 2015

MINUTES

A. ROLL CALL

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

B. APPROVAL OF MINUTES

Mr. Gloria moved for approval of the minutes of the October 15, 2015, MTS Executive Committee meeting. Mr. Roberts seconded the motion, and the vote was 4 to 0 in favor with Mr. Cunningham absent.

C. COMMITTEE DISCUSSION ITEMS

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

Karen Landers, General Counsel, reported on the PIR Desert Line Agreement. She noted that at the October and November meetings, it was reported that the majority shareholder interests had transferred to a group of investors from New York called Conatus Capital Group. Ms. Landers stated that the shareholders came to San Diego recently and met with their counterparts in Mexico, including the Governor of Baja California, and they also met with her, Mr. Jablonski and Supervisor Roberts. She stated that the shareholders also took a helicopter and flew the Desert Line to view and inspect the Line. Ms. Landers said that last night she received the updated reconstruction plan that PIR worked with JL Patterson to complete. She noted that she will begin to review the reconstruction plan and will also be sending the plan to our consultant at RailPros to review.

Public Comment

Mitch Beauchamp – Mr. Beauchamp noted that he was the Manager of the Mexican rail line from 2002 to 2007. He stated that during that time he was awarded the rights to have a passenger train contract. He noted that he still has passenger cars on the rail line at mile post 99. Mr. Beauchamp said that his passenger cars are being vandalized and copper is being stolen from the cars. He stated that his main issue is that there is no security in the area or on the rail line and that issue needs to be addressed.

Ms. Landers commented that with the previous ownership there are a lot of people appearing to be storing their personal vehicles and equipment out on the rail line that we have no records that MTS and SD&AE ever approved. She stated that one of the things that PIR will do once construction beings is to clear the rail line of all the abandoned equipment. Ms. Landers also stated that people are not allowed to enter onto the track or move any equipment without a right-of-entry permit from MTS. She encouraged Mr. Beauchamp to make an itemization of the things that are his and what he wants to do to remove them from the rail line.

Action Taken

No action taken.

5. San Diego Metropolitan Transit System (MTS) Transit Store Project (Bill Spraul and Laura Warner, CityWorks) (TAKEN OUT OF ORDER)

Bill Spraul, Chief Operating Officer – Transit Services, stated that this is an update on the status of the Transit Store Project. He introduced Laura Warner, with CityWorks, to present on the status of the project, as well as the design, budget and schedule updates. Ms. Warner continued the presentation and reviewed the project description and goals for the Transit Store Project. She reviewed the existing conditions of the outside and the inside space of the building. Ms. Warner reviewed the design update and provided images showing the space for the Transit Store portion of the building. She also presented images of the exterior and interior perspectives of the space. Ms. Warner presented the various color finishes and materials that will be used inside and outside of the Transit Store. She gave an update on the schedule for the project and noted that the construction start date would begin in February 2016 and the construction completion date would be May 2016. Ms. Warner reviewed the cost estimate update and stated that the grand total cost would be $1,198,000. Lastly, she reviewed the next steps which are to bid and award the contract; construction; fixturization; move and open for business; and then market and negotiate a lease for the restaurant space.

Mr. Gloria inquired about the restaurant space. Ms. Landers replied that the plan was to have the separating wall up between the two units before moving forward on marketing the restaurant space. Mr. Gloria inquired when the restaurant space would open. Ms. Landers stated that they would estimate about a year from now. Mr. Gloria inquired about the current location of the Transit Store and its lease. Mr. Jablonski replied that the current Transit Store lease is up in June 2016.

Mr. Roberts inquired about the Mills Building ground floor lease. Mr. Jablonski replied that the ground floor of the Mills Building and the 9th and 10th floor are all under MTS's current lease. Mr. Roberts commented on the signage outside of the front door and said that the sign looks too small and recommended that the sign be enlarged. Mr. Roberts also recommended staff to try and design the clerk booths to look like the front of trolleys and buses.

Ms. Bragg inquired if the restrooms were staff only or if they would be for public use. Mr. Jablonski replied that the restrooms will be staff only and not for public use.

Action Taken

No action taken.

4. Superlative Group Contract – Commission Payment (Paul Jablonski) (TAKEN OUT OF ORDER)

Mr. Jablonski provided a presentation on the Superlative Group Contract. He stated that the Superlative Group was hired in 2010 and assisted in brokering the UC San Diego Blue Line Naming Rights deal in July 2015. He stated that there are two matters to discuss. The first one is the paying of their commission and the second is their going forward contract. Mr. Jablonski reviewed the gross revenues for the naming rights contract and noted that the revenues will be approximately $36 million, assuming an inflation factor of 2.8%. He then discussed the commission options in the Superlative Group contract. The first option was to pay a 12% commission over the whole 30 year contract, which would result in approximately $4.2 million. The second option was to pay a 6% commission over three years, which would result in approximately $2.0 million. Mr. Jablonski stated that he had a discussion with the Superlative Group and they said they would like to be paid up front. He told Superlative Group that he preferred paying over the 30 year term and in order to pay in a shorter time frame there would need to be incentives. Mr. Jablonski reviewed the two alternative accelerated options proposed by Superlative Group. The second of the two options, Option 2B, is the option the Superlative Group favors. This option would pay $1.6 million up front and one time. Option 2A would pay $1.8 million over three years.

Mr. Jablonski noted that Option 2A is more in line with the contract and matches our income/cash flow with what we pay the Superlative Group, and Option 2B has an overall savings of $200,000. He also stated that the next steps are to develop the terms to extend the contract for up to four years to continue naming rights negotiations for trolley lines and stations, and to bring the contract extension to the Executive Committee and Board for approval in January. Mr. Jablonski asked for input and recommendations on which commission option to select.

Mr. Roberts commented that if we have the money available, paying the $1.6 million up front and saving $200,000, instead of paying out over three years, would be the better option.

<u>Action Taken</u>

Mr. Roberts moved to direct the UC San Diego Blue Line naming rights commission payment under Option 2B, paying the Superlative Group a commission totaling $1,600,000 in year one upon receipt of the naming rights payment from UC San Diego. Ms. Bragg seconded the motion, and the vote was 4 to 0 in favor with Mr. Cunningham absent.

3. <u>Bus Shelter Procurement (Paul Jablonski) (TAKEN OUT OF ORDER)</u>

Mr. Jablonski provided an update on the Bus Shelter Procurement. He noted that the original procurement was awarded to Brasco. Brasco provided a prototype shelter and there were some issues with the construction of the first shelter, so they provided a second prototype shelter. The second prototype shelter also had a number of structural problems. Mr. Jablonski noted that the ultimate decision was to terminate the contract, pay for the two prototype shelters, and move on to another company. He said that the next step will be to follow our procurement procedures which allow us to go back into the procurement and look at the next highest rated bidder and begin to negotiate terms with that company.

<u>Action Taken</u>

No action taken.

2. <u>Retiree Health Care Update (Jeff Stumbo) (TAKEN OUT OF ORDER)</u>

Mr. Jablonski stated that we made a significant change to retiree health care which will start January 1, 2016. He noted that we have just under 100 eligible retirees and approximately two-thirds are Medicare eligible and one-third of the retirees are early retirees. Mr. Jablonski stated that we changed their health care for two reasons. The first reason is that the retirees were a part of our three health care group plans, Kaiser, Anthem HMO and Anthem PPO, and we saw that the retirees were adversely affecting our rates. The second reason, as a part of the Affordable Care Act (ACA), is the "Cadillac Tax", which will result in plans that exceed thresholds incurring a 40% excise tax. The Anthem PPO plan already exceeds the threshold and the Anthem HMO plan is on track to exceed the threshold. Mr. Jablonski stated that due to these reasons, staff wanted to find an alternative for the retirees and to move them off of the active employees' health care group in order to get the prices down.

Jeff Stumbo, Director of Human Resources and Labor Relations, continued the presentation. He stated that retirees earn MTS subsidy based on their years of service, and they max out at 50% subsidy after 30 years of service. Mr. Stumbo said that the new model moves retirees out of the group health plans with active employees to either private Medicare or ACA exchanges. MTS hired Conexis / Health Compare, who employs commission-free licensed insurance brokers, to assist retirees in selecting health insurance. He noted that there has been a huge outreach campaign to talk to each retiree individually. Mr. Stumbo said that another change is that the MTS subsidy going forward will be based on the cost of the Anthem HMO plan for active employees. A Health Reimbursement Account (HRA) was also created which allows retirees to cover premiums, co-pays, prescriptions and deductibles.

Mr. Stumbo reviewed the benefits to MTS and noted that it primarily helps in controlling costs. The retirees, particularly early retirees, drive cost increases of health care. This will also eliminate unfair practice of employees subsidizing retiree rates. Mr. Stumbo stated that this change will also help to address the 2018 "Cadillac Tax" thresholds, allow redeployment of resources, and eliminates the unfair subsidy model. Mr. Stumbo reviewed the impact on the retirees. He noted that the impact will depend on the demographic information, their 2015 plan selection, their 2016 plan selection and the health of the retiree. The majority of retirees are expected to benefit from this change, particularly those eligible for Medicare. The Kaiser participants and IBEW represented retirees will benefit and the HRA creates flexibility and the money saved can be carried forward. Mr. Stumbo noted that some retirees will not benefit. He said that the PPO plan members who live in San Diego and Non-Medicare eligible retirees who chose non-Kaiser HMO will see slightly higher costs.

Mr. Stumbo reviewed the next steps stating that staff will continue to monitor the model and will analyze actual data in January 2016 when plan selections are known and determine if fine tuning is needed based on data and feedback.

<u>Action Taken</u>

No action taken.

D. REVIEW OF DRAFT December 10, 2015 BOARD AGENDA

Recommended Consent Items

6. Authorization to Extend and Increase Legal Service Contract with Sohagi Law Group
Action would: (1) ratify the current contract and payments to the Sohagi Law Group, PLC, approved under the Chief Executive Officer's (CEO) authority, of $100,000 (MTS Doc. Nos. G1334.0-11 through G1334.3-11); and (2) authorize the CEO to extend the Sohagi Law Group, PLC legal services contract for an additional two years, through January 18, 2018, and increase the not-to-exceed authority for the contract to $160,000.

7. Fiscal Year 2016 Capital Improvement Program Amendment
Action would approve the amended Fiscal Year (FY) 2016 Capital Improvement Program (CIP).

8. Uniform Rental/Cleaning Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G1844.0-16 with Prudential Overall Supply for the provision of uniform rental and cleaning services for five years.

9. Bridge Rating Inventory (Blue & Orange Line) - Transfer of Funds from San Diego Metropolitan Transit System to the San Diego Association of Governments
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G0930.17-04.52 for the transfer of funds from San Diego Metropolitan Transit System (MTS) to the San Diego Association of Governments (SANDAG) to allow SANDAG to issue a work order on behalf of MTS for the provision of General Engineering Services for the bridge inspection, determination of safe load capacity, and update the MTS Bridge Management Program report for bridges on the Blue and Orange Line.

10. Towing Services for Buses & Non-Revenue Vehicles - Contract Award
Action would authorize the Chief Executive Officer (CEO) to: (1) execute MTS Doc. No. G1838.0-16 with RoadOne Towing (RoadOne) for the provision of towing services for MTS buses and non-revenue vehicles for three (3) base years and two (2) optional one-year extensions; and (2) authorize the CEO to exercise each option year at his discretion.

11. Investment Report - October 2015

12. San Diego Metropolitan Transit System (MTS) Green Line Closed-Circuit Television (CCTV) System Upgrades - Contract Amendments
Action would: (1) Ratify Amendment Nos. 1 through 3 to MTS Doc. No. PWL155.0-14, which were previously approved under the Chief Executive Officer (CEO) approval authority; and (2) Authorize the CEO to execute Amendment No. 4 to MTS Doc. No. PWL155.4-14 with KRATOS Public Safety & Security Solutions, Inc. to increase the total contract spending authority to cover previously unknown site conditions discovered during installation.

13. California Trillium Co. Contract - Contract Amendment to Add Temporary Compressed Natural Gas (CNG) Dispenser at East County Bus Maintenance Facility (ECBMF)
Action would: (1) Ratify Amendment Nos. 1 and 2 to MTS Doc. No. B0594.0-13 which were previously approved under the Chief Executive Officer's (CEO) approval authority; and (2) Authorize the CEO to execute Amendment No. 3 to MTS Doc. No. B0594.0-13 with California Trillium Co. to authorize construction of a temporary CNG fueling station in conjunction with the East County Bus Maintenance Facility ("ECBMF") construction project.

E. REVIEW OF SANDAG TRANSPORTATION COMMITTEE AGENDA

There was no SANDAG Transportation Committee agenda discussion.

F. COMMITTEE MEMBER COMMUNICATIONS AND OTHER BUSINESS

There was no Committee Member Communications and Other Business discussion.

G. PUBLIC COMMENTS

Clive Richard – Mr. Richard commented on carbon emissions. He asked if MTS is now using compressed landfill gas. Mr. Jablonski replied that MTS is now at 100% renewable green gas.

H. NEXT MEETING DATE

The next Executive Committee meeting is scheduled for January 7, 2016, at 9:00 a.m. in the Executive Committee Conference Room.

I. ADJOURNMENT

Chairman Mathis adjourned the meeting at 10:20 a.m.

Chairman

Attachment: A. Roll Call Sheet

EXECUTIVE COMMITTEE
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) December 3, 2015 CALL TO ORDER (TIME) 9:03 a.m.

RECESS ______ RECONVENE ______

CLOSED SESSION ______ RECONVENE ______

ADJOURN 10:20 a.m.

BOARD MEMBER		(Alternate)		PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
BRAGG	☒	(Rios)	☐	9:03 a.m.	10:20 a.m.
CUNNINGHAM	☐	(McClellan)	☐		
GLORIA	☒	(Emerald)	☐	9:03 a.m.	10:05 a.m.
MATHIS	☒			9:03 a.m.	10:20 a.m.
ROBERTS	☒	(Cox)	☐	9:03 a.m.	10:20 a.m.
Transportation Committee Rep Slot (Mathis)					

SIGNED BY THE CLERK OF THE BOARD: Julia Tuer

CONFIRMED BY THE GENERAL COUNSEL: [signature]

Metropolitan Transit System

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San Diego, CA 92101-7490
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Agenda Item No. C1

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
EXECUTIVE COMMITTEE

January 7, 2016

SUBJECT:

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

RECOMMENDATION:

That the Executive Committee take nominations from the floor and elect and appoint a representative and an alternate from the MTS Board to serve on the San Diego Association of Governments (SANDAG) Transportation Committee for the 2016 calendar year.

Budget Impact

None.

DISCUSSION:

MTS Board Policy No. 22 specifies:

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

The 2015 SANDAG Transportation Committee representative was Chairman Harry Mathis, and the alternate was Board Member Lorie Bragg.

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

1. The Chairman of the Executive Committee opens the agenda item.

2. The Chairman requests nominations from the floor. Nominations do not require a second.

3. The Chairman closes the nominations.

4. The Chairman asks for any Executive Committee discussion.

5. The Chairman calls for the vote on each candidate in the order in which they were received. The vote continues until a candidate is elected.

Paul C. Jablonski
Chief Executive Officer

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

Metropolitan Transit System

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Agenda Item No. C2

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
EXECUTIVE COMMITTEE

January 7, 2016

SUBJECT:

SAN DIEGO TRANSIT CORPORATION (SDTC) EMPLOYEE RETIREMENT PLAN'S ACTUARIAL VALUATION AS OF JULY 1, 2015 (ROBERT MCCRORY AND ANNE HARPER OF CHEIRON INC. AND LARRY MARINESI)

RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to receive the SDTC Employee Retirement Plan's (Plan) actuarial valuation as of July 1, 2015 (Attachment A), and adopt the pension contribution amount of $12,443,402 for fiscal year 2017.

Budget Impact

Board adoption would result in the annual pension contribution of $12,443,402 for fiscal year 2017.

DISCUSSION:

The actuarial valuation of the Plan as of July 1, 2015 has recently been completed and the entire report is included in Attachment A. The purpose of the actuarial valuation is to compute the annual pension contribution amount and rate.

This valuation was completed in December 2015, by Cheiron, Inc. and has produced a decrease in the contribution amount as compared to the previous valuation. The previous valuation (July 1, 2014) recommended a contribution amount of $12,489,757, and the July 1, 2015 valuation recommends a $12,443,402 contribution amount. This contribution amount would be used for the fiscal year 2017 budget.

There are many factors that have an effect on the annual contribution rate. These factors include changes such as demographic and salary experience as well as investment gains and losses. The plan's actuarial experience during fiscal year 2015 resulted in a $46,355 decrease in cost compared to the previous year primarily due to the effects of the closed plan and greater contributions than anticipated offset by an investment loss.

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

Total Contribution Reconciliation

Item	Cost in Dollars
July 1, 2014	12,489,757
Change due to effect of closed plan on benefits earned	(130,259)
Change due to investment experience	70,990
Change due to demographic and salary experience	92,089
Change due to contributions greater than anticipated	(79,618)
Change due to admin expenses greater than expected	443
July 1, 2015	12,443,402

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

Paul C. Jablonski
Chief Executive Officer

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

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

Classic Values, Innovative Advice

Retirement Plans of San Diego Transit Corporation

Actuarial Valuation as of July 1, 2015

Produced by Cheiron

December 2015

www.cheiron.us 1.877.CHEIRON (243.4766)

TABLE OF CONTENTS

December 7, 2015

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

Dear Mr. Marinesi:

At your request, we have conducted an actuarial valuation of the Retirement Plans of San Diego Transit Corporation (SDTC) as of July 1, 2015. This report contains information on the Plan's assets, liabilities, and contribution levels. In the Foreword, we refer to the general approach employed in the preparation of this report.

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

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

Sincerely,
Cheiron

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

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

FOREWORD

Cheiron has performed the actuarial valuation of the Retirement Plans of San Diego Transit Corporation as of July 1, 2015. The valuation is organized as follows:

- In Section I, the **Executive Summary,** we describe the purpose of an actuarial valuation, summarize the key results found in this valuation, and disclose important trends;

- The **Main Body** of the report presents details on the Plan's

    - Section II - Assets
    - Section III - Liabilities
    - Section IV- Contributions

- In the **Appendices,** we conclude our report with detailed information describing plan membership (Appendix A), actuarial assumptions and methods employed in the valuation (Appendix B), a summary of pertinent plan provisions (Appendix C), and a glossary of key actuarial terms (Appendix D).

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

In preparing our report, we relied on information (some oral and some written) supplied by the Plan Administrator. This information includes, but is not limited to, the Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

SECTION I
EXECUTIVE SUMMARY

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

- The financial condition of the Plan,
- Past and expected trends in the financial progress of the Plan, and
- Contribution Rates for Fiscal Year 2016-2017.

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

A. Valuation Basis

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

The Plan's funding policy is to contribute an amount equal to the sum of:
- The normal cost under the Entry Age Normal Cost Method,
- Assumed Administrative Expenses, and
- Amortization of the unfunded actuarial liability.

The employee will contribute according to the Plan schedules below. Member contribution rates in the future may change in response to collective bargaining. It will be the responsibility of the employer to contribute the remaining portion of the contribution determined in this report.

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

- ATU drivers and clerical members contributed 3% of Compensation in July 2013. The contribution rate increased to 5% of Compensation in July 2014 and to 6% in July 2015. The contribution rate will increase to 7% of Compensation in July 2016 and to 8% of Compensation in December 2017.

- Non-contract members hired before July 1, 2013 contributed 2% of Compensation to the Plan prior to January 2014. The Non-contract member contributions increased to 4% of Compensation in January 2014, to 6% of in January 2015, and will increase to 7% of Compensation on January 1, 2016.

SECTION I
EXECUTIVE SUMMARY

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

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

A summary of the assumptions and methods used in the current valuation is shown in Appendix B. There have been no changes in the assumptions or methods since the prior valuation.

An experience study will be performed in early 2016 covering the five-year period from July 1, 2010 through June 30, 2015. Any changes to the actuarial assumptions, as a result of this study, will be incorporated into the July 1, 2016 actuarial valuation report.

SECTION I
EXECUTIVE SUMMARY

B. Key Findings of this Valuation

The key results of the July 1, 2015 actuarial valuation are as follows:

- The total contribution changed only minimally from $12,489,757 million to $12,443,402 million. The actuarial contribution determined in this report is the total contribution required from both the employer and the employees.

- The actuarially determined contribution rate increased from 38.65% of payroll last year to 39.68% of payroll. This increase is a result of expected payroll decreasing from $32,313,553 million to $31,357,373 million.

- The Plan's funded ratio, the ratio of actuarial (smoothed) assets over the actuarial liability, increased from 64.4% last year to 65.7% as of July 1, 2015. This increase was due the recognition of deferred gains in the actuarial value of assets.

- The unfunded actuarial liability (UAL) is the excess of the Plan's actuarial liability over the actuarial value of assets. The Plan experienced a decrease in the UAL from $ 89,111,073 to $ 88,174,093 as of July 1, 2015.

- During the year ending June 30, 2015, the return on Plan assets was -1.24% on a market value basis as compared to the 7.50% assumption. This resulted in a market value loss on investments of $14,223,748. The actuarial value of assets (AVA) recognizes 20% of the difference between the expected and actual return on the market value of assets (MVA) for each of the prior five years. This method of smoothing the asset gains and losses returned 7.11% on the smoothed value of assets, an actuarial asset loss of $626,635. This is only a 0.4% loss compared to the expected value of the smoothed assets.

- The Plan experienced a slight loss on the actuarial liability of $812,878, or only 0.3% of the expected actuarial liability, which was offset by $702,802 more contributions made to the Plan than expected. In aggregate, the Plan experienced a very small total loss of $740,624 from all sources combined. See Table I-2 and Table III-3 for more details.

- Overall, participant membership decreased compared to last year since the Plan is closed to most new entrants. Total projected payroll decreased 2.96% from $32,313,553 for FYE June 30, 2015 to $31,357,373 for FYE June 30, 2016. However, average pay increased by about 7% due to the employees leaving the organization combined with progression increases in wages. These figures do not include payroll for members participating in the defined contribution plans.

SECTION I
EXECUTIVE SUMMARY

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

Table I-1
Summary of Principal Plan Results

	July 1, 2014	July 1, 2015	% Change
Participant Counts			
Active Participants	648	586	-9.57%
Participants Receiving a Benefit	873	902	3.32%
Inactive Participants	229	226	-1.31%
Total	1,750	1,714	-2.06%
Projected Plan Member Payroll[1] for FYE June 30, 2015 and 2016	$ 32,313,553	$ 31,357,373	-2.96%
Assets and Liabilities			
Actuarial Liability (AL)	$ 250,491,593	$ 256,745,469	2.50%
Actuarial Value of Assets (AVA)	161,380,520	168,571,376	4.46%
Unfunded Actuarial Liability (UAL)	$ 89,111,073	$ 88,174,093	-1.05%
Market Value of Assets (MVA)	$ 164,797,329	$ 158,647,332	-3.73%
Funded Ratio (AVA)	64.4%	65.7%	1.91%
Funded Ratio (MVA)	65.8%	61.8%	-6.08%
Contributions			
Total Normal Cost[2]	$ 3,840,766	$ 3,719,595	-3.15%
Total UAL Contribution	7,777,613	7,855,663	1.00%
Total Contribution, Beginning of Year	$ 11,618,379	$ 11,575,258	-0.37%
Total Contribution, Middle of Year[3]	$ 12,054,068	$ 12,009,330	-0.37%
Total Contribution, End of Year[3]	$ 12,489,757	$ 12,443,402	-0.37%
Total Contribution as a % of payroll	38.65%	39.68%	1.03%

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

[2] Inlcudes assumed administrative expenses of $250,000.

[3] Adjusted with interest to account for timing of when contributions are made.

SECTION I
EXECUTIVE SUMMARY

C. Changes in Plan Cost

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

Table I-2 Total Contribution Reconciliation			
		Cost in Dollars	**Cost as % of Payroll**
FYE June 30, 2015	**$**	**12,489,757**	**38.65%**
Change due to effect of closed payroll on amortization		0	0.80%
Change due to effect of closed plan on benefits earned		(130,259)	-0.05%
Change due to investment experience		70,990	0.23%
Change due to demographic and salary experience		92,089	0.29%
Change due to contributions greater than anticipated		(79,618)	-0.24%
Change due to admin expenses greater than expected		443	0.00%
Total Change		**(46,355)**	**1.03%**
FYE June 30, 2016	**$**	**12,443,402**	**39.68%**

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

- The Plan cost in dollars decreased slightly but the cost as a percentage of payroll increased. This phenomenon is typical for a closed plan and is discussed in more detail below.

- Closing the Plan to most new entrants increases the amortization payment as a percentage of payroll.

  Members who retire or otherwise leave the Plan are no longer being replaced by new members and the payroll decreases. The unfunded liability is being amortized as a level dollar amount. Therefore, a decrease in total projected payroll will increase the UAL payment as a percentage of payroll. This effect is particularly strong in a Plan with a comparatively low funded ratio, which is the case for the SDTC Plans. The decrease in payroll this year increased the contribution rate by 0.80% of pay. This change has no impact on the *dollar* amount of the contribution.

- Closing the Plan to most new entrants decreases the total amount of benefits being earned by the active membership. This decreased the Plan contribution by $130,259 and decreased contribution rate by 0.05% of pay.

SECTION I
EXECUTIVE SUMMARY

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

  The assets of the Plan returned -1.24% on a market basis and 7.11% based on the actuarial value of assets, both lower than the assumed rate of 7.50%. This resulted in a slight increase of $70,990 in the total contribution and a 0.23% increase in the contribution rate as a percentage of payroll.

  The market value of assets is lower than the actuarial value; there are approximately $9.9 million in deferred investment losses. These net losses will be recognized in future years.

- Actual demographic experience will always differ from the actuarial assumptions.

  The demographic experience of the Plan – rates of retirement, death, disability, and termination – was less positive than predicted by the actuarial assumptions in aggregate, causing a slight increase in the contribution of $92,089 and in the contribution rate of 0.29% of payroll.

- Plan contributions were higher than expected.

  The employer and employee contributions of $13.2 million ($12.7 million plus interest based on contributions being made mid-year) exceeded expected contributions of $12.5 million. The higher contributions decreased this year's Plan contribution by $79,618 and the contribution rate by 0.24% of pay.

- Administrative expenses were about as expected, increasing the contribution by $443 but had no impact on the total contribution rate.

SECTION I
EXECUTIVE SUMMARY

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

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

Table I-3 Asset to Payroll Ratio as of July 1, 2015	
Active Member Payroll	$ 31,357,373
Assets (Market Value)	$ 158,647,332
Ratio of Assets to Payroll	5.06
Ratio with 100% Funding	8.19

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

On the other hand, consider the situation for this Plan. Suppose the Plan's assets lose 10% of their value in a year. Since they were assumed to earn 7.50%, there is an actuarial loss of 17.50% of plan assets. Based on the current ratio of asset to payroll (5.06), that means the loss in assets is about 89% of active payroll (506% of the 17.50% loss). There is only one source of funding to make up for this loss: contributions. Consequently, barring future offsetting investment gains, the loss must be made up with future contributions. The loss would be even larger – over 143% of payroll – if the Plan were 100% funded.

SECTION I
EXECUTIVE SUMMARY

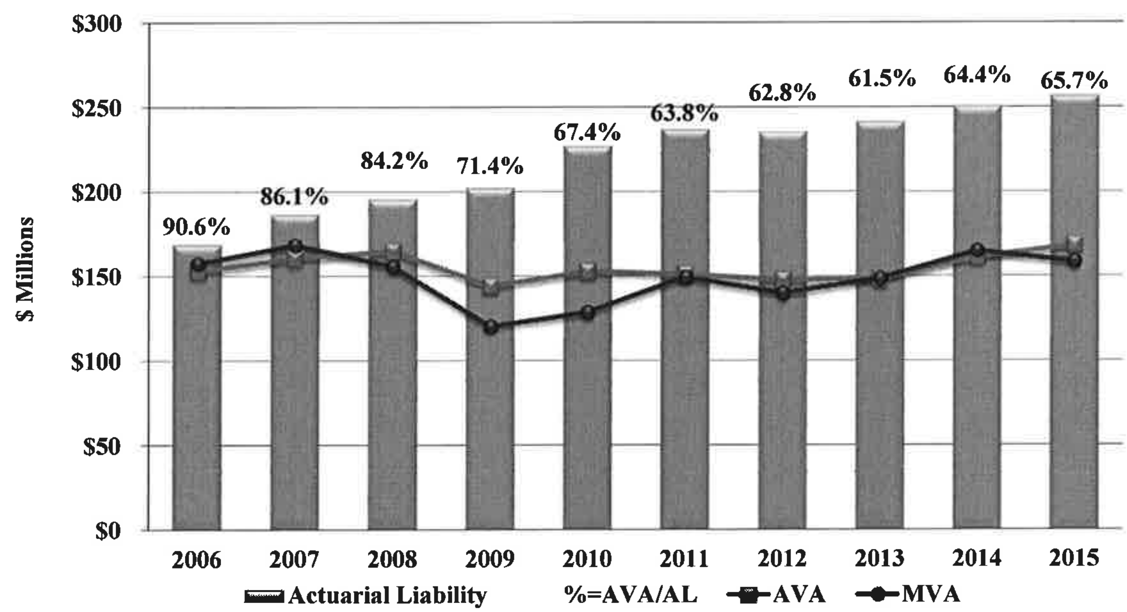
D. Historical Trends

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

In the graphs below, we observe a steady increase in cost and a declining funded ratio until 2015; the funded ratio improved and the contribution rate increased a bit with the 2015 valuation.

<u>**Assets and Liabilities**</u>

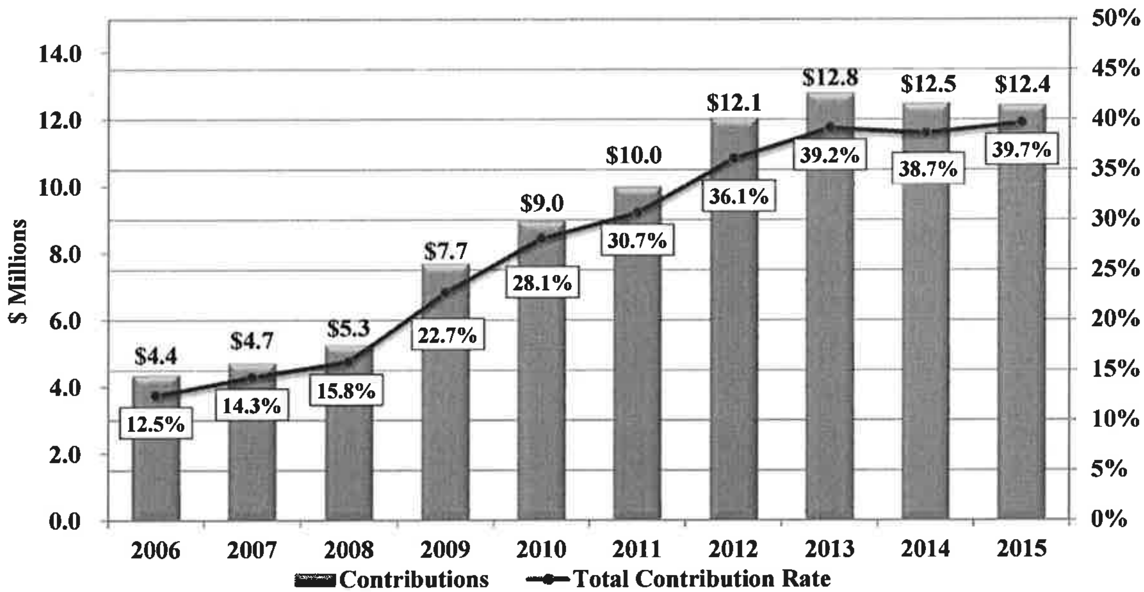
The chart below compares the Market Value of Assets (MVA) and Actuarial Value of Assets (AVA) to the Actuarial Liabilities. The percentage shown at the top of each bar is the ratio of the Actuarial Value of Assets to the Actuarial Liability (the funded ratio). The funded ratio increased in 2015 from 64.4% to 65.7%. The main reason for this increase is due to the recognition of deferred gains in the actuarial value of assets.



SECTION I
EXECUTIVE SUMMARY

Contributions

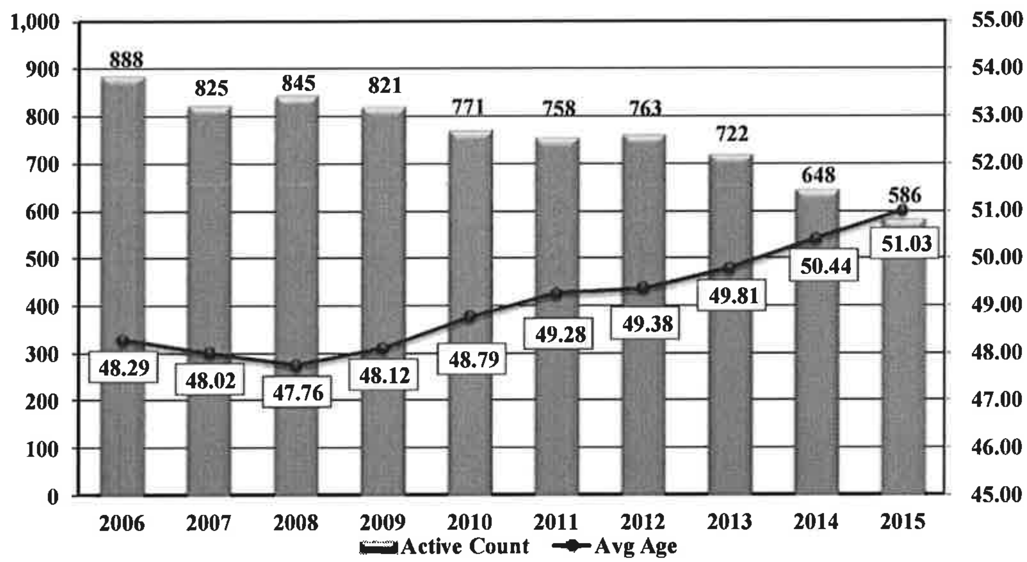
The chart below shows a history of the Plan's actuarially determined total contribution and contribution rates, as a percentage of payroll. The contribution rate has increased over the last ten years, primarily as a result of asset losses and recently closing the Plan to new entrants. The Plan's actuarially determined contributions have increased from 2006 to 2012, but have levelled off between $12 million and $13 million for the last 4 years primarily due to closing the Plan to new entrants.



SECTION I
EXECUTIVE SUMMARY

Participant Trends

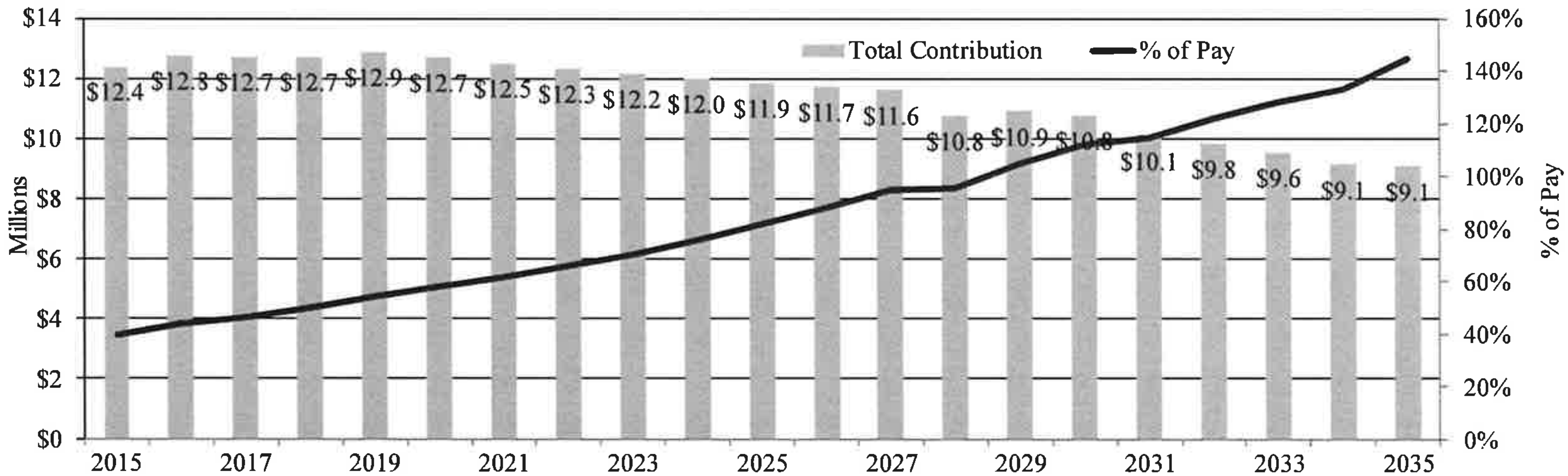
Another significant factor in the increasing Plan cost has been the shrinking and aging of the covered workforce. The number and average age of active Plan members for the last ten years is shown in the chart below. We can see that membership has declined from 888 actives on July 1, 2006, to 586 on July 1, 2015, a decrease of 34%. In addition, the average age of an active member has increased by almost three years. These trends can be expected to continue, as new employees participate instead in the defined contribution plan.



E. Future Expected Financial Trends

The analysis of projected financial trends is perhaps the most important component of this valuation. In this Section, we present our assessment of the implications of the July 1, 2015 valuation results in terms of benefit security (assets over liabilities) and contribution rates over the next 20 years. All the projections in this section are based on the assumption that the Plan will exactly achieve the 7.50% investment return assumption each year, which is clearly an impossibility. The current funding method and amortization policy adopted in 2012 remains in place throughout the projection period.

Projection of Total Plan Contributions, 7.50% return each year



The contribution rate graph shows that the Plan's contributions are expected to slightly increase over the next five years as the Plan recognizes the $9.9 million in net deferred asset losses primarily from the unfavorable return for FYE 2015. Thereafter, the Plan's contributions are expected to steadily decline from $12.7 in 2020 to $9.1 in 2035. There are two reasons for the gradual decline in the dollar cost of the Plan. First, the normal cost or cost of benefits accruing gradually decreases as the number of active members decline. In addition, the amortization policy is a level dollar schedule that prevents amortization payments from increasing with payroll. However, while dollar contributions will decline, the contribution rate as a percentage of covered payroll is expected to increase over

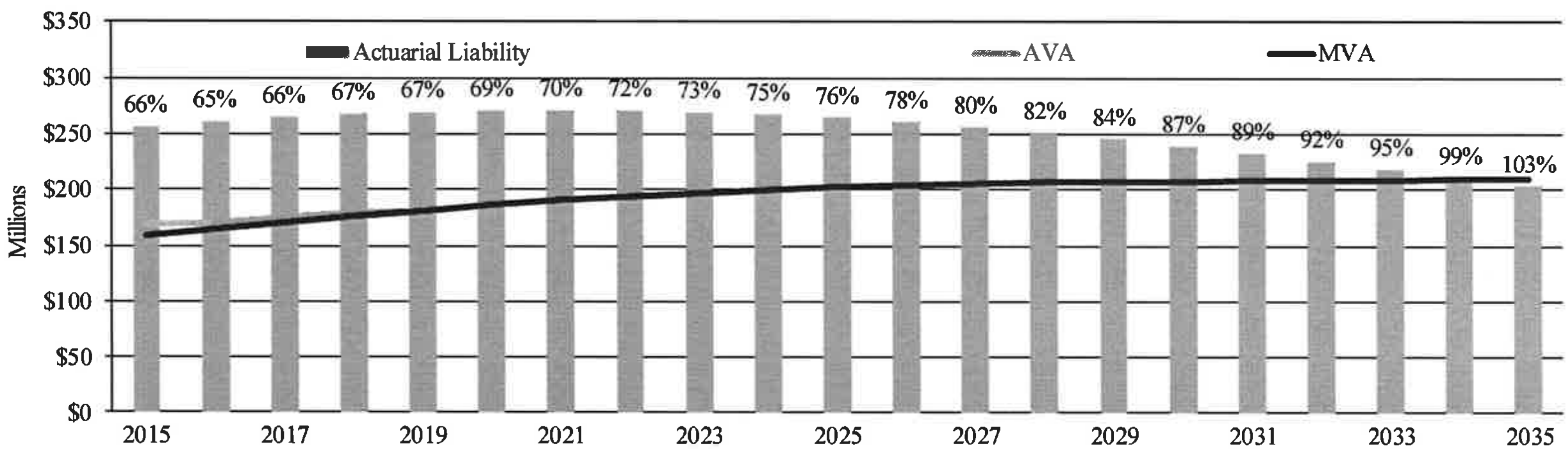
SECTION I
EXECUTIVE SUMMARY

the same period as the Plan payroll declines when members leave employment or retire. The contribution rate is approximately 39.68% of payroll in 2015 and increases to 144.53% of a much smaller payroll in 2035.

Asset and Liability Projections:

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

Projection of Assets and Liabilities, return each year



The graph shows that the projected funded status reaches 103% in the next 20 years assuming the actuarial assumptions are achieved. However, it is the actual return on Plan assets that will determine the future funding status and contribution rate to the Plan.

SECTION II
ASSETS

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

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

- **Disclosure** of Plan assets as of June 30, 2014 and June 30, 2015,
- Statement of the **changes** in market values during the year,
- Development of the **Actuarial Value of Assets**.

Disclosure

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

SECTION II
ASSETS

Table II-1 discloses and compares each component of the market value of assets as of June 30, 2014 and June 30, 2015.

Table II-1
Statement of Assets at Market Value

Investments		**6/30/2014**		**6/30/2015**
Common Stock	$	30,881,812	$	31,190,085
Mutual Funds		91,149,529		83,066,245
REIT Mutual Funds		0		0
Corporate Debt / Bond Funds		25,570,674		27,257,921
Closely Held Instruments		10,065,898		10,103,201
US Treasury Obligations		6,823,063		6,699,908
Short-Term Investments		701,651		955,670
Total Investments	$	165,192,627	$	159,273,030
Receivables:				
Dividends and Interest	$	17,060	$	4,332
Other Reveivables		1,330		0
Total Receivables	$	18,390	$	4,332
Payables				
Due to Plan Sponsor	$	265,068	$	513,185
Other Payables		148,620		116,845
Total Payables	$	413,688	$	630,030
Market Value of Assets	**$**	**164,797,329**	**$**	**158,647,332**

SECTION II
ASSETS

Changes in Market Value

The components of asset change are:

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

Table II-2 shows the components of a change in the market value of assets during 2014 and 2015.

Table II-2
Changes in Market Values

	2014	2015
Contributions		
Employer's Contribution	12,628,190	11,352,628
Members' Contributions	899,791	1,363,092
Total Contributions	13,527,981	12,715,720
Investment Income		
Interest	959,345	1,037,532
Dividends	5,653,193	461,886
REIT Mutual Funds	19,797	0
Miscellaneous	750	1,907
Realized & Unrealized Gain/(Loss)	12,339,979	(2,973,933)
Investment Expenses	(555,625)	(546,258)
Net Investment Income	18,417,439	(2,018,866)
Disbursements		
Benefit Payments	(15,466,924)	(16,584,043)
Administrative Expenses	(258,142)	(262,808)
Total Disbursments	(15,725,066)	(16,846,851)
Net increase (Decrease)	16,220,354	(6,149,997)
Net Assets Held in Trust for Benefits:		
Beginning of Year	148,576,975	164,797,329
End of Year	164,797,329	158,647,332
Approximate Return	12.30%	-1.24%

SECTION II
ASSETS

Actuarial Value of Assets (AVA)

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

Table II-3
Development of Actuarial Value of Assets
as of June 30, 2015

Plan Year	(a) Expected Earnings	(b) Actual Earnings	(c) = (b) – (a) Unexpected Earnings	(d) Phase-In Factor	(c) x (d) Phase-In Adjustment
2010 -11	9,689,332	27,361,358	17,672,026	0%	0
2011 -12	11,416,386	(5,002,447)	(16,418,833)	20%	(3,283,767)
2012 -13	10,765,036	12,739,686	1,974,650	40%	789,860
2013 -14	11,577,862	18,159,297	6,581,435	60%	3,948,861
2014 -15	12,204,882	(2,018,866)	(14,223,748)	80%	(11,378,998)
1. Total Unrecognized Asset Gains/(Losses)					(9,924,044)
2. Market Value of Assets as of June 30, 2015					158,647,332
3. Actuarial Value of Assets as of June 30, 2015: [(2) - (1)]					168,571,376
4. Ratio of Actuarial Value to Market Value [(3) ÷ (2)]					106.26%

SECTION II
ASSETS

Investment Performance

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

Table II-4
Asset Gain/(Loss)

	Market Value	Actuarial Value
As of June 30, 2014	**$ 164,797,329**	**$ 161,380,520**
Employer Contributions	11,352,628	11,352,628
Employee Contributions	1,363,092	1,363,092
Benefit Payments	(16,584,043)	(16,584,043)
Administrative Expenses	(262,808)	(262,808)
Expected Investment Earnings (7.50%)	12,204,882	11,948,622
Expected Value as of July 1, 2015	**$ 172,871,080**	**$ 169,198,011**
Investment Gain/(Loss)	(14,223,748)	(626,635)
As of June 30, 2015	**$ 158,647,332**	**$ 168,571,376**
Return	-1.24%	7.11%

SECTION III
LIABILITIES

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

- **Disclosure** of Plan liabilities at July 1, 2014 and July 1, 2015,
- Statement of **changes** in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them. Note that these liabilities are not appropriate for settlement purposes, including the purchase of annuities and the payment of lump sums.

- **Present Value of Future Benefits:** Used for measuring all future Plan obligations; the obligations of the Plan earned as of the valuation date and those to be earned in the future by current Plan participants, under the current Plan provisions.

- **Actuarial Liability:** Used for funding calculations, this liability is calculated taking the total Projected Value of Future Benefits and subtracting all future Normal Costs. The method used for this Plan is called the Entry Age Normal (EAN) funding method.

- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Actuarial Value of Assets.

SECTION III
LIABILITIES

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

Table III-1 Liabilities and Unfunded Actuarial Liability	July 1, 2014	July 1, 2015
(1) Present Value of Future Benefits		
Active Participant Benefits		
ATU/Drivers	$ 62,035,855	$ 61,804,520
IBEW/Mechanics	25,356,537	25,877,939
Clerical	2,538,272	2,230,968
Non-Contract/Admin[1]	22,504,671	22,151,039
Total	**$ 112,435,335**	**$ 112,064,466**
(2) Inactive Actuarial Liability		
ATU/Drivers	$ 90,410,489	$ 90,931,896
IBEW/Mechanics	17,538,279	18,886,334
Clerical	3,659,149	4,158,209
Non-Contract/Admin	50,233,839	53,341,186
Total	**$ 161,841,756**	**$ 167,317,625**
(3) Active Actuarial Liability		
ATU/Drivers	$ 46,906,804	$ 47,587,422
IBEW/Mechanics	20,366,206	20,985,788
Clerical	2,160,589	1,895,298
Non-Contract/Admin[1]	19,216,238	18,959,336
Total	**$ 88,649,837**	**$ 89,427,844**
(4) Total Actuarial Liability, [(2) + (3)]	$ 250,491,593	$ 256,745,469
(5) Plan Assets (Actuarial Value)	161,380,520	168,571,376
(6) Unfunded Actuarial Liability (UAL), [(4) - (5)]	**$ 89,111,073**	**$ 88,174,093**

[1] Includes PEPRA members.

SECTION III
LIABILITIES

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

Changes in Liabilities

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

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments changing benefits (None for the 2015 Valuation)
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method or software

Table III-2 Changes in Actuarial Liability		
Actuarial Liability at July 1, 2014	$	250,491,593
Actuarial Liability at July 1, 2015	$	256,745,469
Liability Increase (Decrease)		6,253,876
Change due to:		
Actuarial Methods / Software Changes	$	0
Assumption Change		0
Accrual of Benefits		3,590,766
Actual Benefit Payments		(16,584,043)
Interest		18,434,275
Actuarial (Gain)/Loss		812,878

SECTION III
LIABILITIES

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

- Contributions different than expected
- Investment earnings different than expected
- Expenses different than expected

TABLE III-3
Development of Actuarial Gain / (Loss)

1. Unfunded Actuarial Liability (UAL) at Start of Year (not less than zero)	$	89,111,073
2. Expected UAL Payment		(7,777,613)
3. Interest on (1) and (2) to End of Year		6,100,009
4. Expected Unfunded Actuarial Liability at End of Year, [(1) + (2) + (3)]	$	87,433,469
5. Actual Unfunded Actuarial Liability at End of Year (not less than zero)		88,174,093
6. Actuarial Gain/(Loss), [(4) – (5)]	$	(740,624)
(a) Liability Gain/(Loss)		(812,878)
(b) Asset Gain/(Loss)		(626,635)
(c) Contributions made to Plan more than expected		702,802
(d) Administrative expenses more than expected		(3,913)

SECTION IV
CONTRIBUTIONS

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

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

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

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

The table below presents the total Plan contributions for the current and prior valuations.

Table IV-1
Development of Annual Contribution

		July 1, 2014	July 1, 2015
(1)	Total Actuarial Liability	$ 250,491,593	$ 256,745,469
(2)	Plan Assets (Actuarial Value)	161,380,520	168,571,376
(3)	Unfunded Actuarial Liability (UAL), [(1) - (2)]	$ 89,111,073	$ 88,174,093
(4)	UAL Amortization Payment	$ 7,777,613	$ 7,855,663
(5)	Total Plan Normal Cost	$ 3,590,766	$ 3,469,595
(6)	Projected Plan Member Payroll	32,313,553	31,357,373
(7)	Normal Cost (% of Member Payroll)	11.11%	11.06%
(8)	Expected Administrative Expenses	$ 250,000	$ 250,000
(9)	Total Cost, [(4) + (5) + (8)]	$ 11,618,379	$ 11,575,258
(10)	Total Cost (Interest Adjusted), [(9) * 1.075]	$ 12,489,757	$ 12,443,402
(11)	Total Cost (% of Member Payroll), [(10) ÷ (6)]	38.65%	39.68%

SECTION IV
CONTRIBUTIONS

The table below presents the calculation of the UAL payments for the Plan under the amortization policy adopted in 2012.

Table IV-2
Development of the Amortization Payment as of July 1, 2015

	Type of Base	Date Established	Initial Balance	Initial Amortization	Outstanding Balance	Remaining Amortization	Amortization Amount
1.	Initial Unfunded Actuarial Liability	7/1/2012	$ 87,613,245	25	$ 83,449,454	22	$ 7,311,482
2.	Actuarial Loss	7/1/2013	6,555,553	15	6,034,740	13	690,847
3.	Actuarial Gain	7/1/2014	(2,132,368)	15	(2,050,725)	14	(224,716)
4.	Actuarial Loss	7/1/2015	740,624	15	740,624	15	78,050
	TOTAL				**$ 88,174,093**		**$ 7,855,663**

APPENDIX A
MEMBERSHIP INFORMATION

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

Summary of Participant Data

Active Participants

Non-Contract/Admin	July 1, 2014	July 1, 2015
Number	68	66
Average Age	51.3	51.8
Average Service	16.6	17.1
Average Pay	$ 68,881	$ 69,402
Non-Contract/PEPRA	**July 1, 2014**	**July 1, 2015**
Number	9	9
Average Age	42.5	43.5
Average Service	2.2	3.2
Average Pay	$ 56,371	$ 60,536
ATU/Clerical	**July 1, 2014**	**July 1, 2015**
Number	25	19
Average Age	48.4	49.7
Average Service	11.3	11.8
Average Pay	$ 40,859	$ 43,872
ATU/Drivers	**July 1, 2014**	**July 1, 2015**
Number	398	353
Average Age	51.3	51.9
Average Service	12.4	13.6
Average Pay	$ 49,643	$ 53,898
IBEW/Mechanics	**July 1, 2014**	**July 1, 2015**
Number	148	139
Average Age	48.6	49.1
Average Service	17.2	18.0
Average Pay	$ 50,889	$ 54,431
Total	**July 1, 2014**	**July 1, 2015**
Number	648	586
Average Age	50.4	51.0
Average Service	13.8	14.8
Average Pay	$ 51,701	$ 55,548

APPENDIX A
MEMBERSHIP INFORMATION

Summary of Participant Data

Deferred Participants

Terminated Vested	July 1, 2014	July 1, 2015
Number	229	226
Average Age	52.6	53.1
Average Annual Benefit	$ 7,749	$ 7,616

In-Pay Participants

Service Retired	July 1, 2014	July 1, 2015
Number	639	669
Average Age	68.7	69.0
Average Annual Benefit	$ 21,850	$ 21,902
Beneficiaries	**July 1, 2014**	**July 1, 2015**
Number	135	140
Average Age	71.5	71.0
Average Annual Benefit	$ 8,821	$ 9,349
Disabled	**July 1, 2014**	**July 1, 2015**
Number	99	93
Average Age	67.2	67.6
Average Annual Benefit	$ 9,477	$ 9,405
Total	**July 1, 2014**	**July 1, 2015**
Number	873	902
Average Age	68.9	69.2
Average Annual Benefit	$ 18,432	$ 18,666

APPENDIX A
MEMBERSHIP INFORMATION

Data Summary as of July 1, 2015

Active Participants	Non-Contract/Administrative			ATU/	ATU/	IBEW/	Total
	PEPRA	PEPRA	Sub-Total	Clerical	Drivers	Mechanics	
Number	66	9	75	19	353	139	586
Average Age	51.79	43.53	50.80	49.73	51.90	49.12	51.03
Average Service	17.09	3.19	15.42	11.81	13.57	17.96	14.79
Average Pay	$69,402	$60,536	$68,338	$43,872	$53,898	$54,431	$55,548

Inactive Participants	Non-Contract/Administrative			ATU/	ATU/	IBEW/	Total
	PEPRA	PEPRA	Sub-Total	Clerical	Drivers	Mechanics	
Service Retired							
Number	111	n/a	111	30	441	87	669
Average Age	66.57	n/a	66.57	71.75	69.30	69.52	68.99
Average Annual Benefit	$36,254	n/a	$36,254	$13,030	$19,321	$19,737	$21,902
Beneficiaries							
Number	28	n/a	28	4	89	19	140
Average Age	66.89	n/a	66.89	72.79	72.47	70.10	71.05
Average Annual Benefit	$17,935	n/a	$17,935	$3,801	$7,443	$6,794	$9,349
Disabled							
Number	2	n/a	2	3	76	12	93
Average Age	65.71	n/a	65.71	76.85	67.66	65.15	67.59
Average Annual Benefit	$8,729	n/a	$8,729	$6,102	$8,984	$13,010	$9,405
Terminated Vested							
Number	24	n/a	24	14	135	53	226
Average Age	51.89	n/a	51.89	54.56	53.22	53.00	53.11
Average Annual Benefit	$17,080	n/a	$17,080	$6,396	$6,826	$5,664	$7,616

APPENDIX A
MEMBERSHIP INFORMATION

Status Reconciliation - All Divisions
Changes in Plan Membership as of July 1, 2015

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2014	**648**	**229**	**99**	**639**	**135**	**1,750**
New Entrants						0
Rehires	2			(2)		0
Disabilities		(1)	1			0
Retirements/ Domestic Relations Order (DRO)	(40)	(8)		48	2	2
Vested Terminations	(8)	8				0
Died, with Beneficiaries' Benefit Payable		(2)		(6)	8	0
Transfers						0
Died, without Beneficiary, and Other Terminations	(16)		(5)	(13)		(34)
Beneficiary Deaths					(6)	(6)
Data Corrections			(2)	3	1	2
Total Change	(62)	(3)	(6)	30	5	(36)
Participant count as of July 1, 2015	**586**	**226**	**93**	**669**	**140**	**1,714**

Status Reconciliation - Non-Contract/Administrative[1]
Changes in Plan Membership as of July 1, 2015

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2014	**77**	**24**	**2**	**107**	**25**	**235**
New Entrants						0
Rehires	2					2
Disabilities						0
Retirements/ DRO	(5)	(1)		6	2	2
Vested Terminations	(1)	1				0
Died, with Beneficiaries' Benefit Payable		(1)			1	0
Transfers	2					2
Died, without Beneficiary, and Other Terminations				(2)		(2)
Beneficiary Deaths						0
Data Corrections		1				1
Total Change	(2)	0	0	4	3	5
Participant count as of July 1, 2015	**75**	**24**	**2**	**111**	**28**	**240**

[1] *Includes 9 active individuals participating in PEPRA.*

APPENDIX A
MEMBERSHIP INFORMATION

Status Reconciliation - Clerical
Changes in Plan Membership as of July 1, 2015

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2014	**25**	**15**	**3**	**27**	**4**	**74**
New Entrants						0
Rehires						0
Disabilities						0
Retirements/ DRO	(3)			3		0
Vested Terminations						0
Died, with Beneficiaries' Benefit Payable						0
Transfers	(1)					(1)
Died, without Beneficiary, and Other Terminations	(2)					(2)
Beneficiary Deaths						0
Data Corrections		(1)		0		(1)
Total Change	(6)	(1)	0	3	0	(4)
Participant count as of July 1, 2015	**19**	**14**	**3**	**30**	**4**	**70**

Status Reconciliation - ATU/Drivers
Changes in Plan Membership as of July 1, 2015

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2014	**398**	**138**	**82**	**425**	**88**	**1,131**
New Entrants						0
Rehires				(2)		(2)
Disabilities		(1)	1			0
Retirements/ DRO	(26)	(5)		31		0
Vested Terminations	(4)	4				0
Died, with Beneficiaries' Benefit Payable		(1)		(5)	6	0
Transfers	(2)					(2)
Died, without Beneficiary, and Other Terminations	(13)		(5)	(11)		(29)
Beneficiary Deaths					(6)	(6)
Data Corrections			(2)	3	1	2
Total Change	(45)	(3)	(6)	16	1	(37)
Participant count as of July 1, 2015	**353**	**135**	**76**	**441**	**89**	**1,094**

APPENDIX A
MEMBERSHIP INFORMATION

Status Reconciliation - IBEW/Mechanics
Changes in Plan Membership as of July 1, 2015

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2014	**148**	**52**	**12**	**80**	**18**	**310**
New Entrants						0
Rehires						0
Disabilities						0
Retirements/ DRO	(6)	(2)		8		0
Vested Terminations	(3)	3				0
Died, with Beneficiaries' Benefit Payable				(1)	1	0
Transfers	1					1
Died, without Beneficiary, and Other Terminations	(1)					(1)
Beneficiary Deaths						0
Data Corrections						0
Total Change	(9)	1	0	7	1	0
Participant count as of July 1, 2015	**139**	**53**	**12**	**87**	**19**	**310**

APPENDIX A
MEMBERSHIP INFORMATION

Age / Service Distribution Of Active Participants - Non-Contract/Administrative[1] (Counts)
As of July 1, 2015

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

[1] *Includes 9 active individuals participating in PEPRA.*

Age / Service Distribution Of Active Participants - Non-Contract/Administrative[1] (Average Salary)
As of July 1, 2015

	Service												
Age	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	**Total**
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
30 to 34	0	65,672	0	46,068	58,905	61,891	58,482	0	0	0	0	0	**$59,797**
35 to 39	0	65,653	0	0	66,269	59,248	0	0	0	0	0	0	**$61,933**
40 to 44	0	40,000	0	54,288	0	46,967	59,800	88,323	0	0	0	0	**$56,057**
45 to 49	0	0	58,719	50,690	0	58,386	61,391	61,037	0	0	0	0	**$59,498**
50 to 54	0	74,652	0	0	67,246	60,534	66,810	71,078	0	71,009	107,162	0	**$72,556**
55 to 59	0	0	0	0	59,664	0	71,582	71,065	75,668	92,144	84,080	83,413	**$76,309**
60 to 64	0	0	0	0	0	61,735	81,290	82,471	91,894	0	0	55,016	**$75,466**
65 to 69	0	0	0	0	0	0	0	65,064	0	77,631	0	53,706	**$65,467**
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
Total	**$0**	**$62,330**	**$58,719**	**$50,349**	**$63,021**	**$58,532**	**$69,974**	**$69,920**	**$79,724**	**$74,974**	**$95,621**	**$71,792**	**$68,338**

[1] *Includes 9 active individuals participating in PEPRA.*

APPENDIX A
MEMBERSHIP INFORMATION

Age / Service Distribution Of Active Participants - ATU/Clerical (Counts)
As of July 1, 2015

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

Age / Service Distribution Of Active Participants - ATU/Clerical (Average Salary)
As of July 1, 2015

	Service												
Age	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	Total
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
20 to 24	0	0	0	39,669	0	0	0	0	0	0	0	0	**$39,669**
25 to 29	0	0	0	0	39,669	43,407	0	0	0	0	0	0	**$41,538**
30 to 34	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
35 to 39	0	0	0	0	0	39,669	39,669	0	0	0	0	0	**$39,669**
40 to 44	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
45 to 49	0	0	0	0	0	41,832	39,669	0	0	0	0	0	**$40,751**
50 to 54	0	0	0	40,519	40,569	0	47,295	52,344	69,420	0	0	0	**$49,574**
55 to 59	0	0	0	0	0	39,669	0	0	39,669	0	52,481	0	**$43,940**
60 to 64	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
65 to 69	0	0	0	0	0	40,192	0	40,270	0	0	0	0	**$40,244**
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
Total	**$0**	**$0**	**$0**	**$40,094**	**$40,119**	**$40,954**	**$43,482**	**$44,295**	**$54,545**	**$0**	**$52,481**	**$0**	**$43,872**

APPENDIX A
MEMBERSHIP INFORMATION

Age / Service Distribution Of Active Participants - ATU/Drivers (Counts)
As of July 1, 2015

Age	Service: Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	Total
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	1	1	0	3	0	0	0	0	0	0	5
30 to 34	0	0	0	7	0	8	1	0	0	0	0	0	16
35 to 39	0	0	2	1	0	9	5	1	0	0	0	0	18
40 to 44	0	0	1	5	1	14	10	5	0	0	0	0	36
45 to 49	0	0	4	3	1	22	11	9	2	2	0	0	54
50 to 54	0	0	1	5	2	22	14	14	10	12	0	0	80
55 to 59	0	0	0	6	5	18	14	11	11	10	1	1	77
60 to 64	0	0	0	1	0	13	12	7	8	8	0	6	55
65 to 69	0	0	0	0	0	2	2	1	1	3	0	1	10
70 & up	0	0	0	0	0	0	1	0	0	0	0	1	2
Total	**0**	**0**	**9**	**29**	**9**	**111**	**70**	**48**	**32**	**35**	**1**	**9**	**353**

Age / Service Distribution Of Active Participants - ATU/Drivers (Average Salary)
As of July 1, 2015

Age	Service: Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	Total
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	$0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	$0
25 to 29	0	0	41,057	49,190	0	41,850	0	0	0	0	0	0	$43,159
30 to 34	0	0	0	37,408	0	49,878	56,736	0	0	0	0	0	$44,851
35 to 39	0	0	43,741	34,502	0	55,069	58,436	87,227	0	0	0	0	$55,390
40 to 44	0	0	49,417	37,864	45,283	48,149	64,423	53,359	0	0	0	0	$51,920
45 to 49	0	0	41,307	43,426	46,856	54,514	52,292	56,479	52,555	54,553	0	0	$52,582
50 to 54	0	0	29,070	40,844	43,947	54,694	56,934	57,082	60,288	58,139	0	0	$55,265
55 to 59	0	0	0	42,439	46,069	47,607	58,216	60,164	53,050	65,448	57,713	65,462	$54,285
60 to 64	0	0	0	56,067	0	47,994	56,410	57,598	60,107	59,434	0	57,843	$55,700
65 to 69	0	0	0	0	0	46,859	55,890	72,862	83,717	70,000	0	54,321	$62,640
70 & up	0	0	0	0	0	0	44,514	0	0	0	0	51,418	$47,966
Total	**$0**	**$0**	**$41,362**	**$40,692**	**$45,598**	**$51,094**	**$57,338**	**$58,320**	**$58,003**	**$61,335**	**$57,713**	**$57,585**	**$53,898**

APPENDIX A
MEMBERSHIP INFORMATION

Age / Service Distribution Of Active Participants - IBEW/Mechanics (Counts)
As of July 1, 2015

	Service												
Age	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	Total
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	**0**
20 to 24	0	0	0	0	1	0	0	0	0	0	0	0	**1**
25 to 29	0	0	1	0	1	12	0	0	0	0	0	0	**14**
30 to 34	0	0	0	0	2	5	3	1	0	0	0	0	**11**
35 to 39	0	0	0	0	0	1	1	5	0	0	0	0	**7**
40 to 44	0	0	0	0	0	2	1	6	3	0	0	0	**12**
45 to 49	0	0	0	0	1	2	0	6	1	3	0	0	**13**
50 to 54	0	0	0	0	0	4	4	5	7	6	3	1	**30**
55 to 59	0	0	0	0	0	4	3	4	2	4	4	4	**25**
60 to 64	0	0	0	0	0	2	2	4	5	5	0	4	**22**
65 to 69	0	0	0	0	0	1	1	1	1	0	0	0	**4**
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	**0**
Total	**0**	**0**	**1**	**0**	**5**	**33**	**15**	**32**	**19**	**18**	**7**	**9**	139

Age / Service Distribution Of Active Participants - IBEW/Mechanics (Average Salary)
As of July 1, 2015

	Service												
Age	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	Total
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
20 to 24	0	0	0	0	30,487	0	0	0	0	0	0	0	**$30,487**
25 to 29	0	0	29,778	0	30,487	60,397	0	0	0	0	0	0	**$56,074**
30 to 34	0	0	0	0	30,487	48,818	65,317	65,317	0	0	0	0	**$51,485**
35 to 39	0	0	0	0	0	58,416	65,317	56,571	0	0	0	0	**$58,084**
40 to 44	0	0	0	0	0	41,431	30,595	54,864	60,716	0	0	0	**$52,066**
45 to 49	0	0	0	0	30,487	30,595	0	60,605	58,416	63,017	0	0	**$54,059**
50 to 54	0	0	0	0	0	40,823	58,867	57,156	62,359	57,154	63,017	65,317	**$57,278**
55 to 59	0	0	0	0	0	54,986	40,657	47,069	61,866	64,253	61,866	63,592	**$56,511**
60 to 64	0	0	0	0	0	30,541	47,956	48,434	52,701	58,282	0	64,242	**$52,846**
65 to 69	0	0	0	0	0	30,595	30,595	36,615	58,416	0	0	0	**$39,055**
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	**$0**
Total	**$0**	**$0**	**$29,778**	**$0**	**$30,487**	**$49,886**	**$51,720**	**$54,543**	**$59,091**	**$60,022**	**$62,359**	**$64,072**	**$54,431**

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

The assumptions and methods used in the actuarial valuation as of July 1, 2015 are:

Actuarial Method

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

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

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

Unexpected changes in the Unfunded Actuarial Liability due to Plan amendments, changes in actuarial assumptions, and actuarial gains and losses will be amortized in level dollar payments over a separate period, of length from five to 30 years depending on the source. Actuarial gains and losses are amortized over closed separate 15-year periods. Though the Retirement Board may make exceptions, in general the intent is to follow the guidelines published by the California Actuarial Advisory Panel and the Government Finance Officers' Association.

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

Actuarial Value of Plan Assets

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

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

All of the following actuarial assumptions were determined in accordance with the results of the Actuarial Experience Study - January 1, 2006 through June 30, 2010. The rational for these assumptions can be found in the Actuarial Experience Study report dated April 27, 2011. A subsequent study is scheduled for 2016 covering periods July 1, 2010 through June 30, 2015.

1. **Valuation Date**

   All assets and liabilities are computed as of July 1, 2015.

2. **Rate of Return**

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

3. **Cost of Living**

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

4. **Post Retirement COLA**

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

5. **Pay for Benefits**

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

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

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

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

6. Increases in Pay

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

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

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

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

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

In addition, annual adjustments in pay due to inflation will equal the CPI, for an additional annual increase of 3.0%. The combination of rates are compounded rather than using an additive method.

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

7. Active and Retired Participant Mortality

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

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

8. Disabled Participant Mortality

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

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

9. Mortality Improvement

No explicit provision for mortality improvement is included in this study. The mortality tables assumed for Plan funding were compared with actual experience over the years 2001 through 2010. We found that the actual number of deaths was 30% higher than the expected number for the total Plan. This means that there is a conservative implicit margin for future mortality improvement. Similar margins were also found when the retired population only was examined.

10. Disability

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

11. Plan Expenses

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

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

12. Family Composition

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

13. Service Retirement

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

Age	ATU Drivers	IBEW Mechanics	Clerical/Non Contract
52 [1]	0%	0%	15%
53-54	0%	0%	15%
55-58	10%	5%	15%
59	10%	10%	15%
60	15%	10%	15%
61	15%	10%	15%
62-64	30%	30%	60%
65	40%	55%	60%
66-69	30%	30%	60%
70 and older	100%	100%	100%

[1] *NonContract retirement assumption at age 52 is for PEPRA participants only, 0% otherwise.*

14. Termination

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

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

APPENDIX B
ACTUARIAL ASSUMPTIONS AND METHODS

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

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

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

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

15. Employment Status

No future transfers among Participant groups are assumed.

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

None.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

A. Definitions

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

- For ATU, IBEW, and Clerical Participants, the averaging period is thirty-six (36) consecutive months.
- For Non-Contract Participants, the number of consecutive months is twelve (12).
- Public Employees' Pension Reform Act (PEPRA): For Non-Contract Participants hired on and after July 1, 2013, the number of consecutive months is thirty-six (36).
- Those months during which the Participant did not receive Compensation from the Employer equivalent to one-half the regular working days will be excluded. The average is then based on that portion of the averaging period remaining after the excluded months.
- PEPRA: It is possible that exclusions for months in which the Participant did not work full-time may be subject to change.
- Use the total of the Periodic Pensionable Earnings from the highest three calendar (payroll) years. These years need not be consecutive years. There shall be no skips and drops within the three calendar (payroll) years. Add the total Periodic Pensionable Earnings to Terminal Earnings and then divide by 36.

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

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

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

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

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

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

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

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

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

B. Membership

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

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

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

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

C. Retirement Benefit

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

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

PEPRA: New Participants are eligible to retire upon attaining age 52 and completing five or more Credited Years of Service.

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

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

- For IBEW Participants terminating prior to January 1, 2007, IBEW Table A-1 is used; for IBEW Participants terminating on and after January 1, 2007, IBEW Table A-2 is used.

- For Non-Contract participants terminating prior to July 1, 2000, Non-Contract Table A-1 is used; for Non-Contract participants terminating on and after July 1, 2000, Non-Contract Table A-2 is used.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

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

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

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

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

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

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

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

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

ATU and IBEW Participants may elect an Alternative Retirement Formula if they terminate employment before early retirement but after 10 Credited Years of Service or were hired between April 1, 1968 and March 31, 1971

APPENDIX C
SUMMARY OF PLAN PROVISIONS

and desire to retire at their Normal Retirement Date. These Participants are eligible for a deferred benefit commencing at age 65 based on Table B.

Tables A-1 and A-2 for each employee group, as well as Table B, can be found at the end of Appendix C herein.

D. Disability Retirement Benefit

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

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

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

1. 1.5% times Credited Years of Service at Disability Retirement Date times the Participant's Average Monthly Final Earnings; and,
2. The Normal Retirement Benefit calculated using the Average Monthly Final Earnings at Disability Retirement Date and the projected Credited Years of Service to Normal Retirement Date.

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

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

Form of Benefit: The normal form of benefit is an annuity commencing at disability and payable for the life of the Participant, with no continuation of benefits to a beneficiary after death. The Disability Retirement Benefit will be paid as a 50% Joint and Survivor benefit actuarially equivalent to the normal form

APPENDIX C
SUMMARY OF PLAN PROVISIONS

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

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

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

E. Pre-Retirement Death Benefit

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

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

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

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

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

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

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

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

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

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

F. Termination Benefit

Eligibility: A Participant is eligible for a termination benefit after earning five Credited Years of Service.

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

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

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

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

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

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

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

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

G. Cost of Living Adjustments

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

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

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

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

H. Voluntary Early Retirement Program

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

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

I. DROP Program

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

J. Funding

- IBEW members contributed 3% of Compensation to the Plan in April 2013 and 4% of Compensation in April 2014. The contribution rate increased to 6% of Compensation in April 2015 and will increase to 8% of Compensation in April 2016.
- ATU drivers and clerical members contributed 3% of Compensation in July 2013. The contribution rate increased to 5% of Compensation in July 2014 and to 6% in July 2015. The contribution rate will increase to 7% of Compensation in July 2016 and to 8% of Compensation in December 2017.
- Non-contract members hired before July 1, 2013 contributed 2% of Compensation to the Plan prior to January 2014. The Non-contract member contributions increased to 4% of Compensation in January 2014, to 6% of in January 2015, and will increase to 7% of Compensation on January 1, 2016.
- PEPRA: New Members must contribute half of the normal cost of the Plan, rounded to the nearest 0.25%. Currently, PEPRA members are paying 6.25% of pay and the employer pays the remaining cost of the Plan.

The Corporation pays the actuarial cost of the Plan as reduced by Member contributions. Member contribution rates in the future may change in response to collective bargaining.

K. Changes in Plan Provisions since Prior Valuation

None.

APPENDIX C
SUMMARY OF PLAN PROVISIONS

ATU/Clerical Table A-1: Retirement Benefit Multipliers

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

ATU/Clerical Table A-2: Retirement Benefit Multipliers

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

IBEW Table A-1: Retirement Benefit Multipliers

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

IBEW Table A-2: Retirement Benefit Multipliers

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

Non-Contract Table A-1: Retirement Benefit Multipliers

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

Non-Contract Table A-2: Retirement Benefit Multipliers

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

APPENDIX C
SUMMARY OF PLAN PROVISIONS

Table B: Alternate Retirement Formula Multipliers

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

APPENDIX D
GLOSSARY

1. **Actuarial Assumptions**

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

2. **Actuarial Cost Method**

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

3. **Actuarial Gain (Loss)**

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

4. **Actuarial Liability**

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

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

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

6. **Actuarial Valuation**

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

APPENDIX D
GLOSSARY

7. Actuarial Value of Assets

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

8. Actuarially Equivalent

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

9. Amortization Payment

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

10. Entry Age Normal Actuarial Cost Method

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

11. Funded Ratio

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

12. Normal Cost

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

13. Projected Benefits

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

14. Unfunded Actuarial Liability

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

AI No. C2, 1/7/16

Retirement Plans of
San Diego Transit Corporation

CHEIRON
Classic Values, Innovative Advice

Actuarial Valuation as of July 1, 2015

January 7, 2016

Anne Harper, FSA, MAAA, EA
Robert T. McCrory, FSA, FCA, EA

Today's Discussion

- Cost Change from 2014 to 2015 Valuation
- Plan History
- Plan Future
- Next Steps

AI No. C2, 1/7/16

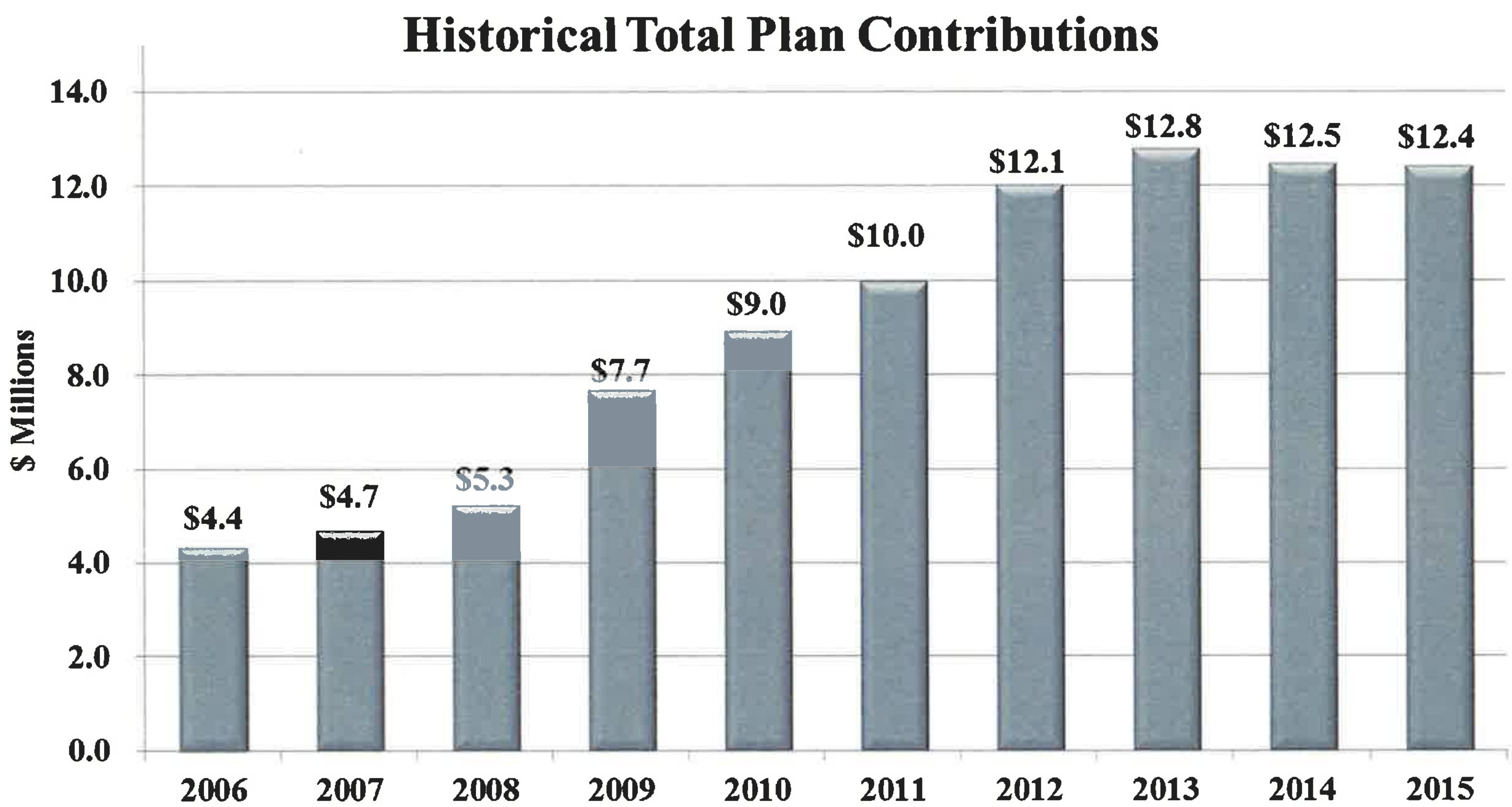
Plan Cost – Changes from Last Year

Total Contribution Reconciliation	
Fiscal Year End June 30, 2015	**$ 12,490,000**
Effect of closed plan on benefits earned	(130,000)
Change due to investment experience	71,000
Change due to demographic experience	92,000
Change due to contributions greater than anticipated	(80,000)
Fiscal Year End June 30, 2016	**$ 12,443,000**

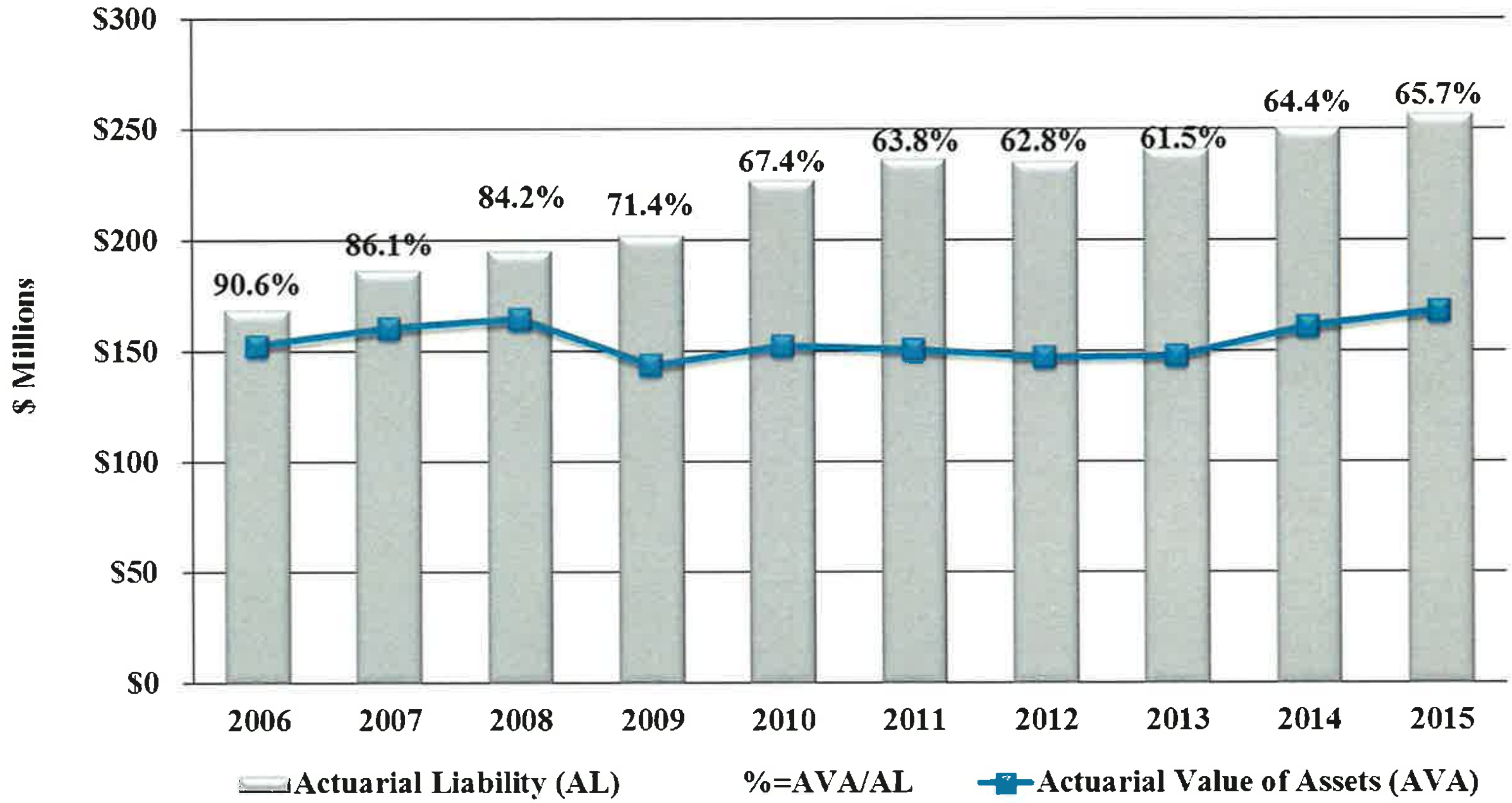
Plan History

- Cost and funding history
- Aging membership
- Cost by source

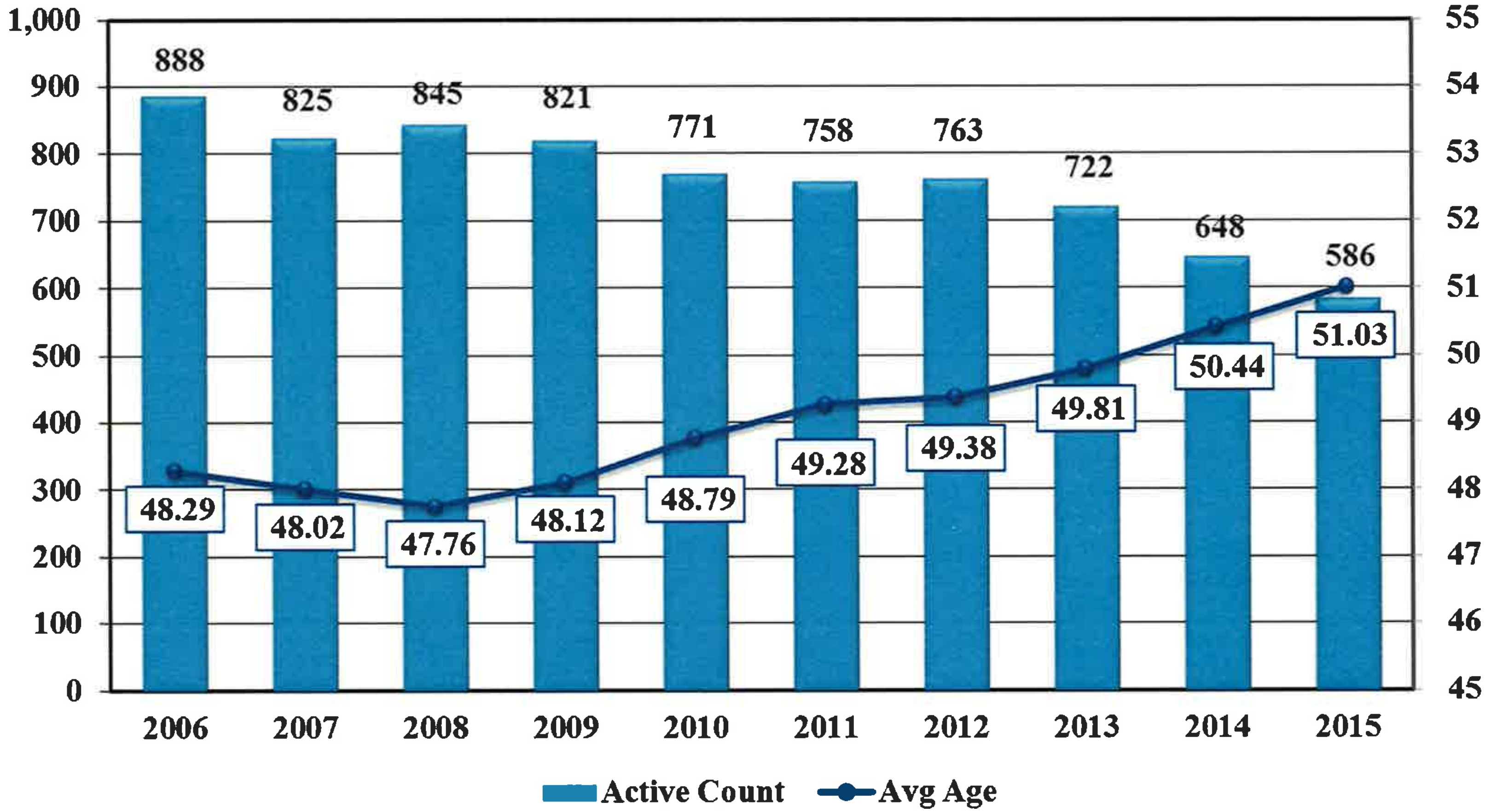
Plan Cost History



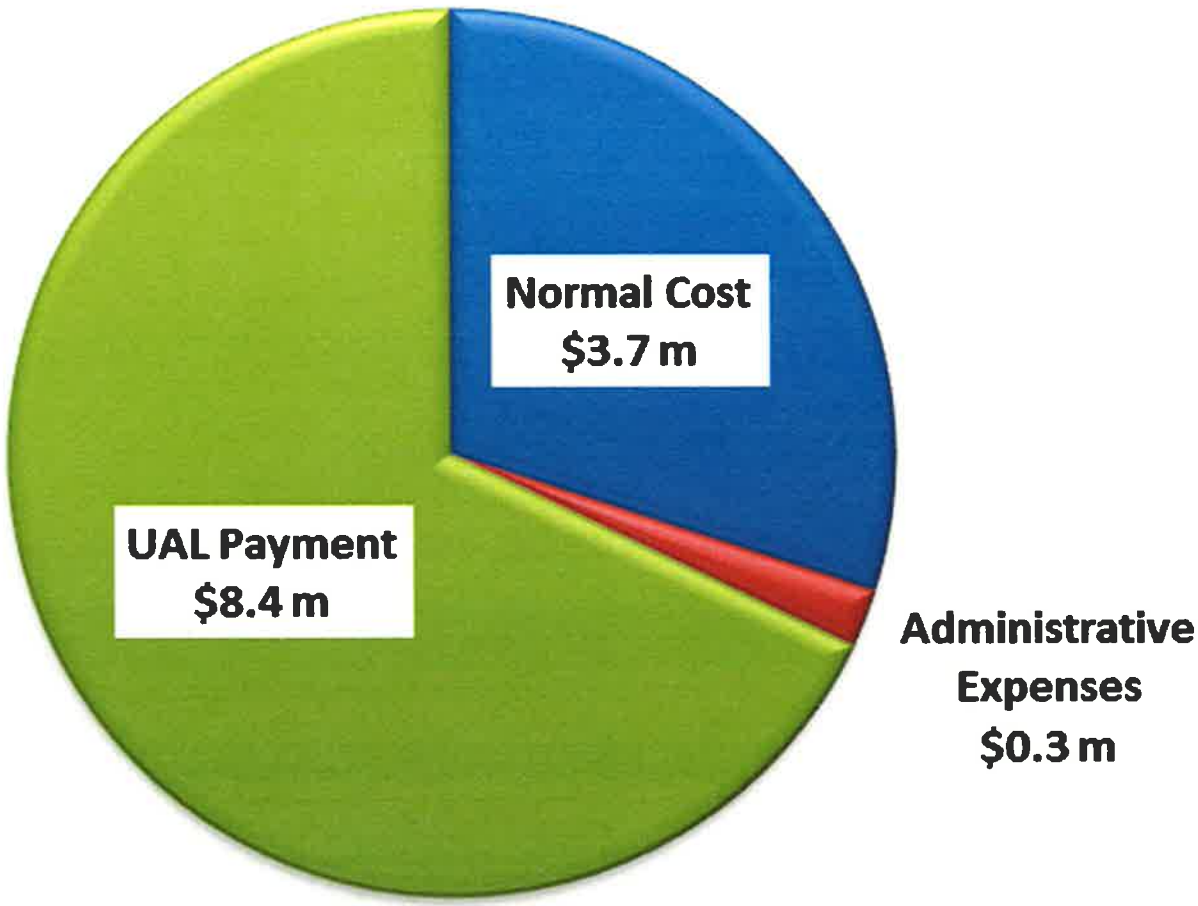
Plan Funding History



History of Active Membership



Plan Cost By Source



AI No. C2, 1/7/16

Plan Future

- Future costs
- Future funded ratios

CHEIRON Classic Values, Innovative Advice

Projections…

…Are Only Estimates

- Projected contributions and funding levels assume all actuarial assumptions will be realized exactly every year
- This is clearly impossible
- **Actual** experience – particularly investment experience – will determine contribution and funding levels

CHEIRON Classic Values, Innovative Advice

Projected Total Contribution Rate

- Costs are expected to increase slightly over the next five years due to the phasing-in of the unfavorable investment returns in FYE 2015
- Then gradually decline starting in 2020
- Costs will decrease to $1.1 million in 2037 when most of the UAL is paid off

Projected Funded Ratio

- Funded ratio expected to remain stable in the next few years
- Projected to be fully funded by 2035
- In 2015, the Actuarial Value of Assets is 6% higher than the Market Value of Assets since there are deferred losses, which are keeping the funded ratio from improving in the near future.

Today's Takeaways

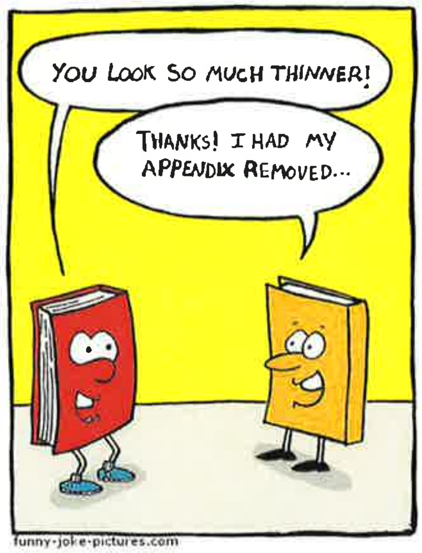
- Plan History
  - Plan cost was stable over past year
  - Funding improved somewhat
- Plan Future
  - Cost is expected to increase slightly over next five years, then start declining
  - Investments will drive actual cost
  - Plan membership is declining and growing older, shorter investment horizon

Next Steps

- Pending Experience Study in early 2016 to analyze current actuarial assumptions
- Continue to monitor investment policy with Plan's shortening investment horizon

Appendix

• Actuarial funding



Actuarial Funding

- Estimate assets required at retirement to provide the promised retirement benefit
  - ✓ Requires economic assumptions (e.g., rate of return on assets) and demographic assumptions (e.g., life expectancy)
- Design a plan to accumulate those assets as the employee works
  - ✓ The Actuarial Funding Method (e.g., Entry Age Normal)
- Set a series of asset targets to achieve as the employee works
  - ✓ These asset targets are called the Actuarial Liability
- Set an annual contribution that will hit these asset targets if all the assumptions hold true
  - ✓ This is the Normal Cost
- Monitor funding progress every year
  - ✓ Compare actual assets against the asset targets in the annual actuarial valuation
- Adjust annual contribution for assets above or below the asset target
  - ✓ This is the amortization of the unfunded liability (if assets below target)

SDTC Funding Policies

- Return assumption: 7.5% for July 1, 2015 valuation
- Wage and price inflation: 3.0% per year
- Cost method: Entry Age Normal to Final Decrement
  - Classified as Model by CAAP
- Amortization Policy
  - Closed 25-year amortization of Unfunded Actuarial Liability (UAL) on July 1, 2012; 22 years remaining as of July 1, 2015
  - Closed 15 year amortization of actuarial gains and losses emerging in each year's valuation
  - Currently "Acceptable." As amortization period of UAL declines, will transition to Model by CAAP
- Asset smoothing method: 5-year smoothing using fixed periods, 80%/120% corridor
  - Classified as Model by CAAP

Reliance

- The purpose of this presentation is to discuss the current status and outlook for the Retirement Plans of San Diego Transit Corporation. This presentation is for the use of the Retirement Board in its education and outreach efforts.
- In preparing this presentation, we relied on information (some oral and some written) supplied by Staff at San Diego Transit and San Diego Metropolitan Transit System. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.
- To the best of our knowledge, this presentation has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.
- This presentation was prepared solely for the Board of the Retirement Plans of San Diego Transit Corporation for the purposes described herein. This presentation is not intended to benefit any third party and Cheiron assumes no duty or liability to any such party.

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

Anne Harper, FSA, MAAA, EA
Consulting Actuary

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Agenda Item No. C3

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
EXECUTIVE COMMITTEE

January 7, 2016

SUBJECT:

SUPERLATIVE GROUP - CONTRACT EXTENSION (PAUL JABLONSKI)

RECOMMENDATION:

That the Executive Committee forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to extend the San Diego Metropolitan Transit System (MTS) contract with the Superlative Group (MTS Doc. No. G1262.0-09), consistent with the draft Amendment No. 5 (Attachment A).

Budget Impact

$215,000 to be paid from 551010-571140. $215,000 estimate includes $90,000 per year retainer payments in Extension Years 1 and 2 and estimated travel reimbursement costs of $35,000 (based on annual costs of approximately $8,000 during contract base period). All costs (retainer and travel) are subject to deduction from future commission payments if a subsequent third-party naming rights contract is executed.

DISCUSSION:

Background History -- Naming Rights Consultant Contract

In 2009, faced with uncertain revenue sources from the State of California, MTS investigated ways to establish sustainable sources of non-fare revenue. In addition to increasing advertising revenue from traditional transit properties (vehicle and shelter/bench advertising), MTS pursued a naming rights strategy to allow partners to advertise on other MTS assets. To develop a program, MTS issued a Request for Proposals to qualified firms to develop a naming rights program.

In 2010, MTS entered an agreement with the Superlative Group (MTS Doc. No. G1262.0-09), which had successfully sold naming rights for a number of high visibility sports properties as well as the naming rights to the Cleveland Region Transit Authority's "Health Line," which is a Bus Rapid Transit service between two of the area's largest healthcare facilities: The Cleveland Clinic and University Hospital.

Superlative Group Contract Performance

Under the current contract, Superlative Group prepared a valuation of all MTS assets, primarily rail lines and stations. A value for each asset was determined by the number of impressions generated and the market rate cost of generating a similar number of impressions through other advertising media. Superlative Group conducted a thorough on-site research of all MTS assets. To determine the number of impressions, the analysis took into consideration visibility from freeways and major arterials, number of passengers, MTS signage and all printed materials. It placed a value on each of the Trolley lines as well as specific stations. Superlative was compensated $124,800 for the asset evaluation. MTS has been reimbursed for this cost by deducting it from MTS's first commission payment to Superlative (following the UC San Diego Blue Line Naming Rights Agreement transaction, discussed below).

Once the asset valuation work was completed, Superlative developed a list of potential Naming Rights partners, targeting companies in highly competitive businesses with large marketing budgets. Letters of interest were sent to all companies, follow-up calls were made, and meetings were scheduled. MTS staff attended many of these meetings. Superlative was paid a retainer of $7,500 per month and totaling $221,247. After the option years were exhausted, MTS and Superlative Group agreed to two 1-year no-cost contract extensions. No retainer was paid for the extension years (April 1, 2014 through March 31, 2016). Consistent with the contract, Superlative Group was reimbursed for travel expenses, for a total of $26,453. To date, the total paid to Superlative group for the retainer and travel reimbursements is $247,700.

Superlative Group's work ultimately focused on negotiations to sell naming rights for the Blue Line trolley line. These efforts resulted in an exclusive negotiating period with UC San Diego and UC San Diego Health to rename the Blue Line to the "UC San Diego Blue Line." The contract was approved by the MTS Board of Directors on July 16, 2015. The 30-year UC San Diego contract calls for annual payments of $675,000 in the years prior to completion of the Mid-Coast Extension. Upon completion, the annual payment increases to $945,000 and escalates annually thereafter based on the San Diego Cost of Living Index. Total value of the 30-year agreement will be approximately $36 million.

Under the Superlative Group contract, Superlative Group was entitled to between a 6% and 12% commission on the UC San Diego Blue Line naming rights transaction, or $2,031,209 (paid over three years/after deduction of asset valuation costs) and $4,187,218 (paid over thirty years/ after deduction of asset valuation costs) respectively. MTS recently negotiated a discounted commission payment of $1,600,000, which was paid in December 2015. Therefore, total paid to Superlative to date is $1,972,500. Net revenue to MTS over the life of the UC San Diego Blue Line agreement is therefore approximately $34 million.

Proposed Contract Extension

Superlative Group is currently working with MTS to market naming rights agreements for the Orange and Green Lines, followed by individual stations. The naming rights strategy being followed by MTS involves first marketing and negotiating agreements for the major, most valuable trolley lines. Only after MTS has either sold the naming rights for a trolley line, or exhausted available options to do so, MTS will focus on individual stations or other assets for smaller or shorter-term naming rights negotiations. The experience with the Blue Line negotiations showed that naming rights marketing and negotiations take longer than originally anticipated in the 4-year naming rights consultant contract.

In recognition of the significant work already put into marketing and developing a strategy for additional naming rights negotiations, and the time needed to negotiate additional agreements, it is proposed that the Superlative Group agreement be extended for an additional four years, with a $7,500 per month retainer for the first two years. Travel expenses will continue to be reimbursable, subject to MTS's Travel Policy. Upon the collection of advertising revenues from a second Naming Rights partner, MTS will be reimbursed the retainer costs and travel expenses incurred by Superlative out of the commission owed to Superlative Group.

Paul C. Jablonski
Chief Executive Officer

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

Attachment A: Draft Amendment No. 5 (MTS Doc No. G1262.5-09)

DRAFT

January 14, 2016

MTS Doc. No. G1262.5-09
10551-53114

The Superlative Group, Inc
Myles Gallagher
1267 West 9th Street, Suite 200
Cleveland, OH 04113

Subject: AMENDMENT NO. 5 TO MTS DOC. NO. G1262.0-09; CONSULTANT SERVICES FOR NAMING RIGHTS

This shall serve as Amendment No. 5 to our agreement for the consultant services for naming rights services as further described below.

SCOPE OF SERVICES

There is no change to the scope of services. Consultant shall continue to provide services in accordance with the terms and conditions of the original agreement.

SCHEDULE

The schedule/contract termination date is extended to March 31, 2020.

PAYMENT

The parties agree that a retainer will be paid during this extension period as follows:

Extension Year 1 (April 1, 2016 to March 31, 2017):	$7,500 monthly retainer, payable on the first of each month.
Extension Year 2 (April 1, 2017 to March 31, 2018):	$7,500 monthly retainer, payable on the first of each month.
Extension Year 3 (April 1, 2018 to March 31, 2019):	No monthly retainer.
Extension Year 4 (April 1, 2019 to March 31, 2020):	No monthly retainer.

Consultant shall be entitled to reimbursement of travel expenses, consistent with MTS Travel Policy (44-C). In the event an additional third-party naming rights contract is negotiated and executed during the Extension Years, then all retainer and travel reimbursement payments made by MTS during that period shall be deducted from any commission payment owed to Consultant.

All other revenue and commission terms shall be paid according to the agreed upon percentages in the original agreement.

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

Sincerely,

____

Paul C. Jablonski
Chief Executive Officer

Agreed:

____

Myles Gallagher, President
The Superlative Group, Inc

Date: __________________________

Cc: R. Schupp, Procurement File

Superlative Group Contract Extension

Executive Committee
January 7, 2016

Background

- Hired Superlative in 2010
  - Conducted Asset Evaluation
  - Identified potential naming rights partners
  - Conducted outreach to all prospective partners
  - Negotiated terms
  - Entered into exclusive negotiating rights with UC San Diego
  - UC San Diego Blue Line naming rights was finalized in July 2015
    - Value of approximately $36 million over 30 years

On-Going Efforts

- Superlative, under terms of previous contract, has put in significant effort to market other naming rights partnerships
  - Other Trolley Lines
  - *Rapid*
  - Individual Stations
- To maintain momentum, it is proposed to extend the Superlative contract

Proposed Contract Extension

- Four year extension
- $7,500/month retainer for first two years; none thereafter
- Travel costs reimbursed
- Retainer and travel costs will be deducted from commissions due

Recommendation

That the Executive Committee forward a recommendation to the Board of Directors to authorize the Chief Executive Officer (CEO) to extend the San Diego Metropolitan Transit System (MTS) contract with the Superlative Group (MTS Doc. No. G1262.0-09), consistent with the draft Amendment No. 5 (Attachment A).

5

Superlative Group Contract Extension

Executive Committee

January 7, 2016

6

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Agenda Item No. C4

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
EXECUTIVE COMMITTEE

January 7, 2016

SUBJECT:

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

INFORMATIONAL ONLY

DISCUSSION:

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

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Karen Landers, 619.557.4512, Karen.Landers@sdmts.com

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DRAFT

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

January 14, 2016

9:00 a.m.

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

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

		ACTION RECOMMENDED
1.	Roll Call	
2.	Approval of Minutes - December 10, 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.	
4.	Elect Vice Chair, Chair Pro Tem, and Committee Appointments (Sharon Cooney) Action would: (1) elect a Vice Chair and a Chair Pro Tem for 2016; and (2) consider the nominating slate proposed by the Ad Hoc Nominating Committee for the appointment of representatives to MTS committees for 2016 and vote to appoint representatives to those committees.	Elect

Please SILENCE electronics
during the meeting

CONSENT ITEMS

6.	Transit Store Project - Contract Award Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG196.0-16 with Grahovac Construction Company Inc. (Grahovac) for the Transit Store Project.	Approve
7.	MTS 69th Street Grade Crossing Replacement - Award Work Order Under a Job Order Contract Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC7501-03, under MTS Doc. No. PWL182.0-16, with Herzog Construction, Inc. (Herzog) for the provision of services, materials and equipment for the replacement of the grade crossing located at 69th Street on the Orange Line.	Approve
8.	Adoption of Amended 2016 Conflict of Interest Code Action would: (1) adopt Resolution No. 16-1 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act (PRA) of 1974; (2) adopt the amended 2016 MTS Conflict of Interest Code; and (3) forward the amended 2016 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).	Adopt
9.	Trolley On-Board Video Surveillance System (OBVSS) Post Warranty Maintenance and Repair Services - Contract Award Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1294.0-16 with UTC Fire & Security Americas Corporation, Inc. (UTC), for the provision of OBVSS post-warranty maintenance and repair services for three (3) years on MTS Light Rail Vehicles (LRV).	Approve
10.	California Governor's Office of Emergency Services (CalOES) California Transit Security Grant Program (CTSGP) Funding, Fiscal Year 2015-2016 Action would approve Resolution No. 16-2, authorizing the use of, and application for, $2,779,445 of California CTSGP for capital projects that provide increased protection against security and safety threats, and/or increases the capacity of transit operators to prepare for and provide disaster-response transportation systems.	Approve
11.	Investment Report - November 2015	Information
12.	Superlative Group - Contract Extension	Approve

CLOSED SESSION

24.	a. CLOSED SESSION - CONFERENCE WITH LABOR NEGOTIATORS Pursuant To California Government Code Section 54957.6 Agency: San Diego Trolley, Inc. (SDTI) Employee Organization: International Brotherhood of Electrical Workers, Local 465 (Representing SDTI Train Operators, Electromechanics, Servicers and Clerical) Agency-Designated Representative: Jeff Stumbo	Possible Action
	b. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(d)(1) City of San Diego, et al. v. Board of Trustees of California State University San Diego Superior Court Case No. GIC 855643, Court of Appeal Case No. D057446, Supreme Court Case No. S199557	Possible Action

	c. 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 Oral Report of Final Actions Taken in Closed Session	Possible Action

NOTICED PUBLIC HEARINGS

25.	Amendments to Ordinance No. 13, an Ordinance Regarding Prohibited Conduct Onboard Transit Vehicles, and Prohibited Actions on or About a Transit Facility, Trolley Station or Bus Stop (Samantha Leslie) Action would: (1) adopt the proposed amendments to Ordinance No. 13 (An Ordinance regarding prohibited conduct onboard transit vehicles, and prohibited actions on or about a transit facility, trolley station or bus stop); and (2) direct publication of a summary of the amendments to Ordinance No. 13.	Approve

DISCUSSION ITEMS

30.	San Diego Transit Corporation (SDTC) Employee Retirement Plan's Actuarial Valuation as of July 1, 2015 (Robert McCrory and Anne Harper of Cheiron Inc. and Larry Marinesi) Action would receive the SDTC Employee Retirement Plan's (Plan) actuarial valuation as of July 1, 2015, and adopt the pension contribution amount of $12,443,402 for fiscal year 2017.	Approve
31.	Taxicab Advisory Committee Membership Guidelines (Sharon Cooney) Action would add a representative from the County of San Diego Department of Agriculture, Weights and Measures as a non-voting member of the Taxicab Advisory Committee and approve revisions to the Taxicab Advisory Committee Guidelines.	Approve
32.	2016 State and Federal Legislative Programs (Sharon Cooney) Action would approve staff recommendations for 2016 federal and state legislative programs.	Approve

REPORT ITEMS

45.	San Diego Transit Corporation (SDTC) Pension Investment Status (Larry Marinesi and Jeremy Miller, Representative from RVK)	Information
46.	UC San Diego Blue Line Naming Rights Deal (Kim Kennedy from UC San Diego Health)	Information
47.	Operations Budget Status Report for November 2015 (Mike Thompson)	Information
48.	Taxicab Permitting Report Update (Bill Kellerman)	Information
49.	Marketing Ad Campaign (Rob Schupp)	Information
60.	Chairman's Report	Information

61. Chief Executive Officer's Report — Information

62. Board Member Communications

63. Additional Public Comments Not on the Agenda
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments.

64. Next Meeting Date: February 11, 2016

65. Adjournment

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Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

January 14, 2016

Draft for
Executive Committee
Review Date: 1/7/16

SUBJECT:

TRANSIT STORE PROJECT - CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG196.0-16 (in substantially the same format as Attachment A), with Grahovac Construction Company Inc. (Grahovac) for the Transit Store Project.

Budget Impact

The value of this Agreement will not exceed $685,660, and the current funding in the Transit Store project is $300,000. An additional $660,000 will be transferred from project 11329 (S70 Passenger Window Retrofit) bringing the total project budget to $960,000 for the construction and renovation of the Transit Store.

DISCUSSION:

MTS is relocating the Transit Store from its downtown location at 1st and Broadway to the new location at 12th and Imperial Avenue at the James R. Mills (Mills) building. The project includes tenant improvements of approximately 1,500 square feet to a portion of the first floor of the Mills building and will create a new Transit Store with teller windows, waiting area, back offices, kitchen and bathroom.

MTS Policy No. 52, “Procurement of Goods and Services”, requires a formal competitive process for procurements exceeding $100,000.

On September 29, 2015, MTS issued invitations for prequalification to potential prime contractors for the Transit Store project. Staff received a total of seven (7) prequalification packets and 5 of the 7 prime contractors were deemed qualified to participate. On November 9, 2015, the Invitation for Bids (IFB) was released and sent to the five prequalified prime contractors and four (4) responsive bids were received on December 15, 2015 as follows:

FIRM	COST
Grahovac Construction	***$685,660.00***
Vasquez Construction	$777,470.00
Fordyce Construction	$789,831.00
West Coast General Construction	$832,899.00

After reviewing all bids for responsiveness and responsibility, staff determined that the bid received from Grahovac was the lowest responsive and responsible bidder. Staff conducted price analyses and the proposed bid pricing reflects a cost savings in the amount of $195,661.00 in comparison with the MTS engineers' independent cost estimate. Grahovac also is a Disadvantaged Business Enterprise (DBE) and Small Business.

Therefore, staff recommends that the Board of Directors authorize the CEO to execute MTS Document No.PWG196.0-16 with Grahovac Construction Company Inc. for the Transit Store Project.

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. PWG196.0-16
B. Grahovac Construction Company Inc. Price Breakdown Sheet

DRAFT

STANDARD CONSTRUCTION AGREEMENT

PWG196.0-16
CONTRACT NUMBER

FILE NUMBER(S)

THIS AGREEMENT is entered into this ______ day of ___________2016, in the State of California by and between San Diego Metropolitan Transit System, a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Grahovac Construction Company Inc.

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

Address: 8418 La Mesa Blvd
La Mesa, CA 91942

Telephone: (619) 466-6693

Authorized person to sign contracts: Gina M. Grahovac Franklin (Name), President (Title)

The specified Contract Document are part of this agreement. The Contractor agrees to furnish to MTS services and materials, as follows:

Contractor shall furnish all necessary management, supervision, labor, material, tools, supplies equipment required to diligently and fully perform and complete the project as described in MTS technical specification (attached as Exhibit A) Grahovac Construction Company Bid Dated December 15, 2015 (attached as Exhibit B), and in accordance with the Standard Construction Agreement, and General Conditions (attached as Exhibit C).

This contract shall be effective February 1, 2016 through April 30, 2016.

The total cost of this contract shall not exceed $ 685,660.00.

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
$ 685,660.00.	11574-100	FY 2016

By:______________________
Chief Financial Officer — Date

(___ total pages, each bearing contract number)

MTS BID FORMS

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
MTS TRANSIT STORE PROJECT

MTS Doc. No. MTS Doc. No. PWG196.0-16 Opening: December 15, 2015 2.00 PM

Bid Form

Bid Item.	Description	Unit	Quantity	Unit Price	Total
1.	Material	LS	1	$270878.	$ 270,878.00
2.	Labor	LS	1	$ 406,316	$ 406,316.00
	Performance Bond One Hundred Percent (100%)				$ 4233.00
	Payment Bond One Hundred Percent (100%)				$ 4,233.00
	Grand Total Bases of Award				$ 685,660.00

The costs of any Work shown or required in the Plans and Specification, but not specifically identified as a Bid Form are to be included in related Bid Forms and no additional compensation shall be due Contractor by virtue of Contractor's compliance with the Plans and Specifications.

Bidders must provide pricing for every bid item.

In case of discrepancy between the unit price and the line item cost set forth for a unit price item, the line item cost, calculated at the unit price multiplied by the estimated quantity, shall prevail and shall be utilized as the basis for determining the lowest responsive, responsible bidder. However, if the amount set forth as a unit price is ambiguous, unintelligible or uncertain for any cause, or is omitted, or is the same amount as the entry in the "Line Item Cost" column, then the amount set forth in the "Line Item Cost" column for the item shall prevail and shall be divided by the estimated quantity for the item and the price thus obtained shall be the unit price. If any of the above discrepancies exist, MTS may recalculate the bid price on the basis of the unit price and the bidder agrees to be bound by such recalculation. Final payment for unit price items shall be determined by MTS from measured quantities of work performed.

Grahovac Construction Co., Inc.
NAME OF COMPANY

619-466-6693
TELEPHONE NUMBER

Gina M. Grahovac Franklin
SIGNATURE

12/15/2015
DATE

Gina M. Grahovac Franklin
PRINT NAME

RETURN THIS FORM WITH YOUR BID
RETAIN OTHER PAGES FOR YOUR RECORDS

Metropolitan Transit System

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

Draft for Executive Committee Review Date: 1/7/16

January 14, 2016

SUBJECT:

MTS 69TH STREET GRADE CROSSING REPLACEMENT – AWARD WORK ORDER UNDER A JOB ORDER CONTRACT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC7501-03, (in substantially the same format as Attachment A), under MTS Doc. No. PWL182.0-16, with Herzog Construction, Inc. (Herzog) for the provision of services, materials and equipment for the replacement of the grade crossing located at 69th Street on the Orange Line.

Budget Impact

The total cost of this Work Order will not exceed $349,275.36, and will be funded from the fiscal year 2016 Capital budget 11369-1000. Work Orders issued under this Job Order Contract (JOC) are also subject to a 5% administrative fee, totaling $17,463.77 for this procurement.

DISCUSSION:

In September 2015, the MTS Board authorized the CEO to execute MTS Doc. No. PWL182.0-16 with Herzog, for the provision of as-needed railroad construction services that included main track rehabilitation, replacement, grade crossing repairs, special track work and other similar work.

This project would replace approximately 220 track feet of the existing grade crossing with new rail, timber crossties, pandrol plates, galvanized e-clips, ballast, 16-ounce filter fabric, rail surface line, tamped track, and asphalt paving. The work limits would include both the east and westbound tracks at 69th Street. The work is scheduled over one weekend between 1:30am on Saturday to 4:30am on Monday.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order No. MTSJOC7501-03, (in substantially the same format as Attachment A), under MTS Doc. No. PWL182.0-16, with Herzog Construction, Inc. for the provision of services, materials and equipment for the replacement of the grade crossing located at 69th Street.

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft Job Order Contract MTSJOC7501-03
B. Herzog Price Proposal Summary

JOB ORDER CONTRACT
WORK ORDER

PWL182.0-16
CONTRACT NUMBER

MTSJOC7501-03
WORK ORDER NUMBER

THIS AGREEMENT is entered into this ______ day of ______________ 2016, 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: Herzog Construction, Inc.

Address: 3760 Kilroy Airport Way Suite
Long Beach, CA 90806

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

Telephone: (562) 595-7414

Authorized person to sign contracts: Gene Chimits (Name) Project Manager (Title)

Pursuant to the existing Job Order Contract (MTS Doc. No. PWL182.0-16), MTS issues a Work Order to Contractor to complete the detailed Scope of Work (attached as Exhibit A.), the Cost Breakdown for the Scope of Work (attached as Exhibit B.), and the subcontractor listing form applicable to this Work Order (attached as Exhibit C.)

TOTAL AMOUNT OF WORK ORDER SHALL NOT EXCEED $ 349,275.36

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
$ 349,275.36	11369-1000	2016

By: ____________________
Chief Financial Officer   Date

(___ total pages, each bearing contract number and work order number)

Job Order Contract

Contractor's Price Proposal Summary- Category

Work Order #:	MTSJOC7501-03
Title:	69th St Grade Crossing Replacement
Contractor:	SANDAG - Herzog - JOC7501
Proposal Value:	$349,275.36
Proposal Name:	69th St Grade Crossing Replacement

To: Project Manager

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

No Category Input:	**$349,275.36**
Project Proposal Total	**$349,275.36**

This work order proposal total represents the correct total for the proposal. Any discrepancy between line totals, sub-totals and the proposal total is due to rounding of the line totals and sub-totals.

Gene Chimits, Contractor Project Manager

Job Order Contract

Contractor's Price Proposal Detail- Category

Work Order #:	MTSJOC7501-03
Title:	69th St Grade Crossing Replacement
Contractor:	SANDAG - Herzog - JOC7501
Proposal Value:	$349,275.36
Proposal Name:	69th St Grade Crossing Replacement

	CSI Number	Mod.	UOM	Description	Line Total

No Category Input

	CSI Number	Mod.	UOM	Description	Line Total
1	01 22 16 00-0004		EA	Reimbursable FeesReimbursable fees will be paid to the contractor for the actual cost, without mark-up, for which a receipt or bill is received. The Adjustment Factor applied to Reimbursable Fees will be 1.0000. The labor cost involved in obtaining all permits is in the Adjustment Factor. The base cost of the Reimbursable Fee is $1.00. The quantity used will adjust the base cost to the actual Reimbursable Fee (e.g. quantity of 125 = $125.00 Reimbursable Fee). If there are multiple Reimbursable Fees, each one shall be listed separately with a comment in the "note" block to identify the Reimbursable Fees (e.g. sidewalk closure, road cut, various permits, extended warrantee, expedited shipping costs, etc.). A copy of each receipt shall be included with the Proposal.	$1,000.00

	Quantity		Unit Price		Factor		Total
Installation	1,000.00	x	$1.00	x	1.0000	=	$1,000.00

Permits And Fees

	CSI Number	Mod.	UOM	Description	Line Total
2	01 22 20 00-0013		HR	Equipment Operator, Heavy (Crane)Tasks in the CTC include appropriate costs to cover labor. These tasks will be requested specifically by the owner for miscellaneous work not covered in the CTC.	$733.82

	Quantity		Unit Price		Factor		Total
Installation	8.00	x	$78.40	x	1.1700	=	$733.82

Survey track

	CSI Number	Mod.	UOM	Description	Line Total
3	01 22 20 00-0029		HR	Railroad LaborerNote: Tasks in the CTC include appropriate costs to cover labor. These tasks will be requested specifically by the owner for miscellaneous work not covered in the CTC.	$225.01

	Quantity		Unit Price		Factor		Total
Installation	4.00	x	$48.08	x	1.1700	=	$225.01

Saw Cutting, Water control

	CSI Number	Mod.	UOM	Description	Line Total
4	01 22 20 00-0061		HR	Flagperson For Traffic Control	$658.01

	Quantity		Unit Price		Factor		Total
Installation	8.00	x	$70.30	x	1.1700	=	$658.01

	CSI Number	Mod.	UOM	Description	Line Total
5	01 22 23 00-0117		DAY	185 CFM Diesel Powered Portable Air Compressor	$259.32

	Quantity		Unit Price		Factor		Total
Installation	1.00	x	$221.64	x	1.1700	=	$259.32

	CSI Number	Mod.	UOM	Description	Line Total
6	01 22 23 00-0185		DAY	5 Ton, 2 Drum Articulated Roller With Full-Time Operator	$2,581.84

	Quantity		Unit Price		Factor		Total
Installation	2.00	x	$1,103.35	x	1.1700	=	$2,581.84

	CSI Number	Mod.	UOM	Description	Line Total
7	01 22 23 00-0185	0020		For Equipment Without Operator, Deduct	-$1,460.65

	Quantity		Unit Price		Factor		Total
Installation	2.00	x	$-624.21	x	1.1700	=	$-1,460.65

	CSI Number	Mod.	UOM	Description	Line Total
8	01 22 23 00-0238		DAY	8' Broom Sweeper With Full-Time Operator	$1,085.78

	Quantity		Unit Price		Factor		Total
Installation	1.00	x	$928.02	x	1.1700	=	$1,085.78

Work Order #: MTSJOC7501-03

Title: 69th St Grade Crossing Replacement

	CSI Number	Mod.	UOM	Description	Line Total
No Category Input					
9	01 22 23 00-0238	0040		For Equipment Without Operator, Deduct	-$724.60
				Installation — Quantity 1.00 x Unit Price $-619.32 x Factor 1.1700 = Total $-724.60	
10	01 22 23 00-0348		DAY	1,500 Ft-Lb Hydraulic Hammer Attachment For Hydraulic Excavators	$701.88
				Installation — Quantity 1.00 x Unit Price $599.90 x Factor 1.1700 = Total $701.88	
11	01 22 23 00-0412		DAY	3-1/2 CY, 198 HP, Heavy Duty Construction Loader With Full-Time Operator	$10,645.48
				Installation — Quantity 6.00 x Unit Price $1,516.45 x Factor 1.1700 = Total $10,645.48 1 day, receive Ballast, 2 days, Xing Rehab. 3 nights track surfacing	
12	01 22 23 00-0583		DAY	4 x 1,000 Watt Floodlights, 30' Telescoping Tower, Diesel Power Trailer Mounted Light Tower	$1,001.75
				Installation — Quantity 5.00 x Unit Price $171.24 x Factor 1.1700 = Total $1,001.75 2 days Xing Rehab, 3 Nighs at ballast pile, surface track	
13	01 22 23 00-0810		DAY	10,000 LB Straight Mast, Rough Terrain Construction Forklift With Full-Time Operator	$1,231.14
				Installation — Quantity 1.00 x Unit Price $1,052.26 x Factor 1.1700 = Total $1,231.14	
14	01 22 23 00-1056		DAY	13 CY Rear Dump Truck With Full-Time Truck Driver	$8,902.88
				Installation — Quantity 5.00 x Unit Price $1,521.86 x Factor 1.1700 = Total $8,902.88 2ea. demo, 3ea. excavation	
15	01 22 23 00-1056		DAY	13 CY Rear Dump Truck With Full-Time Truck Driver	$5,341.73
				Installation — Quantity 3.00 x Unit Price $1,521.86 x Factor 1.1700 = Total $5,341.73 3 Nights track surfacing In Lieu of Swivel-dump	
16	01 22 23 00-1059		DAY	18 CY Rear Dump Truck With Full-Time Truck Driver	$1,900.24
				Installation — Quantity 1.00 x Unit Price $1,624.14 x Factor 1.1700 = Total $1,900.24 In lieu of semi	
17	01 22 23 00-1099		DAY	Speedswing Loader	$2,134.22
				Installation — Quantity 6.00 x Unit Price $304.02 x Factor 1.1700 = Total $2,134.22 2, Rehab, 4, De-Stressing	
18	01 22 23 00-1111		DAY	Tamper MK1	$1,039.73
				Installation — Quantity 2.00 x Unit Price $444.33 x Factor 1.1700 = Total $1,039.73 In Lieu of Rail Vibrator	

Contractor's Price Proposal Detail- Category Continued..

Work Order #: MTSJOC7501-03

Title: 69th St Grade Crossing Replacement

	CSI Number	Mod.	UOM	Description								Line Total
No Category Input												
19	01 22 23 00-1114		DAY	Tamper Mk2								$1,586.96
					Quantity		Unit Price		Factor		Total	
				Installation	2.00	x	$678.19	x	1.1700	=	$1,586.96	
				In Lieu of Rail Heater								
20	01 22 23 00-1129		DAY	Regulator Heavy								$1,887.96
					Quantity		Unit Price		Factor		Total	
				Installation	4.00	x	$403.41	x	1.1700	=	$1,887.96	
				1 day, Xing Rehab, 3 Nights, track surfacing								
21	01 22 23 00-1156		DAY	Rail Puller/Tensioner								$328.35
					Quantity		Unit Price		Factor		Total	
				Installation	8.00	x	$35.08	x	1.1700	=	$328.35	
				2ea. 4 days								
22	01 52 19 00-0003		MO	Portable Toilets, Chemical								$208.25
					Quantity		Unit Price		Factor		Total	
				Installation	1.00	x	$177.99	x	1.1700	=	$208.25	
23	01 55 26 00-0017		DAY	28" Cone With Reflective Collar								$30.19
					Quantity		Unit Price		Factor		Total	
				Installation	60.00	x	$0.43	x	1.1700	=	$30.19	
				20x3 days								
24	01 55 26 00-0029		DAY	Type I Barricade, Up To 3' Wide With Reflective Rail Each Side								$129.17
					Quantity		Unit Price		Factor		Total	
				Installation	120.00	x	$0.92	x	1.1700	=	$129.17	
				40x3 days								
25	01 55 26 00-0047		DAY	Type B Flasher (High Intensity)								$362.23
					Quantity		Unit Price		Factor		Total	
				Installation	120.00	x	$2.58	x	1.1700	=	$362.23	
				40x3 days								
26	01 55 26 00-0073		DAY	Mesh Or Vinyl Roll-up Sign With Stand								$305.90
					Quantity		Unit Price		Factor		Total	
				Installation	63.00	x	$4.15	x	1.1700	=	$305.90	
				21x3 days								
27	01 55 26 00-0082		DAY	Trailer Mounted Arrow Board								$84.24
					Quantity		Unit Price		Factor		Total	
				Installation	2.00	x	$36.00	x	1.1700	=	$84.24	
				1x3 days								
28	01 55 26 00-0085		DAY	Trailer Mounted Message Board								$1,053.00
					Quantity		Unit Price		Factor		Total	
				Installation	6.00	x	$150.00	x	1.1700	=	$1,053.00	
				2x3 days								

Contractor's Price Proposal Detail- Category Continued..

Work Order #: MTSJOC7501-03

Title: 69th St Grade Crossing Replacement

	CSI Number	Mod.	UOM	Description	Line Total
No Category Input					
29	01 55 26 00-0092		EA	Place And Remove Up To 250 Cones Using Truck	$83.07
			Installation	Quantity 20.00 x Unit Price $3.55 x Factor 1.1700 = Total $83.07	
30	01 55 26 00-0096		EA	Place And Remove Up To 250 Barricades Using Truck	$332.28
			Installation	Quantity 40.00 x Unit Price $7.10 x Factor 1.1700 = Total $332.28	
31	01 55 26 00-0099		EA	Place And Remove Portable Sign And Stand Using Truck	$104.67
			Installation	Quantity 21.00 x Unit Price $4.26 x Factor 1.1700 = Total $104.67	
32	01 55 26 00-0101		EA	Place And Remove Trailer Mounted Boards Using Truck	$186.91
			Installation	Quantity 3.00 x Unit Price $53.25 x Factor 1.1700 = Total $186.91	
33	01 58 13 00-0007		EA	>16 To 24 SF, One Or Two Color Design, Engineer Grade, Reflectorized, MDO Plywood Sign	$534.13
			Installation	Quantity 2.00 x Unit Price $228.26 x Factor 1.1700 = Total $534.13	
34	01 71 13 00-0002		EA	Equipment Delivery, Pickup, Mobilization And Demobilization Using A Rollback Flatbed TruckIncludes delivery of equipment, off loading on site, rigging, dismantling, loading and transporting away. For equipment such as trenchers, skid-steer loaders (bobcats), industrial warehouse forklifts, sweepers, scissor platform lifts, telescoping and articulating boom manlifts with up to 40' boom lengths, etc.	$942.18
			Installation	Quantity 4.00 x Unit Price $201.32 x Factor 1.1700 = Total $942.18	
				Roller, Skid Steer, Rail heater, Rail Vibrator	
35	01 71 13 00-0004		EA	Equipment Delivery, Pickup, Mobilization And Demobilization Using A Tractor Trailer With Up To 53' BedIncludes delivery of equipment, off loading on site, rigging, dismantling, loading and transporting away. For equipment such as bulldozers, motor scrapers, hydraulic excavators, gradalls, road graders, loader-backhoes, heavy duty construction loaders, tractors, pavers, rollers, bridge finishers, straight mast construction forklifts, telescoping boom rough terrain construction forklifts, telescoping and articulating boom manlifts with >40' boom lengths, etc.	$2,826.46
			Installation	Quantity 6.00 x Unit Price $402.63 x Factor 1.1700 = Total $2,826.46	
				Speedswing, Excavator, 2ea. Loader, Backhoe, Breaker	
36	01 71 23 16-0016		ACR	Survey Clear Area For Underground Utilities	$1,279.80
			Installation	Quantity 0.25 x Unit Price $4,375.40 x Factor 1.1700 = Total $1,279.80	
37	01 74 13 00-0003		CY	Collect Existing Debris And Load Into Truck Or DumpsterPer CY of debris removed.	$968.29
			Installation	Quantity 40.00 x Unit Price $20.69 x Factor 1.1700 = Total $968.29	
38	01 74 19 00-0017		EA	40 CY Dumpster "Construction Debris"Includes delivery of dumpster, rental cost, pick-up cost, hauling, and disposal fee. Non-hazardous material.	$758.67
			Installation	Quantity 1.00 x Unit Price $648.44 x Factor 1.1700 = Total $758.67	

Contractor's Price Proposal Detail- Category Continued..

Work Order #: MTSJOC7501-03

Title: 69th St Grade Crossing Replacement

	CSI Number	Mod.	UOM	Description							Line Total
No Category Input											
39	01 74 19 00-0028		CY	Non Reinforced Concrete And/Or Rock, 2" Minus							$1,670.76
					Quantity		Unit Price		Factor	Total	
				Installation	340.00	x	$4.20	x	1.1700 =	$1,670.76	
				Spoils, Dump Fee's							
40	01 74 19 00-0030		CY	Reinforced Concrete not trimmed, 2" Minus							$365.04
					Quantity		Unit Price		Factor	Total	
				Installation	30.00	x	$10.40	x	1.1700 =	$365.04	
				Concrete, Dump Fee's							
41	01 74 19 00-0032		CY	Asphalt Or Asphalt And Dirt, Sized To 2" Minus							$342.23
					Quantity		Unit Price		Factor	Total	
				Installation	50.00	x	$5.85	x	1.1700 =	$342.23	
				Asphalt, Dump Fee's							
42	02 41 13 13-0003		SY	>3" To 6" By Machine, Break-up And Remove Bituminous Paving							$3,702.82
					Quantity		Unit Price		Factor	Total	
				Installation	230.00	x	$13.76	x	1.1700 =	$3,702.82	
43	02 41 13 13-0011		SY	>6" To 9" By Machine, Break-up And Remove Rod Reinforced Concrete Paving							$4,485.78
					Quantity		Unit Price		Factor	Total	
				Installation	100.00	x	$38.34	x	1.1700 =	$4,485.78	
				80x35 x 1.35 Demo crossing							
44	02 41 19 13-0058		LF	Saw Cut In Streets, Concrete And Asphalt Up To 4" Depth							$374.40
					Quantity		Unit Price		Factor	Total	
				Installation	160.00	x	$2.00	x	1.1700 =	$374.40	
				x2							
45	02 41 19 13-0058	0031		For Each Additional Pass (Depth To 3"), Add							$277.06
					Quantity		Unit Price		Factor	Total	
				Installation	320.00	x	$0.74	x	1.1700 =	$277.06	
46	03 31 13 00-0056		CF	Hand Mix And Place ConcreteFor use where conventional equipment access is limited or when directed by the owner.							$617.29
					Quantity		Unit Price		Factor	Total	
				Installation	20.00	x	$26.38	x	1.1700 =	$617.29	
47	03 31 13 00-0056	0033		For 3,500 PSI Concrete, Add							$6.08
					Quantity		Unit Price		Factor	Total	
				Installation	20.00	x	$0.26	x	1.1700 =	$6.08	
48	31 05 16 00-0004		CY	#4 Stone Aggregate Fill (3/4" To 1-1/2" Clean)							$1,352.05
					Quantity		Unit Price		Factor	Total	
				Installation	40.00	x	$28.89	x	1.1700 =	$1,352.05	
				Drain							
49	31 23 16 36-0007		CY	Excavation For Building Foundations And Other Structures By Hydraulic Excavator, Backhoe, Loader in Loose Rock							$422.60
					Quantity		Unit Price		Factor	Total	
				Installation	60.00	x	$6.02	x	1.1700 =	$422.60	
				Between tracks and Drain							

Contractor's Price Proposal Detail- Category Continued..

Work Order #: MTSJOC7501-03

Title: 69th St Grade Crossing Replacement

	CSI Number	Mod.	UOM	Description	Quantity		Unit Price		Factor		Total	Line Total
No Category Input												
50	31 23 16 36-0007	0013		For >50 To 250, Add								$169.18
				Installation	60.00	x	$2.41	x	1.1700	=	$169.18	
51	31 23 16 36-0009		CY	Excavation For Building Foundations And Other Structures By Hand in Soil								$619.57
				Installation	5.00	x	$105.91	x	1.1700	=	$619.57	
				Pot Hole								
52	31 23 16 36-0021		CY	Compaction Of Fill Or Subbase For Building Foundations and Other Structures by Vibratory Plate, Air Tamper, Etcetera								$3,401.19
				Installation	300.00	x	$9.69	x	1.1700	=	$3,401.19	
53	31 23 16 36-0025		SY	Finish Grading For Building Foundations And Other Structures by Machine								$699.72
				Installation	443.00	x	$1.35	x	1.1700	=	$699.72	
54	31 23 16 36-0028		CY	Load Excess Material For Removal From Excavation For Building Foundations and Other Structures by Machine								$1,806.95
				Installation	360.00	x	$4.29	x	1.1700	=	$1,806.95	
55	31 23 16 36-0028	0026		For >250 To 500, Add								$269.57
				Installation	360.00	x	$0.64	x	1.1700	=	$269.57	
56	31 23 16 36-0029		CY	Load Excess Material For Removal From Excavation For Building Foundations and Other Structures by Hand								$454.37
				Installation	5.00	x	$77.67	x	1.1700	=	$454.37	
				Pot Hole								
57	31 23 16 36-0031		CY	Spread Excess Or Imported Material On Site By Machine								$793.26
				Installation	300.00	x	$2.26	x	1.1700	=	$793.26	
				Track Surfacing								
58	31 23 16 36-0031	0030		For >250 To 500, Add								$119.34
				Installation	300.00	x	$0.34	x	1.1700	=	$119.34	
59	31 23 16 36-0031		CY	Spread Excess Or Imported Material On Site By Machine								$899.03
				Installation	340.00	x	$2.26	x	1.1700	=	$899.03	
60	31 23 16 36-0031	0030		For >250 To 500, Add								$135.25
				Installation	340.00	x	$0.34	x	1.1700	=	$135.25	
61	31 25 14 23-0003		BAG	33 LB Capacity Gravel Bag With 5/16" To 3/4" Gravel								$118.76
				Installation	25.00	x	$4.06	x	1.1700	=	$118.75	
62	31 25 14 23-0004		BAG	Bag Removal								$57.62
				Installation	25.00	x	$1.97	x	1.1700	=	$57.62	

Contractor's Price Proposal Detail- Category Continued..

Work Order #: MTSJOC7501-03

Title: 69th St Grade Crossing Replacement

	CSI Number	Mod.	UOM	Description						Line Total
No Category Input										
63	31 25 14 26-0022		EA	Wattles (Sterile Straw Filled Rolls), 9" x 25'						$619.30
				Quantity		Unit Price		Factor	Total	
			Installation	4.00	x	$132.33	x	1.1700 =	$619.30	
64	31 32 19 16-0010		SY	16 Oz/SY, 175 Mil, 425 LB Grab Tensile Nonwoven Polypropylene Geotextile Fabric						$2,449.16
				Quantity		Unit Price		Factor	Total	
			Installation	605.00	x	$3.46	x	1.1700 =	$2,449.16	
			445 + 160							
65	32 12 13 19-0002		SY	Surface Prime Coat, 0.28 Gallon/SY						$550.84
				Quantity		Unit Price		Factor	Total	
			Installation	440.00	x	$1.07	x	1.1700 =	$550.84	
66	32 12 16 13-0022		TON	Hand Placed Hot Mixed Asphalt 3,954 LB/CYFor small areas not reachable by machine. Includes placement, rolling, finishing and sweeping.						$25,088.54
				Quantity		Unit Price		Factor	Total	
			Installation	80.00	x	$268.04	x	1.1700 =	$25,088.54	
67	32 17 23 33-0008		LF	Double 4" Wide Solid Lines, Thermoplastic Reflective Pavement Striping						$85.41
				Quantity		Unit Price		Factor	Total	
			Installation	50.00	x	$1.46	x	1.1700 =	$85.41	
68	32 17 23 33-0008	0046		For Up To 1 Mile, Add						$16.97
				Quantity		Unit Price		Factor	Total	
			Installation	50.00	x	$0.29	x	1.1700 =	$16.96	
69	32 17 23 33-0040		LF	Single 4" Wide Solid Line, Thermoplastic Reflective Pavement Striping By Hand For Repairs						$208.26
				Quantity		Unit Price		Factor	Total	
			Installation	100.00	x	$1.78	x	1.1700 =	$208.26	
70	33 11 13 36-0005		LF	8" Diameter, 1/4" Wall Thickness Welded, Plain End, Uncoated Steel Pipe						$1,424.57
				Quantity		Unit Price		Factor	Total	
			Installation	26.00	x	$46.83	x	1.1700 =	$1,424.57	
			x2 = 0.5", Coated							
71	33 31 00 00-0023		LF	6" Schedule 40 Polyvinyl Chloride (PVC) Sewer And Drain Pipe						$208.32
				Quantity		Unit Price		Factor	Total	
			Installation	15.00	x	$11.87	x	1.1700 =	$208.32	
72	33 31 00 00-0036		EA	6" 1/4 Bend, Polyvinyl Chloride (PVC) Sewer And Drain						$298.21
				Quantity		Unit Price		Factor	Total	
			Installation	4.00	x	$63.72	x	1.1700 =	$298.21	
73	33 31 00 00-0086		EA	6" Wye, Polyvinyl Chloride (PVC) Sewer And Drain						$99.58
				Quantity		Unit Price		Factor	Total	
			Installation	1.00	x	$85.11	x	1.1700 =	$99.58	
74	33 31 00 00-0121		EA	6" Clean Out Tees With Plug, Polyvinyl Chloride (PVC) Sewer And Drain						$561.41
				Quantity		Unit Price		Factor	Total	
			Installation	2.00	x	$239.92	x	1.1700 =	$561.41	
75	33 31 00 00-0144		EA	6" Cap, Polyvinyl Chloride (PVC) Drain And Sewer Fitting						$107.94
				Quantity		Unit Price		Factor	Total	
			Installation	2.00	x	$46.13	x	1.1700 =	$107.94	

Contractor's Price Proposal Detail- Category Continued..

Work Order #: MTSJOC7501-03

Title: 69th St Grade Crossing Replacement

	CSI Number	Mod.	UOM	Description							Line Total
No Category Input											
76	33 31 00 00-0150		EA	6" Plug Cleanout, Polyvinyl Chloride (PVC) Sewer And Drain							$120.11
					Quantity		Unit Price		Factor		Total
			Installation		2.00	x	$51.33	x	1.1700	=	$120.11
77	33 46 16 00-0003		LF	6" Perforated Polyvinyl Chloride (PVC) Drainage Piping							$1,222.30
					Quantity		Unit Price		Factor		Total
			Installation		155.00	x	$6.74	x	1.1700	=	$1,222.30
78	33 71 19 00-0010		EA	No. 5 Electric Pull Boxes, Precast Concrete							$2,358.04
					Quantity		Unit Price		Factor		Total
			Installation		2.00	x	$1,007.71	x	1.1700	=	$2,358.04
79	33 71 19 00-0010	0335		For Traffic Rated Lid, Add							$219.38
					Quantity		Unit Price		Factor		Total
			Installation		2.00	x	$93.75	x	1.1700	=	$219.38
80	34 11 13 23-0003		EA	Field Welding Kit							$3,413.78
					Quantity		Unit Price		Factor		Total
			Installation		4.00	x	$729.44	x	1.1700	=	$3,413.78
81	34 11 13 23-0004		EA	Field Weld Testing							$313.23
					Quantity		Unit Price		Factor		Total
			Installation		4.00	x	$66.93	x	1.1700	=	$313.23
82	34 11 13 23-0005		TF	Up To 1,600 TF, Aligning, Surfacing, Tamping And Finishing Track							$0.00
					Quantity		Unit Price		Factor		Total
			Installation		0.00	x	$5.56	x	1.1700	=	$0.00
83	34 11 13 23-0006		TF	>1,600 TF, Aligning, Surfacing, Tamping And Finishing Track							$7,041.06
					Quantity		Unit Price		Factor		Total
			Installation		2,360.00	x	$2.55	x	1.1700	=	$7,041.06
84	34 11 13 23-0008		TF	Distressing And Final Anchoring Of Continuous Welded Spiked Rail							$13,646.88
					Quantity		Unit Price		Factor		Total
			Installation		1,600.00	x	$7.29	x	1.1700	=	$13,646.88
85	34 11 13 23-0010		CY	Ballast1.35 CY/Ton							$30,208.82
					Quantity		Unit Price		Factor		Total
			Installation		525.00	x	$49.18	x	1.1700	=	$30,208.82
			300, Xing. 225, Track Surfacing								
86	34 11 13 23-0031		LF	Install Owner Furnished 115 LB RailIncludes reuse of existing plates. Excludes ballast and ties.							$7,844.85
					Quantity		Unit Price		Factor		Total
			Installation		500.00	x	$13.41	x	1.1700	=	$7,844.85
			125' ea. Rail								
87	34 11 13 23-0039		EA	10' Hardwood Tie Including Spikes And Plates							$30,874.66
					Quantity		Unit Price		Factor		Total
			Installation		140.00	x	$188.49	x	1.1700	=	$30,874.66
88	34 11 13 23-0055		EA	Factory Installed Insulated Rail Joint In 115 LB RailNote: Complete with 10' of rail each side of joint.							$11,754.19
					Quantity		Unit Price		Factor		Total
			Installation		4.00	x	$2,511.58	x	1.1700	=	$11,754.19

Contractor's Price Proposal Detail- Category Continued..

Work Order #: MTSJOC7501-03

Title: 69th St Grade Crossing Replacement

	CSI Number	Mod.	UOM	Description	Quantity		Unit Price		Factor		Total	Line Total
No Category Input												
89	34 11 13 23-0065		TF	Remove And Dispose Of Existing TrackNote: Includes ties, rails, plates and spikes/clips.								$3,043.87
		Installation			160.00	x	$16.26	x	1.1700	=	$3,043.87	
90	34 11 13 23-0072		TF	Remove Of Existing Ballast To A Depth Of 6'" Below Existing Tie								$24,589.94
		Installation 6" x 2			456.00	x	$46.09	x	1.1700	=	$24,589.94	
91	34 11 13 23-0076		EA	Aligning, Surfacing, Tamping And Finishing Track Mobilization								$7,605.00
		Installation			1.00	x	$6,500.00	x	1.1700	=	$7,605.00	
92	34 11 36 00-0001		EA	Railroad Work, 5" Tie Plugs								$64.94
		Installation			25.00	x	$2.22	x	1.1700	=	$64.94	
93	34 11 36 00-0004		EA	Railroad Work, 6" Track Spikes								$295.13
		Installation			25.00	x	$10.09	x	1.1700	=	$295.13	
94	34 11 93 00-0006		EA	Pandrol E-Clip, Galv.								$17,251.42
		Installation			560.00	x	$26.33	x	1.1700	=	$17,251.42	
95	34 11 93 00-0020		TF	Precast Concrete Railroad CrossingIncludes rubber flanges that are factory imbedded or field attached, pads and welding for application with concrete ties and fastners and plugs for wood ties, panels include field (2 sides) and gauge.								$62,520.66
		Installation			154.00	x	$346.99	x	1.1700	=	$62,520.66	
96	34 11 96 00-0004		EA	Pandrol Plates, Tie Plates								$15,089.26
		Installation			280.00	x	$46.06	x	1.1700	=	$15,089.26	
97	34 11 96 00-0007		EA	Proto Lags								$3,669.12
		Installation			1,120.00	x	$2.80	x	1.1700	=	$3,669.12	

Subtotal for No Category Input: **$349,275.36**

Project Proposal Total **$349,275.36**

This work order proposal total represents the correct total for the proposal. Any discrepancy between line totals, sub-totals and the proposal total is due to rounding of the line totals and sub-totals.

The Percent of NPP on this Proposal: **0.00%**

Gene Chimits, Contractor Project Manager,

Metropolitan Transit System

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

Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

January 14, 2016

Draft for Executive Committee Review Date: 1/7/16

SUBJECT:

ADOPTION OF AMENDED 2016 CONFLICT OF INTEREST CODE

RECOMMENDATION:

That the Board of Directors:

1) adopt Resolution No. 16-1 (Attachment A) amending the MTS Conflict of Interest Code pursuant to the Political Reform Act (PRA) of 1974;

2) adopt the amended 2016 MTS Conflict of Interest Code (in substantially the same format as Attachment B); and

3) forward the amended 2016 MTS Conflict of Interest Code to the County of San Diego (the designated code-reviewing body).

<u>Budget Impact</u>

None.

DISCUSSION:

As a public agency, MTS is required to comply with the provisions of the PRA, which mandates that public agencies maintain a Conflict of Interest Code for each of its publicly elected officials as well as certain designated staff. Every other year, MTS is required by the PRA to revise and update its Conflict of Interest Code. Attachment B is the proposed amended 2016 Conflict of Interest Code incorporating the model provisions as drafted by the California Fair Political Practices Commission (FPPC).

The proposed 2016 Conflict of Interest Code contains the model terms and conditions as well as:

1) a list of designated officials who manage public investments (Attachment B, Part A)

2) a list of designated positions for employees (Attachment B, Part A); and

3) Disclosure Categories (Attachment B, Part B).

General Counsel is requesting that the Board of Directors adopt Resolution No. 16-1 amending the MTS Conflict of Interest Code pursuant to the Political Reform Act of 1974; adopt the 2016 MTS Conflict of Interest Code in substantially the same format as attached; and forward the 2016 MTS Conflict of Interest Code to the County of San Diego – the designated code-reviewing body.

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Karen Landers, 619.557.4512, Karen.Landers@sdmts.com

Attachments: A. Resolution No. 16-1
B. Proposed Amended Appendix for 2016 Conflict of Interest Code
C. Existing 2014 Conflict of Interest Code

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

RESOLUTION NO. 16-1

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

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

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

WHEREAS, the Board of Directors adopted a Conflict of Interest Code (the "Code") which was amended on October 30, 2014, in compliance with the Act; and

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

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

WHEREAS, a public meeting was held upon the proposed amended Conflict of Interest Code at a regular meeting of the Board of Directors on January 14, 2016, at which all present were given an opportunity to be heard on the proposed amended Conflict of Interest Code.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The Board of Directors does hereby adopt the proposed amended Conflict of Interest Code, a copy of which is attached hereto and shall be on file with the General Counsel and available to the public for inspection and copying during regular business hours.

SECTION 2. The said amended Conflict of Interest Code shall be submitted to the Board of Supervisors of the County of San Diego for approval.

SECTION 3. The said amended Conflict of Interest Code shall become effective immediately after the Board of Supervisors approves the proposed amended Code as submitted.

PASSED, APPROVED AND ADOPTED, by the Board of Directors this 14th day of January, 2016 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

____

Chairperson
San Diego Metropolitan Transit System

Filed by:

____

Clerk of the Board
San Diego Metropolitan Transit System

Approved as to form:

____

Office of the General Counsel
San Diego Metropolitan Transit System

Attachment: Amended Conflict of Interest Code

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LEGISLATIVE VERSION
(SHOWS CHANGES MADE)

CONFLICT OF INTEREST CODE

OF THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

LAW OFFICES OF
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CONFLICT OF INTEREST CODE

OF THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended ~~October 30, 2014~~January 14, 2016)

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

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

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APPENDIX

CONFLICT OF INTEREST CODE

OF THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended ~~October 30, 2014~~January 14, 2016)

PART "A"

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

MTS Officials who manage public investments, as defined by 2 Cal. Code of Regs. § ~~18701(b)~~18700.3, are NOT subject to MTS's Code, but must file disclosure statements under Government Code section 87200 et seq. [Regs. § 18730(b)(3)] These positions are listed here for informational purposes only.

It has been determined that the positions listed below are officials who manage public investments[1]:

Board of Directors and Alternates

Chief Executive Officer

Chief Financial Officer

Investment Consultant

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

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DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Administrative Assistant~~/~~(Copy Center) ~~Coordinator~~	4
Advertising Specialist	5
Applications Development & Support Manager	5
~~Assistant Chief Technology Officer~~	~~5~~
Assistant Manager of Maintenance	5
Assistant Manager of Stores	5
Assistant Right-of-Way Agent	1, 2
Assistant Transportation Operations Specialist (ALL)	2, 5
Budget Manager	1, 2
Business Systems Analyst (ALL) - Reorganized creating Enterprise Business Solutions Manager	5
Buyer	4
Capital Grants Supervisor	2, 4
Chief of Staff	1
Chief Operating Officer – Rail	1
Chief Operating Officer – Transit Services	1
Chief ~~Technology~~ Information Officer	5
Communications Design Manager	5
Communications Designer III	5
Controller	1, 2

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DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Datacenter Operations Manager - created from reorganization of Network Operations Manager	5
Deputy Director of Transit ~~Security~~Enforcement	5
Director of Financial Planning & Analysis	1, 2
Director of Fleet and Facility Maintenance	5
Director of Human Resources and Labor Relations	5
Director of Marketing & Communications	5
Director of ~~Transit Operations~~Transportation	1
Director of Transit System Security	5
Enterprise Business Solutions Manager - created from reorganization of Business Systems Analyst	5
Environmental Health & Safety Specialist	5
ERP Project Manager	4
Facilities Manager	5
Financial Analyst	4
General Counsel	1, 2
Human Resources Supervisor (ALL)	5
Internal Auditor	4
Liability Claims Supervisor	1, 2, 7
Manager of BRT and East County Operations	8
Manager of Capital Projects	1, 2

LAW OFFICES OF
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DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Manager of Fleet & Facility Maintenance	5
Manager of Human Resources	5
Manager of Maintenance	5
Manager of Marketing	5
Manager of Paratransit Operations	5
Manager of Planning	1, 2
Manager of Procurement	4
Manager of Real Estate Assets	1, 2
Manager of Risk and Claims	1, 2, 7
Manager of Scheduling	5
Manager of South Bay Operations	8
Manager of Support Services	2, 3, 5
Materials Manager	4
Network Operations Manager – Reorganized creating Datacenter Operations Manager	5
Principal Contract Administrator	4
Procurement Specialist (ALL)	4
Project Engineer~~, MTS~~ (Rail)	1, 2
Project Manager – Capital Projects	2, 3, 5
Quality Assurance Supervisor	5
Regulatory Enforcement Supervisor	6

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Report Development Analyst	5
Revenue Maintenance Supervisor	5
Revenue Manager (ALL)	5
Revenue Supervisor	5
Right-of-Way Engineer	1, 2
SAP System Administrator	5
Senior Transit Planner/Rail Operations Analyst	5
Senior Transportation Planner	1, 2
Staff Attorney – Regulatory Compliance	2, 5, 6, 7
Superintendent of LRV Maintenance	5
Superintendent of Transportation	5
Superintendent of Wayside Maintenance	5
Systems Engineer (Rail)	1, 2
Taxicab Administration Manager	5
Transit Asset Administrator	4
Worker's Compensation Analyst	7
Consultant and New Positions[2]	

[2] Individuals serving as a Consultant defined in Regulation ~~18701~~18700.3, or in a new position created since this Code was last amended that makes or participates in making decisions shall disclose pursuant to the broadest disclosure category in this Code subject to the following limitation:

The Chief Executive Officer may determine that, due to the range of duties or contractual obligations, it is more appropriate to assign a limited disclosure requirement. A clear explanation

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DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED

of the duties and a statement of the extent of the disclosure requirements must be in a written document. (Gov. Code Sec. 82019; FPPC Regulations 18219 and 18734.). The Chief Executive Officer's determination is a public record and shall be retained for public inspection in the same manner and location as this Conflict of Interest Code. (Gov. Code Sec. 81008.)

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PART "B"

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.[3] ~~Such economic interests are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of MTS.~~ "Investment" means financial interest in any business entity (including a consulting business, or other independent contracting business) and are reportable if they are either located in, doing business in, planning to do business in, or have done business during the previous two years in the jurisdiction of MTS.

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

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

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

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

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

3 This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions of the position. (Reg. 18730.1)

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

Category 7: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against MTS in the past 2 years, or have a claim pending before MTS.

Category 8: Disclose investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the geographical area of, and within two miles of, the designated position's assigned project area.

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CONFLICT OF INTEREST CODE

OF THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

BBK – September 2014

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CONFLICT OF INTEREST CODE

OF THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended October 30, 2014)

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APPENDIX

CONFLICT OF INTEREST CODE

OF THE

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

(Amended October 30, 2014)

PART "A"

OFFICIALS WHO MANAGE PUBLIC INVESTMENTS

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Chief Executive Officer

Chief Financial Officer

Investment Consultant

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

DESIGNATED POSITIONS

GOVERNED BY THE CONFLICT OF INTEREST CODE

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Administrative Assistant/Copy Center Coordinator	4
Advertising Specialist	5
Applications Development Manager	5
Assistant Chief Technology Officer	5
Assistant Manager of Maintenance	5
Assistant Manager of Stores	5
Assistant Right-of-Way Agent	1, 2
Assistant Transportation Operations Specialist	2, 5
Budget Manager	1, 2
Business Systems Analyst	5
Buyer	4
Capital Grants Supervisor	2, 4
Chief of Staff	1
Chief Operating Officer – Rail	1
Chief Operating Officer – Transit Services	1
Chief Technology Officer	5
Communications Design Manager	5
Communications Designer	5
Controller	1, 2
Deputy Director of Transit Security	5

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Director of Financial Planning & Analysis	1, 2
Director of Fleet and Facility Maintenance	5
Director of Human Resources and Labor Relations	5
Director of Marketing & Communications	5
Director of Transit Operations	1
Director of Transit System Security	5
ERP Project Manager	4
Facilities Manager	5
Financial Analyst	4
General Counsel	1, 2
Human Resources Supervisor	5
Internal Auditor	4
Liability Claims Supervisor	1, 2, 7
Manager of BRT and East County Operations	8
Manager of Capital Projects	1, 2
Manager of Human Resources	5
Manager of Maintenance	5
Manager of Marketing	5
Manager of Paratransit Operations	5
Manager of Planning	1, 2
Manager of Procurement	4

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Manager of Real Estate Assets	1, 2
Manager of Risk and Claims	1, 2, 7
Manager of Scheduling	5
Manager of South Bay Operations	8
Manager of Support Services	2, 3, 5
Materials Manager	4
Network Operations Manager	5
Procurement Specialist	4
Project Engineer, MTS Rail	1, 2
Quality Assurance Supervisor	5
Regulatory Enforcement Supervisor	6
Revenue Maintenance Supervisor	5
Revenue Manager (ALL)	5
Revenue Supervisor	5
Right-of-Way Engineer	1, 2
Senior Transit Planner/Rail Operations Analyst	5
Senior Transportation Planner	1, 2
Superintendent of LRV Maintenance	5
Superintendent of Transportation	5
Superintendent of Wayside Maintenance	5
Systems Engineer	1, 2

LAW OFFICES OF
BEST BEST & KRIEGER LLP

DESIGNATED POSITIONS' TITLE OR FUNCTION	DISCLOSURE CATEGORIES ASSIGNED
Taxicab Administration Manager	5
Transit Asset Administrator	4
Worker's Compensation Analyst	7

Consultant and New Positions[2]

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

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

PART "B"

DISCLOSURE CATEGORIES

The disclosure categories listed below identify the types of economic interests that the designated position must disclose for each disclosure category to which he or she is assigned.[3] Such economic interests are reportable if they are either located in or doing business in the jurisdiction, are planning to do business in the jurisdiction, or have done business during the previous two years in the jurisdiction of MTS.

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

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

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

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

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

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

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[3] This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions of the position. (Reg. 18730.1)

Category 7: All investments and business positions in business entities, and sources of income, including gifts, loans, and travel payments, if such entities or sources have filed claims against MTS in the past 2 years, or have a claim pending before MTS.

Category 8: Disclose investments and business positions in business entities, and sources of income, including gifts, loans and travel payments, that are located in, do business in, or own real property within the geographical area of, and within two miles of, the designated position's assigned project area.

Metropolitan Transit System

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Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

January 14, 2016

Draft for Executive Committee Review Date: 1/7/16

SUBJECT:

TROLLEY ON-BOARD VIDEO SURVEILLANCE SYSTEM (OBVSS) POST WARRANTY MAINTENANCE AND REPAIR SERVICES – CONTRACT AWARD

RECOMMENDATION:

That the MTS Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. L1294.0-16 (in substantially the same format as Attachment A) with UTC Fire & Security Americas Corporation, Inc. (UTC), for the provision of OBVSS post-warranty maintenance and repair services for three (3) years on MTS Light Rail Vehicles (LRV).

Budget Impact

The value of this agreement will not exceed $971,760.00. The project will be funded by MTS Capital Improvement Project (CIP) 11511 using Security Proposition 1B funding.

DISCUSSION:

After a competitive procurement, MTS issued contract number L0955.0-10 in March 2011 for the installation of an OBVSS on 128 LRVs and two (2) Presidential Conference Cars (PCCs). An OBVSS provides MTS with an enhanced ability to record events that may occur onboard MTS's LRVs. To ensure the OBVSS remains continuously operational and also to help identify potential systemic problems, MTS requires a long-term preventative maintenance program.

MTS Policy No. 52, "Procurement of Goods and Services", requires a formal competitive process for procurements and service contracts over $100,000.

On September 4, 2015, MTS issued a Request for Proposals. Two proposals were received on the due date of October 23, 2015 from the following:

1. Kratos Public Safety & Security Solutions, Inc., San Diego, CA 92121
2. UTC Fire & Security Americas Corporation, Inc., Salem, OR 97302

Both proposals were deemed responsive and responsible and were evaluated by a committee comprised of representatives from San Diego Trolley, Inc., Finance, and Information Technology departments. The proposals were evaluated on the following:

1.	Qualifications of the Firm or Individual	10%
2.	Staffing, Organization, and Management Plan	20%
3.	Work Plan	30%
4.	Cost/Price	40%
	Total	100%

The following table illustrates the total scores and ranking of each: PROPOSER	TECHNICAL SCORE	INITIAL PRICE PROPOSAL	TOTAL COST SCORE	TOTAL AVG SCORE (Technical + Cost) Total Possible Points: 100	RANKING
UTC	50.80	$1,142,233.80	40.00	**90.80**	1
Kratos	30.80	$1,214,886.60	37.61	**68.41**	2

Because of its higher technical ratings, UTC was asked to submit a revised proposal, and the organization adjusted its price proposal to $971,760.00 as follows:

	Year 1	Year 2	Year 3
Maintenance Services *	$ 156,400	$ 161,920	$ 167,440
Estimated Materials	150,000	150,000	150,000
Taxes	12,000	12,000	12,000
Total	$ 318,400	$ 323,920	$ 329,440
Grand Total (3 Years)			$ 971,760
* Assumes 1840 hours per year			

Based on the objectives of this procurement, consideration of the evaluation criteria, and UTC's technical and price proposals, the evaluation team determined that UTC presented the best overall value to MTS.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. L1294.0-16 (in substantially the same format as Attachment A) with UTC, for the provision of OBVSS post-warranty maintenance and repair services for three (3) years on MTS Light Rail Vehicles.

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 L1294.0-16

ATTACHMENT A
(DRAFT)

L1294.0-16
CONTRACT NUMBER

11511
FILE/PO NUMBER(S)

STANDARD SERVICES AGREEMENT
FOR
TROLLEY ONBOARD VIDEO SURVEILLANCE SYSTEM (OBVSS) MAINTENANCE AND REPAIR SERVICES

THIS AGREEMENT is entered into this ___ day of ______________ 2016, 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: UTC Fire & Security Americas Corporation, Inc.

Address: 4001 Fairview Industrial Dr. SE
Salem, OR 97302

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

Telephone: (503) 589-8913

Authorized person to sign contracts: Al Cavagnero (Name) General Manager (Title)

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

Trolley onboard video surveillance system post warranty maintenance and repair services, as specified in the Scope of Work (attached as Exhibit A), UTC's cost proposal dated November 23, 2015 (attached as Exhibit B), and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C).

The contract term is for up to three (3) years effective February 1, 2016 through January 30, 2019.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed $971,760.00 without the express written consent of MTS.

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

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
$971,760.00	11511	FY 16 - FY 19

By: ______________
Chief Financial Officer — Date

(___ total pages, each bearing contract number)

SA-SERVICES

Metropolitan Transit System

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Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

January 14, 2016

Draft for Executive Committee Review Date: 1/7/16

SUBJECT:

CALIFORNIA GOVENOR'S OFFICE OF EMERGENCY SERVICES (CalOES) CALIFORNIA TRANSIT SECURITY GRANT PROGRAM (CTSGP) FUNDING, FISCAL YEAR 2015-2016

RECOMMENDATION:

That the Board of Directors approve Resolution No. 16-2 (Attachment A), authorizing the use of, and application for, $2,779,445 of California CTSGP for capital projects that provide increased protection against security and safety threats, and/or increases the capacity of transit operators to prepare for and provide disaster-response transportation systems.

Budget Impact

The apportionment of FY15-16 CTSGP funding is in the amount of $2,779,445. There is no match requirement under the current grant guidance. The funds are restricted expenditures for capital projects that increase the security and safety of the transit operator's passengers, employees and staff, and physical assets.

DISCUSSION:

Resolution No. 16-2 would authorize the Chief Executive Officer, or named designee to file applications with, and request reimbursements from, CalOES. Resolution No. 16-2 would also satisfy CTSGP requirements to provide a Board of Directors resolution to obtain CTSGP funding. MTS's allocation of the funding, $2,779,445, will be used for the System-Wide Closed Circuit Television (CCTV) project.

CalOES requires the submission of a resolution by agency Board of Directors authorizing the submission of a grant application and project programming. Therefore, staff recommends that the Board approve, by resolution, submission of a grant application and project programming.

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Resolution Number 16-2

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Resolution No. 16-2

Resolution Approving the Submittal of Applications and Requests for Reimbursements for Fiscal Year 2015-2016 Transit System Safety, Security, and Disaster Response Account Under the California Transit Security Grant Program (CTSGP)

WHEREAS, the San Diego Metropolitan Transit System (MTS) is a public entity established under the laws of the State of California for the purpose of providing transportation services in the County of San Diego who desires to apply for and obtain funding for transit security purposes; and

WHEREAS, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 authorizes the issuance of general obligation bonds for specified purposes, including, but not limited to, funding made available for capital projects that provide increased protection against security and safety threats, and for capital expenditures to increase the capacity of transit operators to develop disaster response transportation systems; and

WHEREAS, the California Governor's Office of Emergency Services (Cal OES) administers such funds deposited in the Transit System Safety, Security, and Disaster Response Account under the CTSGP; and

WHEREAS, MTS is eligible to receive CTSGP funds; and

WHEREAS, Cal OES requires MTS to complete and submit a Governing Body Resolution for the purposes of identifying agent(s) authorized to act on behalf of MTS to execute actions necessary to obtain CTSGP funds from Cal OES and ensure continued compliance with Cal OES CTSGP assurances, and state and federal laws.

NOW, THEREFORE, BE IT RESOLVED, DETERMINED, AND ORDERED that MTS does herby authorize the Chief Executive Officer, or designated representative, is hereby authorized to execute for and on behalf of MTS, a public entity established under the laws of the State of California, any actions necessary for the purpose of obtaining financial assistance provided by Cal OES under the CTSGP.

PASSED AND ADOPTED, by the Board of Directors this 14th day of January 2016, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAINING:

Chairperson
San Diego Metropolitan Transit System

Filed by:

Clerk of the Board
San Diego Metropolitan Transit System

Approved as to form:

Office of the General Counsel
San Diego Metropolitan Transit System

Metropolitan Transit System

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Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS

January 14, 2016

Draft for Executive Committee Review Date: 1/7/16

SUBJECT:

INVESTMENT REPORT – NOVEMBER 2015

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of November 30, 2015. The combined total of all investments has decreased month to month from $119.6 million to $99.9 million. This $19.7 million decrease is attributable to $12.0 million in acquisition of capital assets and $9.1 million final debt payment relating to the 1995 lease and leaseback transaction, partially offset by normal timing differences in other payments and receipts.

The first column provides details about investments restricted for capital improvement projects.

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 November 2015

San Diego Metropolitan Transit System
Investment Report
November 30, 2015

	Restricted	Unrestricted	Total	Average rate of return
Cash and Cash Equivalents				
JP Morgan Chase - concentration account	-	18,167,734	18,167,734	0.00%
Total Cash and Cash Equivalents	-	18,167,734	18,167,734	
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	7,518,719	19,027	7,537,746	
Total Cash - Restricted for Capital Support	12,277,302	19,027	12,296,328	
Investments - Working Capital				
Local Agency Investment Fund (LAIF)	17,370,327	52,028,499	69,398,826	0.374%
US Bank - Treasury Strips - market value	-	4,287	4,287	
Total Investments - Working Capital	17,370,327	52,032,786	69,403,113	
Total cash and investments	**$ 29,647,629**	**$ 70,219,546**	**$ 99,867,175**	

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