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REVISED

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

9:00 a.m.

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

To request an agenda in an alternative format or to request accommodations to facilitate meeting participation, please call the Clerk of the Board at least two working days prior to the meeting. 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. Live audio streaming of the MTS Board of Directors meetings can be accessed at the following link: <https://www.sdmts.com/boardroom-stream>.

ACTION RECOMMENDED

1. Roll Call
2. [Approval of Minutes – October 10, 2019](#) Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.
4. [Appointment of Ad Hoc Nominating Committee for Recommending Appointments to MTS Committees for 2020 \(Sharon Cooney\)](#) Appoint
Action would appoint an Ad Hoc Nominating Committee to make recommendations to the Board with respect to the appointment of the Vice-Chair, Chair Pro-Tem as well as MTS and non-MTS committees for 2020.

Please SILENCE electronics
during the meeting

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). MTS is the taxicab administrator for seven cities.

MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.



CONSENT ITEMS

- | | | |
|-----|---|--------------------|
| 6. | <u>San Diego and Arizona Eastern (SD&AE) Railway Company Quarterly Reports and Ratification of Actions Taken by the SD&AE Board of Directors at its Meeting on October 8, 2019</u>
Action would receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports for information and ratify all actions taken. | Receive/
Ratify |
| 7. | <u>Investment Report – Quarter Ending, September 30, 2019</u> | Informational |
| 8. | <u>Regional Transit Management System (RTMS) Radio Hardware Upgrade Contract Award and Post-Warranty Maintenance Services Contract Amendment</u>
Action would authorize the Chief Executive Officer (CEO) to: (1) Execute MTS Doc. No. PWG279.0-19 in the amount of \$2,950,000.00 with Motorola Solutions, Inc. (Motorola) for the purchase of radio hardware and radio hardware upgrade services for the RTMS; and (2) Execute Amendment No. 2 to MTS Doc. No. G1887.0-16 with Motorola to extend the RTMS post-warranty radio system maintenance agreement by up to 12 months from January 1, 2020 through December 31, 2020 in the amount of \$399,985.48. | Approve |
| 9. | <u>Elevator and Escalator Preventative Maintenance and Repair – Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc No. PWG281.0-19 with KONE Inc. (KONE) for the provision of elevator and escalator preventative maintenance and repair services for a period of seven years for a total of \$2,203,643.66. | Approve |
| 10. | <u>On-Call Construction Management (CM) and Engineering / Inspection Services – Assignment Increase</u>
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 1 to MTS Doc. No. G2023.0-17 with SANDAG in the amount of \$1,000,000. The new total value of the contract shall not exceed \$4,000,000. | Approve |
| 11. | <u>45-Foot Compressed Natural Gas (CNG) Over-the-Road Coaches – Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. B0711.0-20 to Motor Coach Industries, Inc. (MCI) for the purchase of 24, 45-foot, CNG over-the-road (OTR) coaches in the amount of \$19,573,831.12. | Approve |
| 12. | <u>Imperial Avenue Division (IAD) to Operations Control Center (OCC) Redundant Fiber – Award Work Order Under a Job Order Contract (JOC)</u>
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC7506-06 under MTS Doc. No. PWL235.0-17 with HMS Construction, Inc. (HMS) for the IAD to OCC Redundant Fiber project in the amount of \$128,951.56. | Approve |
| 13. | <u>Procurement of Siemens Controller Board and Signal Interface Module for Maintenance of Way (MOW) Spare Parts – Purchase Order</u>
Action would authorize the Chief Executive Officer (CEO) to execute a Purchase Order with Siemens Mobility Inc. (Siemens), for the purchase of Controller Board and Signal Interface Modules, for a total not to exceed amount of \$133,670.34 inclusive of tax. | Approve |

- | | | |
|-----|---|---------|
| 14. | <u>Number Not Used.</u> | |
| 15. | <u>Beyer Boulevard Track Replacement – Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute the MTS Doc. No. PWL306.0-20, an emergency construction contract, with Transdev Rail, Inc., for Beyer Blvd. Track Replacement in the amount of \$1,480,082.77 (action requires a vote of two-thirds of the membership of the Board of Directors to approve). | Approve |
| 16. | <u>Closed Circuit Television (CCTV) Server Refresh – Contract Award</u>
Action would authorize the Chief Executive Officer (CEO) to execute a Purchase Order with Nth Generation, Inc. for the CCTV Server Refresh in the amount of \$239,255.18. | Approve |

CLOSED SESSION

- | | | |
|-----|--|-----------------|
| 24. | a. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Pursuant to California Government Code Section 54956.9(d)(1) San Diego Metropolitan Transit System v. Grand Central West LLC and related cross-complaints (San Diego Superior Court Case No. 37-2014-00044014-CU-OR-CTL) | Possible Action |
| | b. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION Pursuant to California Government Code Section 54956.9(d)(4) (One Potential Case – David S. Smith/El Dorado Properties, Inc.) | Possible Action |

NOTICED PUBLIC HEARINGS

- | | |
|-----|-------|
| 25. | None. |
|-----|-------|

DISCUSSION ITEMS

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| 30. | <u>Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR) (Erin Dunn with Gary Caporicci and Coley Delaney of The Pun Group)</u> | Informational |
|-----|---|---------------|

REPORT ITEMS

- | | | |
|-----|---|---------------|
| 45. | <u>UC San Diego Blue Line Trolley Service in the Southbay (Brent Boyd and Sharon Cooney)</u> | Informational |
| 46. | <u>Year End Operations Report (Wayne Terry and Mike Wygant)</u> | Informational |
| 47. | <u>Semi-Annual Security Report (January 1, 2019 through June 30, 2019) (Manny Guaderrama)</u> | Informational |

OTHER ITEMS

- | | | |
|-----|---|---------------|
| 59. | <u>Elevate SD 2020 Update</u> | Informational |
|-----|---|---------------|

- | | | |
|-----|---|---------------|
| 60. | <u>Chair Report</u> | Informational |
| 61. | <u>Chief Executive Officer's Report</u> | Informational |
| 62. | <u>Board Member Communications</u> | Informational |
| 63. | <u>Additional Public Comments Not on the Agenda</u>
If the limit of 5 speakers is exceeded under No. 3 (Public Comments) on this agenda, additional speakers will be taken at this time. If you have a report to present, please furnish a copy to the Clerk of the Board. Subjects of previous hearings or agenda items may not again be addressed under Public Comments. | |
| 64. | <u>Next Meeting Date:</u> December 12, 2019 | |
| 65. | <u>Adjournment</u> | |

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

DRAFT MINUTES

October 10, 2019

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased].

1. Roll Call

Chair Gomez called the Board meeting to order at 9:00 a.m. A roll call sheet listing Board member attendance is attached.

2. Approval of Minutes

Ms. Moreno moved to approve the minutes of the September 12, 2019, MTS Board of Directors meeting. Ms. Rios seconded the motion, and the vote was 13 to 0 in favor with Mr. Arapostathis and Mr. Ward absent.

3. Public Comments

Nate Fairman – Mr. Fairman commented on behalf of the IBEW 465. He discussed the new electric buses, which will require increased training for the bus mechanics. Mr. Fairman noted that working on electric buses will also have increased risks for the mechanics due to working with electrical currents. He stated that the IBEW 465 will be advocating for pay increases at the upcoming contract negotiations to ensure that the mechanics will be paid more in line with other electrical mechanics. Mr. Fairman introduced the bargaining team for the IBEW 465 mechanics.

Josh Palecheck – Mr. Palecheck gave his speaking time to Mr. Fairman.

Martha Welch – Ms. Welch commented about bus benches that have been removed from different parts of the system. She also commented about the lack of public restrooms at transit stations.

Kiko Diaz – Mr. Diaz commented on behalf of the IBEW 465. He stated that he has worked for MTS for 25 years. Mr. Diaz noted that he has been involved with several labor negotiations and they have always reached a fair deal. He stated that he looks forward to the upcoming negotiations for San Diego Transit mechanics.

Anthony Byrd – Mr. Byrd commented on behalf of the IBEW 465. He stated that he has worked for San Diego Transit for 20 years. Mr. Byrd noted that he would be on the negotiating committee for the upcoming San Diego Transit labor negotiations. He stated that he looks forward to working towards a fair deal for everyone.

Alex Macias – Mr. Macias commented on behalf of the IBEW 465. He stated that he has worked for San Diego Transit for 22 years. Mr. Macias commented that he is looking forward to the upcoming labor negotiations.

Diana Frias – Ms. Frias commented on behalf of Hoover High School students. She stated that public transportation is very important for the youth population. Ms. Frias commented that MTS has the power to increase youth ridership on the system. She recommended MTS consider providing youth opportunity passes in order to make transit more affordable and accessible for students.

4. Appointment of San Diego Metropolitan Transit System (MTS) Chairperson (Sharon Cooney)

Chair Gomez stated that she advised the Board of Directors that she would be stepping down as Chair. She noted that she would still stay on as a regular Board Member. Chair Gomez thanked the Board and MTS staff for their hard work. She stated that she looks forward to continuing her support of MTS in her new capacity. Chair Gomez noted that the Executive Committee unanimously made a motion to forward a nomination to the Board of Directors to elect Mr. Fletcher as the next Chairperson.

Mr. Fletcher thanked Chair Gomez for her leadership and continued support to MTS. He stated that he would be honored to be elected as Chair of the Board. Mr. Fletcher commented that he believes in the mission of MTS and looks forward to improving the system in the future.

PUBLIC COMMENTS

Gretchen Newsom – Ms. Newsom commented on behalf of IBEW 569. She thanked Chair Gomez for her leadership and support in the community. Ms. Newsom stated that they look forward to working with Mr. Fletcher as he transitions into the position of Chairman.

Action Taken

Chair Gomez moved to elect Mr. Fletcher as Chairperson for the remainder of this calendar year and for the next term, beginning January 1, 2020 through December 31, 2021. The vote was 15 to 0 in favor.

CONSENT ITEMS

6. Amend 2018-19 State Transit Assistance Claim and Approve 2019-20 State Transit Assistance Claim
Action would adopt Resolution No.19-9 amending fiscal year (FY) 2018-2019 State Transit Assistance (STA) Claim and approving the FY 2019-2020 STA claim.
7. Adoption of the 2020 San Diego Metropolitan Transit System (MTS) Executive Committee and Board of Directors Meeting Schedule
Action would adopt the 2020 Executive Committee and Board of Directors meeting schedule.
8. Revisions to Taxicab Advisory Committee (TAC) Guidelines
Action would approve the proposed revisions to the TAC Guidelines.
9. Extension of Energy Service Provider (ESP) Contract MTS Doc. No. G1728.0-15
Action would authorize the Chief Executive Officer (CEO) to execute the applicable agreements with Calpine Energy Solutions (Calpine) for the extension of ESP services for an additional two-year period.

10. Amendment No. 2 – Trapeze Software License and Maintenance Support Renewal – Sole Source Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2253.2-19 with Trapeze Software Group, Inc. (Trapeze) in amount of \$1,029,047 for the renewal of software licensing and maintenance support for a five (5) year base period with five (5) one-year options exercisable under the CEOs discretion.
11. Old Town Transit Center West – Fund Transfer
Action would authorize the Chief Executive Officer (CEO) to execute Addendum 17, Scope of Work 90 to the Memorandum of Understanding (MOU) between San Diego Associations of Governments (SANDAG) and MTS for the Construction of the Old Town Transit Center West Improvements project in the amount of \$4,604,000.00.
12. Massachusetts Ave Station Paving – Award Work Order Under a Job Order Contract (JOC)
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC275-01, under MTS Doc. No. PWG275.0-19 with ABC Construction, Inc. (ABC), for the provision of services, materials and equipment for milling and overlaying the asphalt and the installation of new pavement markings at the lower Massachusetts Ave Station parking lot in the amount of \$111,706.91.
13. Kearny Mesa Division (KMD) 2nd Floor Flooring Replacement – Award Work Order Under a Job Order Contract (JOC)
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC7503-09 to MTS Doc. No. PWL234.0-17 with ABC Construction Inc. (ABC) for the replacement of the flooring on the 2nd floor of the KMD building in the amount of \$270,581.40.
14. Palm Avenue Grade Crossing Replacement – Award Work Order Under a Job Order Contract (JOC)
Action would authorize the Chief Executive Officer (CEO) to execute Work Order No. MTSJOC269-02, under MTS Doc. No. PWG269.0-19 with Herzog Contracting Corporation (Herzog), for the provision of services, materials and equipment for the replacement of the grade crossing located at Palm Avenue on the Orange and Green Lines in the amount of \$304,511.10.
15. Task Order Contract Approval to Provide Design Services for the Kearny Mesa Division (KMD) Shop Hoists
Action would authorize the Chief Executive Officer (CEO) to execute Work Order WOA1947-AE-45 to MTS Doc. No. G1947.0-17 with HDR Engineering, Inc. in the amount of \$194,245.85 to provide design services for the KMD shop hoists.
16. Window Glass for Buses and Light Rail Vehicles (LRVs) – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute five (5) contracts (MTS Doc No. B0709.0-20, G2324.0-20, L1519.0-20, L1518.0-20, and B0710.0-20) for the provision of window glass for buses and LRVs, for a not-to-exceed aggregate amount of \$1,688,410.75, for two (2) years from November 1, 2019 to October 30, 2021.
17. Building C Shop Auxiliary Power Supplies – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL271.0-19 with Global Power Group for the procurement and installation of the Auxiliary Power Supplies to Building C, in the amount of \$267,286.70.

18. Centralized Train Control (CTC) System Technology Refresh – Contract Award
Action would authorize the Chief Executive Officer (CEO) to issue a Purchase Order to Nth Generation for the CTC System Technology Refresh in the amount of \$237,960.19.
19. Procurement of Employee Health Insurance Through Governmental Joint Powers Authority – CSAC Excess Insurance Authority
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2323.0-20 which allows MTS to join the CSAC Excess Insurance Authority (CSAC-EIA) for a minimum of three calendar years (2020, 2021, 2022) for the purpose of purchasing employee healthcare and ancillary insurance benefits and authorize the CEO to approve payment of insurance invoices within the CSAC-EIA program.
20. Middletown – Switch 9 and 11 Construction – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute the Base and Add Alternate 3 to MTS Doc. No. PWL285.0-19, with Transdev Rail, Inc. for Middletown - Switch 9 and 11 Construction in the amount of \$10,187,359.20.
21. Mission Valley West Signal Upgrade – Award Work Order Under a Job Order Contract (JOC)
Action would authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC7506-05 to MTS Doc. No. PWL235.0-17 with HMS Construction, Inc. (HMS) for the Mission Valley West Signal System Upgrades in the amount of \$554,355.86.
22. Light Rail Vehicle (LRV) Lifting Jacks Replacement – Installation Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWL290.0-20 with Makai Solutions for the installation of in-floor lifting hoists to replace existing hoists for a not-to-exceed amount of \$149,149.00.

BOARD COMMENTS

Ms. Galvez requested for Consent Item No. 19 to be pulled for further explanation.

Action on Recommended Consent Items Nos. 6 – 22, excluding No. 19

Mr. Hall moved to approve Consent Agenda Item Nos. 6 – 22, excluding No. 19. Ms. Moreno seconded the motion, and the vote was 15 to 0 in favor.

PUBLIC COMMENTS – CONSENT ITEM NO. 8

Mikail Hussein – Mr. Hussein commented on behalf of the United Taxi Workers of San Diego. He stated that he is supportive of agenda item number 8. He also thanked the Chair and the leadership of MTS and looks forward to the continued work with the taxicab industry.

DISCUSSION – CONSENT ITEM NO. 19

Brendan Shannon, Director of Human Resources, provided a brief presentation regarding the procurement of employee health insurance through CSAC Excess Insurance Authority (EIA). He stated that this item will allow the agency to purchase substantially similar health care programs as we do now through the CSAC-EIA.

Action on Consent Item No. 19

Ms. Moreno moved to approve Consent Agenda Item No. 19. Ms. Gomez seconded the motion, and the vote was 15 to 0 in favor.

NOTICED PUBLIC HEARINGS (TAKEN BEFORE CLOSED SESSION)

25. Public Hearing for UC San Diego Coaster Connection Implementation (Denis Desmond)

Denis Desmond, Director of Planning, provided a presentation on the UC San Diego (UCSD) Coaster Connection implementation. He reviewed the details of the Sorrento Valley Coaster Connection and the UCSD Coaster Station shuttle. He noted that this item would approve the permanent implementation of the UCSD Coaster Connection route and would begin service in January 2020.

Action Taken

Mr. Ward moved to: (1) Receive public testimony; and (2) Approve the permanent implementation of the University of California, San Diego (UCSD) Coaster Connection route in January 2020. Ms. Montgomery seconded the motion, and the vote was 15 to 0 in favor.

DISCUSSION ITEMS (TAKEN BEFORE CLOSED SESSION)

30. Revisions to San Diego Metropolitan Transit System (MTS) Ordinance No. 11 (Kenneth Nelson and Samantha Leslie)

Samantha Leslie, Staff Attorney – Regulatory Compliance, provided a presentation on the MTS Ordinance No. 11 revisions. She provided a brief background on the Taxicab Administration duties and operations. Ms. Leslie reviewed details of the Taxicab Administration contract with the San Diego Regional Center (SDRC). She discussed the proposed revisions to Ordinance No. 11 that would amend details directly related to the SDRC and other similar contracts. Ms. Leslie reviewed the staff recommendation to approve and adopt the proposed revisions to Ordinance No. 11.

Mr. Donovan inquired if Ordinance No. 11 only applies to the jurisdictions in which MTS regulates taxicabs. Ms. Leslie confirmed that Ordinance No. 11 only applies to its jurisdictions that contract with MTS to administer taxicab regulations. She noted that the City of Coronado and County of San Diego do not apply to this Ordinance.

Action Taken

Mr. Hall moved to: (1) Adopt the proposed amendments to MTS Ordinance No. 11, "An Ordinance Providing for the Licensing and the Regulating of Transportation Services Within the City and County by the Adoption of a Uniform Paratransit Ordinance"; (2) Direct publication of a summary of the amendments to MTS Ordinance No. 11; and (3) Upon adoption of the proposed amendments, grant the Chief Executive Officer (CEO) the discretion to enforce MTS Ordinance No. 11 in its amended form. Ms. Galvez seconded the motion, and the vote was 15 to 0 in favor.

31. Fiscal Year 2019 Final Budget Comparison (Larry Marinesi)

Larry Marinesi, Chief Financial Officer, provided a presentation on the Fiscal Year (FY) 2019 final budget comparison. He discussed the total operating revenues, total operating expenses, total operating variance, total non-operating revenues, and total revenues less expenses. Lastly, Mr. Marinesi reviewed the current contingency reserve balance details.

Ms. Gomez inquired about the upcoming labor negotiations and asked if those projections were incorporated into the budget. Mr. Marinesi stated that staff always takes into consideration the escalation of wages. He noted that any changes will be reflected in the mid-year budget update.

Action Taken

Ms. Salas moved to receive the MTS operations budget status report for Fiscal Year (FY) 2019 and approve staff recommendations to program the excess revenues less expenses. Ms. Gomez seconded the motion, and the vote was 15 to 0 in favor.

REPORT ITEMS (TAKEN BEFORE CLOSED SESSION)

45. Elevate SD 2020 Update (Paul Jablonski, Sharon Cooney, Mark Olson)

Chair Fletcher commented about the work that has been done in relation to Elevate SD 2020. He stated that the information that will be discussed is preliminary and not in final form. Chair Fletcher noted that this is an ongoing process and we will continue working with the community and stakeholders for input.

Paul Jablonski, Chief Executive Officer, introduced this item. He commented that this presentation will be a precursor to the November 2nd Special Board Workshop Meeting.

Mr. Desmond continued the presentation and discussed the proposed project estimation assumptions. He reviewed the projects currently in evaluation including the expansion of the existing network, new Rapid bus service, freeway transit improvement and express bus routes, trolley Purple Line, trolley Blue Line Express, airport light rail extension, waterway system, Sorrento Valley skyway and connection shuttles, Mid-Coast beach guideway, mobility-on-demand transit, bus fleet electrification, grade separations, mobility hubs, additional security measures, and fare discounting.

Sharon Cooney, Chief of Staff, continued the presentation and discussed the current status of Elevate SD 2020. She noted that preliminary data will be provided to the Board at the November 2nd Board Workshop. Ms. Cooney stated that the process will be iterative, with on-going input from the Board, public outreach and polling. She commented that the Vision Builder tool was released this week and public outreach meetings will continue.

Mark Olson, Manager of Public Relations, continued the presentation and discussed the Vision Builder Challenge that was recently released to the public. He stated that the purpose of this tool is to engage the broader community and collect public feedback. Mr. Olson demonstrated how to use the online Vision Builder.

Ms. Rios inquired about the vision builder and asked if people can choose a project more than once in the Vision Builder tool. Mr. Olson replied that you are not able to deposit more value to a project than it is worth in the tool.

PUBLIC COMMENTS

Margo Tanguay – Ms. Tanguay commented that she looks forward to the potential for this measure to further improve the system and add service throughout San Diego.

BOARD COMMENTS

Ms. Salas stated that the Vision Builder tool is going to be great for the public to use and commended the staff that helped create it. She commented on the proposed Blue Line Express Project and stated that this would be a great project to increase service on the Blue Line.

Mr. Ward stated that he would like to receive a more in-depth summary of the public outreach process in November.

Chair Fletcher thanked staff for the work that has been done so far on this effort. He stated that he looks forward to the continued work and the upcoming Board Workshop in November.

Action Taken

No action taken. Informational item only.

46. Operations Budget Status Report for August 2019 (Larry Marinesi)

Mr. Marinesi provided a presentation on the operations budget status report for August 2019. He reviewed the total operating revenues, total operating expenses, total operating variance, and ongoing concerns.

Ms. Galvez inquired about the recent results related to the fare increase. Mr. Marinesi replied that they are analyzing those results now. He stated that preliminary data is showing positive results and staff will provide more information at the next Board meeting.

Ms. Gomez commented about the increase to passenger levels. She stated that the increasing passenger numbers is positive and shows that there is a need and use for more investments in transit.

Action Taken

No action taken. Informational item only.

47. Fiscal Year (FY) 2019 Performance Monitoring Report (Denis Desmond)

Mr. Desmond provided a presentation on the FY 2019 performance monitoring report. He provided background information on Policy 42 evaluation criteria. Mr. Desmond reviewed the results for annual total passengers, ridership, Transit Optimization Plan (TOP) changes, Route 962, Route 2, passengers per revenue hour, on-time performance, other metrics, and farebox recovery.

Ms. Gomez asked what the impacts were to the routes that were previously eliminated during the TOP changes. Mr. Desmond replied that the attachment for this item includes the reductions in ridership related to the routes that had reduced service from the TOP. Ms. Gomez stated that she would like to keep an eye on those routes and keep the option open to increase service back to certain routes if the data shows more service is needed.

Ms. Rios inquired about the improved preventable accidents results on Access service. Mr. Desmond stated that some of the results appear to have large changes because there are so few accidents overall. The change in one or two accidents overall will have a big impact on the percentages.

Action Taken

No action taken. Informational item only.

OTHER ITEMS (TAKEN BEFORE CLOSED SESSION)

60. Chair Report

There was no Chair report.

61. Chief Executive Officer's Report

Mr. Jablonski commented about Free Ride Day. He stated that the results and data from Free Ride Day would be announced early next week.

62. Board Member Communications

Mr. Donovan commented that the Free Summer Shuttle in the City of Coronado was very successful this year and thanked MTS for their continued partnership.

Ms. Moreno inquired about the South Bay Feeder Bus Service Project Outreach that was discussed a few months ago. She noted that she had not been approached by the consultant and asked for staff to have the consultant reach out to her office to coordinate project outreach in her jurisdiction.

Ms. Montgomery commented about Free Ride Day. She stated that she received a lot of great feedback and stories from her constituency. She thanked staff for their hard work during Free Ride Day.

63. Additional Public Comments on Items Not on the Agenda

There were no additional public comments.

CLOSED SESSION

24. Closed Session Items

The Board convened to Closed Session at 10:58 a.m.

a. CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to California Government Code Section 54956.9(d)(1)
Jesse Matheny vs San Diego Metropolitan Transit System, et al. USDC Southern District of
California Case No. 3:19-CV-00016-H-BGS MTS Claim No. MT-02-0410-18

b. CLOSED SESSION – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to California Government Code Section 54956.9(d)(1) Gallegos v. San Diego
Metropolitan Transit System, et al. San Diego Superior Court Case No. 37-2019-00020037-CU-
OE-CTL

The Board reconvened to Open Session at 11:35 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board received a report and gave instructions to counsel.
- b. The Board received a report and gave instructions to legal counsel.

64. Next Meeting Date

The next regularly scheduled Board meeting is November 14, 2019.

65. Adjournment

Chair Fletcher adjourned the meeting at 11:35 a.m.

Chairperson
San Diego Metropolitan Transit System

Filed by:

Approved as to form:

Clerk of the Board
San Diego Metropolitan Transit System

General Counsel
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE): October 10, 2019

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

RECESS: _____

RECONVENE: _____

CLOSED SESSION: 10:58 a.m.

RECONVENE: 11:35 a.m.

PUBLIC HEARING: _____

RECONVENE: _____

ORDINANCES ADOPTED: 1

ADJOURN: 11:35 a.m.

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
AGUIRRE	<input checked="" type="checkbox"/> (Spriggs) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
ARAMBULA	<input checked="" type="checkbox"/> (Mendoza) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
ARAPOSTATHIS	<input checked="" type="checkbox"/> (Weber) <input type="checkbox"/>	9:08 a.m.	11:35 a.m.
FAULCONER	<input type="checkbox"/> (Moreno) <input checked="" type="checkbox"/>	9:00 a.m.	11:35 a.m.
FLETCHER	<input checked="" type="checkbox"/> (Cox) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
FRANK	<input checked="" type="checkbox"/> (Mullin) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
GALVEZ	<input checked="" type="checkbox"/> (Diaz) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
GOMEZ	<input checked="" type="checkbox"/> (Campbell) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
HALL	<input checked="" type="checkbox"/> (McNelis) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
MCCLELLAN	<input checked="" type="checkbox"/> (Goble) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
MONTGOMERY	<input checked="" type="checkbox"/> (Bry) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
RIOS	<input checked="" type="checkbox"/> (Sotelo-Solis) <input type="checkbox"/>	9:00 a.m.	11:35 a.m.
SALAS	<input checked="" type="checkbox"/> (Diaz) <input type="checkbox"/>	9:03 a.m.	11:35 a.m.
SANDKE	<input type="checkbox"/> (Donovan) <input checked="" type="checkbox"/>	9:00 a.m.	11:35 a.m.
WARD	<input checked="" type="checkbox"/> (Kersey) <input type="checkbox"/>	9:14 a.m.	11:35 a.m.

SIGNED BY THE CLERK OF THE BOARD:



CONFIRMED BY THE GENERAL COUNSEL:





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

Agenda Item No. 4

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

APPOINTMENT OF AD HOC NOMINATING COMMITTEE FOR RECOMMENDING
APPOINTMENTS TO MTS COMMITTEES FOR 2020 (SHARON COONEY)

RECOMMENDATION:

That the Board of Directors appoint an Ad Hoc Nominating Committee to make recommendations to the Board with respect to the appointment of the Vice-Chair, Chair Pro-Tem as well as MTS and non-MTS committees for 2020.

Budget Impact

None.

DISCUSSION:

Each year, the Board makes appointments to various committees, including the Accessible Services Advisory Committee (ASAC), Ad Hoc Ballot Measure Committee, Airport Authority Advisory Committee, Audit Oversight Committee, Budget Development Committee, Executive Committee, Los Angeles-San Diego-San Luis Obispo Rail Corridor Agency (LOSSAN), Public Security Committee, San Diego Regional Building Authority and the Taxicab Advisory Committee. The Executive Committee membership is governed by MTS Board Policy 22.8. The Audit Oversight Committee membership is governed by MTS Board Policy 22.9. Attachment B is a table of committee appointments for 2019.

MTS Board Policy No. 22 (Attachment A) specifies that on or before the Board's first meeting in November, the Board shall appoint less than a quorum of members to an Ad Hoc Nominating Committee.

The Ad Hoc Nominating Committee shall review the list of MTS committees and make recommendations to the Board with respect to the appointment of members of the Board to serve on each committee. The Ad Hoc Nominating Committee is also tasked with



reviewing the list of outside boards and/or committees and making recommendations to the Board with respect to the appointment of members of the Board to represent MTS on each outside board or committee.

The Ad Hoc Nominating Committee forwards its recommendations for appointments of officers and committee members on or before the first Board meeting in January.

The election procedures to appoint an Ad Hoc Nominating Committee pursuant to Robert's Rules of Order are as follows:

1. The Chairperson of the Board opens the agenda item.
2. The Chairperson requests nominations from the floor. Nominations do not require a second.
3. The Chairperson closes the nominations.
4. The Chairperson invites the candidate(s) to address the Board for three minutes.
5. The Chairperson asks for any Board discussion.
6. The Chairperson calls for the vote on each motion for each candidate.
7. A vote is taken on the motion(s) for each candidate based upon the order in which they were nominated. 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

Attachments: A. Board Policy No. 22
B. Table of MTS Committees for 2019

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Policies and Procedures

No. 22

Board Approval: 6/13/19

SUBJECT:

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

PURPOSE:

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

BACKGROUND:

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

22.1 Membership and Organization

22.1.1 Membership in this Board is established by Sections 120050 through 120051.6 of the MTS Enabling Legislation.

22.1.2 The Board consists of 15 members selected as follows:

- a. One member of the County of San Diego Board of Supervisors appointed by the Board of Supervisors.
- b. Four members of the City Council of the City of San Diego, one of whom shall be the mayor, appointed by the City Council.
- c. One member of each city council appointed individually by the City Councils of the Cities of Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee.



- d. Two members of the City Council of the City of Chula Vista, one of whom shall be the mayor, appointed by the City Council.
- e. The chairperson of the board shall be selected from the board membership by a two-thirds vote of the board, a quorum being present. The chairperson shall serve for a term of two years, except that he or she is subject to removal at any time by a two-thirds vote of the board, a quorum being present.

22.1.3 [RESERVED]

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

- a. The County of San Diego Board of Supervisors shall appoint as its alternate member a county supervisor not already appointed as the primary board member under Section 22.1.2(a), who represents one of the two supervisorial districts within MTS's jurisdiction with the greatest percentage of its area within the incorporated area of the County of San Diego.
- b. The City Councils of the Cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego and Santee shall each individually appoint a member of their respective city councils not already appointed as a primary board member to serve as an alternate member for each member of the city on the board.
- c. At its discretion, a city council or the county board of supervisors may appoint a second alternate member to serve on the board in the event that neither a member nor the alternate member is able to attend a meeting of the board.

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

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

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

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

22.2 Meetings

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

Special meetings normally shall be called by a majority of the Board or Executive Committee only upon a finding that

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

- 22.2.5 A majority of the members of the Board shall constitute a quorum for the transaction of business, and all official acts of the Board shall require the affirmative vote of a majority of the members of the Board present.
 - a. After a vote of the members is taken, a weighted vote may be called by the members of any two jurisdictions in accordance with Section 120102.5 of the MTS Enabling Legislation and MTS Board Policy No. 27 (Weighted Vote).
- 22.2.6 Parliamentary procedure at all meetings shall be governed by Robert's Rules of Order Newly Revised except as otherwise modified herein.
- 22.2.7 Prior to each regular meeting, the Clerk of the Board shall forward a copy of the agenda to each member in accordance with the schedule adopted by the Board. The agendas shall also be mailed to each person or entity previously requesting such in writing. The Clerk shall post the agenda in an area accessible to the public at least 72 hours before the meeting in accordance with the Ralph M. Brown Act. Agenda materials shall be available as public record in accordance with the Ralph M. Brown Act and, specifically, Section 54957.5 of the California Government Code.
- 22.2.8 The Board may take action on items of business not appearing on the posted agenda in accordance with the Ralph M. Brown Act.
- 22.2.9 Requests for Board action may be initiated by any member of the Board or any staff officer.
- 22.2.10 Communication requests may be initiated by an individual and submitted to the Clerk by letter or on forms provided by the Clerk and must state the subject matter and the action which the writer wishes the Board to take. The Clerk shall review all communication requests so received and shall list them on the Board's docket under those items which the Clerk deems to be proper areas of discussion or action by the Board. When a Communications item is listed on the docket, it is not debatable and must be referred to an appropriate committee, other public agency, or to staff to prepare a report or response.

- 22.2.11 Any permanent rule of the Board as set forth herein and unless otherwise established by law may be suspended temporarily by a two-thirds vote of the members present.

22.3 Amendments

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

22.4 Ordinances

- 22.4.1 Every ordinance shall be signed by the Chairperson of the Board and attested by the Clerk of the Board.
- 22.4.2 On the passage of all ordinances, the votes of the several members of the Board shall be entered on the minutes.
- 22.4.3 Ordinances shall not be passed at other than a regular meeting or at an adjourned regular meeting. However, an urgency ordinance may be passed at a special meeting. Except when, after reading the title, further reading is waived by regular motion adopted by unanimous vote of the Board members present, all ordinances shall be read in full either at the time of introduction or passage. When ordinances, other than urgency ordinances, are altered after introduction, they shall be passed only at a regular or at an adjourned regular meeting held at least five days after alteration. Corrections of typographical or clerical errors are not alterations within the meaning of this section.
- 22.4.4 Consistent with Section 120109 of the MTS Enabling Legislation, the Clerk of the Board shall cause a proposed ordinance or proposed amendment to an ordinance, and any ordinance adopted by the Board, to be published at least once, in a newspaper of general circulation published and circulated in the Board's area of jurisdiction.
- 22.4.5 The publication of an ordinance, as required by subdivision 22.4.4, may be satisfied by either of the following actions:
- a. The Board may publish a summary of a proposed ordinance or proposed amendment to an ordinance. The summary shall be prepared by the Clerk of the Board and General Counsel. The summary shall be published and a certified copy of the full text of the proposed ordinance or proposed amendment shall be posted in the office of the

Clerk of the Board at least five (5) days prior to the Board meeting at which the proposed ordinance or amendment is to be adopted. Within 15 days after adoption of the ordinance or amendment, the Board shall publish a summary of the ordinance or amendment with the names of those Board members voting for and against the ordinance or amendment, and the Clerk of the Board shall post in the office of the clerk a certified copy of the full text of the adopted ordinance or amendment along with the names of those Board members voting for and against the ordinance or amendment.

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

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

22.5 Public Comment

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

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

representing a group of individuals or organizations to avoid duplicative testimony. Ordinarily, each speaker will be allowed no more than three minutes.

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

22.6 Chairperson

Prior to the expiration of a Chairperson's term, the Executive Committee shall make a recommendation to the Board on whether to reelect the current Chairperson. In the event that the Board does not reelect a chairperson, or in the event of a vacancy in the position of Chairperson, the Executive Committee shall create an ad hoc nominating committee that shall, by whatever means it deems appropriate, recommend to the Board a candidate or candidates for the position of Chairperson. The Board shall then vote to elect a Chairperson in accordance with Section 22.1.2(e).

22.7 Election of Board Officers and Appointments to Committees

22.7.1 On or before the Board's first meeting in November, the Board shall appoint less than a quorum of members to an Ad Hoc Nominating Committee. The Ad Hoc Nominating Committee shall review the list of MTS committees and make recommendations to the Board with respect to the appointment of members of the Board or former Board members to serve on each MTS committee.

22.7.2 The Ad Hoc Nominating Committee shall also review the list of outside boards and/or committees and make recommendations to the Board with respect to the appointment of members of the Board to represent MTS on each outside board or committee.

22.7.3 The Ad Hoc Nominating Committee shall also make a recommendation to the Board with respect to the appointment of the Vice Chairperson and the Chair Pro Tem and any other board officers.

22.7.4 The Ad Hoc Nominating Committee shall forward its recommendations for appointments of officers and committee members on or before the first Board meeting in January.

22.7.5 At its first meeting in January, the Board shall elect a Vice Chairperson and a Chair Pro Tem from amongst its members. The Vice Chairperson shall preside in the absence of the Chairperson. In the event of the absence or inability to act by the Chairperson and Vice Chairperson, the Chair Pro Tem shall preside.

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

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

22.8 Executive Committee

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

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

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

South Bay: Chula Vista, Coronado, Imperial Beach, National City—each serving a two-year term.

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

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

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

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

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

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

22.8.5 At its first meeting in January, the Board shall vote on the Ad Hoc Nominating Committee's recommendation for the representative and alternate to the San Diego Association of Governments (SANDAG) Transportation Committee to serve for a term of one year. In the event that the Board votes to appoint a member of the Board who does not serve on the Executive Committee, then the appointed SANDAG Transportation Committee representative, or the alternate in his or her absence, shall attend the Executive Committee meetings as a voting member.

22.8.6 The primary purpose of the Executive Committee shall be to review and recommend consent items for the agenda of the next MTS Board of Directors meeting; add or delete items as appropriate; and provide input and direction on emerging policies, plans, and issues, in advance, for Board consideration. The Executive Committee shall have the authority to create ad hoc subcommittees for purposes of carrying out its duties and responsibilities.

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

22.8.8 The Executive Committee shall adopt operating procedures as are necessary for the conduct of its business.

22.9 Audit Oversight Committee

22.9.1 The Audit Oversight Committee shall be comprised of the same members that make up the Executive Committee and such other

individuals as the Board may appoint at the first MTS Board meeting each calendar year. The Board may also appoint individuals who are not members of the Board to serve as non-voting advisory members to the Audit Oversight Committee

22.9.2 No additional compensation shall be paid to the members of the Audit Oversight Committee unless a meeting takes place on a day other than a regularly scheduled MTS Board meeting or MTS Executive Committee meeting. Compensation shall be paid to any additional voting members who are appointed to serve on the Audit Oversight Committee. No compensation shall be paid to any non-voting advisory member appointed by the MTS Board.

22.9.3 The primary duties and responsibilities of the Audit Oversight Committee shall be to ensure that management is maintaining a comprehensive framework of internal control, to ensure that management's financial reporting practices are assessed objectively, and to determine to its own satisfaction that the financial statements are properly audited and that any problems uncovered in the course of the audit are properly reported and resolved.

22.9.4 The Audit Oversight Committee shall:

- a. Review the scope of the annual financial statement audit and any other audits the committee feels are appropriate. The financial statement or CAFR audit should be conducted by an external, independent, public accounting firm experienced in municipal financial audits (external auditor).
- b. Review the purpose and scope of any nonaudit services to be performed by the external auditor.
- c. Oversee the procurement of the external auditor and any related advisory services with final approval by the Board.
- d. Oversee the preparation of annual financial statements, the annual financial reporting process, internal controls, and the external auditor using an appropriate degree of professional skepticism.
- e. Assess the performance of the external auditor.
- f. Provide a forum for internal auditor(s) to report findings during committee meetings. Internal auditor(s) are MTS employee(s) who report to management and primarily perform operational and compliance audits. In unusual circumstances involving significant fraud, waste, or abuse, the internal auditors must contact the Chairperson of the Audit Oversight Committee.

- g. Establish a procedure for receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters.

22.9.5

The Audit Oversight Committee shall perform the following tasks each year and, to the extent possible, adhere to this timetable:

- a. Prior to the fiscal year end, review the independent audit engagement letter.
- b. Prior to the fiscal year end establish a plan for review of the audits with external auditor.
- c. In October or November, review a draft of the Comprehensive Annual Financial Report
- d. Prior to the fiscal year end, review the management letter and management's response to the letter from the previous year.

22.9.6

At a minimum, and no later than the MTS Board meeting for the CAFR final adoption, the Audit Oversight Committee shall publically ask the following questions of MTS management and/or the external auditors:

- a. What is the name of the audit firm performing the audit, and how long has such firm been under contract to perform such audits?
- b. Was the audit performed in accordance with generally accepted auditing standards and generally accepted government auditing standards? If not, why?
- c. Has the external auditor prepared an unqualified opinion regarding the financial statements? If not, what type of opinion was issued and why?
- d. Did the external auditor issue a management letter?
- e. Did the external auditor find any nonmaterial weaknesses or reportable conditions?
- f. How did the external audit firm maintain its independence during the course of the audit?
- g. Describe, in general, the audit procedures performed.
- h. Were any new accounting principles adopted? If so, what was their effect?

- i. Does the external auditor recommend any changes in the accounting policies used or their application? Did management apply the best accounting principles or merely permitted ones?
- j. Describe any significant accounting adjustments affecting the financial statements (prior year as well as current year).
- k. Did the external auditor encounter any difficulties in dealing with management in performing the audit?
- l. Were there any disagreements with management regarding any accruals, estimates, reserves, or accounting principles?
- m. Did the external auditor have the full cooperation of MTS management and staff?
- n. Assess the quality of the accounting, internal controls, and the competency of staff.
- o. Were there any accounting issues on which the audit firm sought the advice of other audit firms or regulatory bodies?
- p. Are there new pronouncements and/or risks affecting future financial statements which the Audit Oversight Committee should be aware of?

22.9.8 A majority of the members of the Audit Oversight Committee shall constitute a quorum, and a majority vote of the members present shall be required to approve any item.

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

22.10 Board Member Standards of Conduct

22.10.1 The purpose of this policy is to emphasize that each Board member occupies a position of public trust that demands the highest moral and ethical standard of conduct.

22.10.2 This policy shall be supplemental and in addition to the Conflict of Interest Code of the Board and any applicable laws or regulations (including, but not limited to, the Brown Act, Government Code section 1090 and the Political Reform Act) and is not intended to supersede any provisions thereof.

22.10.3 Board members shall not engage in any business or transaction or have a financial or other personal interest, actual, potential, or

apparent, which is incompatible with the proper discharge of his or her official duties or would tend to impair his or her independence of judgment or action in the performance of such duties. Such business, transaction, or interest shall constitute a conflict of interest.

22.10.4

No Board member shall engage in any enterprise or activity that shall result in any of the following:

- a. Using the prestige or influence of the Board office for private gain or advantage of the member or another person.
- b. Using time, facilities, equipment, or supplies of the Board for the private gain or advantage of the member or another person.
- c. Using official information not available to the general public for private gain or advantage of the member or another person.
- d. Receiving or accepting money or other consideration from anyone other than the Board for the performance of acts done in the regular course of duty.
- e. Receiving or accepting, directly or indirectly, any gift or favor from any one doing business with the Board under circumstances from which it could reasonably be inferred that such was intended to influence such person in such person's duties or as a reward for official action.
- f. Soliciting any gift or favor in such person's official capacity, either directly or indirectly, when such solicitation might reasonably be inferred as to have a potential effect on such person's duties or decision, or when the individual's position as a Board member would in any way influence the decision of the person being solicited.
- g. Engaging in or accepting private employment or rendering services for private interest, direct or indirect, which may conflict with such person's responsibility or duty, or which, because of that person's position, may influence a decision to the benefit of the organization in which such person has an interest.

22.10.5

If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item, and the Board will make a decision regarding this agenda item during an open session meeting, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. If the Board member has a conflict, he

or she may observe, but not participate, in the decision-making process.

- 22.10.6 If a Board member has an actual, potential, or apparent conflict of interest in the subject of an agenda item to be discussed during a closed session meeting, the Board member shall be disqualified and not present during such discussion so as not to make, participate in making, or in any way attempt to use his or her official position to influence the discussion or decision. In such case, the Board member must recuse himself or herself or, in the case of uncertainty, request a binding determination from the Board's General Counsel. In accordance with the Brown Act, the Board member would be entitled to any information that is publicly reported. The Board member would not, however, be privy to any confidential or privileged information or communications pertaining to the closed session agenda item.
- 22.10.7 No Board member shall disclose to any person, other than members of the Board and other Board staff designated to handle such confidential matters, the content or substance of any information presented or discussed during a closed session meeting unless the Board authorizes such disclosure by the affirmative vote by a majority of the Board.
- 22.10.8 No Board member may disclose confidential or privileged information or communications to any person other than a Board member, General Counsel to the Board, or other Board staff designated to handle such matters, unless disclosure is mandated by law or the Board authorizes such disclosure by the affirmative vote of a majority of the Board.
- 22.10.9 A Board member shall not be privy to confidential or privileged information or communications concerning threatened, anticipated, or actual litigation affecting the Board where the Board member has an actual, potential, or apparent conflict of interest. In the case of uncertainty as to whether a conflict of interest exists, the Board's General Counsel shall issue a binding determination.
- 22.10.10 No Board member shall represent a position on an issue to be the Board's unless the Board has formally adopted such position at a public meeting.
- 22.10.11 Any violation of this policy shall constitute official misconduct if determined by an affirmative vote of the majority of the Board in an open and public meeting. The Board may elect to censure the Board member and the violation may be subject to criminal and/or civil penalties as provided for by applicable law.

Original Policy approved on 4/5/84.
Policy revised on 1/12/84.

Policy revised on 7/11/85.
Policy revised on 1/8/87.
Policy revised on 1/11/90.
Policy revised on 8/23/90.
Policy revised on 1/10/91.
Policy revised on 3/24/94.
Policy revised on 1/14/99.
Policy revised on 6/14/01.
Policy revised on 1/10/02.
Policy revised on 1/24/02.
Policy revised on 5/8/03.
Policy revised 2/26/04.
Policy revised 1/12/06.
Policy revised 3/9/06.
Policy revised 3/23/06.
Policy revised 6/14/07.
Policy revised 7/19/07.
Policy revised 2/21/08.
Policy revised 12/11/08.
Policy revised 2/12/15.
Policy revised 11/10/16.
Policy revised 11/9/2017, changes effective 1/1/2018.
Policy revised 6/13/2019.

2019 SLATE OF MTS COMMITTEES AND OUTSIDE AGENCY APPOINTMENTS

Chair Vice Chair Chair Pro Tem	Nathan Fletcher – Chair Mona Rios – Vice Chair Bill Sandke – Chair Pro Tem
Accessible Services Advisory Committee (ASAC)	Mona Rios – Chair
Ad Hoc Ballot Measure Committee	Nathan Fletcher – Chair Paloma Aguirre – Committee Representative David Arambula – Committee Representative Georgette Gómez – Committee Representative Mona Rios – Committee Representative Bill Sandke – Committee Representative Chris Ward – Committee Representative
Airport Authority Advisory Committee	Bill Sandke – Committee Representative Ronn Hall – Alternate
Audit Oversight Committee	Nathan Fletcher – Chair Plus Executive Committee (listed below)
Budget Development Committee	Paloma Aguirre – Committee Representative David Arambula – Committee Representative Nathan Fletcher – Committee Representative Georgette Gómez – Committee Representative Mary Salas – Committee Representative
Executive Committee	Nathan Fletcher – Chair & County Representative (<i>County Alternate: Greg Cox</i>) Mona Rios – Vice Chair Mark Arapostathis – East County Representative (<i>Alternate: David Arambula</i>) Monica Montgomery – City of San Diego Representative (<i>Alternate: Chris Ward</i>) Mary Salas – South Bay Representative (<i>Alternate: Bill Sandke</i>)
Los Angeles - San Diego Rail Corridor Agency (LOSSAN)	Caylin Frank – Committee Representative Bill Sandke – Alternate
Public Security Committee	Paloma Aguirre – Committee Representative David Arambula – Committee Representative Nathan Fletcher – Committee Representative Jill Galvez – Committee Representative Ronn Hall – Committee Representative Monica Montgomery – Committee Representative Bill Sandke – Committee Representative
SANDAG Board	Mona Rios – Advisory Representative Nathan Fletcher – Alternate
SANDAG Regional Planning Committee	Jill Galvez – Committee Representative Paloma Aguirre – Alternate
SANDAG Transportation Committee	Nathan Fletcher – Committee Representative Paloma Aguirre – Alternate
San Diego Regional Building Authority (SDRBA)	Bob McClellan – Committee Representative
Taxicab Advisory Committee	Chris Ward – Chair



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

Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

SAN DIEGO AND ARIZONA EASTERN (SD&AE) RAILWAY COMPANY QUARTERLY
REPORTS AND RATIFICATION OF ACTIONS TAKEN BY THE SD&AE BOARD OF
DIRECTORS AT ITS MEETING ON OCTOBER 8, 2019

RECOMMENDATION:

That the Board of Directors receive the San Diego and Imperial Valley Railroad (SD&IV), Pacific Southwest Railway Museum Association (Museum), and Desert Line quarterly reports (Attachment A) for information and ratify all actions taken.

Budget Impact

None.

DISCUSSION:

Pursuant to the Agreement for Operation of Freight Rail Services, SD&IV and Museum, have provided operations reports during the third quarter of 2019 (Attachment A).

/s/ Paul C. Jablonski _____
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Copy of Final Meeting Materials from 10/8/2019 SD&AE Meeting





SAN DIEGO & ARIZONA
EASTERN RAILWAY
COMPANY

A Nevada Nonprofit
Corporation

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

BOARD OF DIRECTORS
Paul Jablonski, Chairperson
Matt Domen
Jared Gooch

OFFICERS
Paul Jablonski, President
Matt Domen, Secretary
Erin Dunn, Treasurer

LEGAL COUNSEL
Karen Landers

AGENDA

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

October 8, 2019

9:00 a.m.

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

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

ACTION RECOMMENDED

1. Approval of the Minutes of April 9, 2019
Action would approve the SD&AE Railway Company Minutes of April 9, 2019. (The July 9, 2019, meeting was cancelled.) Approve
2. Statement of Railway Finances (Erin Dunn)
Action would receive a report for information. Informational
3. Report on San Diego and Imperial Valley (SD&IV) Railroad Operations (Jared Gooch)
Action would receive a report for information. Informational
4. Report on Pacific Southwest Railway Museum (Diana Hyatt)
Action would receive a report for information. Informational
5. Report on the Desert Line (Jorge Izquierdo)
Action would receive a report for information. Informational
6. Real Property Matters (Tim Allison)
 - a. Signature Authority for the President of SD&AE
Action would authorize signature authority to the President to execute any and all real estate-related documents in the same manner as is delegated to the Chief Executive Officer (CEO) of the San Diego Metropolitan Transit System (MTS) in MTS Board Policy No. 41, Signature Authority. Approve
 - b. Summary of SD&AE Documents Issued Since April 9, 2019
Action would receive a report for information. Informational

7. Approval of the 2020 SD&AE Board of Directors Meeting Schedule (Karen Landers) Approve
Action would approve the 2020 SD&AE Board of Directors meeting schedule.
8. Board Member Communications
9. Public Comments
10. Next Meeting Date: January 14, 2020 (pending approval of No. 7)
11. Adjournment

MINUTES

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

April 9, 2019

A meeting of the Board of Directors of the San Diego & Arizona Eastern (SD&AE) Railway Company, a Nevada corporation, was held at 1255 Imperial Avenue, Suite 1000, San Diego, California 92101, on April 9, 2019, at 9:00 a.m.

The following persons, constituting the Board of Directors, were present: Wayne Terry (for Paul Jablonski who was absent), Matt Domen, and Jared Gooch. Also in attendance were members from:

San Diego Metropolitan Transit System: Tim Allison, Erin Dunn, Karen Landers
Baja California Railroad (BJRR): Manuel Hernandez and Jorge Izquierdo

1. Approval of Minutes

Mr. Domen moved to approve the Minutes of the January 29, 2019, SD&AE Railway Board of Directors meeting. Mr. Terry seconded the motion, and it was unanimously approved.

2. Statement of Railway Finances

Ms. Dunn reviewed Statement of Railway Finances for the period ending February 2019 (attached to the agenda item). Ms. Dunn clarified that reserve funds for the track-removal project at F, Cleveland, and Commercial Streets would be transferred when the expenses are incurred. She stated that the reserves are typically reflected at the end of the fiscal year. Ms. Landers added that the estimated cost will be in the \$900k range.

Action Taken

Informational item only. No action taken.

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

Mr. Domen reviewed the SD&IV Periodic Report for activities for the first quarter of 2019 (attached to the agenda item).

Mr. Terry stated that he directed Fred Byle to arrange with the FRA in the next month or so to conduct a light-engine test at night on the absolute block in San Ysidro. Mr. Domen responded that a test is scheduled for Friday, April 26, and a pretest will be done before the FRA arrives. Mr. Terry added that after testing, a subsequent supplemental waiver will be filed.

Action Taken

Informational item only. No action taken.

4. Report on Pacific Southwest Railway Museum Operations

Diana Hyatt was not in attendance due to illness and submitted the Pacific Southwest Railway Museum (PSRM) report for the first quarter of 2019 via e-mail to the clerk the morning of the meeting. The report was distributed at the meeting and is also attached.

Action Taken

Informational item only. No action taken.

5. Report on the Desert Line

Mr. Izquierdo gave a verbal report. Mr. Izquierdo stated that there have been no operations on the Desert Line. There will be a site visit with Servicio de Administración Tributaria (SAT) and Customs and Border Patrol (CBP) authorities. A facility preliminary report was presented to SAT by BJRR, and SAT will respond by Friday. Mr. Izquierdo added that there have been a couple of meetings at CBP's office with Pete Flores and SAT authorities. SAT gave authorization to BJRR to locate nonintrusive equipment on Mexican soil. After SAT provides feedback to BJRR, a full report will be presented to MTS.

Mr. Izquierdo stated that in regard to the environmental survey, BJRR is working with a private company called CBIZ to submit a status report that is anticipated to be completed in a month and will address environmental and permitting issues.

Mr. Hernandez further explained that Allen Matkins is no longer retained by BJRR and therefore CBIZ was contacted. Anita Sokolsky with CBIZ will be handling the legal aspects of the environmental issues and lobbying. A quote for about \$600k was obtained from Dudek to survey the whole line. CBIZ is reviewing everything that Allen Matkins started and is looking at how to best work collaboratively with MTS. Mr. Hernandez is supposed to meet with Ms. Sokolsky this week.

Mr. Hernandez informed the Board that there are about 80 LPG hauls coming inbound from Mexico, and he anticipates a little more movement on rail for LPG. He added that the situation with the compost out of the south gate in LA could possibly produce 100 cars per month.

Ms. Landers stated that she will have a call this week with CBP to close the loop and make sure that CBP and SAT are in agreement with what is being reported and everyone is on the same page.

Action Taken

Informational item only. No action taken.

6. Real Property Mattersa. Summary of SD&AE Documents Issued Since January 29, 2019

Mr. Allison stated that since the January 29, 2019, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-19-690: Right of Entry Permit to AT&T California for underground telephone-line construction at Petree Street in the City of El Cajon.
- S200-19-693: Right of Entry Permit to Navy Region Southwest Morale, Welfare and Recreation Department for the Navy's 31st Annual Bay Bridge Run/Walk.
- S200-19-700: Right of Entry Permit to Par Electric Contractors to install an aerial transmission electric line at Palomar Street in the City of Chula Vista.

Action Taken

Informational item only. No action taken.

b. License for Water Main Replacement at Euclid Avenue

Mr. Allison presented a PowerPoint slide showing a schematic of where the new pipe would be installed.

Action Taken

Mr. Domen moved to approve a license for a 16" water main replacement at Euclid Avenue in the City of San Diego. Mr. Terry seconded the motion, and it was unanimously approved.

c. License for Underground Fiber-Optic Line Southwest of Smythe Avenue

Mr. Allison presented a PowerPoint slide showing a schematic of the proposed underground work.

Action Taken

Mr. Domen moved to approve a license for an underground 18" casing pipe and fiber-optic conduits southwest of Smythe Avenue in the City of San Diego. Mr. Terry seconded the motion, and it was unanimously approved.

d. License for Aerial Fiber-Optic Line at Lemon Avenue

Mr. Allison presented a PowerPoint slide showing a schematic of the proposed aerial fiber-optic cable at Lemon Avenue.

Action Taken

Mr. Domen moved to approve a license for an aerial fiber-optic cable at Lemon Avenue in the City of La Mesa. Mr. Terry seconded the motion, and it was unanimously approved.

7. Board Member Communications

Ms. Landers informed Board members that there may be an agreement for approval at the next meeting in relation to the Bayshore Bikeway along the Coronado Branch outside of the right-of-way. MTS is working with SANDAG and the County of San Diego on the project.

8. Public Comments

There were no public comments.

9. Next Meeting Date

The next meeting of the SD&AE Railway Company Board of Directors is on Tuesday, July 9, 2019.

10. Adjournment

The meeting was adjourned at 9:15 a.m.

/s/ Wayne Terry for Paul Jablonski
President

/s/ Karen Landers
General Counsel

Attachment: PSRM Quarterly Report (distributed during the meeting)



Pacific Southwest Railway Museum

La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

April 8, 2019

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

Re: First Quarter 2019

Dear SD&AE Board:

During the first quarter of 2019 and utilizing all volunteer crews, the Pacific Southwest Railway Museum operated 57 Golden State trains, 32 Valley Flyer trains and 2 mid-week School trains, carrying a total of 1,665 passengers during 26 operating days. There were no FRA reportable accidents or injuries during the first quarter, 2019. Earned revenue from SD&AE property for the first quarter, 2019 was \$25,418.99 our check for \$508.38 is enclosed.

Several of the rainstorms during the quarter created havoc along the right of way. Several boulders fell down that needed to be broken up and the 2/14/19 rainstorm produced enough water to wash out the tracks west of Chicken Ranch. The two weekends following the washout caused our Golden State trains to be shortened until volunteer crews were able to reroute the waterway and repair the damage. PSRM continues to maintain both signalized railroad crossings within our right of way limits; PSRM signal maintainers perform the monthly, quarterly and annual inspections.

Thank you for your continued support.

Sincerely,

Diana Hyatt
President

Agenda Item No. 2

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

October 8, 2019

SUBJECT:

STATEMENT OF RAILWAY FINANCES

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors receive a financial report for the year ending June 30, 2019, and the period ending August 31, 2019.

Budget Impact

None.

DISCUSSION:

Attached are SD&AE's financial results for the year ending June 30, 2019, as well as the period ending August 31, 2019.

Fiscal year 2019 ended with \$1.1 million in revenue and \$168,000 in expenses. Combining the resulting \$971,000 operating profit with \$17,000 in interest income, offset by \$1.0 million in Desert Line revenue contributed to MTS capital projects and \$991,000 contributed for trolley track repairs, reserves decreased by \$1.0 million for the year. Although the financial statements have not been published, we do not expect the numbers to change.

As of August 31, 2019, fiscal year-to-date revenues are \$195,000 favorable to budget primarily due to the Desert Line Lease revenue not included in the budget and expenses are \$3,000 favorable to budget.

The Net Income for the period ending August 31, 2019, was \$212,000.

Attachments: A. SD&AE Operating Statement Fiscal Year 2019
B. SD&AE Operating Statement for period ending August 31, 2019

ATTACHMENT A

SD&AE Operating Statement FY2019-18

	FY 2019			FY 2018	
	YTD Actual	YTD Budget	Variance	YTD Actual	Variance
Revenues					
Right of Entry Permits	\$ 18,750	\$ 20,000	\$ (1,250)	\$ 16,950	1,800
Lease Income	85,270	103,336	\$ (18,066)	90,572	(5,302)
Desert Line Lease Revenue	1,000,000	-	\$ 1,000,000	1,000,000	(0)
Operator Income - SD&IV 1% Freight Fee	35,156	40,000	\$ (4,844)	39,270	(4,114)
Total Revenues	1,139,176	163,336	975,840	1,146,792	(7,616)
Expenses					
Personnel Costs	36,288	35,290	(998)	55,554	19,266
Outside Services	48,486	93,676	45,190	181,520	133,034
Risk Management	57,700	63,536	5,836	66,773	9,073
Misc. Operating Expenses	25,896	23,739	(2,157)	24,627	(1,269)
Total Expenses	168,370	216,241	47,871	328,474	160,104
Net Income/(Loss)	<u>\$ 970,806</u>	<u>\$ (52,905)</u>	<u>\$ 1,023,711</u>	<u>\$ 818,318</u>	<u>\$ 152,488</u>

Reserve Balance July 1, 2018	\$1,375,981
Operating Profit/(Loss) - YTD	970,806
Allocated Interest Earnings	17,110
Contributed Operating Capital to MTS-Desert Line	(1,000,000)
Trolley Track Improvements	(991,000)
Reserve Balance June 30, 2019	\$ 372,897

ATTACHMENT B

SD&AE Operating Statement FY2020 and FY2019

	FY 2020			FY 2019	
	Jul - Aug Actual	Jul - Aug Budget	Variance	Jul - Aug Actual	Variance
Revenues					
Right of Entry Permits	\$ 9,000	\$ 3,334	\$ 5,666	\$ 750	\$ 8,250
Lease Income	40,297	16,666	23,631	39,240	1,057
Desert Line Lease Revenue	166,680	-	166,680	166,669	11
Operator Income - SD&IV 1%					
Freight Fee	5,833	6,666	(833)	6,200	(367)
Total Revenues	<u>221,811</u>	<u>26,666</u>	<u>195,145</u>	<u>212,859</u>	<u>8,952</u>
Expenses					
Personnel Costs	7,048	6,574	(474)	6,804	(244)
Outside Services	-	1,694	1,694	7,822	7,822
Risk Management	2,400	3,716	1,316	52,195	49,795
Misc. Operating Expenses	50	1,000	950	299	249
Total Expenses	<u>9,498</u>	<u>12,984</u>	<u>3,486</u>	<u>67,120</u>	<u>57,622</u>
Net Income/(Loss)	<u>\$ 212,313</u>	<u>\$ 13,682</u>	<u>\$ 198,631</u>	<u>\$ 145,739</u>	<u>\$ 66,574</u>

Reserve Balance July 1, 2019	\$ 1,527,382
Interest Earnings - Estimated	2,500
Operating Profit/(Loss) - YTD	212,313
Less Desert Line Revenue	(166,680)
Estimated Reserve Balance Aug 31, 2019	\$ 1,575,515

Agenda Item No. 3

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

October 8, 2019

SUBJECT:

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

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

An oral report will be given during the meeting.

Attachment: Third Quarter report for 2019



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

Oct 1, 2019

Periodic Report

In accordance with Section 20 of the Agreement for Operational Freight Service and Control through Management of the San Diego and Arizona Eastern Railway Company activities of interest for the 3rd Quarter of 2019 are listed as follows:

1. Labor

At the end of Sept 30, 2019, the San Diego & Imperial Railroad had 8 employees:

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

2. Marketing

Volume in the 3rd Quarter had a 16% decrease as compared to the same quarter in 2018. Volumes to both US and Mexico destinations were down due to the current challenges in the ethanol market and a decline in US suppliers for animal feed products.

3. Reportable Injuries/Environmental

Days through year to date, Sept 30, 2019, there were no FRA Reportable injuries or Environmental incidents on the SDIV Railroad.

Days FRA Reportable Injury Free: **8213**

4. Summary of Freight

	2019	2018	2017
Total rail carloads that moved by SDIY Rail Service in the quarter.	795	951	979
Total railroad carloads Terminating/Originating Mexico in the quarter.	477	594	547
Total railroad carloads Terminating/Originating El Cajon, San Diego, National City, San Ysidro, California in the quarter.	318	357	432
Total customers directly served by SDIY in the quarter	13	13	12
Regional Truck trips that SDIY Railroad Service replaced in the quarter	2385	2853	2937

Respectfully,
Matt Domen
General Manager

Agenda Item No. 4

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

October 8, 2019

SUBJECT:

REPORT ON PACIFIC SOUTHWEST RAILWAY MUSEUM

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

An oral report will be given during the meeting.

Attachment: Quarterly report not submitted in time for the mail-out



HANDOUT AT 10/8/19 MEETING

Pacific Southwest Railway Museum

La Mesa Depot 4695 Nebo Drive La Mesa, CA 91941 619-465-7776

October 7, 2019

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

Re: Second & Third Quarter calendar year 2019

Dear SD&AE Board:

During the second and third quarter of 2019 and utilizing all volunteer crews, the Pacific Southwest Railway Museum operated 140 Golden State trains, 61 Valley Flyer trains and 3 School trains, carrying a total of 3,680 passengers during 55 operating days. There were no FRA reportable accidents or injuries during the second or third quarter, 2019. Earned revenue from SD&AE property for the second quarter, 2019 was \$41,847 and our check for \$836.94 was mailed previously. Earned revenue for the third quarter, 2019 was \$19,868.02 and our check for \$397.36 is enclosed.

Ongoing track maintenance and tie renewal along the railroad right of way continued during the second and third quarters of the calendar year 2019. Additionally, PSRM continues to maintain both signalized railroad crossings within our right of way limits with PSRM signal maintainers performing the monthly, quarterly and annual inspections.

Please mark your calendars and plan on joining us at our Gala Dinner Friday, November 1, 2019 in Coronado and on Saturday, November 16, 2019 for SD&A Centennial Day in Campo. We welcome and encourage the participation of members of the SD&A board and key personnel of MTS as honored guests at both events. We are excited to announce a collaboration with the California State Railroad Museum that will allow PSRM to borrow the SDAE MW 1004 firetruck and exhibit it at Gold Spike day and for one year afterwards. More information on the Centennial celebration can be found on our website at: psrm.org/centennial/

Sincerely,

Diana Hyatt
President

Agenda Item No. 5

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

October 8, 2019

SUBJECT:

REPORT ON THE DESERT LINE

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

A report will be presented during the meeting.

Attachment: Quarterly report not submitted in time for the mail-out

Agenda Item No. 6a

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

October 8, 2019

SUBJECT:

SIGNATURE AUTHORITY FOR THE PRESIDENT OF SD&AE

RECOMMENDATION:

That the SD&AE Railway Company Board of Directors authorize signature authority to the President to execute any and all real estate-related documents in the same manner as is delegated to the Chief Executive Officer (CEO) of the San Diego Metropolitan Transit System (MTS) in MTS Board Policy No. 41, Signature Authority (attached).

Budget Impact

None.

DISCUSSION:

MTS Board Policy No. 41, Signature Authority, grants the MTS CEO certain signature authority for signing contracts on behalf of the Board of Directors. Those documents include all types of real estate documents giving certain guidelines under which that authority can be used. For example, the CEO can execute documents, certain leases, licenses, easements, and grants valued at \$100,000 or below both for revenue and expenditure documents.

The ability for the President to be granted similar authority by the SD&AE Board would allow MTS staff to process mundane, noncontroversial documents in a timely manner for applicants desiring to use SD&AE right-of-way.

Staff is requesting that the SD&AE Board approve signature authority to the SD&AE President to execute any and all real estate-related documents with the same authority granted to the CEO of MTS as outlined in MTS Board Policy No. 41.

Attachment: MTS Board Policy No. 41

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

Policies and Procedures

No. 41

Board Approval: 2/14/2019

SUBJECT:

SIGNATURE AUTHORITY

PURPOSE:

The purpose of this policy is to establish the authority granted by the Board of Directors to the Chief Executive Officer, and to provide the Chief Executive Officer with the authority to delegate functions under his or her control to MTS staff. It also establishes guidelines and procedures for authorized signatories relating to check processing (including wire transfers) and San Diego Metropolitan Transit System (MTS) documents (purchase requisitions, contracts, agreements, payment vouchers, deeds, grants, etc.). The policies below relate to MTS, San Diego Transit Corporation (SDTC), and San Diego Trolley, Inc. (SDTI). Throughout this policy, the agencies are collectively referred to as MTS.

BACKGROUND:

From time to time, various third parties and agencies seek to verify that individual MTS staff members have the authority to execute documents on behalf of MTS.

MTS maintains a number of checking accounts in various approved financial institutions. To ensure adequate internal controls, signing of checks and execution of wire transfers are restricted to authorized personnel only. This policy establishes guidelines and procedures for obtaining appropriate approval.

In addition, this policy establishes guidelines and procedures for delegating authority to execute MTS documents, including contracts and agreements, on behalf of the Chief Executive Officer in his or her absence.

POLICY:

41.1 Authorized Signatories for Disbursements

A disbursement is the final authorization to pay a third party through either a check, warrant, wire transfer/Electronic Funds Transfer (EFT), Automated Clearing House (ACH) or other similar payment mechanism. Authorized



signatures for disbursements are: the Accounting Manager, Controller, Director of Financial Planning and Analysis, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

One signature is required for disbursements under \$2,000. This signature can be a facsimile signature. Two signatures are required for all disbursements over \$2,000. One of these can be a facsimile signature. A listing of all facsimile checks must be reviewed and approved by an authorized signer. For disbursements over \$10,000, the second signature SHALL NOT BE the Accounting Manager, Controller, or Director of Financial Planning and Analysis. Disbursements over \$25,000 require that one of the signatures be that of the Chief of Staff, General Counsel, Chief Financial Officer, or Chief Executive Officer.

The listing below summarizes the above as to effective levels of signing authority:

Accounting Manager	To	\$ 10,000
Controller	To	\$ 10,000
Director of Financial Planning & Analysis	To	\$ 10,000
Chief Operating Officer – Bus/Rail	To	\$ 25,000
Chief Financial Officer	Over	\$ 25,000
Chief of Staff	Over	\$ 25,000
General Counsel	Over	\$ 25,000
Chief Executive Officer	Over	\$ 25,000

41.2 Purchase Requisitions

Purchase Requisitions initiate the potential procurement of goods and/or services. Purchase Requisitions define the need for goods and/or services; budget for the goods and/or services; and assign staff time and resources to initiate the procurement of such goods and/or services. Purchase Requisitions do not constitute a commitment or contractual relationship with a Vendor.

Authorized signatures for Purchase Requisitions are Supervisors, Managers, Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

Manager/Supervisor	To	\$ 3,500
Directors	To	\$ 5,000
Director of Capital Projects	To	\$ 50,000
Chief Operating Officer – Bus/Rail	To	\$ 50,000
Chief Financial Officer	To	\$ 50,000
Chief of Staff	To	\$ 50,000
General Counsel	To	\$ 50,000
Chief Executive Officer	Over	\$ 50,000

41.2.1 Purchase Requisitions for Inventory Items. The signature authority to approve Purchase Requisitions for inventory items is described within MTS Board Policy No. 64, Inventory Controls and Signature Authority.

41.3 Purchase Orders under Existing Contract

Upon completion of the procurement process (i.e. Board of Directors or staff approval of a formal contract pursuant to Section 41.4 of this Policy), the Procurement Manager may execute and transmit Purchase Orders to the vendor to properly manage the funding of multiple year contracts.

41.4 Authorized Signatories on Contracts and Documents

41.4.1 Expense Contracts. Expense contracts are contracts that require MTS to expend funds in return for goods or services. Expense contracts can be issued using various procurement forms, including but not limited to: a formal contract punch-out catalog purchase orders, or vendor agreement forms. All approval levels must be contained within and be consistent with overall Board of Directors approval levels. The approval levels are as follows:

Materials Manager (Punch-Out Catalog Purchase Orders Only)	To	\$ 3,500
Procurement Manager, Senior Procurement Specialist or Principal Contracts Administrator	To	\$ 3,500
Directors	To	\$ 5,000
Director of Capital Projects	To	\$ 50,000
Chief Operating Officer – Bus/Rail	To	\$ 50,000
Chief Financial Officer	To	\$ 50,000
Chief of Staff	To	\$ 50,000
General Counsel	To	\$ 50,000
Chief Executive Officer	Up To	\$ 100,000
Board of Directors	Over	\$ 100,000

41.4.2 Stand-Alone Purchase Orders. Once a Purchase Requisition for the procurement of goods and/or service is approved per Section 41.2 of this Policy or through Board of Directors action, the Procurement Manager or his/her designee will have the authority to execute stand-alone purchase orders so long as the value of the stand-alone purchase order does not exceed the value of the approved Purchase Requisition.

The Chief Executive Officer will implement internal policies and protocols to identify which procurements for goods and/or services are appropriate for the use of a stand-alone purchase order process as opposed to requiring a formal contract subject to heightened review and approval.

41.4.3 Purchase Card. Authorized signatures for Purchase Card transactions are Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer and Chief Executive Officer. All approvals of Purchase Card transactions must be consistent with MTS's internal Purchase Card Policy.

41.4.4 Change Orders. A contract change order is a change within the original scope of the contract. Contract change orders costing \$100,000 or less may be approved by the Chief Executive Officer. Contract change orders costing more than \$100,000 may be approved by the Board of Directors. Any change order costing more than \$100,000 that requires immediate approval due to: an

emergency involving public safety; liability to MTS; unacceptable delay to the project; or substantial cost increase, shall receive immediate concurrence from the Chief Executive Officer and report such action to the Board of Directors at its next meeting.

41.4.5 Revenue Contracts. Revenue contracts are contracts that result in payments to MTS for goods, services or real property interests. Examples include group/employer sales contracts (monthly passes/fare revenue), advertising, special event licenses, property leases, right of entry permits or licenses, easements and grant deeds. All revenue contracts may be approved by the Chief Executive Officer. Long-term concession contracts (e.g. bus shelter advertising, naming rights, trolley station concessions) and the sale of real property rights (e.g. easement or fee simple interest) valued over \$100,000 shall be approved by the Board of Directors.

41.4.6 Grants and Memorandums of Understanding. Grants and related documents necessary to obtain local, state and federal funding may be approved by the Chief Executive Officer, Chief Financial Officer, Chief of Staff or General Counsel. Memorandums of Understanding or other agreements documenting an agreed process or program, but not requiring a specific expenditure of MTS funds, may be approved by the Chief Executive Officer. Memorandums of Understanding or other agreements that materially alter the risk or liability MTS has agreed to/is legally obligated to bear, shall be approved by the Board of Directors.

41.4.7 Cost Recovery Agreements. Agreements to undertake certain activities, but which are fully funded by another entity, may be approved by the Chief Executive Officer. Examples include agreements with San Diego Association of Governments establishing the cost-recovery process for *TransNet*-funded transit programs or agreements with North County Transit District to pay its fair share of Regional Fare System (Compass Card) costs.

41.4.8 Real Property Transfer Documents. Subject to the approval limits set forth in this Policy, the Chief Executive Officer is authorized to sign all real property transfer documents, including but not limited to, permits, rights of entry, licenses, leases, deeds, easements, escrow instructions, and certificates of acceptance.

41.4.9 Capital Asset Transfer Documents. Capital Assets may include but are not limited to: revenue vehicles; non-revenue vehicles; equipment; information technology; and furniture. Transfer documentation for Capital Assets may be signed by staff as authorized within MTS Board Policy No. 33, Capital Asset Disposal.

41.4.10 Emergency Procurements. As authorized by Public Utilities Code section 120224.1, the Chief Executive Officer may authorize the purchase of goods or services, including those costing more than \$100,000, if the purchase requires immediate approval to avert or alleviate damage to, or to repair or restore damaged or destroyed property and insure that MTS facilities are available to serve the transportation needs of the general public or to comply with any state or federal regulation with respect to the operation of public

transportation services or protecting public safety. The Chief Executive Office shall report such actions to the Board of Directors at its next meeting.

41.5 Changes in Terms and Conditions

Any requested revision to MTS's Terms and Conditions or to accept a Vendor's Terms and Conditions must be approved by the General Counsel.

41.6 Authorized Signatories for Payment of Invoices

41.6.1 Payment of Invoices not associated with Contracts. Payment of invoices not associated with contracts includes, but is not limited to, employee reimbursements, payroll deductions, utility payments, insurance payments, purchase card transactions and claim payments. Authorized signatures for payment of these invoices are Supervisors, Managers, Directors, Chief Operating Officer – Bus/Rail, Chief Financial Officer, Chief of Staff, General Counsel, and Chief Executive Officer.

All approval levels must be contained within and be consistent with overall Board of Directors approval levels. The approval levels are as follows:

Manager/Supervisor	To	\$ 3,500
Directors	To	\$ 5,000
Chief Operating Officer – Bus/Rail	To	\$ 50,000
Chief Financial Officer	To	\$ 50,000
Chief of Staff	To	\$ 50,000
General Counsel	To	\$ 50,000
Chief Executive Officer	Over	\$ 50,000

41.6.2 Payment of Invoices associated with Contracts. Payment of invoices associated with contracts, includes, but is not limited to, formal contracts, stand-alone purchase orders and punch-out catalog purchase orders. The Chief Executive Officer will implement internal policies and protocols to ensure that upon receiving an invoice, the proper rate, price and quantity is being charged before payment is processed. Once payment is processed, the disbursement must then be approved as required by Section 41.1 of this Policy.

41.7 Authorized Signatories for Freight/Shipping and Sales/Other Taxes

The signature authority for the approval and payment of freight/shipping and sales/other taxes is described within MTS Board Policy No. 63, Payments for Freight/Shipping or Sales/Other Taxes Policy.

41.8 Authorized Signatories for Absences

In the Chief Executive Officer's absence, General Counsel, Chief of Staff, Chief Financial Officer or the Chief Executive Officer's designee is authorized to execute all checks, purchase requisitions, contracts, and documents as necessary, subject to any limits set or instructions given by the Chief Executive Officer.

In the Procurement Manager's absence, the Chief Financial Officer, the General Counsel, the Director of Financial Planning and Analysis, or the Controller is authorized to execute Expense Contracts falling within the Procurement Manager's signature authority.

In the Clerk of the Board's absence, the Assistant Clerk of the Board is authorized to execute documents as may be required to certify actions of the Board of Directors.

41.9 Electronic Signature

Any signature authorized within this Policy may be provided electronically through an automated system (e.g. SAP system).

Upon receipt of approval from the Board of Directors for any Expense Contract over \$100,000, the Chief Executive Officer or his or her designee shall have the authority to provide the electronic approval within an automated system for the Board of Directors when applicable.

This original Policy was adopted on 2/13/1992.

Policy revised on 8/11/1994.

Policy revised on 1/29/2004.

Policy revised on 2/23/2006.

Policy revised on 11/18/2010.

Policy revised on 11/14/2013.

Policy revised on 03/20/2014.

Policy revised on 10/29/2015

Policy revised on 12/8/2016.

Policy revised on 2/14/2019.

Agenda Item No. 6b

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

October 8, 2019

SUBJECT:

SUMMARY OF SD&AE DOCUMENTS ISSUED SINCE APRIL 9, 2019

RECOMMENDATION:

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

Budget Impact

None.

DISCUSSION:

Since the April 9, 2019, SD&AE Railway Company Board of Directors meeting, the documents described below have been processed by staff.

- S200-19-695: Right of Entry Permit to HP Communications to construct an underground telecommunications line at 32nd Street and Imperial Avenue in the City of San Diego.
- S200-19-699: Right of Entry Permit to AT&T California to construct an underground fiber-optic line southeast of Smythe Avenue in the City of San Diego.
- S200-19-702: Purchase and Sale Agreement with the United States of America for purchase of right-of-way and grant of easement at San Ysidro in the City of San Diego.
- S200-19-703: Right of Entry Permit to Urban Corps of San Diego County for graffiti removal between Beardsley and Cesar Chavez Parkway in the City of San Diego.
- S200-19-704: Right of Entry Permit to Tetra Tech, Inc. to repair monitoring wells west of 32nd Street in the City of San Diego.
- S200-19-705: Right of Entry Permit to Century Link to construct an underground fiber-optic line at Cesar Chavez Parkway in the City of San Diego.

- S200-19-706: Right of Entry Permit to the City of La Mesa for its Flag Day Parade.
- S200-19-711: Right of Entry Permit to HP Communications, Inc. for pole-anchor installations at Dorothy Street in the City of Chula Vista.
- S200-20-712: Right of Entry Permit to Urban Corps of San Diego County for graffiti abatement in the City of El Cajon.
- S200-20-713: Right of Entry Permit to Ortiz Corporation to construct a water pipeline at 30th Street in the City of San Diego.
- S200-20-715: Right of Entry Permit to Superior Ready Mix Concrete L.P. for sidewalk improvements at 28th Street in the City of San Diego.
- S200-20-717: Right of Entry Permit to Old Town Trolley Tours of San Diego for shuttle services at H Street Trolley Station for Chula Vista Harbor Days.
- S200-20-720: License to Pacific Bell Telephone Co. dba AT&T California for an aerial fiber line at Hill Street in El Cajon.

Agenda Item No. 7

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

October 8, 2019

SUBJECT:

APPROVAL OF THE 2020 SD&AE BOARD OF DIRECTORS MEETING SCHEDULE

RECOMMENDATION:

That the SD&AE Board of Directors approve the 2020 SD&AE Board of Directors meeting schedule.

Budget Impact

None.

DISCUSSION:

The SD&AE Board of Directors customarily meets once each quarter to discuss business and receive reports from its contract operators.

The following meeting schedule is recommended for 2020:

Tuesday, January 14, 2020	9:00 a.m.	(Fourth Quarter 2019 Reports)
Tuesday, April 7, 2020	9:00 a.m.	(First Quarter 2020 Reports)
Tuesday, July 7, 2020	9:00 a.m.	(Second Quarter 2020 Reports)
Tuesday, October 6, 2020	9:00 a.m.	(Third Quarter 2020 Reports)

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

Materials Due to Clerk:

Wednesday, January 8, 2020
Wednesday, April 1, 2020
*Tuesday, June 30, 2020
Wednesday, September 30, 2020

Materials Posted:

Friday, January 10, 2020
Friday, April 3, 2020
Thursday, July 2, 2020
Friday, October 2, 2020

*Materials due early due to July 4 holiday.



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Agenda Item No. 7

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

INVESTMENT REPORT – QUARTER ENDING, SEPTEMBER 30, 2019

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of September 30, 2019. The combined total of all investments has increased quarter to quarter from \$121.3 million to \$139.5 million. This \$18.2 million increase is attributable to \$60.4 million in Federal Transit Administration (FTA), \$18.3 million in subsidy reimbursement from SANDAG relating to the light-rail vehicle (LRV) procurement, partially offset by \$61.9 million in capital expenditures, as well as 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.

MTS remains in compliance with Board Policy 30 and is able to meet expenditure requirements for a minimum of the next six months as required.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Investment Report for the Quarter Ending September 30, 2019



**San Diego Metropolitan Transit System
Investment Report
September 30, 2019**

Institution / Issuer	Function	Investment Type	Restricted	Unrestricted	Total	Avg. Rate of Return	Benchmark
J.P. Morgan Chase	Operating Funds	Depository Bank	-	45,031,356	45,031,356	0.35%	* 0.730% WSJ Money Market
U.S. Bank - Retention Trust Account	Restricted for Capital Support	Depository Bank	5,354,225	-	5,354,225	N/A	** -
San Diego County Treasurer's Office	Prop 1B TSGP Grant Funds	Investment Pool	13,257,372	-	13,257,372	2.386%	2.150% S&P US T-Bill 0-3 Mth Index
Subtotal: Restricted for Capital Support			18,611,597	-	18,611,597		
Local Agency Investment Fund (LAIF)	Investment of Surplus Funds	Investment Pool	4,480,475	45,347,707	49,828,183	2.280%	2.150% S&P US T-Bill 0-3 Mth Index
San Diego County Treasurer's Office	Investment of Surplus Funds	Investment Pool	-	26,011,456	26,011,456	2.386%	2.150% S&P US T-Bill 0-3 Mth Index
Subtotal: Investment Surplus Funds			4,480,475	71,359,163	75,839,639		
Grand Total Cash and Investments			\$ 23,092,072	\$ 116,390,519	\$ 139,482,591		

*-The .24% is an annual percentage yield on the average daily balance that exceeds \$22 million

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



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Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

REGIONAL TRANSIT MANAGEMENT SYSTEM (RTMS) RADIO HARDWARE
UPGRADE CONTRACT AWARD AND POST-WARRANTY MAINTENANCE SERVICES
CONTRACT AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to:

- 1) Execute MTS Doc. No. PWG279.0-19 (in substantially the same format as Attachment A) in the amount of \$2,950,000.00 with Motorola Solutions, Inc. (Motorola) for the purchase of radio hardware and radio hardware upgrade services for the RTMS; and
- 2) Execute Amendment No. 2 to MTS Doc. No. G1887.0-16 (in substantially the same format as Attachment B) with Motorola to extend the RTMS post-warranty radio system maintenance agreement by up to 12 months from January 1, 2020 through December 31, 2020 in the amount of \$399,985.48.

Budget Impact

MTS and North County Transit District (NCTD) will share costs of the upgraded components based on the RTMS cost sharing Memorandum of Understanding (MOU), G0699.0-02. The total cost of MTS Doc. No. PWG279.0-19 shall not exceed \$2,950,000.00 and MTS's portion of the cost is approximately \$2,185,000 and is funded through the Capital Improvement Program (CIP) budget #1007110001-599901.

The value of Amendment No. 2 to MTS Doc No. G1887.0-16 shall not exceed \$399,985.48. Costs for Motorola RTMS post-warranty services are shared via MTS and NCTD's MOU (G0699.0-02). MTS's portion of the costs will be approximately \$303,986.48, and will be funded by the annual Information Technology (IT) operating budget (661010-571250). NCTD's portion of the costs will be approximately \$96,000.



The total adjusted cost of MTS Doc. No. G1887.0-16, inclusive of all amendments, will not exceed \$1,722,814.35.

DISCUSSION:

Contract Award – PWG279.0-19 – RTMS Upgrade Project

MTS and NCTD use RTMS, installed approximately 15 years ago, to manage their fixed route buses in daily transit operations. RTMS is a full Computer Aided Dispatch / Automatic Vehicle Location (CAD/AVL) solution and tracks on-time performance, communicates with buses via radio, and provides passengers with real-time information.

As part of RTMS, MTS and NCTD share an 800 MHz seven-channel radio system with 9 remote simulcast sites and one base radio site at the Imperial Avenue Division (IAD) covering most of the MTS and NCTD service areas. As part of the current RTMS and Radio Site Upgrade project, the radio site hardware is being replaced with newer equipment as the original system has reached its useful life and is no longer supported by Motorola. The upgrade will allow the agencies to continue to use the robust radio system into the future.

On May 10, 2019, MTS issued a Request for Proposals (RFP) for RTMS Radio Site Hardware Refresh. A single proposal was received from Motorola Solutions, Inc. on the due date of July 5, 2019. The total cost of the upgraded equipment and installation by Motorola will cost \$2,950,000.

Staff conducted a post-proposal survey of potential proposers who chose not to respond to ensure the solicitation was properly published and its contents were not restrictive. No responses were received. In addition, staff performed a detailed cost analysis of the negotiated cost proposal in comparison to the ICE and found to be within range. Based on the analysis, staff determined that Motorola's costs are fair and reasonable.

Contract Amendment No. 2 – G1887.0-16 – Maintenance and Support for Legacy RTMS System during Transition

Until the upgrade project described above is fully implemented, MTS still needs to maintain continuous operations of the existing system. Motorola provides post-warranty maintenance and support services for the legacy radio systems that are part of RTMS. The current maintenance and support services contract is valid from October 1, 2016 to December 31, 2019. Completion of the radio upgrade project is anticipated to be in late 2020. As a result, MTS asked Motorola to provide additional support of existing hardware through December 31, 2020, or until the upgrade project is complete.

If the upgrade is completed before December 31, 2020, the maintenance contract will be terminated at that time and Motorola will refund a prorated portion of the maintenance costs.

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

- 1) Execute MTS Doc. No. PWG279.0-19 (in substantially the same format as Attachment A) in the amount of \$2,950,000.00 with Motorola Solutions, Inc.

(Motorola) for the purchase of radio hardware and radio hardware upgrade services for the RTMS; and

- 2) Execute Amendment No. 2 to MTS Doc. No. G1887.0-16 (in substantially the same format as Attachment B) with Motorola to extend the RTMS post-warranty radio system maintenance agreement by up to 12 months from January 1, 2020 through December 31, 2020 in the amount of \$399,985.48.

/s/ Karen Landers for _____
Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. No. PWG279.0-19
B. Draft MTS Doc. No. G1887.2-16

**STANDARD SERVICES AGREEMENT
FOR
RTMS RADIO SITE HARDWARE REFRESH**

PWG279.0-19 CONTRACT NUMBER

THIS AGREEMENT is entered into this _____ day of _____ 2019, 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: Motorola Solutions, Inc. Address: 10680 Treena Street, Suite 200

Form of Business: Corporation San Diego, CA 92132

(Corporation, partnership, sole proprietor, etc.)

Telephone: 858-414-6647 Email Address: ken.nordholm@motorolasolutions.com

Authorized person to sign contracts: <u>Micah Applewhite</u>	<u>MSSSI Vice President</u>
Name	Title

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

Provide analysis, design, installation and implementation of Regional Transit Management System (RTMS) Radio Site Hardware Refresh as specified in the Scope of Work (attached as Exhibit A), BAFO form (attached as Exhibit B), and in accordance with the Standard Services Agreement, including Standard Conditions Services (attached as Exhibit C), Federal Requirements (attached as Exhibit D) and Forms (attached as Exhibit E).

The contract term is up to one year upon completion of the project.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$2,950,000.00 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: _____
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SECOND AMENDMENT STANDARD SERVICES AGREEMENT

THIS SECOND AMENDMENT TO STANDARD SERVICES AGREEMENT ("Amendment") is entered into and effective this _____ day of _____, 2019 ("Effective Date") by and between the San Diego Metropolitan Transit System ("MTS"), and Motorola Solutions, Inc., each of which may alternatively be referred to herein as a "Party" and collectively as the "Parties". All capitalized terms in this Amendment shall have the same meaning as in the Agreement (as defined below) unless otherwise stated herein.

RECITALS

WHEREAS, the Parties entered into that certain Standard Services Agreement dated October 4, 2016, as amended ("Agreement");

WHEREAS, the Agreement terminates on December 31, 2019;

WHEREAS, the Parties desire to amend the Agreement to extend the term and include the services as set forth herein.

WHEREAS, this Amendment is conditioned upon MTS entering into an agreement with Motorola Solutions for the MTS Radio Site Hardware Refresh (No. PWG279.0-19).

AGREEMENT

NOW THEREFORE, in consideration of the above premises, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto amend the Agreement as follows:

1. The term of the Agreement is extended until December 31, 2020 ("Extended Term").
2. During the Extended Term, MTS agrees to pay Motorola Solutions, Inc., the fees set forth in the Pricing Schedule, a copy of which is attached hereto as Exhibit A-1. Services for the Extended Term will be invoiced in full upon execution of this Amendment.
3. Conflict/No Other Modifications. In the event of a conflict between the terms of this Amendment and the terms of the Agreement, this Amendment shall control. All other terms of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be signed by their authorized representatives as of the Effective Date. This Amendment may be executed in counterparts, all of which taken together shall constitute one instrument. Electronic or facsimile signatures are acceptable forms of execution of this Amendment and shall be binding on all Parties hereto.

**SAN DIEGO METROPOLITAN TRANSIT
SYSTEM**

Signature

Name

Title

MOTOROLA SOLUTIONS, INC.

Signature

Name

Title

Date

Date

EXHIBIT A-1
Pricing Schedule

Service Offering	Model	Oct 01, 2019 - Dec 31, 2019	Jan 01, 2020 - Dec 31, 2020
Technical Support	LSV01Q00394A	\$ 3,191.12	\$ 12,764.48
Dispatch Service	LSV01Q00395A	\$ 1,487.03	\$ 5,948.12
Onsite - Regular	LSV01Q00396A	\$ 64,640.51	\$258,562.04
Preventative Maintenance	LSV01Q00397A	\$ 6,821.72	\$ 27,286.88
Infrastructure Repair	LSV01Q00398A	\$ 15,540.74	\$ 62,162.96
APX6500 Essential	LSV01S00143A	\$ 7,509.60	\$ 30,038.40
APX4500 Essential	LSV01S00144A	\$ 805.65	\$ 3,222.60
	Total	\$ 99,996.37	\$399,985.48



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Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

ELEVATOR AND ESCALATOR PREVENTATIVE MAINTENANCE AND REPAIR –
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. PWG281.0-19 (in substantially the same format as Attachments A) with KONE Inc. (KONE) for the provision of elevator and escalator preventative maintenance and repair services for a period of seven years for a total of \$2,203,643.66.

Budget Impact

The value of this agreement will not exceed \$2,203,643.66. The project will be funded through the respective fiscal years' maintenance operating budget accounts as follows:

	<i>Budget Account</i>	<i>Budget Amount</i>
San Diego Transit Corporation (SDTC)	331014-536500	\$78,923.36
San Diego Trolley, Inc. (SDTI)	380016-536500	\$1,166,821.02
Bus Rapid Transit (BRT)	846012-571140	\$957,899.28
		\$2,203,643.66

DISCUSSION:

MTS currently has twenty elevators and four escalators at various BRT stations, Trolley stations and transit facilities that require continued preventative maintenance and as-needed repairs. This contract will provide full elevator and escalator preventative maintenance and repair services, including all inspections, adjustments, tests, parts replacement, and repairs. The resulting effects of preventative maintenance and repair activities for MTS elevators and escalators will be the continuous use of the equipment



at the established capacity and efficiency for their intended purposes. The existing contract for these services is due to expire.

On July 26, 2019, MTS issued a Request for Proposals for elevator and escalator preventative maintenance and repair services for SDTC, SDTI, and BRT. Two proposals were submitted on August 27, 2019 from KONE and Thyssenkrupp Elevator (TKE).

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

1. Qualifications of Firm or Individual	15%
2. Staffing, Organization and Management Plan	15%
3. Work Plan	30%
4. Cost/Price	40%
Total 100%	

On September 11, 2019, the selection committee evaluated the initial proposals and scored as follows:

Ranking	Proposer Name	Total Avg. Tech. Score	Avg. Cost Score	Cost	Total Score
1.	TKE	43.50	40.00	\$2,526,843.89	83.50
2.	KONE	49.13	32.83	\$3,078,739.23	81.95

The evaluation panel then determined that TKE and KONE were both within the competitive range, and requested Best and Final Offers (BAFO) from each firm.

On October 1, 2019, MTS received BAFOs from both proposers. TKE's pricing remained the same as its original offer. However, KONE offered two pricing options. Option A pricing in the amount of \$2,771,668.06 was based on acceptance of MTS terms and conditions as outlined in the solicitation. Option B pricing in the amount of \$2,202,643.66 was based on a cooperative contract through OMNIA Partners Purchasing Cooperative. Generally, cooperative contracts require agencies to accept the terms and conditions of the cooperative agreement in order to receive the pricing. MTS was unable to accept the terms and conditions of the OMNIA agreement for various reasons, most notably that the OMNIA solicitation did not contain FTA terms and conditions. On October 7, 2019, MTS entered into negotiations with KONE, and requested the OMNIA pricing with MTS terms and conditions. On October 9, 2019, KONE accepted MTS's counteroffer for a total savings of \$569,024.40 over seven years.

On October 11, 2019, the selection committee reconvened to review the proposal scores based on the revised pricing. After evaluating scores, the committee recommended that KONE be awarded the contract. The following table represents the final score and ranking for the proposers:

Ranking	Proposer Name	Total Avg. Tech. Score	Avg. Cost Score	Cost in \$	Total Score
1.	KONE	49.13	40.00	\$2,203,643.66	89.13
2.	TKE	43.50	34.88	\$2,526,843.89	78.38

Therefore, staff recommends that the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute MTS Doc No. PWG281.0-19 (in substantially the same format as Attachments A) with KONE for the provision of elevator and escalator preventative maintenance and repair services for a period of seven years for a total of \$2,203,643.66.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. PWG281.0-19

**STANDARD SERVICES AGREEMENT
FOR
ELEVATOR AND ESCALATOR MAINTENANCE AND REPAIR**

PWG281.0-19 CONTRACT NUMBER

THIS AGREEMENT is entered into this _____ day of _____ 2019, 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: KONE Inc. Address: 9850 Business Park Avenue

Form of Business: Corporation San Diego, CA 92131
(Corporation, partnership, sole proprietor, etc.)

Telephone: 619.301.2248 Email Address: Jeff.Couture@kone.com

Authorized person to sign contracts: Jeff Couture Branch Manager
Name Title

The attached Standard Conditions are part of this Agreement. The Contractor agrees to furnish to MTS services and materials, as follows: Elevator and Escalator Maintenance and Repair as specified in the Scope of Work (attached as Exhibit A), Cost Proposal Form (attached as Exhibit B), and in accordance with the Standard Conditions (attached as Exhibit C) and Federal Requirements (attached as Exhibit D).

The contract term is for up to seven (7) years effective January 1, 2020 through December 31, 2026.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$2,203,643.66 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM CONTRACTOR AUTHORIZATION

By: _____ Firm: _____
Chief Executive Officer

Approved as to form: _____ By: _____
Signature

By: _____ Title: _____
Office of General Counsel

SA-SERVICES (REV 8/2/2018)
DATE

EXHIBIT A: SCOPE OF WORK/TECHNICAL SPECIFICATION FOR SERVICES
--

B. 1 GENERAL

The San Diego Metropolitan Transit System, hereinafter referred to as "MTS" is seeking a qualified firm to provide full Elevator and Escalator Preventive Maintenance and Repair Services, including all inspections, adjustments, tests, parts replacement, and repairs necessary to keep the elevators and escalators covered under this contract in continuous use at the established capacity and efficiency for their intended purpose.

All references to elevators included herein shall be considered to include escalators. All work under this contract shall be performed by skilled, competent, journeyman elevator mechanics having a minimum of three (3) years of experience maintaining elevators and escalators and directly employed and/or supervised by the Contractor. Elevator mechanic helpers and/or elevator mechanic apprentices may be used, provided they are under the direct supervision of a journeyman elevator mechanic on site at all times. Direct supervision means working under constant guidance or simultaneously with a journeyman elevator mechanic. Sufficient personnel shall be assigned to complete maintenance in a timely manner. Contractor shall maintain a valid copy of a C-11 (Elevator Contractor) license or a General A (Engineering Contractor) license issued by the California State Contractor's License Board for the duration of the contract.

All maintenance, adjustments, and repairs shall be in compliance with the latest adopted editions of ASME A17.1, Safety Code for Elevators and Escalators, A17.2, Inspector's Guide for Elevators and Escalators, and A17.3 Safety Code for Existing Elevators and Escalators (including supplements) hereinafter referred to as ASME A17.1. The safety practice and procedures in the "Elevator Industry Field Employees Safety Handbook" shall also be followed when performing maintenance and repairs.

B.2 CONTRACT TERM

This contract is for up to a seven (7) year period. The Contractor shall be prepared to accept the terms and conditions of the Agreement.

Throughout the full term of the agreement, Contractor shall provide a list of all employed certified mechanic that will be assigned to this contract.

B.3 REGULAR SERVICE HOURS

Monday through Friday, 8:00 a.m. to 5:00 p.m. (excluding holidays)

B.3.1 MTS Holidays (Subject to change during contract)

1. New Year's Day	6. Independence Day
2. Martin Luther King Day	7. Labor Day
3. President's Day	8. Veterans Day
4. Cesar Chavez Day	9. Thanksgiving Day
5. Memorial Day	10. Christmas Day

B.4 EQUIPMENT LISTING AND LOCATIONS

It is the intent of these scope/specifications to obtain complete maintenance for the following elevators and escalators listed below:

Group A – SDTC

Location	Address	Make/Model	Description	Qty
Administration Bldg. (IAD)	100 16 th St. San Diego, CA. 92101	Otis / Hydraulic	Passenger	1 Elevator
Adm. RAM Bldg. (IAD)	100 16 th St. San Diego, CA. 92101	Kone / Hydraulic	Passenger	1 Elevator
Storeroom Area (KMD)	4630 Ruffner St. San Diego, CA. 92111	Reliable / Hydraulic	Passenger	1 Elevator

There are two elevators located at the Imperial Avenue Division (IAD) and one elevator located at the Kearny Mesa Division (KMD). Please see SDTC Map of Elevator Locations (Exhibit A)

The SDTC Project Manager contact information is:

Thomas Pascarella
Facilities Supervisor – Bus Maintenance
thomas.pascarella@sdmts.com
(619) 557-6475

Group B - SDTI

LOCATION	ADDRESS	MAKE/MODEL	DESCRIPTION	QTY
Fashion Valley Trolley Station	1205 Fashion Valley Rd. San Diego, CA 92108	Dover 37-23290 / Hydraulic	With phone landing/opening	1 Elevator
Qualcomm Stadium Trolley Station	9449 Friars Rd. San Diego, CA 92108	Dover 37-23290 / Hydraulic	With phone landing/opening	1 Elevator
Grantville Trolley Station	4510 Alvarado Canyon Rd. San Diego, CA 92120	KONE / Hydraulic	Passenger, with phones	2 Elevators
SDTI Building A	12 S. 13 th Street San Diego, CA 92113	OTIS / Hydraulic	Passenger	1 Elevator

LOCATION	ADDRESS	MAKE/MODEL	DESCRIPTION	QTY
San Diego State University (SDSU) Trolley Station	5260 Campanille San Diego, CA 92182	Mitsubishi, MEI / Hydraulic	5k lb. with phone	4 Escalators
Grossmont Trolley Station	8601 Fletcher Pkwy. La Mesa, CA 91942	KONE KCM831 / Traction	Passenger, with glass	2 Elevators

Please see SDTI Map of Elevator Locations (Exhibit B)

The SDTI Project Manager contact information is:

Rolando Montes
 Supervisor of Facilities
rolando.montes@sdmts.com
 (619) 557-4927

Group C - BRT

LOCATION	ADDRESS	MAKE/MODEL	DESCRIPTION	QTY
Sabre Springs Transit Station	13538 Sabre Springs Pkwy., San Diego, CA 92128	KONE / Traction	Passenger, with phones	2 Elevators
Centerline Station Northbound El Cajon Blvd.	4024 El Cajon Blvd. San Diego, CA 92105	KONE KCM831 LCE / Traction	Passenger, with phones, LCE control	2 Elevators
Centerline Station Southbound El Cajon Blvd.	4023 El Cajon Blvd. San Diego, CA 92105	KONE KCM831 LCE / Traction	Passenger, with phones, LCE control	2 Elevators
Centerline Station Northbound University Ave.	4024 University Ave. San Diego, CA 92105	KONE KCM831 LCE / Traction	Passenger, with phones, LCE control	2 Elevators
Centerline Station Southbound University Ave.	4023 University Ave. San Diego, CA 92105	KONE KCM831 LCE / Traction	Passenger, with phones, LCE control	2 Elevators

Please see BRT Map of Elevator Locations (Exhibit C)

The BRT Project Manager contact information is:

Clarke Peters
Supervisor of Passenger Facilities
Clarke.Peters@sdmts.com
(619) 595-7037

B.5 SCOPE

The Contractor shall be completely responsible for their work, including any damages or breakdowns caused by their failure to take appropriate action.

The work to be performed by the Contractor shall consist of furnishing all material, labor, tools and equipment necessary to provide full maintenance service on a monthly basis on the equipment described.

B.5.1 Examination of Existing MTS Elevator and Escalator Equipment

- a. All Elevator and Escalator Equipment maintained by Contractor are or will be accepted by Contractor in its "as is" condition.

B.5.2 Contractor's Duties and Responsibilities

- a. Contractor shall furnish all material, labor, tools and equipment necessary to provide complete maintenance service on the equipment described.
- b. All material and equipment furnished shall be new and working condition. All replacement parts shall be new as specified by the original manufacturer or new aftermarket parts that are accepted by the elevator industry as equal or better.
- c. Any Basic Services not specifically mentioned but which are required to make the maintenance complete within the intent of this Specification shall be performed at no additional cost to MTS.
- i. Contractor shall inspect all equipment for compliance with the Americans with Disabilities Act (ADA) and provide MTS with a status report within 30 days of contract execution. In the event the Contractor identifies any equipment that is not ADA compliant, it must notify MTS immediately and include in its report a list of the deficiencies for review and approval. MTS will coordinate with the Contractor and may request for a quote to correct any deficiencies. The report must include, but is not limited to the following information below:
 - a. Date of inspection, contact person;
 - b. Equipment location, make and model;
 - c. ADA status with description (i.e. compliant, non-compliant). If status is "non-compliant" with ADA, provide specific details of deficiency and any recommendation;
 - d. If necessary, attach any applicable documentation

Once all deficiencies have been addressed and corrected, Contractor shall resume the responsibility for making sure that all equipment are in compliance with the ADA requirements throughout the life of the contract.

B.5.3 Exclusions

The following work is excluded from preventive maintenance services in this contract and is not the responsibility of the Contractor.

- a. Power supply feeders, switches and fuses of supply circuits.
- b. Repair or replacement of products of combustion detectors for fire recall. However, testing of detectors in conjunction with fire service contractor may be necessary. Such service, if necessary, would be considered a call back service.
- c. Car enclosure finishes; hoistway enclosures; hoistway door panels, frames and sills.
- d. Buried cylinders and buried piping.
- e. Other items caused by vandalism, negligence or misuse of the equipment by persons other than the Contractor, the Contractor's representatives and employees, excluding wear and tear.

Except for exclusions above, all other components of the Elevator Equipment are fully covered by this contract.

B.5.4 Conditions of Service

If conditions warrant, the Contractor shall repair or replace any or all, but not limited to, the following:

I. ELEVATORS

A. Traction Elevators

1. Drive sheave, drive sheave shaft bearings, brake pulley, brake coil, brake contact, linings and component parts, gears, worms, thrusts and all other components and parts of the machine and brake.
2. Motor and motor generator, motor and generator windings, rotating element, commutator, brushes, brush holders and bearings and all other related components and parts.
3. Controller, selector and dispatching equipment, all relays, solid state components, resistors, condensers, transformers, contacts, leads, dashpots, timing devices, computer devices, steel selector tape or cable and mechanical and electrical driving equipment and all other related components and parts.
4. Governor, governor sheave and shaft assembly, bearings, contacts and governor jaws.

5. Deflector, car and counterweight sheaves, bearings, car and counterweight buffers, car and counterweight guide rails and brackets, top and bottom limit switches, governor tension sheave assembly, compensating sheave assembly, counterweight and counterweight guide shoes including rollers and gibs.
6. Hoistway door interlocks, hoistway door hangers, bottom door guides and auxiliary door closing devices. Automatic power operated door operator, car door hanger, car door contact, door protective devices, load-weighting equipment, car frame, safety mechanisms, platform, platform flooring, elevator car guide shoes, gibs or rollers, signal and operating fixtures including lights, buzzers and gongs in all signal and operating fixtures. Notwithstanding the above exclusions, Contractor shall be responsible for the refinishing of scrape marks on car and hoistway doors if caused by improper adjustment of the doors or associated equipment.
7. Door protective devices, which shall be covered at all times. If an infrared door protective device fails, Contractor shall replace it at no additional cost to University, regardless of model, type, and manufacturer.
8. Communication devices, which shall be covered at all times. If an elevator phone or intercom fails, it shall be replaced at no additional cost to MTS, regardless of model, type, and manufacturer.
9. Renew all wire ropes as often as is necessary to maintain an adequate factor of safety, equalize the tension on all hoisting ropes, repair or replace conductor cables and hoistway and machine room elevator wiring.
10. Shorten and reshackle hoist cables if stretching of ropes makes this necessary.
11. The Contractor shall check the condition and operation of safety edges, light rays, Proximity devices and/or sensors at every visit and, if found inoperative, shall repair them within 24 hours. If, in the Contractor's opinion, these devices are not maintainable, replace them at no additional cost to MTS.
12. Seismic triggers and/or derailment devices; collision switches.
13. Fire controls.
14. Car Enclosure Lighting Lamps.
15. Make corrections and respond to discrepancies identified by the local elevator enforcing authorities.
16. Elevator car emergency lighting units, lamps, batteries, charger, wiring, and all related equipment.
17. All components of fire recall systems, excluding the smoke detectors.

18. Alarm bells, emergency stop switches, emergency car lights and batteries and all other related components and parts.
19. Car fans or exhaust blower, car and corridor signals and fixtures including lights, pushbuttons, contact assemblies, key switches, dials, voice annunciation systems, read-out indicators and audible signaling devices.

B. Hydraulic Elevators

1. Pumping plant, valves, exposed piping, fittings, piston (unless damaged by cylinder failure), packing, tank, heaters, mufflers, tank oil, exposed pipes, shut-off valves, oil coolers and all other components of the pump unit.
2. Materials and services covered by traction elevators as applicable.
3. Furnish all oil, lubricants, packing and other materials required.
4. Starters, which shall be covered at all times for hydraulic elevators. Where an elevator has a mechanical starter that has failed, Contractor shall be responsible for replacing it at no additional cost to MTS, regardless of whether Contractor is able to obtain the identical replacement. Furthermore, MTS has the option to request that all failed starters be replaced with Electronic Solid-State Starters at no additional cost to MTS.
5. Alarm bells, emergency stop switches, emergency car lights and batteries and all other related components and parts.
6. Car fans or exhaust blower, car and corridor signals and fixtures including lights, pushbuttons, contact assemblies, key switches, dials, voice annunciation systems, read-out indicators and audible signaling devices.
7. Car Enclosure Lighting Lamps.
8. Communication devices, which shall be covered at all times. If an elevator phone or intercom fails, it shall be replaced at no additional cost to MTS, regardless of model, type, and manufacturer.

II. ESCALATORS

A. Escalators

1. Contacts, Coils, Relays, all Sprockets, all Chains, Chain and Step Rollers, Machine, Brake, all Bearing, all Sheaves, Newel Wheels, Comb Teeth Segments, Step Treads, all Tracks, Safety Switches, Governor, and Hand Rails. Included in the regular maintenance shall be the replacement of worn escalator step chains inclusively. When the lower tension carriage can no longer be properly adjusted or repaired.
2. Light fixtures to include, Demarcation, Comb, and Balustrade lighting.

3. Provide and apply manufacturer's recommended lubricants.
4. Escalator Annuals: Within the first ten (10) months after assuming the maintenance responsibilities, and again every twelve (12) months thereafter, Contractor shall disassemble the escalators and perform an annual clean down. Steps shall be removed to aid in the inspection of the internal components and workings of the escalators. The internal components and steps shall be thoroughly cleaned of all dirt, grease, and all foreign materials. Lubrication shall be applied as specified by the original manufacturer. All internal safety switches shall be tested for proper operation and clearances.

B.6 PERFORMANCE

B.6.1 General

The Contractor shall maintain the original contract speed in feet per minute and the performances for elevators as indicated under Section B.6.2, "Basic Performance Requirements"

1. If the actual performance time of the elevator does not meet the times established for elevators of the speed and type of control, the Contractor shall restore the performance of the elevator to its optimum potential.
2. If, in the Proposer's opinion, the equipment is inherently designed so that it cannot meet these criteria, the Proposer shall so state in its proposal.
3. If there are no exceptions taken, performance shall be provided as specified hereinafter.

B.6.2 Basic Performance Requirements

Elevators shall be adjusted to meet the following basic performance standards and shall maintain these standards for the life of the contract.

B.6.2.1 Operating Characteristics:

- a. Starting, acceleration, stopping and leveling shall be smooth and free from jars or bumps.
- b. Full speed riding shall be without swaying or vibration.
- c. Elevator and door operation shall be quiet with smooth checking at the extremes of travel.
- d. Stop made upon operation of emergency stop switch shall be more rapid than a routine stop but not violent.
- e. Door pressure shall be maintained below 30 pounds in closing and not exceed kinetic energy forces stipulated in the code.

B.6.2.2 Individual Elevator Performances:

Maintain accurate leveling of +/- 1/4" for Traction Elevators and Hydraulic Elevators under all loading conditions, floor-to-floor times and door times as follows:

- a. Floor-To-Floor Times:
 - i. Geared Elevators: 6.0 to 6.5 Seconds
 - ii. Hydraulic Elevators: 12.0 to 13.0 Seconds
- b. Door Open Times:
 - i. 3'-6" C/O: 1.6 to 1.8 Seconds
 - ii. 4'-0" C/O: 2.0 to 2.2 Seconds
 - iii. 4'-0" 2 SPD: 2.3 to 2.5 Seconds
- c. Door Standing Times:
 - i. Car Call: 2.0 Seconds
 - ii. Hall Call: 5.0 Seconds

During the contract term, MTS may request the Contractor to make minor adjustments to the Door Open/Close or Standing Times. These minor adjustments will be performed at no additional cost to MTS.

Contract speed shall not vary by more than 10% for hydraulic and open loop motor control systems and 3% for closed loop motor control systems under any loading condition.

B.6.2.3 Necessity of functional elevators:

- a. MTS is a "year-round" facility. Each and every elevator is of extreme importance to the daily function of this institution. As such, MTS expects the Contractor to effect elevator repairs in a timely and efficient manner.
- b. If, in the opinion of the Project Manager, the Contractor is not making repairs to critical elevators in a timely manner, the Project Manager may, at his discretion, retain the services of another qualified elevator contractor, to effect necessary repairs. The cost for the retention of the other elevator contractor will be deducted from the monthly billings

B.6.2.4 Individual Escalator Performance:

Contractor shall maintain the manufacturer's basic performance standards of this equipment for the life of the contract.

B.7 SPECIAL TESTS

1. Elevators and Escalators provided with fire service, derailment devices, seismic switches or other special circuits shall be checked once every year or more often if required by Law, to make certain that these devices are operating correctly and as designed. Fire service test shall include testing of each product of combustion detector where installed. Advise

- MTS at least one (1) week in advance of these tests so that MTS representative can accompany the mechanic.
2. The Contractor shall examine periodically the car safety devices and governors and conduct an annual no load test and shall, during the term of this contract, but no less than every three (3) years, perform one full load, full speed test of the safety mechanism, over-speed governors, car and counterweight buffers. The car balance shall be checked electrically and the governor set. If required, the governor shall be re-calibrated and sealed for proper tripping speed. These tests shall be witnessed by the MTS Project Manager or designee and a written report shall be furnished indicating the results of such test. Any and all additional tests, as required by the jurisdictional agency shall be provided at no additional cost to MTS. All testing shall conform to the requirements of ASME A17.1 and applicable local code testing requirements. Contractor will install test tags indicating type of test and date.
 3. Contractor shall periodically examine the hydraulic pumping systems including, but not limited to, the pump, valves, feed lines, plunger, and packing for leaks. Leaks will be corrected in a timely manner at no additional cost to MTS. In addition, all special tests outlined in this specification, will be complied with at no additional cost to MTS. Any problems associated with or caused by these tests, with the exception of underground piping, will be corrected/repared by the Contractor at no additional cost to MTS. Any and all additional tests, as required by the jurisdictional agency shall be provided at no additional cost to MTS.
 4. All required testing shall be performed at Contractor's expense.
 5. In addition to the above requirements, the Contractor shall perform all Periodic Testing as required by ASME A17.1 Section 8.11. All Testing shall conform to the testing intervals as outlined in ASME A17.1 Table N-1.

B.8 HOUSEKEEPING

1. Within the first three (3) months this contract is in effect, the Contractor shall thoroughly clean all elevator hoistways, pits, car tops and machine rooms. In addition, during the same period of time, all car and hoist way door tracks, hangers, interlocks and closers shall be cleaned, lubricated and adjusted. Continuing cleaning must be on-going and at the following minimum intervals or whenever and where conditions warrant.

a. Quarterly:	Car tops, pits and machine rooms
b. Semi-Annually:	Hoistways and door equipment
c. Semi-Annually:	Interior Glass of Hoistway
d. Semi-Annually:	Exterior glass of car
2. The exterior of the machinery and any other parts of the equipment subject to rust shall be properly painted and presentable at all times. The motor windings and controller coils are to be periodically treated with proper insulating compound. The Contractor shall keep the elevator machinery rooms clean.
3. All debris resulting from this work shall be promptly removed by the Contractor. Debris such as wiping rags, empty oil cans, trash from pits, etc. will be put in containers as directed by MTS.

4. Contractor shall clean the interior glass of hoistway and exterior glass of car twice a year. Cleaning of interior glass of hoistway shall include cleaning of acrylic items and steel items and steel hoistway framing.

B.9 REPLACEMENT PARTS

In the event that the Contractor need to purchase replacement parts (not covered in the scope of the contract) to repair an elevator and/or escalator, parts, materials and supplies shall be reimbursed by MTS based on actuals cost plus the percent provided in the bidder's proposal. No additional mark-ups will be allowed.

Contractor must attach supporting documentation that proves actual purchase price of parts with the invoice to show actual cost paid/final sale for parts or materials obtained from its suppliers.

Contractor shall also certify that the original equipment manufacturer's major machine components such as motor elements, machine assemblies, worms and gears and other special parts, not stocked locally, can be delivered by air freight within 48 hours should emergency conditions warrant. Any such deliveries shall, however, be at no additional cost to MTS.

B.10 WIRING AND CONSTRUCTION PRINTS:

Contractor shall maintain a complete set of all wiring diagrams for the Elevator Equipment covered under this contract and stored in the machine rooms of the equipment locations described herein. All changes in circuitry made by Contractor shall be properly recorded in each machine room, copies of diagrams, including date of change, Contractor's authorized employee's name making the change(s). The wiring diagrams are the property of MTS and are to remain in the respective machine room of each equipment location.

B.11 SOFTWARE

1. If any part of the Elevator or Escalator Equipment incorporates computer software for which Contractor requires a back-up or archival copy, Contractor shall submit to MTS a written request for same prior to preparing its own back-up copy.
2. If MTS agrees to approve Contractor's request for a copy of such software, the back-up or archival copy shall remain the property of MTS and shall not be removed from the equipment location to which the software applies.
3. If, during the term of the Contract, Contractor should install controller software upgrades, the upgrades shall remain a part of the Elevator Equipment in the event of termination of the Contract for the equipment location to which the software applies.

B.12 REMOTE MONITORING

If Contractor shall require remote monitoring of the Elevator Equipment to facilitate its maintenance program, the cost of such remote monitoring equipment, including all installation and maintenance costs, shall be at Contractor's expense.

B.13 SCHEDULES AND RECORDS

1. These work schedules shall be designed for each type of equipment to be serviced, such as geared elevators, hydraulic elevators, etc., and shall conform to the manufacturer's recommended practice for the particular equipment concerned. They shall show the kind and frequency of service and lubrication proposed by the Contractor for the duration of the Contract. MTS will evaluate proposed work schedules in awarding the contract.
2. All inspections, lubrication, adjustments, tests, cleaning, routine repairing and other preventative maintenance activities shall be performed in accordance with the proposed schedule submitted with Contractor's proposal.
3. After approval of schedules by MTS and commencement of work, Contractor shall keep these work schedules on display in each equipment room and perform regular maintenance service in accordance therewith. Schedules posted shall be of the chart type, which shall be initialed by the serviceman when each scheduled inspection is performed.
4. Contractor shall also maintain an accurate and complete log of all work performed in addition to routine service at each location. These logs shall include emergency call-back service describing the nature of all complaints and their resolution. The logs shall be kept in the equipment rooms at each location. In addition to the specified machine room log, Contractor's workmen or supervisor shall log in and out of each building on each and every visit. This includes, but is not limited to, routine maintenance, trouble calls, repairs and supervisor's visits.
5. Contractor shall submit a Work Order (W/O) or Service Call Report for each car describing tests and provide a signed copy to the MTS Project Manager after a successful test has been concluded. The Work Order or report shall also describe any malfunctions along with any corrective action taken.
6. Management Reports:
The Contractor shall furnish on a quarterly basis to the MTS Project Manager the following information:
 - Trouble Calls/Call Back Service Request Report listing the equipment location, total number of calls by location, date of service, summary of services performed, and cost paid by MTS for each service request.

B.14 SPECIAL CONDITIONS

B.14.1 Schedule/Hours of Work:

- a. All normal work and preventive maintenance service shall be performed on a regularly scheduled basis during normal business hours, (except legal or scheduled holidays).
- b. The Contractor shall instruct his/her personnel that anytime work is to be performed under this contract, they shall coordinate all activities with the MTS Project Manager prior to arriving at the facility, to ensure the equipment is available and access to the facility can be granted. Also, when arriving at the

facility, all Contract personnel shall report to the MTS Project Manager in such a manner as predetermined by the MTS Project Manager, and when exiting the facility, Contractor shall again notify the MTS Project Manager.

- c. No elevator or escalator shall remain in an inoperable condition for no longer than forty-eight (48) hours. Should repairs require additional time, Contractor shall promptly notify MTS's Project Manager or designee and justify the delay of repair. Planned repairs shall be submitted in writing to MTS and be approved by the Project Manager seven (7) days prior to placing an elevator or escalator out of service. Emergency services are excluded from this requirement.
- d. Removal of elevators and/or escalators from service shall be coordinated with and approved by the MTS Project Manager or designee.
- e. Contractor shall not be required to perform any modifications or upgrades to the elevator or escalator systems and controls unless required to maintain elevator and escalator operating permits and/or to ensure the operability and safety of the elevators and escalators.

B.14.2 Addition/Removal of Equipment

MTS reserves the right to add or delete equipment to or from this contract during the term. Any addition or deletions shall be handled via a written modification to this contract.

MTS will notify Contractor of new station openings, if any, well in advance of additional elevator and escalator maintenance service requirements. Contractor shall be required to provide these maintenance services within ten (10) working days after notification by MTS.

B.14.3 No Rights to Advertise

Contractor shall not utilize or lease space on its elevator and escalator equipment on MTS property for the display of advertising. MTS has the exclusive right under this agreement to post advertisements on its properties.

B.14.4 Emergency and Non-Emergency Call Back Services

Emergency and non-emergency call-back services shall be defined below, but is not limited to the following:

a. Emergency Repair Call Back Services:

Emergency repair services are defined as entrapment, those services required to correct an inoperable or unsafe condition, which if left in such condition, may cause serious injury or damage or which causes MTS to be in non-compliance with the American Disabilities Act (ADA) or any other Federal, State, or Local requirements.

Contractor shall respond to requests for emergency repair services within thirty (30) minutes.

b. Non-Emergency Repair Services:

Non-Emergency repair services are defined as services required due to vandalism or intentional misuse by anyone other than Contractor's employees, agents, or subcontractors.

Such repairs, while not fitting the definition of an "emergency", shall be responded to within two (2) hours to prevent disruption or inconvenience to guests or the public.

- c. Contractor shall supply all labor materials necessary to provide Emergency and Non-Emergency Call Back Services on an "as needed" Time and Materials basis.

B.14.4.1 General Requirements

- a. Contractor shall comply with all City, County, State, or Federal building laws, regulations, and code requirements in the performance of their work.
- b. Contractor shall be responsible for diagnosing the problem and making the necessary repairs.
- c. Contractor shall only perform work that is approved by MTS. Approval by the MTS Project Manager is required prior to any work being performed.
 - o Prior to performing any repair services, Contractor shall provide a quote for the services to be performed. The quote shall include at minimum the following information:
 - Estimated hour(s) and hourly rate
 - At cost part(s) amount
 - Part percentage mark up
 - Date service to performed and completed
 - o Any work in excess \$5,000 requires approval from MTS Procurement prior to commencement of services.
- d. Contractor shall perform and complete each work order in the agreed upon manner and time period.
- e. In the event of accidental site damage by the Contractor, Contractor shall be responsible to return the site to its original condition at no cost to MTS.
- f. Contractor shall remove all debris generated while making repairs, replacement, or installation and leave the work area clean, "broom swept" state.
- g. Unless otherwise stated, Contractor shall remove all equipment, materials, etc. as directed by MTS.
- h. Contractor is responsible for clarifying with the MTS Project Manager any questions regarding the work that is to be performed.

B.14.5.2 Hourly Rates:

- i. Emergency and Non-Emergency Call Back Services shall be billed at the labor rates as set forth in the Cost/Price Proposal for the following categories:
 - a. Single Man Crew - Straight Time Hourly Rate
 - b. Two Man Crew - Straight Time Hourly Rate
 - c. Single Man Crew - Outside of MTS Normal Business Hours (evenings, weekends and holidays) Hourly Rate.
 - d. Two Man Crew - Outside of MTS Normal Business Hours (evenings, weekends and holidays) Hourly Rate

- ii. All estimated travel subsistence costs (i.e. mileage, fuel surcharge, etc.), projected to be utilized by the Contractor during the term of performance of any resultant Contract are to be absorbed, amortized, and incorporated into the Proposer's fully burdened unit per hour rates as set forth in the Cost Proposal Form.

B.14.5 Intellectual Property

Contractor shall hold harmless, defend and indemnify MTS, its directors, officers, employees and agents from any loss of any kind, based on a claim that the work performed, or products provided hereunder, including material(s) or any part thereof, constitutes infringement of any patent, trademark, trade name, copyright, trade secret, or other intellectual property infringement, including but not limited to claims arising out of the manufacture, sale or use of such work, products or materials. Such indemnification shall include all damages and costs incurred by MTS as a result of the claim, including legal fees.

B.15 MTS RIGHT TO INSPECT

MTS reserves the right to make such evaluations and tests as are necessary to ascertain that the requirements of this contract are being fulfilled. MTS right to make evaluations or tests may be exercised by its designated elevator consultant, who will, if MTS so advises, have the same authority as MTS to evaluate and test the elevator performance covered under this contract. Contractor shall furnish personnel and tools necessary to conduct such tests at no additional cost to MTS. These evaluations may be made on a semi-annual basis (or on a more frequent basis as reasonably determined by MTS) during the term of this Contract. Any deficiencies found during any such evaluation shall be reported in writing to Contractor, and Contractor shall promptly correct any such deficiency at Contractor's expense. If Contractor fails to diligently perform any required corrective work in a manner satisfactory manner to MTS within thirty (30) calendar days of Contractor's receipt of any such deficiency report (or sooner if the deficiency is, in MTS's opinion, of a nature that requires immediate correction), MTS may, in addition to any other remedies MTS may have, after thirty (30) calendar days written notice to factor, perform or cause to be performed all or any part of the corrective work described in the deficiency notice. Contractor shall reimburse MTS for any expenses incurred by MTS in exercising MTS rights under this Section within ten (10) business days of receipt of MTS invoice therefore, unless MTS elects to deduct the costs incurred by MTS in effecting the corrective work from any sum owed to Contractor.

Any requested tests will be provided, and any reported deficiencies will be corrected at Contractor's expense so long as the tests and deficiencies relate to the Elevator Equipment being maintained by Contractor under this contract.

Nothing in this agreement prevents MTS from seeking bids for elevator repairs or modifications from other Contractors.

B.16 COMPLIANCE WITH LAWS AND CODES

In the performance of this contract, the Contractor agrees he will abide by all federal, state, and laws, codes, rules and regulations set forth with regard to the equipment by municipal or state authorities having jurisdiction in effect on the date of this agreement.

B.17 INVOICE/PAYMENT

Contractor shall be required to submit an inspection form with its monthly invoices. Inspection records must be submitted before payment. All invoices shall always include the date, time serviced and reference purchase order number. Contractor must provide supporting documentation to show of actual cost paid for parts or material that they obtained from their suppliers.

Invoices must be emailed to the MTS Accounting Department, ap@sdmts.com. All invoices must have the Purchase Order and contract number clearly displayed to ensure timely payment. MTS will not pay on packing slips, receiving documents, delivery documents, or other similar documents. Invoices must be submitted for payment.

Contractors must also indicate if any of the invoiced amount is for service or work provided by a subcontractor and indicate the amount that will be paid to the subcontractor.

Exhibits:

Exhibit A – SDTC Map of Elevator Locations

Exhibit B – SDTI Map of Elevator Locations

Exhibit C – BRT Map of Elevator Locations



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

Agenda Item No. 10

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

ON-CALL CONSTRUCTION MANAGEMENT (CM) AND ENGINEERING / INSPECTION
SERVICES – ASSIGNMENT INCREASE

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Amendment No. 1 to MTS Doc. No. G2023.0-17 with SANDAG in the amount of \$1,000,000. The new total value of the contract shall not exceed \$4,000,000.

Budget Impact

The total aggregate value of Master Agreements will not exceed \$4,000,000.00, without prior authorization from the Board. Funding and budget allocations will be controlled and monitored per work order issued under each Master Agreement.

DISCUSSION:

As part of its MTS-led capital infrastructure projects, MTS needs CM services to provide onsite owner representation in construction management, engineering and inspection. In order to timely accommodate projects, staff determined that the best method for procuring such services would be to enter into on-call, five year agreements with several prime consulting firms (and their designated sub-consultants) with the expertise that may be needed in an MTS project. On a project or task basis, staff will determine which on-call consultant should be awarded the work order, consistent with state and federal law.

From time to time, MTS and SANDAG coordinate procurements for services that may be of need to each agency. This can take the form of a joint procurement, or by making sure the lead agency has the right to assign some of the solicited capacity to MTS.



In early 2016, SANDAG completed a procurement process and entered into agreements with seven (7) CM firms to provide on-call CM services. The solicitation and award process used by SANDAG for these services is compliant with MTS Policy No. 52 and included language permitting assignment of a portion of the contracts to MTS.

On June 7, 2017, SANDAG assigned \$3,000,000 in collective capacity for its On-Call CM services contracts to MTS. The list of qualified firms is as follows:

AECOM Technical	EPC Consultants, Inc.
TRC Corporation	PGH Wong Engineering
CH2M Hill, Inc.	Simon Wong Engineering
DHS Consulting, Inc	

Following the assignment of On-Call CM capacity, the CEO executed Master Agreements directly with each prime consultant firm, which will allow MTS to issue work orders on a project or task basis to each firm. Individual work orders include such items as a statement of work, period of performance, pricing, deliverable(s), schedule, DBE considerations, and any other essential commitments and provisions that support MTS operations and future CM needs.

Today's action increases the assignment of capacity from SANDAG. Individual projects/work orders will be processed according to the signature authority set forth in Board Policy No. 41 (e.g. work orders under \$100,000 will be approved by the CEO; work orders over \$100,000 will require Board approval).

Therefore, staff recommends that the MTS Board authorize the CEO to execute Amendment No. 1 to MTS Doc. No. G2023.0-17 with SANDAG in the amount of \$1,000,000. The new total value of the contract shall not exceed \$4,000,000.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. SANDAG Partial Assignment Amendment

**AMENDMENT NO. 1 TO
PARTIAL ASSIGNMENT NO. 1 OF
SANDAGS' SOLICITATION CAPACITY FOR
ON-CALL PROFESSIONAL AND TECHNICAL CONSTRUCTION MANAGEMENT AND ENGINEERING SERVICES TO
THE METROPOLITAN TRANSIT SYSTEM (MTS)**

I. AMENDMENT NO. 1 SUMMARY

Contract No.: SANDAG No. 5004361 / MTS No. G2023.0-17 (Partial Assignment No. 1)						
Amendment No.: 1						
Assignee: San Diego Metropolitan Transit System (MTS)						
Work Description: Assignment of Solicitation Capacity for On-Call Professional and Technical Construction Management and Engineering Services.						
A. Amendment No. 1 Only (Revisions)				B. Original Assignment No. 1		D. Revised Total Amended Assignment
Revisions to:				Amount: \$3,000,000.00		% Over Original 33% Amount:
<input type="checkbox"/> Terms & Conditions				C. Current Assignment No. 1*		
<input type="checkbox"/> Scope of Work						
<input checked="" type="checkbox"/> Amendment Amount	Amount:	\$1,000,000.00	Amount:	\$3,000,000.00	Amount:	\$4,000,000.00

** This includes original Assignment and all previously approved amendments to the Assignment.*

NOW THEREFORE, the Parties agree as follows:

- A.** Under the Partial Assignment 1 of solicitation capacity for On-Call Professional and Technical Construction Management and Engineering Services executed on June 7, 2017 (hereinafter "Assignment") between the San Diego Association of Governments ("SANDAG"), hereinafter "Assignor", and the San Diego Metropolitan Transit System (MTS), hereinafter "Assignee", a portion of the Assignor's solicitation capacity to Third-Party Consultants for On-Call Professional and Technical Construction Management and Engineering Services has been assigned to Assignee.
- B.** Assignor hereby assigns, transfers, and sets over unto Assignee, an additional \$1,000,000.00 portion of Assignor's interest in its solicitation capacity for On-Call Professional and Technical Construction Management and Engineering Services, thus bringing the current total assigned value to \$4,000,000.00.
- C.** All other terms and conditions of the Assignment shall remain in full force and effect.

II. SIGNATURES

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

IN WITNESS WHEREOF, Assignor and Assignee have caused this Amendment No. 1 to the Assignment to be executed and delivered as of the last date of signature herein.

ASSIGNOR:

SAN DIEGO ASSOCIATION OF GOVERNMENTS

ASSIGNEE:

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

HASAN IKHRATA	Date
Executive Director or Designee	

PAUL JABLONSKI	Date
Chief Executive Officer	

APPROVED AS TO FORM AND LEGALITY:

JOHN KIRK	Date
Office of General Counsel	

KAREN LANDERS	Date
Office of General Counsel	



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Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

45-FOOT COMPRESSED NATURAL GAS (CNG) OVER-THE-ROAD COACHES –
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. B0711.0-20 to Motor Coach Industries, Inc. (MCI) for the purchase of 24, 45-foot, CNG over-the-road (OTR) coaches in the amount of \$19,573,831.12.

Budget Impact

Funding will be from the Capital Improvement Project (CIP) account #1001107701 FY19 Coach Bus Procurement.

All purchases would be contingent upon the successful completion of the federally required Buy America audit and available funding.

MCI 45-FT CNG OTR Coaches	Est. Unit Price (per bus)	CA 7.75% Tax	Total
	\$753,048.38	\$58,361.25	\$ 811,409.63
Total (24 buses)			\$19,473,831.12
Total Tools and Training:			\$ 100,000.00
Total (Not-to-exceed for 24 buses)			\$19,573,831.12



DISCUSSION:

MTS currently provides Commuter Express Service along I-15 between the inland communities of North County and Downtown San Diego. The current 24, 45-foot heavy-duty coaches for this service have reached the end of their useful service life and have been scheduled for replacement as part of the MTS Fleet Replacement Plan. The new vehicles will enhance the agency's ability to provide commuter express services efficiently and cost effectively.

MTS proposes to use a government purchasing schedule established by the State of Georgia, Department of Administrative Services (Georgia) to purchase the commuter buses. FTA Circular 4220.1F, Chapter V, Section 4, encourages federal grant recipients to use state and local government purchasing schedules or contracts for procurements of property and services. The Georgia schedule includes 45-foot commuter CNG buses that meet MTS specifications (Ref: Georgia Contract No. 99999-001-SPD0000138-0006).

The State of Georgia cooperative agreement was awarded through a formal competitive Request for Proposals (RFP) process. It was developed for the use of public / governmental agencies to reap the best pricing benefits, based on the types and number of vehicles and complies with all federal requirements and regulations.

The proposed MCI coaches are lift-equipped for disabled persons and will be utilized exclusively for the commuter express service.

Therefore, staff is requesting that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. B0711.0-20 to MCI for the purchase of 24, 45-foot, CNG over-the-road coaches in the amount of \$19,573,831.12.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. B0711.0-20

STANDARD PROCUREMENT AGREEMENT

DRAFT

B0711.0-20

CONTRACT NUMBER

WBSE #1001107701

FILE NUMBER(S)

THIS AGREEMENT is entered into this _____ day of _____, 2019, in the state of California by and between San Diego Metropolitan Transit System ("MTS"), a California public agency, and the following contractor, hereinafter referred to as "Contractor":

Name: Motor Coach Industries, Inc.Address: 200 East Oakton StreetForm of Business: Corporation
(Corporation, partnership, sole proprietor, etc.)Des Plaines, IL 60018Telephone: 800-785-1500

Authorized person to sign contracts: Patrick Scully Executive V.P., Sales & Marketing
Name Title

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

Provide a base quantity of up to 24 45-FT Clean Natural Gas (CNG) heavy-duty over-the-road Coaches per MTS's Minimum Technical Specifications (attached as Exhibit A), MCI's Proposal (attached as Exhibit B); in accordance with the Standard Procurement Agreement, including Standard Conditions Procurement (attached as Exhibit C), and Federal Requirements (attached as Exhibit D), and MTS Forms (attached as Exhibit E).

MTS has the right to purchase up to \$100,000 in training and tooling, for the duration of this contract, consistent in the pricing referenced in Exhibit B.

Vehicles shall be delivered to:

San Diego Metropolitan Transit System (MTS)100 16th Street

San Diego, CA 92101

Attn: Time Burrie (619) 238-0100, ext. 6500

The registered owner will be:

San Diego Metropolitan Transit System (MTS)

1255 Imperial Avenue, Suite 1000

San Diego, CA 92101

The contract shall be effective from December 1, 2019 through November 30, 2021. Payment terms shall be net 30 days from the final inspection and acceptance, and invoice date.

This is a firm fixed price and may be subject to escalation based on the United States Department of Labor, Producer Price Index (PPI), Commodity Code No. 1413, Truck and Bus Bodies. The total cost for the quantity of 24 coaches shall not exceed \$19,473,831.12 (\$811,409.63 per bus), plus training and tooling not-to-exceed \$100,000 (exercisable at MTS's sole discretion). Total contract amount shall not exceed **\$19,573,831.12** (includes all applicable 7.75% California sales tax, licensing fees, training, tools, manuals, and delivery) without prior written approval from 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: _____



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Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

IMPERIAL AVENUE DIVISION (IAD) TO OPERATIONS CONTROL CENTER (OCC)
REDUNDANT FIBER – AWARD WORK ORDER UNDER A JOB ORDER CONTRACT
(JOC)

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order MTSJOC7506-06 (in substantially the same format as Attachment A) under MTS Doc. No. PWL235.0-17 with HMS Construction, Inc. (HMS) for the IAD to OCC Redundant Fiber project in the amount of \$128,951.56.

Budget Impact

The total cost will not exceed \$128,951.56 inclusive of a direct cost of \$125,577.46 and the administrative fees totaling \$3,374.10. (Contractor share of administrative fees is \$1,268.46, with the MTS share at \$2,105.64). Funding will be from the MTS Capital Improvement Program #1007108901 – IAD to OCC Redundant Fiber.

DISCUSSION:

This project involves running fiber between the IAD Bus Building and OCC Server room to increase network bandwidth, add more data lines, and eliminate a single point of failure and the dependency of the Mills Building. The work is necessary to ensure the continuous operation of the network connection and the communication equipment, such as system cameras, variable message signs, and ticket vending machines.

A work order will be issued to HMS for installation of this fiber path between the IAD Bus Building and OCC Service Room. HMS will provide all materials, labor, and equipment necessary for the upgrade. Work is expected to be completed by March 2020.



In October 2016, the San Diego Association of Governments (SANDAG) and MTS issued a joint solicitation for the provision of on-call Job Order Contract (JOC) railroad signals, overhead catenary systems, installation of fiber optic cable, and electrical work along the right of way and other construction services. JOC is a procurement method under which public agencies may accomplish frequently encountered repairs, maintenance, and construction projects through a single, competitively procured long-term agreement. Three bids were received and HMS was deemed responsive and responsible. On June 8, 2017, the MTS Board of Directors authorized the CEO to execute MTS Doc. No. PWL235.0-17 with HMS.

Pricing for this repair task order was reviewed and determined to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Work Order MTSJOC7506-06 (in substantially the same format as Attachment A) under MTS Doc. No. PWL235.0-17 with HMS for the IAD to OCC Redundant Fiber project in the amount of \$128,951.56.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachments: A. Draft MTS Doc. No. PWL235.0-17; Work Order MTSJOC7506-04.01

JOB ORDER CONTRACT
WORK ORDER

PWL235.0-17
CONTRACT NUMBER

MTSJOC7506-06
WORK ORDER NUMBER

THIS AGREEMENT is entered into this _____ day of _____ 2019, 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: HMS Construction Inc. Address: 2885 Scott St.

Form of Business: Corporation Vista, CA 92081
(Corporation, Partnership, Sole Proprietor, etc.)

Telephone: 760-727-9808 Email Address: buck@hmsco.com

Authorized person to sign contracts: Michael C. High President
Name Title

Pursuant to the existing Job Order Contract (MTS Doc. No. PWL235.0-17), 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).

Pursuant to the SANDAG JOC Contract Section 7-1.04A(3), 1% of the work order value has been deducted. MTS will pay both the Contractor (1%) and the MTS/Owner share of the Gordian Group license fee.

The total cost for this work order will not exceed \$126,845.92 inclusive of a direct cost of \$125,577.46 and a 1% Gordian Group license fee of \$1,268.46.

TOTAL PAYMENTS TO CONTRACTOR SHALL NOT EXCEED \$125,577.46

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



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Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

PROCUREMENT OF SIEMENS CONTROLLER BOARD AND SIGNAL INTERFACE
MODULE FOR MAINTENANCE OF WAY (MOW) SPARE PARTS – PURCHASE
ORDER

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute a Purchase Order (in substantially the same format as Attachment A) with Siemens Mobility Inc. (Siemens), for the purchase of Controller Board and Signal Interface Modules, for a total not to exceed amount of \$133,670.34 inclusive of tax.

Budget Impact

The project will be funded by Maintenance of Way (MOW) Operating Budget account 360016-545500. The table below breaks down the cost of two type of module inclusive of 7.75% CA sales tax.

Item Description	Unit Cost	Extended Total
Controller Board Module	\$14,485.00	\$57,940.00
Signal Interface Module	16,529.00	66,116.00
7.75% Sales Tax		9,614.34
Grand Total:		\$133,670.34

DISCUSSION:

MTS recently upgraded the Blue line with Siemens SICAS S-7 Controller Board and Signal Interface Modules. These modules provide vital functions to the signal system, allows for the safe movement of trains, and facilitates on time performance. The modules provide a “light out” protection function that comes into effect when a signal



light goes out and instead of going dark it will down grade to the next restrictive aspect and provide a train operator a signal that will keep the train moving safely (i.e. a green signal goes dark, module will down grade to a yellow keeping trains moving).

Siemens SICAS S-7 programmable logic controller was used for Blue Line Cross Over Project, and is designed to operate with better reliability and a newer technology signal system. This provides the logic to operate the Blue Line signal system in a smaller footprint than its predecessor and has brought the signal system into the 21st century with its capability of light out protection to keep trains moving efficiently and maintain on time performance.

The MOW department recommends that these modules be implemented into the stock system. MOW requires these spare Siemens SICAS S-7 Controller Board and Signal Interface Modules to ensure operational continuity and safety maintenance.

It is essential to the signaling design to utilize parts that interface with the existing system. Substitutions increase risk of damage to equipment, injury to employees or passengers and potential loss of life. Therefore, the Siemens SICAS S-7 is the only replacement part that meets the requirements.

MTS staff wanted to ensure there were no other vendors available in the marketplace. On August 7, 2019, MTS issued a Request for Quotation (RFQ) for the procurement of the controller boards and signal modules.

On September 17, 2019, MTS received a single bid from Siemens. Siemens has established standard pricing for these components in order to ensure fair and equal pricing throughout the North American transit market. After conducting price reasonableness analyses based on comparison from market research for the purchase of same or similar material, staff determined that Siemens offer is fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute Purchase Order (in substantially the same format as Attachment A) with Siemens Mobility Inc., for the purchase of Controller Board and Signal Interface Modules for a total not to exceed amount of \$133,670.34 inclusive of tax.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Siemens Quote ref: MSI-2001640470

Cust Document No
M TS RFQ-CB51140

Cust Document Date
09/17/2019

Req. Delivery Date

Sales Group-Quotation No
MS1 - 2001640470

Date
09/17/2019

Quotation No
2001640470

Quotation Date
09/17/2019

Validity Period
09/17/2019 to 11/26/2019

Customer No
30024230

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Sold To:

Ship To:

SAN DIEGO METROPOLITAN TRANSIT
SYSTEM
DEVELOPMENT BOARD
RUSS DESAI
SUITE 1000
1255 IMPERIAL AVE
SAN DIEGO CA 92101-7490

SAN DIEGO TROLLEY INC
1341 COMMERCIAL ST
SAN DIEGO CA 92113-1021

Bill To:

SAN DIEGO METROPOLITAN TRANSIT
SYSTEM
DEVELOPMENT BOARD
RUSS DESAI
SUITE 1000
1255 IMPERIAL AVE
SAN DIEGO CA 92101-7490

Line Item	Material Number/Description	Qty	Unit Price USD	Total Price USD
10	A2V00082049352 COBO Customer P/N: 70200854 ECCN: Country Of Origin: 10 WEEKS ARO ALT PART NO. S25184-B1007-A1-5 Method of Shipment: Best Route : SII Approved Carrier	4 PC	14,485.00	57,940.00
20	A2V00082049349 SIGNAL INTERFACE MODULE Customer P/N: 70200855 ECCN: Country Of Origin: 10 WEEKS ARO ALT PART NO. S25184-B1003-A1-3 Method of Shipment: Best Route : SII Approved Carrier Comments :	4 PC	16,529.00	66,116.00

Cust Document No
M TS RFQ-CB51140

Cust Document Date
09/17/2019

Req. Delivery Date

Sales Group-Quotation No
MS1 - 2001640470

Date
09/17/2019

Quotation No
2001640470

Quotation Date
09/17/2019

Validity Period
09/17/2019 to 11/26/2019

Customer No
30024230

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CUSTOMER ACCEPTANCE

The foregoing is hereby accepted

(Name of Customer's Authorized Representative)

(Signature)

(Title)

(Date)

Siemens Mobility, Inc.
MO CS Sacramento McClellan Park
5301 Price Ave, McClellan Park
MCCLELLAN CA 95652
Phone:
Fax:

State Taxes
County Taxes
District Taxes
Total Tax

7,443.36
1,550.70
620.28
9,614.34

Payment Terms: Net Due 30 Days from invoice date

Expected Order Total: 133,670.34

SIEMENS STANDARD TERMS AND CONDITIONS OF SALE FOR PRODUCTS

1. **APPLICABLE TERMS.** This Agreement governs the sale of equipment, components, parts, and materials provided by Siemens ("Products"). Any applicable addenda, these terms, Siemens proposal, price quote, purchase order, or acknowledgment issued by Siemens form the parties' final agreement ("Agreement"). In the event of a conflict between these documents, the Agreement shall apply in accordance with the order listed in the previous sentence. Siemens' proposal, offer or acceptance is conditioned on Buyer's acceptance of this Agreement. Any additional or conflicting terms in Buyer's request for proposal, specifications, purchase order or any other written or oral communication are not binding on Siemens unless separately signed by Siemens. Siemens' failure to object to Buyer's additional or conflicting terms does not operate as a waiver of any terms contained in this Agreement.

2. **PRICING & PAYMENT.** Prices and payment terms are: (i) as stated in Siemens' proposal, or if none are stated; (ii) Siemens' standard prices in effect when Siemens receives Buyer's purchase order; or if neither (i) or (ii) apply, then Siemens' standard prices in effect when the Products ship.

(a) **Payment.** Unless stated in Siemens' proposal, all payments are due net thirty (30) days from the invoice date in United States Dollars.

(b) **Credit Approval.** All orders are subject to credit approval by Siemens. Siemens may modify, suspend or withdraw the credit amount or payment terms at any time. If there is doubt as to Buyer's financial condition, Siemens may withhold manufacturing or shipment, require cash payments, or require other satisfactory security. Siemens may recover shipped Products from the carrier pending such assurances.

(c) **Installment Shipment.** Where Products are delivered in shipments or only part of a shipment fails to comply with this Agreement, the Buyer may only reject the non-compliant portion. Buyer will separately pay for each shipment. If Siemens holds or stores Products for Buyer, it shall do so at Buyer's sole risk and expense.

(d) **Taxes, Shipping, Packing, Handling.** Unless stated in writing by Siemens, Siemens' prices exclude charges for freight, unloading, storage, insurance, taxes, excises, fees, duties or other government charges related to the Products. Buyer will pay these amounts or reimburse Siemens. If Buyer claims a tax or other exemption or direct payment permit, Buyer will provide a valid exemption certificate or permit and indemnify, defend and hold Siemens harmless from any taxes, costs and penalties arising from same. Siemens' prices include the costs of its standard domestic packing only. Any packing deviation, including U.S. Government sealed packing, will be charged to Buyer. Increases, changes (including in application), adjustments or surcharges which may be incurred are for Buyer's account.

(e) **Late Payments.** Late payments shall bear interest at an annual percentage rate of twelve percent (12%) or the highest rate allowed by law, whichever is lower.

(f) **Disputed Invoice.** If Buyer disputes all or any portion of an invoice, it must first deliver written notice to Siemens of the disputed amount and the basis for the dispute within twenty-one (21) days of receiving the invoice. Failure of Buyer to timely notify Siemens of any dispute constitutes a waiver of Buyer's claim. If Buyer only disputes a portion of the invoice, Buyer must pay the undisputed portion in accordance with Article 2(a). Upon resolution of the dispute, Buyer must pay the invoice or the remainder of the invoice, plus any accrued interest on the late payment.

(g) **Suspension/Termination Right.** Siemens may suspend work if an undisputed invoice is more than thirty (30) days past due. Siemens may terminate this Agreement if an undisputed invoice is more than sixty (60) days past due. Unless prohibited by law, Siemens may also terminate this Agreement immediately in the event of a material adverse change in Buyer's financial condition including, but not limited to, bankruptcy, insolvency, liquidation or similar financial condition.

3. **DELIVERY; TITLE; RISK OF LOSS.** Products will be delivered F.O.B. Siemens point of shipment with title and risk of loss or damage passing to Buyer at that point. Buyer is responsible for all transportation, insurance and related expenses. The related expenses shall include any taxes, duties or documentation fees. Siemens may make partial shipments. Any shipping, delivery and installation dates are estimated dates only. Siemens is not liable for any loss or expense incurred by Buyer or Buyer's customers if Siemens fails to meet its delivery schedule.

4. **DEFERMENT AND CANCELLATION.** Buyer has no right to defer shipment but may cancel this Agreement on thirty (30) days written notice if Siemens has not already performed. If Buyer cancels this Agreement, it shall pay all cancellation charges including, without limitation: (i) the full price for any finished Product; (ii) for partially completed product, the portion of the price determined to be due by Siemens based on its percentage of completion of the Product; (iii) reasonable overhead and profit; and (iv) any payments due subcontractors and/or suppliers for any materials, components or products ordered which cannot be cancelled, refunded, or redirected for other beneficial use.

5. **TRANSPORTATION AND STORAGE.** (a) When Products are ready for shipment, Siemens will: (i) inform Buyer, and Buyer will then promptly give shipping instructions to Siemens; (ii) determine the method of transportation and shipment routing; and (iii) ship the Products with freight prepaid by normal transportation. If Buyer fails to provide timely shipping instructions, Siemens will ship the Products by normal transportation means to Buyer or to a storage location selected by Siemens. Buyer will pay or reimburse any excess transportation charges for special or expedited transportation.

(b) If Products are placed into storage, delivery occurs and risk of loss transfers to Buyer when the Products are placed on the carrier for shipment to the storage location. If the Products are to be stored in the facility where manufactured, delivery occurs and risk of loss transfers to Buyer when placed in the storage location.

Buyer will pay all Siemens' storage expenses, including but not limited to, preparation for and placement into storage, handling, freight, storage, inspection, preservation, maintenance, taxes and insurance, upon receipt of an invoice(s) from Siemens. When conditions permit and upon payment to Siemens of all amounts due, Buyer must arrange, at its expense, to remove the Products from storage. Buyer bears the risk of loss, damage or destruction to Products in storage.

6. **FORCE MAJEURE / DELAYS.** If Siemens' performance is delayed by any cause beyond its reasonable control (regardless of whether the cause was foreseeable), including without limitation acts of God, strikes, labor shortage or disturbance, fire, accident, war or civil disturbance, delays of carriers, cyber-attacks, terrorist attacks, failure of normal sources of supply, or acts or inaction of government, Siemens' time of performance will be extended by a period equal to the length of the delay plus any consequences of the delay. Siemens will notify Buyer within a reasonable time after becoming aware of any such delay.

7. **BUYER'S REQUIREMENTS.** Siemens' performance is contingent upon Buyer timely fulfilling all of its obligations under this Agreement. These obligations include the Buyer supplying all documents and approvals needed for Siemens to perform, including but not limited to technical information and data, drawing and document approvals, and necessary commercial documentation. Siemens may request a change order for an equitable adjustment in prices and times for performance, as well as for any additional costs or any delay resulting from the failure of Buyer or Buyer's contractors, successors or assigns to meet these obligations.

8. **INDEMNITY.** Siemens and Buyer (each as an "Indemnitor") shall indemnify the other ("Indemnitee") from and against all third party claims alleging bodily injury, death or damage to a third party's tangible property, but only to the extent caused by the Indemnitor's negligent acts or omissions. If the injury or damage is caused by the parties' joint or contributory negligence, the loss and/or expenses shall be borne by each party in proportion to its degree of fault. No part of the Product(s) or Buyer's site is considered third party property.

Indemnitee shall provide the Indemnitor with prompt written notice of any third party claims covered by this Article. Indemnitor has the unrestricted right to select and hire counsel and the exclusive right to conduct the legal defense and/or settle the claim on the Indemnitee's behalf. The Indemnitee shall not make any admission(s) which might be prejudicial to the Indemnitor and shall not enter into a settlement without the express permission of the Indemnitor.

9. **WARRANTIES.** (a) **Warranties.** Siemens warrants that: (i) each Product is free from defects in material and workmanship; (ii) each Product materially conforms to Siemens' specifications that are attached to, or expressly incorporated into this Agreement; and (iii) at the time of delivery, Siemens has title to each Product free and clear of liens and encumbrances (collectively, the "Warranties"). The Warranties do not apply to software furnished by Siemens. The sole and exclusive warranties for any software are set forth in the applicable Software License/Warranty Addendum.

(b) **Conditions to the Warranties.** The Warranties are conditioned on: (i) no repairs, modifications or alterations being made to the Product other than by Siemens or its authorized representatives; (ii) Buyer handling, using, storing, installing, operating and maintaining the Product in compliance with any parameters or instructions in any specifications attached to, or incorporated into this Agreement; (iii) compliance with all generally accepted industry standards; (iv) Buyer discontinuing use of the Product after it has, or should have had, knowledge of any defect; (v) Buyer providing prompt written notice of any warranty claims within the warranty period described below; (vi) at Siemens' discretion, Buyer either removing and shipping the Product or non-conforming part thereof to Siemens, at Buyer's expense, or granting Siemens reasonable access to the Products to assess the warranty claims; (vii) Product not having been subjected to accident (including force majeure), alteration, abuse or misuse; and (viii) Buyer not being in default of any payment obligation.

(c) **Exclusions from Warranty Coverage.** The Warranties do not apply to any equipment not provided by Siemens under this Agreement.

Any Product that is described as being experimental, developmental, prototype, or pilot is specifically excluded from the Warranties and is provided to Buyer "as is" with no warranties of any kind. Normal wear and tear is excluded, including any expendable items that comprise part of the Product (such as fuses, light bulbs and lamps). Siemens does not warrant or guarantee that any Product will be secure from cyber threats, hacking or similar malicious activity. Products that are networked, connected to the internet, or otherwise connected to computers or other devices must be appropriately protected by Buyer and/or end user against unauthorized access.

(d) **Warranty Period.** Buyer must provide written notice of any claims for breach of Warranties by the earlier of twelve (12) months from initial operation of the Product or eighteen (18) months from shipment. Additionally, absent written notice within the warranty period, any use or possession of the Product after expiration of the warranty period is conclusive evidence that the Warranties have been satisfied.

(e) **Remedies.** Buyer's sole and exclusive remedies for breach of the Warranties are limited, at Siemens' discretion, to repair or replacement of the Product, or its non-conforming parts, within a reasonable time period, or refund of all or part of the purchase price. The warranty on repaired or replaced parts is limited to the remainder of the original warranty period. Unless Siemens agrees otherwise in writing, Buyer will be responsible for any costs associated with: (i) gaining access to the Product; (ii) removal, disassembly, replacement, installation, or reinstallation of any equipment, materials or structures to permit Siemens to perform its warranty obligations; (iii) transportation to and from the Siemens factory or repair facility; and (iv) damage to equipment components or parts resulting in whole or in part from non-compliance by the Buyer with Article 9(b) or from their deteriorated condition. All exchanged Products replaced under this Warranty will become the property of Siemens.

(f) **Transferability.** The Warranties are only transferable during the warranty period and only to the Product's initial end-user.

(g) **THE WARRANTIES IN THIS ARTICLE 9 ARE SIEMENS' SOLE AND EXCLUSIVE WARRANTIES AND ARE SUBJECT TO THE LIMITS OF LIABILITY IN ARTICLE 10 BELOW. SIEMENS MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING AND USAGE OF TRADE.**

10. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, SIEMENS IS NOT LIABLE, WHETHER BASED IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY OR ANY OTHER LEGAL OR EQUITABLE THEORY, FOR: LOSS OF USE, REVENUE, SAVINGS, PROFIT, INTEREST, GOODWILL OR OPPORTUNITY, COSTS OF CAPITAL, COSTS OF REPLACEMENT OR SUBSTITUTE USE OR PERFORMANCE, LOSS OF INFORMATION AND DATA, LOSS OF POWER, VOLTAGE IRREGULARITIES OR FREQUENCY FLUCTUATION, CLAIMS ARISING FROM BUYER'S THIRD PARTY CONTRACTS, OR FOR ANY TYPE OF INDIRECT, SPECIAL, LIQUIDATED, PUNITIVE, EXEMPLARY, COLLATERAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR ANY OTHER LOSS OR COST OF A SIMILAR TYPE.

SIEMENS' MAXIMUM LIABILITY UNDER THIS AGREEMENT IS THE ACTUAL PURCHASE PRICE RECEIVED BY SIEMENS FOR THE PRODUCT THAT GAVE RISE TO THE CLAIM.

BUYER AGREES THAT THE EXCLUSIONS AND LIMITATIONS IN THIS ARTICLE 10 WILL PREVAIL OVER ANY CONFLICTING TERMS AND CONDITIONS IN THIS AGREEMENT AND MUST BE GIVEN FULL FORCE AND EFFECT, WHETHER OR NOT ANY OR ALL SUCH REMEDIES ARE DETERMINED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE. THESE LIMITATIONS OF LIABILITY ARE EFFECTIVE EVEN IF SIEMENS HAS BEEN ADVISED BY BUYER OF THE POSSIBILITY OF SUCH DAMAGES. THE WAIVERS AND DISCLAIMERS OF LIABILITY, RELEASES FROM LIABILITY AND LIMITATIONS ON LIABILITY EXPRESSED IN THIS ARTICLE 10 EXTEND TO SIEMENS' AFFILIATES, PARTNERS, PRINCIPALS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, SUPPLIERS, AGENTS, AND SUCCESSORS AND ASSIGNS.

11. **PATENT AND COPYRIGHT INFRINGEMENT.** Siemens will, at its option and expense, defend or settle any suit or proceeding brought against Buyer based on an allegation that any Product or use thereof for its intended purpose constitutes an infringement of any Patent Cooperation Treaty country member's patent or misappropriation of a third party's trade secret or copyright in the Product where the Product is delivered by Siemens. Buyer will promptly give Siemens written notice of the suit or proceeding and the authority, information, and assistance needed to defend the claims. Siemens shall have the full and exclusive authority to defend and settle such claim(s) and will pay the damages and costs awarded in any suit or proceeding so defended. Buyer shall not make any admission(s)

which might be prejudicial to Siemens and shall not enter into a settlement without Siemens' consent. Siemens is not responsible for any settlement made without its prior written consent. If the Product, or any part thereof, as a result of any suit or proceeding so defended is held to constitute infringement or its use by Buyer is enjoined, Siemens will, at its option and expense, either: (i) procure for Buyer the right to continue using said Product; (ii) replace it with substantially equivalent non-infringing Product; or (iii) modify the Product so it is non-infringing.

Att. A. AI 13, 11/14/19

Siemens will have no duty or obligation under this Article 11 if the Product is: (i) supplied according to Buyer's design or instructions and compliance therewith has caused Siemens to deviate from its normal course of performance; (ii) modified by Buyer or its contractors after delivery; or (iii) combined by Buyer or its contractors with devices, methods, systems or processes not furnished hereunder and by reason of said design, instruction, modification, or combination a suit is brought against Buyer. In addition, if by reason of such design, instruction, modification or combination, a suit or proceeding is brought against Siemens, Buyer must protect Siemens in the same manner and to the same extent that Siemens has agreed to protect Buyer under this Article 11.

THIS ARTICLE 11 IS AN EXCLUSIVE STATEMENT OF SIEMENS' DUTIES AND BUYER'S REMEDIES RELATING TO PATENTS, TRADE SECRETS AND COPYRIGHTS, AND DIRECT OR CONTRIBUTORY INFRINGEMENT THEREOF.

12. **CONFIDENTIALITY.** (a) Both during and after the term of this Agreement, the parties will treat as confidential all information obtained from the disclosing party and all information compiled or generated by the disclosing party under this Agreement for the receiving party, including but not limited to business information, manufacturing information, technical data, drawings, flow charts, program listings, software code, and other software, plans and projections. Neither party may disclose or refer to the work to be performed under this Agreement in any manner that identifies the other party without advance written permission. However, Siemens has the right to share confidential information with its affiliates and subcontractors, provided those recipients are subject to the same confidentiality obligations set forth herein.

(b) Nothing in this Agreement requires a party to treat as confidential any information which: (i) is or becomes generally known to the public, without the fault of the receiving party; (ii) is disclosed to the receiving party, without obligation of confidentiality, by a third party having the right to make such disclosure; (iii) was previously known to the receiving party, without obligation of confidentiality, which fact can be demonstrated by means of documents which are in the possession of the receiving party upon the date of this Agreement; (iv) was independently developed by receiving party or its representatives, as evidenced by written records, without the use of discloser's confidential information; or (v) is required to be disclosed by law, except to the extent eligible for special treatment under an appropriate protective order, provided that the party required to disclose by law will promptly advise the originating party of any requirement to make such disclosure to allow the originating party the opportunity to obtain a protective order and assist the originating party in so doing.

(c) It is Siemens' policy not to unlawfully or improperly receive or use confidential information, including trade secrets, belonging to others. This policy precludes Siemens from obtaining, directly or indirectly from any employee, contractor, or other individual rendering services to Siemens confidential information of a prior employer, client or any other person which such employee, contractor, or individual is under an obligation not to disclose. Buyer agrees to abide by this policy.

13. **COMPLIANCE WITH LAWS.** The parties agree to comply with all applicable laws and regulations, including but not limited to those relating to the manufacture, purchase, resale, exportation, transfer, assignment or use of the Products.

14. **CHANGES IN WORK.** No change will be made to the scope of work unless Buyer and Siemens agree in writing to the change and any resulting price, schedule or other contractual modifications. If any change to any law, rule, regulation, order, code, standard or requirement impacts Siemens' obligations or performance under this Agreement, Siemens may request a change order for an equitable adjustment in the price and time of performance.

15. **NON-WAIVER.** Any waiver by a party of strict compliance with this Agreement must be in writing, and any failure by the parties to require strict compliance in one instance will not waive its right to insist on strict compliance thereafter.

16. **MODIFICATION OF TERMS.** This Agreement may only be modified by a written instrument signed by authorized representatives of both parties.

17. **ASSIGNMENT.** Neither party may assign all or part of this Agreement, or any rights or obligations under this Agreement, without the prior written consent of the other; but either party may assign its rights and obligations, without recourse or consent, to any parent, wholly owned subsidiary, or affiliate or affiliate's successor organization (whether as a result of reorganization, restructuring or sale of substantially all of a party's assets). However, Buyer shall not assign this Agreement to: a competitor of Siemens; an entity in litigation with Siemens; or an entity lacking the financial capability to satisfy Buyer's obligations. Any assignee expressly assumes the performance of any obligation assigned. Siemens may grant a security interest in this Agreement and/or assign proceeds of this Agreement without Buyer's consent.

18. **APPLICABLE LAW AND JURISDICTION.** This Agreement is governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflict of laws principles. The application of the United Nations Convention on Contracts for the International Sale of Goods is excluded. BOTH SIEMENS AND BUYER KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVE ALL RIGHTS TO A JURY TRIAL IN ANY ACTION OR PROCEEDING RELATED IN ANY WAY TO THIS AGREEMENT. Each party agrees that claims and disputes arising out of this Agreement must be decided exclusively in a federal or state court of competent jurisdiction located in a state in which either Buyer or Siemens maintains its principal place of business. Each party submits to the personal jurisdiction of such courts for the purpose of litigating any claims or disputes.

19. **SEVERABILITY.** If any provision of this Agreement is held invalid, illegal or unenforceable, the remaining provisions will not in any way be affected or impaired. A court may modify the invalid, illegal or unenforceable provision to reflect, as closely as possible, the parties' original intent.

20. **EXPORT / IMPORT COMPLIANCE.** Buyer acknowledges that Siemens is required to comply with applicable export / import laws and regulations relating to the sale, export, import, transfer, assignment, disposal and use of the Products, including any export / import license requirements. Buyer agrees that Products will not at any time directly or indirectly be used, exported, imported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with any export / import laws and regulations. Siemens' continuing performance hereunder is conditioned on compliance with such export / import laws and regulations at all times.

21. **PRODUCT RETURNS.** Prior to the return of any Product to Siemens, Buyer must identify the Product or portion thereof and obtain written authorization and shipping instructions from Siemens. Siemens has the right, in its sole discretion, to permit or reject any such return. Siemens' authorization to return any Product to Siemens does not relieve Buyer of its obligation to pay for such Product. Upon receipt, inspection, and acceptance of the Product by Siemens, Siemens will issue a credit memo to Buyer, less applicable re-stocking fees. Siemens reserves the right to reject any hazardous material.

22. **NUCLEAR.** Unless expressly authorized in writing by Siemens, the Products must not be used in or in connection with a nuclear facility or application. If Buyer uses any Product in connection with any nuclear facility or activity, it does so at its own risk and Buyer will indemnify, defend and hold Siemens harmless, and waives and will require its insurers to waive all right of recovery against Siemens for any damage, loss, destruction, injury or death resulting from a "nuclear incident," as defined in the Atomic Energy Act of 1954, as amended, whether or not due to Siemens' negligence. Siemens' consent to Buyer's use of the Product in connection with any nuclear facility or application will be subject to additional terms and conditions that Siemens deems necessary to protect its interests.

23. **SURVIVAL.** The articles titled "Patent and Copyright Infringement," "Limitation of Liability," "Confidentiality," "Delivery; Title; Risk of Loss," "Export / Import Compliance," and "Nuclear" survive termination, expiration or cancellation of this Agreement.



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Agenda Item No. 14

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

Number not used.





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Agenda Item No. 15

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

BEYER BOULEVARD TRACK REPLACEMENT - CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute the MTS Doc. No. PWL306.0-20, an emergency construction contract (in substantially the same format as Attachment A), with Transdev Rail, Inc., for Beyer Blvd. Track Replacement in the amount of \$1,480,082.77 (action requires a vote of two-thirds of the membership of the Board of Directors to approve).

Budget Impact

The total cost of this project will not exceed \$1,480,082.77 (total bid amount of \$1,233,402.31 plus 20% contingency of \$246,680.46) over the duration of the construction services consisting of the following:

<u>DESCRIPTION</u>	<u>PROPOSAL AMOUNT</u>	<u>TOTAL WITH 20% CONTINGENCY</u>
Beyer Blvd Track Replacement	\$1,233,402.31	\$1,480,082.77

Funding will be through the following MTS Capital Improvement Project (CIP) account:

<u>CIP Number</u>	<u>AMOUNT</u>
2005109001	\$1,480,082.77



DISCUSSION:

MTS's Blue Line track between Beyer Blvd Station and San Ysidro Transit Center needs to be replaced as soon as possible. This section of the Blue Line has deteriorated timber crossties, worn rail, and contaminated subgrade and ballast which has caused cross-level and gauge issues. This section of track has a speed restriction and has been downgraded from a class III to a class II track according to the Federal Railroad Administration (FRA). This section of track is fast approaching non-compliance as a class II track according to the FRA. Passenger trains cannot run on anything less than a class II track. This work is even more urgent due to the fact the winter rains are fast approaching which will further deteriorate this section of track and could put MTS at risk of not being able to run trains through this section.

It is necessary to procure this work immediately. This is a significant public safety hazard. The project meets the criteria of an "Emergency", pursuant to Public Contract Code section 20341(a), which states:

"Contracts for construction in excess of fifty thousand dollars (\$50,000) shall be awarded to the lowest responsible bidder submitting a responsive bid after competitive bidding, ***except in emergency declared by the vote of two-thirds of the membership of the board.***"

Transdev Rail and Herzog have been identified as the most qualified and experienced Contractors for this urgent project. On October 17, 2019 staff issued an Emergency Request for Quote (RFQ) to two (2) contractors. The following proposals were received.

TROLLEY TRACK IMPROVEMENTS	
COMPANY NAME	BID AMOUNT (not including contingency)
<i>Transdev Rail</i>	\$1,233,402.31
<i>HERZOG</i>	\$2,009,171.00
<i>MTS - ICE</i>	\$1,753,316.00

Based on the quotes received, and in comparison with MTS's independent cost estimate (ICE), Transdev Rail, Inc. quoted price of \$1,233,402.21 was determined to be fair and reasonable.

Therefore, staff recommends that the MTS Board of Directors authorize the CEO to execute MTS Doc. No. PWL306.0-20, an emergency construction contract (in substantially the same format as Attachment A), with Transdev Rail, Inc. for Beyer Blvd Track Replacement in the amount of \$1,480,082.77 (action requires a vote of two-thirds of the membership of the Board of Directors to approve).

/s/ Karen Landers for
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. Draft MTS Doc. No. PWL306.0-20

STANDARD CONSTRUCTION AGREEMENT

THIS AGREEMENT is entered into this _____ day of _____ 2019, 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:	Transdev Rail, Inc.	Address:	1242 N. San Dimas Canyon Rd.
	_____		San Dimas, CA 91773
Form of Business:	Corporation		
(Corporation, Partnership, Sole Proprietor, etc.)	_____	Email	_____
		Address:	_____
Telephone:	_____		
Authorized person to sign contracts	Van Chuoy	Director of Finance	
	_____	_____	
	Name	Title	

The specified Contract Documents 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, materials, tools, supplies, equipment, plant, services, engineering, testing and/or any other act or thing required to diligently and fully perform and complete the Project as specified in the Scope of Work (Exhibit A), Bid Proposal and forms (Exhibit B), and in accordance with the Standard Construction Agreement and Special Conditions (Exhibit C).

SCOPE OF WORK

Contractor, for and in consideration of the payment to be made to Contractor as hereinafter provided, shall furnish all plant, labor, technical and professional services, supervision, materials and equipment, other than such materials and equipment as may be specified to be furnished by MTS, and perform all operations necessary to complete the Work in strict conformance with the Contract Documents (defined below) for the following public work of improvement:

Beyer Boulevard

Contractor is an independent contractor and not an agent of MTS. The Contractor and its surety shall be liable to MTS for any damages arising as a result of the Contractor's failure to comply with this obligation.

CONTRACT TIME.

Time is of the essence in the performance of the Work. The Work shall be commenced by the date stated in MTS's Notice to Proceed. The Contractor shall complete all Work required by the Contract Documents within **90 Calendar days** from the commencement

date stated in the Notice to Proceed. By its signature hereunder, Contractor agrees the Contract Time is adequate and reasonable to complete the Work.

CONTRACT PRICE.

MTS shall pay the Contractor as full compensation for the performance of the Contract, subject to any additions or deductions as provided in the Contract Documents, and including all applicable taxes and costs, the sum of Once million two-hundred thirty-three thousand four hundred two dollars (\$1,233,402.31). Payment shall be made as set forth in the General Conditions.

PROVISIONS REQUIRED BY LAW.

Each and every provision of law required to be included in these Contract Documents shall be deemed to be included in these Contract Documents. The Contractor shall comply with all requirements of the California Labor Code applicable to this Project.

INDEMNIFICATION.

Contractor shall provide indemnification as set forth in the General Conditions.

PREVAILING WAGES.

Contractor shall be required to pay the prevailing rate of wages in accordance with the Labor Code which such rates shall be made available at MTS's Administrative Office or may be obtained online at <http://www.dir.ca.gov> and which must be posted at the job site.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM	CONTRACTOR AUTHORIZATION
By: _____	Firm: _____
Approved as to form: _____	By: _____
By: _____	Title: _____



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Agenda Item No. 16

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

CLOSED CIRCUIT TELEVISION (CCTV) SERVER REFRESH – CONTRACT AWARD

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute a Purchase Order with Nth Generation, Inc. for the CCTV Server Refresh in the amount of \$239,255.18.

Budget Impact

The value of this agreement will not exceed \$239,255.18 including tax. The project will be funded through Capital Improvement Project (CIP) account 1007100501-599902.

DISCUSSION:

MTS is refreshing its current CCTV servers, which are now at the end-of-life running on Microsoft Windows 7 Professional. Microsoft ended mainstream support for Windows 7 on January 13, 2015, but has extended support that will end on January 14, 2020.

It is critical to refresh the CCTV servers as MTS Security relies heavily on these systems to monitor trolley stations and provide additional support during security incidents. The CCTV servers provide MTS staff with the capability to view and download footage, allowing MTS to work closely with local law enforcement. This CCTV server refresh will take place at twenty (20) Trolley stations.

MTS, as a public agency, has the ability to utilize the Federal General Service Administration (GSA) contract schedules to purchase Information Technology (IT) services and supplies. The Federal GSA solicits and awards contracts for multiple services at a rate that is significantly lower than the national average



On October 11, 2019, MTS issued an RFQ for Enterprise Storage Refresh to multiple GSA approved vendors. MTS received one (1) responsive and responsible bid on October 21, 2019, as follows:

Company Name	Grand Total
Nth Generation	\$ 239,255.18

After reviewing all bids received for responsiveness and responsibility, and conducting a cost analysis, staff determined that Nth Generation is the lowest responsive and responsible bidder.

Therefore, staff recommends that the Board of Directors authorize the CEO to execute a Purchase Order with Nth Generation, Inc. for the CCTV Server Refresh in the amount of \$239,255.18.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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



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Agenda Item No. 30

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

FISCAL YEAR 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT (ERIN DUNN AND LARRY MARINESI AND GARY CAPORICCI AND COLEY DELANEY OF THE PUN GROUP)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

The Pun Group, will present the FY 2019 CAFR and discuss the FY 2019 Audit.

A draft of the FY 2019 CAFR was presented to the Audit Oversight Committee on November 7, 2019 as well as a review of the FY 2019 Independent Audit by Gary Caporicci and Coley Delaney from The Pun Group. During the presentation, it was noted that they are issuing an “Unmodified Opinion” and that our financial statements are presented fairly in all material respects.

/s/ Karen Landers for
Paul C. Jablonski
Chief Executive Officer

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

Attachment: A. FY19 Comprehensive Annual Financial Report
B. FY19 Statements on Auditing Standards Disclosure





Comprehensive Annual Financial Report

for the Fiscal Years Ended
June 30, 2019 and 2018

San Diego, California



Metropolitan Transit System



San Diego Metropolitan Transit System

San Diego, California

***Comprehensive Annual Financial Report
and Independent Auditors' Report***

For the Years Ended June 30, 2019 and 2018

PREPARED BY SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FINANCE DEPARTMENT

San Diego Metropolitan Transit System

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San Diego Metropolitan Transit System

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INTRODUCTORY SECTION

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1255 Imperial Avenue, Suite 1000
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Board of Directors and Transit Riders
San Diego Metropolitan Transit System

The comprehensive annual financial report of the San Diego Metropolitan Transit System (MTS) for the fiscal years ended June 30, 2019 and 2018 is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. The MTS Board of Directors has established an Audit Oversight Committee to provide an additional level of scrutiny to the preparation of the comprehensive annual financial report. Management of MTS is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of MTS are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for preparation of financial statements in conformity with generally accepted accounting principles in the United States of America (U.S. GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

State statutes require an annual audit by independent certified public accountants. The Pun Group LLP, Accountants and Advisors, has been retained to meet this requirement. The goal of the independent audit was to provide reasonable assurance that the financial statements of MTS for the fiscal years ended June 30, 2019 and 2018 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that MTS's financial statements for the fiscal years ended June 30, 2019 and 2018 are fairly presented, in all material respects, in conformity with U.S. GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit was also designed to meet the requirements of a broader, federally mandated "Single Audit" and to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements required the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's compliance with the requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of MTS's major federal programs. The auditors are required to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. The reports related specifically to the Single Audit are issued under separate cover.

U.S. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

REPORTING ENTITY

The San Diego Metropolitan Transit System was created effective January 26, 1976 to provide the policy setting and overall management coordination of the public transportation system in the San Diego metropolitan service area. This service area encompasses approximately 3 million people residing in a 570 square mile area of San Diego County, including the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, Santee, and San Diego and the unincorporated area of the County of San Diego.

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

MTS's mission statement, adopted by the Board of Directors, is to enhance the personal mobility of San Diego metropolitan area residents and visitors by:

- Obtaining maximum benefit for every dollar spent.
- Being the community's major public transportation advocate.
- Increasing public transportation usage per capita.
- Taking a customer-oriented approach.
- Implementing capital projects on schedule and within budget.
- Offering high-quality public transportation services.
- Responding to the community's socioeconomic interests.

California law establishes the San Diego Association of Governments (SANDAG) as the planning agency for San Diego County. The responsibility and decision-making for all transportation-related planning, programming and development activities occurs within SANDAG's ten member Transportation Committee. Approved transportation plans and programs are subsequently executed by SANDAG staff. Within this structure, MTS and the North County Transit District (NCTD) focus primarily on operating activities.

MTS is effectively an umbrella agency. MTS owns the assets of San Diego Trolley, Inc. (SDTI) and San Diego Transit Corporation (SDTC), the area's two largest transit operators. These two transit units were formed under California law as not-for-profit public corporations and function as operating subsidiaries of MTS. SDTI and SDTC are considered component units and are blended component units for financial reporting purposes. SDTI operates four Light Rail Transit (LRT) routes: the UC San Diego Blue Line from the America Plaza Station to San Ysidro at the International Border, the Orange Line from the Courthouse station through Centre City and then east to El Cajon, the Sycuan Green Line from the 12th and Imperial Transit Center Bayside platform to Santee and the SDG&E Silver Line that makes stops along the downtown loop using three restored vintage cars from the 1940's and 1981. SDTI operates on a total of 54.3 miles of track. SDTC operates 27 routes with an active fleet of 270 buses.

The relationship between MTS and the transit operating subsidiaries, SDTI and SDTC, is formally established through operating agreements and MTS-adopted corporate policies. These agreements and corporate policies specify the roles and responsibilities of each of the organizations and outline the procedures in numerous functional areas including accounting and budgeting, fare setting, marketing and public information, revenue-producing advertising, service contracts, and programming of federal, state and local subsidies. The MTS Board of Directors has the policy-setting responsibility for the operation and development of MTS's transit operating subsidiaries as well as for the planning and approval of capital expenditures by or on behalf of these entities. The day-to-day operating functions, labor matters and maintenance of facilities are managed by the individual transit operators. MTS has centralized and consolidated Security, Planning, Human Resources, Finance, Information Technology, Stores, and Purchasing for MTS and all subsidiaries.

In addition to the bus routes operated by SDTC, MTS is financially accountable for the operation of certain additional bus routes. MTS contracts with outside parties for the operation of 73 fixed-route bus lines and paratransit services with an active fleet of 530 buses. The contracts require full operation and maintenance of the bus services. Contract services are accounted for in the MTS - Contracted Services Fund for financial reporting purposes.

MTS owns the San Diego and Arizona Eastern Railway Company (SD&AE), a not-for-profit railroad holding company entrusted with assets which include 108 miles of rail line and over 2,000 acres of property. MTS has a contract with the San Diego and Imperial Valley Railway Co. (SDIV) for the operation of freight rail services over the UC San Diego Blue Line (downtown San Diego south to San Ysidro) and Orange Line (downtown San Diego east to El Cajon) trolley segments. MTS provides no subsidy to SDIV, but does receive a portion of its gross revenue. SD&AE is considered a blended component unit for financial reporting purposes.

In December 2012, SD&AE entered into a 99-year lease and operating agreement with Pacific Imperial Railroad, Inc. (PIR) over the 70-mile Desert Line freight right of way in East San Diego County. PIR filed for bankruptcy in September 2016 and the lease was transferred to Baja California Rail Road, Inc. (BJRR) as part of the bankruptcy process. In September 2017, MTS executed an amended and restated Desert Line lease agreement with BJRR. The BJRR agreement provides specific performance milestones which begin after the US and Mexico governments formally approve construction and operation of a customs inspection facility serving the Desert Line, with a minimum of \$1 million in annual revenue required. The agreement may be terminated if BJRR fails to meet the specified milestones, or at BJRR's election with six months' notice. If BJRR meets all milestones and commences freight operations along the Desert Line, MTS's revenue will increase to 7% of gross freight revenue.

MTS is financially accountable for the operation of Taxicab Administration and currently has contracts with the following cities through June 30, 2024: San Diego, National City, El Cajon, Imperial Beach, La Mesa, Lemon Grove, Poway, Santee and Chula Vista. The agreements include licensing and regulating taxicabs, jitneys, nonemergency medical, charter, low speed vehicle, and sightseeing for-hire vehicles.

The MTS Board of Directors is comprised of 15 members with four appointed from the City of San Diego (the Mayor of San Diego and three San Diego City Council Members), two appointed from the City of Chula Vista (the Mayor of Chula Vista and a Chula Vista City Council Member), one appointed from each City Council of Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee, and one appointed from the San Diego County Board of Supervisors.

ECONOMIC CONDITION AND OUTLOOK

San Diego region's economy is geared toward continued prosperity in 2019. Industries projected to lead the region's growth include Biotech and Healthcare. San Diego's gross domestic product (GDP), the total value of the region's economy, soared to \$246 billion in 2018 compared to the \$231.8 billion earned in 2017, and is forecasted to grow 2.5 percent in 2019. The unemployment rate was 3.3% in June 2019. This is consistent with the 3.3% average for the first half of 2019, unchanged from 3.3% in 2018 yet down from 4.0% in 2017. San Diego continues to compare favorably to the unemployment rate in California and the national average.

Long-term financial planning

The long-term goal of MTS is to fund operations solely with recurring revenues. While sales tax receipts throughout California, which impacts subsidy revenue available to MTS from both TDA and *TransNet* funds, increased again for the ninth consecutive year, MTS experienced three years of ridership declines over FY16-FY18, with overall passenger levels down by almost 12% compared to the FY15 peaks. This had a similar impact on passenger revenue levels, and to compensate, MTS utilized one-time funding to balance both the FY18 amended budget and the FY19 operating budget. However, in FY19 passenger levels grew over FY18 by 0.2%, and passenger revenue increased by \$2.0 million. In addition, State Transit Assistance (STA) funding has stabilized after the defeat of the Senate Bill 1 (SB1) repeal in the November 2018 elections. For FY20, the operating budget was balanced without using any one-time funding. MTS still has a contingency reserve balance of 12.2% of the operating budget at its disposal.

Major Initiatives

MTS addressed the ridership decline in a number of different ways. In Fall 2016, MTS launched its Transit Optimization Plan (TOP) to evaluate MTS' current network of services and ensure that it is efficient and effective for the region's travel needs. MTS has now fully implemented all phases of its TOP. Among the goals of TOP was to create a network of services that would attract more riders to the system and reverse the decline in ridership and fare revenue MTS was experiencing. The TOP process included nearly 6,000 surveys, more than 50 outreach events across the region and a public hearing. Using rider input in conjunction with system performance data and ridership patterns, proposals were made for adjustments to over 60% of MTS' bus services. On the 11 routes with increased frequency, ridership increased by 5.5% in calendar year 2018, compared to a 2.7% drop for the non-TOP adjusted routes.

In another effort to spur ridership, MTS held Free Ride Day on Tuesday, October 2, 2018. MTS recorded almost 53,000 more rides than the same Tuesday one year before, a huge 17% increase. Every region in the MTS territory experienced substantial gains. Significantly, the Sycuan Green Line Trolley, which skirts the doorstep to thousands of middle income condo and rental units, saw a 37% jump in ridership. The media coverage for Free Ride Day also generated 3.5 million impressions.

As part of this ridership review and ease of use of the system, MTS had undertaken an initiative upgrading the region's current fare collection system. After more than two years of work by MTS staff, in December 2018, the MTS Board approved staff's recommendation to hire Innovations in Transportation, Inc. (INIT) to develop and implement a new fare collection system. Part of the criteria was to select a proven system that is operational at another transit agency. INIT has implemented the highly successful HOP system for TriMet in Portland, Oregon. This is a tremendous step toward implementing a new fare system that keeps pace with technologies the riders' desire, such as guaranteed best fare based on the number of trips, real-time account management and much more. The goal is to have this new fare collection system implemented in 2021.

The UCSD student association recently extended the student transportation fee that provides a Regional Transit Pass (U-Pass) for all undergraduate, graduate and professional students who pay this fee. The U-Pass gives unlimited ridership during the fall, winter and spring quarters on all mass transit bus and light rail routes in the San Diego region provided by MTS and North County Transit District (NCTD), excluding the MTS rural and premium express routes. Due to buy-in from all students, MTS is able to keep the Triton U-Pass fare significantly lower than its typical fare structure. With U-Pass, UCSD students enjoy unlimited transit for less than 20% of the standard monthly pass cost. This extension is set to begin July 1, 2019 and run for six years, with total estimated revenue for the six years exceeding \$33 million.

MTS also has a couple major service enhancements under way. Construction on the majority of the South Bay Rapid project, the full 26-mile route between the Otay Mesa Transit Center and downtown San Diego, is nearing completion. This includes five new Rapid stations on a dedicated bus-only lane along East Palomar Street and a transit guideway over the SR-125. The final segment is still under construction along East Palomar Street between Interstate 805 and Heritage Road and is expected to be complete in summer 2019. The new route went into full service on Sunday, January 27, 2019, operating from 5 a.m. to 11 p.m. daily with service every 15 minutes during peak commuting hours (6-9 a.m. and 3-6 p.m.), and every 30 minutes during the rest of the day and on weekends. This *TransNet* funded route is part of the region's continuing effort to connect suburban commuters with major employment and entertainment centers.

The 11-mile extension of the UC San Diego Blue Line, named the Mid-Coast Corridor Transit Project (Mid-Coast) is also currently under construction from the Old Town Transit Center to the University City community. It will feature nine new stations, serving major activity centers such as the Veterans Administration Medical Center, UCSD, and Westfield UTC. The project is funded by SANDAG and the Federal Transit Administration (FTA) New Starts Program. Mid-Coast is anticipated to begin service in November 2021.

Over the last decade, MTS has made funding the Capital Improvement Plan (CIP) a priority to bring the system up to a state of good repair, with over \$900 million of funding spent on Capital. MTS and SANDAG completed the rehabilitation of the UC San Diego Blue Line and also replaced both the East County and South Bay Bus facilities. The bus fleet replacement plan has been adjusted to keep the number of buses replaced to a manageable figure each year. The U2 light rail vehicle (LRV) fleet has been replaced and in June the MTS Board approved a contract with Siemens to purchase up to 47 new, low-floor Trolley cars to replace the 2000 vehicle series (SD100 fleet) which are now nearing 25-years old. This will be the final step for MTS to become 100% low-floor across the entire Trolley fleet. MTS has committed \$121 million for CIP in FY20, funding 51 projects focused on fleet replacement, maintaining a state of good repair, and a number of rehabilitation projects along the Orange Line.

MTS recently updated its joint Transit Oriented Development (TOD) program to more aggressively cultivate other partnerships to redevelop its top-tier park and ride locations into TODs. Program changes include prioritizing density, setting aside 20% of units for qualified low-income families, and identifying partners through a competitive bidding process. Going forward, MTS plans to be more aggressive in seeking development at Trolley stations and other owned properties. MTS sees the potential to transform the area at 12th & Imperial into a much more efficient transit center with a residential tower and low-rise offices adjacent to it. There is also a major project moving forward at the Grantville Station that would combine market rate student oriented housing and affordable housing. In addition, MTS has received a proposal for Palm Avenue and are actively working in a partnership with the City of Chula Vista to identify a developer for property at E Street. Other properties MTS is actively looking for redevelopment partners include the El Cajon Transit Center and the H Street Transit Center. These projects will not only help ensure the region's need for affordable housing, but provide MTS with new riders.

For the fourth consecutive cycle, MTS received a perfect score from the FTA's Triennial Review of the agency. That means for the last 12 years the FTA has found zero deficiencies in MTS's financial management of FTA funds' management, technical capacity, program management, legal capacity, or any other areas governed by FTA. The purpose of the FTA's Triennial Review is to ensure compliance with regulations and also provide a forward-looking assessment of each agency's risk in the management and implementation of FTA grant programs. Mandated by Congress in 1982, the Triennial Review examines how recipients of Urbanized Area Formula Program funds meet statutory and administrative requirements. These formula funds represent approximately 36% of all grant funds awarded by FTA each year.

In 2017, Assembly Bill (AB) 805 was passed, giving MTS the ability to place a half-cent sales tax on the ballot for transit-only improvements within its service territory. In 2018, an Ad Hoc committee of MTS Board members was formed to guide the development of a project list for a potential ballot measure. To do so, it created Elevate San Diego 2020, an unprecedented public participation campaign to gauge public opinion on transit improvements that can help define the future of mobility in the region. Over the next six months, MTS will convene industry-sector focus groups, a Community Advisory Committee made up of civic-minded, neighborhood-based organizations and dozens of meetings in communities and transit stations to gain more insights about how transit can help address housing, traffic congestion, carbon emissions reduction and more. The input received from this public participation effort will be analyzed. A proposed expenditure and financing plan will then be developed and announced tentatively by the end of the year.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to MTS for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the thirteenth consecutive year and the twenty-third year overall that MTS has achieved this prestigious award. To be awarded a Certificate of Achievement, MTS must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The staff of the finance department is to be commended for their efficient and dedicated service to the production of this report. In addition, we express our appreciation for the assistance and cooperation provided by management and staff in all departments throughout the organization.



Paul Jablonski
Chief Executive Officer



Larry Marinesi
Chief Financial Officer

October 29, 2019

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San Diego Metropolitan Transit System

Listing of Board of Directors and Management

BOARD OF DIRECTORS

Members	Board position (elected position)
Georgette Gómez	Chair, since 1/18; Board Member, since 1/17
Mona Rios	Vice Chair, since 1/18; Board Member, since 9/11 (Councilmember, National City)
Paloma Aguirre	Board Member, since 12/18 (Councilmember, City of Imperial Beach)
David Arambula	Board Member, since 1/17 (Councilmember, City of Lemon Grove)
Mark Arapostathis	Board Member, since 1/19 (Mayor, City of La Mesa)
Kevin Faulconer	Board Member, since 1/18 (Mayor, City of San Diego)
Nathan Fletcher	Board Member, since 1/19 (Supervisor, County Board of Supervisors)
Caylin Frank	Board Member, since 12/18 (Councilmember, City of Poway)
Jill Galvez	Board Member, since 1/19 (Councilmember, City of Chula Vista)
Ronn Hall	Board Member, since 5/17 (Councilmember, City of Santee)
Bob McClellan	Board Member, since 4/08 (Councilmember, City of El Cajon)
Monica Montgomery	Board Member, since 12/18 (Councilmember, City of San Diego)
Mary Salas	Chair Pro Tem, since 1/17, Board Member, since 2/13 (Mayor, City of Chula Vista)
Bill Sandke	Board Member, since 1/17 (Councilmember, City of Coronado)
Chris Ward	Board Member, since 12/18 (Councilmember, City of San Diego)

BOARD COMMITTEE MEMBERSHIP

Executive Committee	Accessible Services Advisory Committee	Airport Authority Advisory Committee	Public Security Committee
Georgette Gómez, Chair	Mona Rios, Chair	Bill Sandke	David Arambula
Mark Arapostathis			Nathan Fletcher
Nathan Fletcher			Jill Galvez
Monica Montgomery			Ronn Hall
Mona Rios			Monica Montgomery
Mary Salas			Bill Sandke
Audit Oversight Committee	Budget Development Committee	Los Angeles-San Diego Rail Corridor Agency	Taxicab Advisory Committee
Georgette Gómez, Chair	Mary Salas, Chair	Caylin Frank	Chris Ward
Mark Arapostathis	Paloma Aguirre		
Nathan Fletcher	David Arambula		
Monica Montgomery	Nathan Fletcher		
Mona Rios	Georgette Gómez		
Mary Salas			
SANDAG Board	SANDAG Regional Planning Committee	SANDAG Transportation Committee	
Mona Rios	Jill Galvez	Nathan Fletcher	

San Diego Metropolitan Transit System

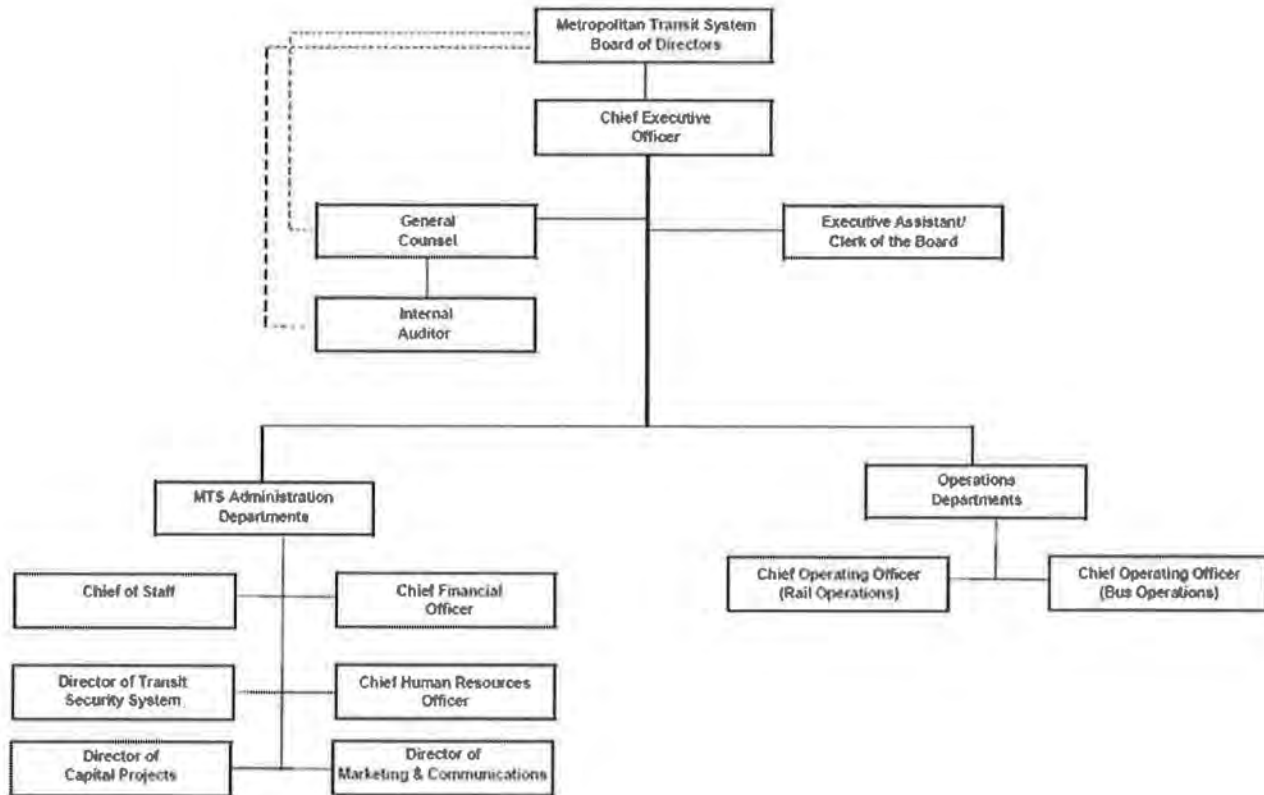
Listing of Board of Directors and Management (Continued)

MTS MANAGEMENT

Staff	Position
Paul Jablonski	Chief Executive Officer
Sharon Cooney	Chief of Staff
Karen Landers	General Counsel
Larry Marinesi	Chief Financial Officer
Mike Wygant	Chief Operating Officer, Transit Systems
E. Wayne Terry	Chief Operating Officer, Rail
Jeff Stumbo	Chief Human Resources Officer
Robert Schupp	Director, Marketing and Communications
Heather Furey	Director, Capital Projects
Manuel Guaderrama	Director, Transit System Security

San Diego Metropolitan Transit System

Executive Level Organization Chart



San Diego Metropolitan Transit System

Certificate of Achievement for Excellence in Financial Reporting – GFOA



Government Finance Officers Association

**Certificate of
Achievement
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in Financial
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Presented to

**San Diego Metropolitan Transit System
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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To the Board of Directors
San Diego Metropolitan Transit System
San Diego, California

Report on Financial Statements

We have audited the accompanying basic financial statements of the San Diego Metropolitan Transit System (MTS), which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of MTS, as of June 30, 2019 and 2018, and the respective changes in financial position, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Proportionate Share of the Net Pension Liability and Related Ratio, Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Contributions – Pension Plans, and Schedules of Changes in Total OPEB Liability and Related Ratios be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MTS's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2019, on our consideration of MTS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MTS's internal control over financial reporting and compliance.

The PwC Group, LLP

San Diego, California
October 29, 2019

San Diego Metropolitan Transit System
Management's Discussion and Analysis (Unaudited)
June 30, 2019 and 2018

The following discussion and analysis of the financial performance of the San Diego Metropolitan Transit System (MTS) is intended to provide an overview of MTS's financial activities for the fiscal years ended June 30, 2019 and 2018. This information should be used in conjunction with the Letter of Transmittal, which can be found on pages i through iv of this report.

Financial Highlights

- Net position, as reported in the statement of net position, totaled \$1,770 million as of June 30, 2019, \$1,735 million as of June 30, 2018 and \$1,724 million as of June 30, 2017. Of this amount, \$(53) million was the unrestricted deficit as of June 30, 2019, \$(55) million was the unrestricted deficit as of June 30, 2018 and \$(20) million was the unrestricted deficit as of June 30, 2017. Total net position increased by \$35 million in the current year and increased by \$11 million in the prior year. The current year increase is primarily due to a \$36 million increase in capital assets.
- For the year ended June 30, 2019, the combined farebox recovery ratio (the measure of the ability to recover operating costs through fare revenue) for San Diego Trolley, Inc., San Diego Transit Corporation, and MTS - Contracted Services was 34.21% compared to 33.33% for the year ended June 30, 2018 and 36.14% for the year ended June 30, 2017. The current year increase is primarily due to an increase in passenger revenue and decrease in risk management costs, partially offset by an increase in outside services and energy.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to MTS's financial statements. The financial statements are comprised of two components: 1) financial statements and, 2) notes to financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Financial statements. The financial statements are designed to provide readers with a broad overview of MTS's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of MTS's assets, deferred outflow of resources, liabilities, and deferred inflow of resources with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of MTS is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

The *statement of cash flows* presents information showing the sources and uses of cash related to operating activities, noncapital financing activities, capital and related financing activities and investing activities. In addition, the statement provides information about significant non-cash investing, capital and financing activities.

Since MTS's primary function is to provide transportation services to the region's citizens and recover costs through user fees and charges, the financial statements include business-type activities. In addition, the financial statements include not only MTS itself (*known as the primary government*), but also two legally separate transit operators and one legally separate freight railway, for which MTS is financially accountable: San Diego and Arizona Eastern Railway Company (SD&AE).

San Diego Metropolitan Transit System
Management's Discussion and Analysis (Unaudited)(Continued)
June 30, 2019 and 2018

Notes to basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other information. In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning MTS's net pension liability and net other post-employment benefits liability for its employees.

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of an entity's financial stability. In the case of MTS, net position was \$1,770 million at the close of the most recent fiscal year and \$1,735 million at the end of FY2018.

The largest portion of MTS's net position reflects the investment in capital assets, net of accumulated depreciation and reduced by any outstanding bonds or other borrowings and deferred inflows and outflows of resources (Net Investment in Capital Asset). Most of the investment in capital assets is comprised of trolley system assets, buses, and construction-in-progress totaling \$42 million, of which the largest projects are the Courthouse trolley station and the Transit Asset Management project, at \$12.8 and \$9.7 million respectively. Prior year construction-in-progress totaled \$53 million, of which the largest projects were the procurement of new Siemens SD8 Light Rail Vehicles (LRVs) and the Courthouse trolley station, at \$12.8 and \$12.4 million respectively. The capital assets that are represented by construction-in-progress will be used to provide services to citizens; consequently, these assets are not available for future spending. In FY2019, MTS transferred completed projects worth \$60.2 million to SDTC, SDTI and MTS - Contracted Services compared to \$51.2 million in FY2018.

The balance in the unrestricted component of net position increased by \$2.2 million during the current year and decreased by \$35.8 million in the prior year. Total assets increased by \$79 million primarily due to capital assets increasing by \$36 million and cash increasing by \$19 million. In FY2018, total assets increased by \$49 million. In the current fiscal year, total liabilities increased by \$29 million primarily due to an increase in unearned revenue of \$23 million and an increase in accounts payable of \$11 million. In the previous year, total liabilities increased by \$26 million.

	2019	2018	Change	2017	Change
Current and other assets	\$ 258,548,635	\$ 215,737,517	\$ 42,811,118	\$ 212,694,682	\$ 3,042,835
Capital assets	1,823,323,569	1,787,009,020	36,314,549	1,741,107,404	45,901,616
Total assets	2,081,872,204	2,002,746,537	79,125,667	1,953,802,086	48,944,451
Deferred outflows of resources	39,436,807	54,287,513	(14,850,706)	70,889,473	(16,601,960)
Current and other liabilities	91,121,531	57,240,387	33,881,144	58,940,833	(1,700,446)
Long-term liabilities outstanding	251,475,903	256,544,202	(5,068,299)	228,646,665	27,897,537
Total liabilities	342,597,434	313,784,589	28,812,845	287,587,498	26,197,091
Deferred inflows of resources	8,736,010	8,303,149	432,861	12,919,118	(4,615,969)
Net position:					
Net investment in capital assets	1,822,922,233	1,785,807,650	37,114,583	1,739,359,691	46,447,959
Restricted	212,422	4,545,522	(4,333,100)	4,440,262	105,260
Unrestricted (deficit)	(53,159,088)	(55,406,860)	2,247,772	(19,615,010)	(35,791,850)
Total net position	\$1,769,975,567	\$1,734,946,312	\$ 35,029,255	\$1,724,184,943	\$ 10,761,369

San Diego Metropolitan Transit System
Management's Discussion and Analysis (Unaudited)(Continued)
June 30, 2019 and 2018

Increases in operating revenue are attributable to an increase in passenger revenue of \$2 million, and an increase in Compressed Natural Gas (CNG) credits totaling \$400 thousand. Variances between FY2019 and FY2018 nonoperating revenues are attributable to a significant decrease in Federal revenue partially offset by an increase in State Transit Assistance revenue. Operating expenses increased due to outside services increasing by \$6 million along with depreciation and energy increasing by \$2 million each, partially offset by risk management costs decreasing by \$4.5 million.

	2019	2018	Change	2017	Change
Revenues:					
Operating revenues:					
Passenger revenue	\$ 92,225,166	\$ 90,235,809	\$ 1,989,357	\$ 93,279,455	\$ (3,043,646)
Other operating revenue	20,434,869	18,535,281	1,899,588	20,241,852	(1,706,571)
Nonoperating revenues:					
Federal revenue	66,068,502	86,930,893	(20,862,391)	72,404,730	14,526,163
Transportation Development Act	96,654,680	94,111,445	2,543,235	94,915,733	(804,288)
State Transit Assistance	32,382,645	21,680,915	10,701,730	12,918,834	8,762,081
State revenue - other	1,828,998	4,886,993	(3,057,995)	14,183,196	(9,296,203)
TransNet funds	45,550,475	40,195,362	5,355,113	37,270,235	2,925,127
Other nonoperating revenue	659,457	5,623,649	(4,964,192)	2,114,713	3,508,936
Total revenues	355,804,792	362,200,347	(6,395,555)	347,328,748	14,871,599
Expenses:					
Operating expenses	426,696,248	423,132,790	3,563,458	407,991,373	15,141,417
Nonoperating expenses	671,402	809,318	(137,916)	962,775	(153,457)
Total expenses	427,367,650	423,942,108	3,425,542	408,954,148	14,987,960
Increase (decrease) in net position before capital contributions	(71,562,858)	(61,741,761)	(9,821,097)	(61,625,400)	(116,361)
Capital contributions	106,592,113	99,550,659	7,041,454	48,301,025	51,249,634
Increase (decrease) in net position	35,029,255	37,808,898	(2,779,643)	(13,324,375)	51,133,273
Net position:					
Beginning of year, as previously reported	1,734,946,312	1,724,184,943	10,761,369	1,737,509,318	(13,324,375)
Restatements due to implementation of GASB 75	-	(27,047,529)	27,047,529	-	(27,047,529)
Beginning of year, as restated	1,734,946,312	1,697,137,414	37,808,898	1,737,509,318	(40,371,904)
End of year	<u>\$1,769,975,567</u>	<u>\$1,734,946,312</u>	<u>\$ 35,029,255</u>	<u>\$1,724,184,943</u>	<u>\$ 10,761,369</u>

San Diego Metropolitan Transit System
Management's Discussion and Analysis (Unaudited)(Continued)
June 30, 2019 and 2018

Capital Asset and Debt Administration

Capital assets. MTS's investment in capital assets net of accumulated depreciation as of June 30, 2019 and 2018 amounted to \$1,823 million and \$1,787 million, respectively. This investment in capital assets includes land, buildings, vehicles, equipment, and construction-in-progress. Major capital asset events during the current fiscal year included the following:

- MTS continues to modernize the revenue vehicle fleet. In FY2019, 11 light rail vehicles (LRVs) were capitalized for a total cost of \$44 million, two of those vehicles were contributed by SANDAG. MTS also placed 35 new buses into service totaling \$6.9 million.
- MTS completed the direct current (DC) circuit breaker project which replaced rectifiers and DC circuit breakers at twelve Traction Power Substations along the Green Line at a total cost of \$6 million.
- Completed capital projects and inventory parts totaling \$107 million were transferred from SANDAG to MTS and its component units during FY2019, the largest being the South Bay BRT expansion which included guideway, a transit center, seven stations, shelters and technology.

CAPITAL ASSETS
 (Net of Accumulated Depreciation)

	2019	2018	2017
Land	\$ 256,922,883	\$ 256,922,883	\$ 256,922,883
Buildings	1,041,617,309	996,361,733	968,444,183
Vehicles	437,802,630	432,560,716	426,479,686
Equipment & other	45,059,343	48,553,881	53,087,922
Construction-in-progress	41,921,404	52,609,807	36,172,730
Total	<u>\$ 1,823,323,569</u>	<u>\$ 1,787,009,020</u>	<u>\$ 1,741,107,404</u>

Additional information on MTS's capital assets can be found in Note 5 to the financial statements.

Long-term debt. At the end of the current fiscal year, MTS has one capital lease obligation outstanding in the amount of \$363,000. In addition, MTS has one finance obligation outstanding relating to Pension Obligation Bonds issued in fiscal year 2005 for a total obligation of \$12.9 million.

Additional information about MTS's long-term debt can be found in Note 8 to the financial statements.

Bond Ratings

Standard & Poor's Ratings Services provided an underlying rating for the Pension Obligation Bonds at "AA-" with a stable outlook in 2019, the same rating that was received in 2018. Additional information on MTS's long-term debt can be found in Note 8 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of MTS's finances for all those with an interest in the government's finances. If you have questions concerning any of the information provided in this report or need additional financial information, visit our website at www.sdmts.com or direct inquiries to the Controller, MTS, 1255 Imperial Avenue, Suite 1000, San Diego, CA 92101.

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San Diego Metropolitan Transit System
Statements of Net Position
June 30, 2019 and 2018

	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 98,640,856	\$ 84,588,129
Cash restricted for capital support	22,690,668	17,246,933
Accounts and other receivables	10,663,281	9,431,211
Due from other governments	102,071,466	82,572,920
Inventory	20,747,837	18,246,303
Prepaid items and other current assets	3,734,527	3,652,021
Total current assets	258,548,635	215,737,517
Noncurrent assets:		
Capital assets, net of accumulated depreciation	1,823,323,569	1,787,009,020
Total noncurrent assets	1,823,323,569	1,787,009,020
Total assets	2,081,872,204	2,002,746,537
DEFERRED OUTFLOWS OF RESOURCES		
Pensions-related deferred outflows of resources		
Contributions made after measurement date	19,934,549	18,722,293
Differences between projected and actual investment earnings	9,055,035	12,500,738
Differences between expected and actual experience	1,052,301	1,038,158
Changes in employer's proportion	464,158	1,162,548
Differences between employer contributions and proportionate share	529,418	597,880
Changes in assumption	6,992,960	18,972,003
Total pensions-related deferred outflows of resources	38,028,421	52,993,620
OPEB-related deferred outflows of resources		
Contributions made after measurement date	1,408,386	1,293,893
Total deferred outflows of resources	39,436,807	54,287,513

See accompanying notes to basic financial statements.

San Diego Metropolitan Transit System
Statements of Net Position (Continued)
June 30, 2019 and 2018

	2019	2018
LIABILITIES		
Current liabilities:		
Accounts payable	29,425,726	18,584,841
Due to other governments	6,908,807	8,574,860
Unearned revenue	32,259,264	9,419,707
Accrued expenses	3,114,362	2,990,766
Retentions payable	5,446,937	3,090,699
Due within one year:		
Compensated absences	6,049,951	6,179,497
Accrued damage, injury, and employee claims	4,998,412	5,261,820
Long-term debt, current portion	2,918,072	3,138,197
Total current liabilities	<u>91,121,531</u>	<u>57,240,387</u>
Noncurrent liabilities:		
Due in more than one year:		
Compensated absences	4,808,050	4,574,257
Accrued damage, injury, and employee claims	10,838,239	12,028,332
Long-term debt	10,355,000	13,273,072
Aggregate net pension liability	178,363,411	181,271,712
Aggregate total OPEB liability	47,111,203	45,396,829
Total noncurrent liabilities	<u>251,475,903</u>	<u>256,544,202</u>
Total liabilities	<u>342,597,434</u>	<u>313,784,589</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on debt refunding related to capital assets	38,264	130,101
Pensions-related deferred inflows of resources		
Differences between expected and actual experience	2,939,943	3,480,013
Changes in employer's proportion	246,648	166,559
Changes in assumptions	2,119,531	1,167,117
Total pensions-related deferred inflows of resources	<u>5,306,122</u>	<u>4,813,689</u>
OPEB-related deferred inflows of resources		
Changes in assumptions	3,391,624	3,359,359
Total deferred inflows of resources	<u>8,736,010</u>	<u>8,303,149</u>
NET POSITION		
Net investment in capital assets	1,822,922,233	1,785,807,650
Restricted for capital assets	212,422	4,545,522
Unrestricted (deficit)	(53,159,088)	(55,406,860)
Total net position	<u>\$ 1,769,975,567</u>	<u>\$ 1,734,946,312</u>

See accompanying notes to basic financial statements.

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San Diego Metropolitan Transit System
Statements of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2019 and 2018

	2019	2018
Operating Revenues:		
Passenger revenue	\$ 92,225,166	\$ 90,235,809
Advertising	1,604,025	1,130,974
Miscellaneous	18,830,844	17,404,307
Total operating revenues	<u>112,660,035</u>	<u>108,771,090</u>
Operating Expenses:		
Personnel costs	146,005,624	146,282,491
Outside services	107,845,799	101,573,956
Transit operations funding	498,181	487,825
Materials and supplies	12,926,523	14,918,022
Energy costs	28,784,063	26,413,555
Risk management	2,183,096	6,675,072
Miscellaneous	5,446,266	5,854,008
Depreciation	123,006,696	120,927,861
Total operating expenses	<u>426,696,248</u>	<u>423,132,790</u>
Operating (Loss)	<u>(314,036,213)</u>	<u>(314,361,700)</u>
Public Support and Nonoperating Revenues (Expenses):		
Federal revenue	66,068,502	86,930,893
Transportation Development Act (TDA) funds	96,654,680	94,111,445
State Transit Assistance (STA) funds	32,382,645	21,680,915
State revenue - other	1,828,998	4,886,993
TransNet funds	45,550,475	40,195,362
Other local subsidies	1,058,481	5,492,305
Investment earnings	1,952,467	940,538
Interest expenses	(671,402)	(809,318)
(Loss) on disposal of assets	(2,351,491)	(809,194)
Total public support and nonoperating revenues (expenses)	<u>242,473,355</u>	<u>252,619,939</u>
Income (Loss) Before Contributed Capital	<u>(71,562,858)</u>	<u>(61,741,761)</u>
Contributed capital, net	<u>106,592,113</u>	<u>99,550,659</u>
Changes in Net Position	<u>35,029,255</u>	<u>37,808,898</u>
Net Position:		
Beginning of year, as restated (Note 14)	<u>1,734,946,312</u>	<u>1,697,137,414</u>
End of year	<u>\$ 1,769,975,567</u>	<u>\$ 1,734,946,312</u>

San Diego Metropolitan Transit System
Statements of Cash Flows
For the Years Ended June 30, 2019 and 2018

	2019	2018
Cash Flows From Operating Activities:		
Receipts from customers and users	\$ 113,620,347	\$ 107,429,785
Payments to suppliers	(153,840,907)	(151,152,671)
Payments to employees	(132,594,038)	(131,934,361)
Payments for damage and injury	(1,478,061)	(1,541,026)
Net cash (used in) operating activities	<u>(174,292,659)</u>	<u>(177,198,273)</u>
Cash Flows From Noncapital Financing Activities:		
Public support funds received	<u>252,016,258</u>	<u>251,301,566</u>
Net cash provided by noncapital financing activities	<u>252,016,258</u>	<u>251,301,566</u>
Cash Flows From Capital and Related Financing Activities:		
Debt service costs	(3,865,578)	(3,825,507)
Property acquisition	(55,892,229)	(67,493,671)
Proceeds from disposal of assets	<u>122,231</u>	<u>998,974</u>
Net cash (used in) capital and related financing activities	<u>(59,635,576)</u>	<u>(70,320,204)</u>
Cash Flows From Investing Activities:		
Interest received on investments	<u>1,408,439</u>	<u>965,283</u>
Net cash provided by investing activities	<u>1,408,439</u>	<u>965,283</u>
Net increase in cash and cash equivalents	19,496,462	4,748,372
Cash and Cash Equivalents:		
Beginning of year	<u>101,835,062</u>	<u>97,086,690</u>
End of year	<u><u>\$ 121,331,524</u></u>	<u><u>\$ 101,835,062</u></u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:		
Cash and cash equivalents	\$ 98,640,856	\$ 84,588,129
Cash restricted for capital support	<u>22,690,668</u>	<u>17,246,933</u>
Total cash and cash equivalents	<u><u>\$ 121,331,524</u></u>	<u><u>\$ 101,835,062</u></u>

San Diego Metropolitan Transit System
Statements of Cash Flows (Continued)
For the Years Ended June 30, 2019 and 2018

	2019	2018
Reconciliation of Operating (Loss) to Net Cash (Used In) Operating Activities:		
Operating (loss)	\$ (314,036,213)	\$ (314,361,700)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities:		
Depreciation	123,006,696	120,927,861
(Increase) decrease in:		
Accounts and other receivables	(1,232,070)	420,923
Due from other governments	799,454	(1,762,228)
Inventory	(2,501,534)	1,688,973
Prepaid items and other current assets	(82,506)	(864,219)
Increase (decrease) in:		
Accounts payable	3,960,874	(1,277,354)
Due to other governments	(487,022)	1,042,817
Accrued expenses	123,596	(29,847)
Unearned revenue	1,482,067	3,083,287
Aggregate net pension liability	11,598,598	12,259,210
Aggregate total OPEB liability	1,517,653	3,292,972
Compensated absences	104,247	36,342
Accrued damage, injury and employee claims	1,453,501	(1,655,310)
Total adjustments	139,743,554	137,163,427
Net cash (used in) operating activities	\$ (174,292,659)	\$ (177,198,273)
Noncash investing, capital, and financing activities:		
Contributions of capital assets and inventory parts from SANDAG	\$ 106,592,113	\$ 99,550,659
Increase (decrease) in fair value of investments	\$ 59,251	\$ (33,508)

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NOTES TO BASIC FINANCIAL STATEMENTS

San Diego Metropolitan Transit System
Notes to Basic Financial Statements
For the Years Ended June 30, 2019 and 2018

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San Diego Metropolitan Transit System
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For the Years Ended June 30, 2019 and 2018

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San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies

The accompanying basic financial statements of the San Diego Metropolitan Transit System (MTS) have been prepared in conformity with generally accepted accounting principles in the United States (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. The more significant of MTS's accounting policies are described below.

A. Reporting Entity

MTS (also known as San Diego Metropolitan Transit Development Board) was formed on January 26, 1976 by passage of California Senate Bill 101 to plan, construct, and operate (or let contracts to operate) exclusive public mass transit guideways in the urbanized south coastal area of San Diego County. MTS has certain responsibilities for near-term transportation planning and administration of federal and state transportation funds within the area under its jurisdiction. The Board of Directors of MTS consists of 15 members composed of four appointees from the City of San Diego (the Mayor and three Council Members), two appointees from the City of Chula Vista (the Mayor and one Council Member), one appointee from the cities of Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, and Santee, and one appointee from the San Diego County Board of Supervisors.

On January 1, 2003, California Senate Bill 1703 (SB 1703) became effective. SB 1703 required the consolidation of the planning and programming functions of MTS and the North County Transit District (NCTD) into the San Diego Association of Governments (SANDAG) in an initial transfer to take place prior to July 1, 2003. SB 1703 also required the consolidation of certain project development and construction functions of MTS and NCTD into SANDAG in a subsequent transfer to take place prior to January 30, 2004. The initial transfer occurred on July 1, 2003, and the subsequent transfer occurred on October 13, 2003. With these actions, employees were transferred from MTS and NCTD to SANDAG, and certain planning, development, and construction functions were also transferred. As a result, MTS's activities since the consolidation have been focused on operating public transit systems in the urbanized area identified above. In addition to the consolidation required by SB 1703, MTS dissolved the independent Board of Directors of San Diego Transit Corporation (SDTC) and Board of Directors of San Diego Trolley, Inc. (SDTI). MTS now acts as the Board of Directors for all three agencies: MTS, SDTC, and SDTI. Beginning in FY2004, SDTC and SDTI are presented as blended component units.

These basic financial statements present MTS and its legally separate component units, entities for which MTS is considered to be financially accountable. Because MTS appoints a majority of the component units' boards of directors, the boards are substantively the same, and MTS is able to impose its will on the component units, MTS presents blended component units. Blended component units, although legally separate entities, are, in substance, part of MTS's operations.

Included within the reporting entity as blended component units:

San Diego Transit Corporation: On July 1, 1985, MTS purchased the assets used by and acquired sole ownership of San Diego Transit Corporation (SDTC) from the City of San Diego for \$1. SDTC has entered into an operating agreement with MTS to operate a public transportation bus system in the City of San Diego and certain regional routes within MTS's jurisdictions. The current agreement, which was approved in December 2006, was renewed on June 23, 2011, as an open-ended agreement terminable upon six months' notice by either party. SDTC continues to provide local service to a number of adjoining cities under pre-existing contracts. Purchases or construction of bus capital items are made by MTS, with whom title remains, and are contributed to SDTC upon completion of a project or when individually purchased by MTS. SDTC's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses are included in MTS's financial statements as a blended component unit. This agency has the same governing board as MTS and provides services directly to the public.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

A. Reporting Entity (Continued)

San Diego Trolley, Inc.: San Diego Trolley, Inc. (SDTI) was organized by MTS in August 1980. SDTI was created to operate and maintain the Light Rail Transit (LRT) system pursuant to an operating agreement with MTS. The current agreement, which was approved in December 2006, was renewed on June 23, 2011, as an open-ended agreement terminable upon six months' notice by either party. Purchases or construction of LRT capital items are made by MTS, with whom title remains, and are contributed to SDTI upon completion of a project or when individually purchased by MTS. SDTI's assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses are included in MTS's financial statements as a blended component unit. This agency has the same governing board as MTS and provides services directly to the public.

San Diego and Arizona Eastern Railway Company: MTS purchased the San Diego and Arizona Eastern Railway Company (SD&AE) in 1979. SDTI operates on a portion of the line and private operators provide freight service on a portion of the line. Purchases of capital items are made by MTS, with whom title remains, and are contributed to SD&AE. Since SD&AE provides almost exclusive benefit to MTS, its assets, deferred outflows, liabilities, deferred inflows, net position, revenues, and expenses are included in MTS's financial statements as a blended component unit. Separate financial reports are not available.

B. Financial Statements

The Financial Statements (i.e., the statement of net position, the statement of revenues, expenses and changes in net position, and statement of cash flows) report information on all of the activities of the primary government and its component units. The statement of revenues, expenses, and changes in net position demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Financial Statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as all eligibility requirements have been met. Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as revenue of the current fiscal period.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as revenue until that time.

MTS receives funding primarily from the following revenue sources:

Passenger Revenue

Passenger fares comprised approximately 32 percent of MTS's \$290.5 million and \$277.8 million operating budget for both FY2019 and FY2018 respectively.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Other Operating Revenues

MTS receives a variety of operating revenues that are not received directly from passenger fares. The sources of these revenues are advertising, naming rights, interest income, energy credits, rental and land management income, income related to Taxicab administration, income from the SD&AE Railway Company, and other miscellaneous income.

Non Operating Revenues

MTS receives subsidies that are derived from federal, state and local tax revenues. MTS does not levy or collect any tax funds, but receives allocated portions of tax funds through federal, state and local granting agencies.

Federal Transit Administration (FTA)

FTA revenues are funded by a federal gas tax and revenues of the federal general fund. Moving Ahead for Progress in the 21st Century (MAP-21) was reauthorized on a short-term basis multiple times before being replaced by the Fixing America's Surface Transportation (FAST) Act, signed into law on December 4, 2015. The FAST Act reauthorized surface transportation programs through September 30, 2020. Under the FAST Act, MTS receives Section 5307 and Section 5337 grants which are earmarked for capital assistance and preventive maintenance. Under MAP-21, transit agencies were not eligible to be direct recipients of Section 5339 Bus and Bus Facilities Funding. However, under FAST Act, MTS is now an eligible direct recipient of Section 5339 formula funds. In addition, MTS also receives Section 5311 and Section 5311F grants for operations.

Transportation Development Act (TDA)

TDA provides funding for public transit operators. This state fund is one quarter of a percent of the 7.75 percent sales tax assessed in the region. SANDAG is responsible for apportionment of these funds within the San Diego region. As economic conditions improve, sales tax receipts have increased over the prior year, and as a result the TDA funds available for disbursement have increased as well.

State Transit Assistance (STA)

STA funding comes from the Public Transportation Act (PTA) which derives its revenue from the state sales tax on gasoline. These funds are designated as discretionary or formula. The former is appropriated by the legislature. The latter is a formula based upon population and fares generated.

STA State of Good Repair Program (SGR)

The SGR Program is another new revenue source as a result of Senate Bill (SB) 1 and is funded from a portion of a new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. The funds are allocated with the same STA Program formula.

TransNet

TransNet funds are derived from the Proposition A one-half cent local transportation sales tax that was approved by area voters in November 1987. The original ordinance expired in 2008, but has since been extended to 2048 by subsequent voter approval. The ordinance allocated one-third of the sales tax proceeds for transit purposes, which are further divided between MTS and NCTD based on the proportion of the population within the area of each jurisdiction. The *TransNet* Program also reimburses MTS for the net operating cost of the Bus Rapid Transit and Superloop projects that were approved as part of the extension. These costs are billed to SANDAG on a monthly basis. *TransNet* funds are also apportioned by SANDAG.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Transit and Intercity Rail Capital Program (TIRCP)

The TIRCP is a discretionary program that was created by Senate Bill (SB) 862 (Chapter 36, Statutes of 2014) and modified by Senate Bill 9 (Chapter 710, Statutes of 2015) to provide grants from the Greenhouse Gas Reduction Fund to fund transformative capital improvements that will modernize California's intercity, commuter, and urban rail systems, and bus and ferry transit systems to reduce emissions of greenhouse gases by reducing congestion and vehicle miles travelled throughout California. MTS was awarded \$40.1 million in 2018 for the Blue Line Rail Corridor Transit Enhancements projects which we expect to receive in Fiscal Years 2021-2023 as expenses are incurred.

Low Carbon Transit Operations Program (LCTOP):

The Low Carbon Transit Operations Program (LCTOP) is one of several programs that are part of the Transit, Affordable Housing, and Sustainable Communities Program established by the California Legislature in 2014 by Senate Bill 862. The LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emission and improve mobility, with a priority on serving disadvantaged communities. Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. Senate Bill 862 continuously appropriates five percent of the annual auction proceeds in the Greenhouse Gas Reduction Fund for LCTOP.

Other State Revenue

MediCal provides further funding support specifically tied to several ADA Paratransit routes to aid patients in their transportation to medical appointments.

Compressed Natural Gas Rebate

Alternative fuel credits are issued by the IRS to MTS for utilizing compressed natural gas to power its vehicles. This rebate program expired on December 31, 2017. It continues to be discussed within the legislature, but has not yet been reauthorized.

Other Local Subsidies

The City of San Diego provides Maintenance of Effort funds to aid ADA efforts. In addition, SANDAG provides funds for the operation of certain express bus routes and NCTD provides partial subsidy for the Sorrento Valley Coaster Connection.

D. Use of Restricted/Unrestricted Assets

When both restricted and unrestricted resources are available for use, it is MTS's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Cash, Cash Equivalents, and Investments

Investments of pooled cash consist primarily of pooled investment funds, liquidity funds and governmental bonds. Investments are stated at fair value, which is based on quoted market price. Money market investments and participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value.

For purposes of the statement of cash flows, all highly liquid temporary investments purchased with a maturity of three months or less are considered cash equivalents.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

E. Cash, Cash Equivalents, and Investments (Continued)

MTS participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is the same as the fair value of the pool shares. MTS also participates in the San Diego County Treasurer's Pooled Money Fund, which is a local government investment pool managed by the County Treasurer's Office on behalf of the Investment Pool participants.

Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 - Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 - Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 - Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

F. Inventory

Inventories are valued at the weighted average unit cost.

G. Prepaid Items and Other Assets

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

H. Capital Assets

Capital assets include land and right-of-way, buildings and infrastructure assets, vehicles, and equipment. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital asset improvements are recorded as assets.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note I - Summary of Significant Accounting Policies (Continued)

H. Capital Assets (Continued)

Under the operating agreements between MTS and SDTC and SDTI, SDTC and SDTI are required to pay a license fee to MTS for the use of certain capital assets. Due to SDTC's and SDTI's continued shortage of operating funds sufficient to cover recurring expenditures, the payment of these fees is considered remote, and therefore, these amounts were not recorded in the accompanying basic financial statements. Buildings, vehicles, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building and structures	20 to 30
Vehicles and buses	5 to 25
Equipment and other capital assets	3 to 10
Capital leases	3 to 40

I. Construction-in-Progress

Costs incurred for construction associated with the bus and trolley systems are capitalized as construction-in-progress until such time as they are complete and operational. Upon completion, they are contributed to SDTC, SDTI and MTS - Contracted Services to reflect their custodial accountability for the assets. Depreciation commences at the time of contribution. Assets acquired through capital leases are capitalized.

J. Compensated Absences

It is MTS's policy to permit employees to accumulate earned but unused personal leave time up to a maximum of 400 hours, which includes both vacation and sick pay benefits. All personal leave time is accrued when incurred.

K. Long-Term Obligations

Debt premiums and discounts, if any, are deferred and amortized over the life of the debt using the straight-line method. Long-term debt is reported net of the applicable bond premium or discount. Debt issuance costs are expensed when incurred.

L. Refunding of Debt

Gains or losses occurring from current or advance refunding of debt are reported as deferred inflows or outflows of resources and are being amortized using the straight-line method over the original remaining life of the old debt or the life of the new debt, whichever is less.

M. Pension

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of MTS, SDTC and SDTI's pension plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

N. Other Postemployment Benefits

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, of the MTS, SDTC, and SDTI's OPEB Plan ("OPEB Plan") have been determined on the same basis as they are reported by the Plan (Note 12). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

O. Net Position

Net Position is classified as follows:

Net investments in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt and deferred inflows and outflows of resources that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted component of net position.

P. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from these estimates.

Q. Implementation of New GASB Pronouncements for the Year Ended June 30, 2019

During fiscal year ended June 30, 2019, MTS has implemented the following new GASB Pronouncements:

GASB Statement No. 83 - In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. Application of this statement is effective for MTS's fiscal year ending June 30, 2019.

GASB Statement No. 88 - In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. Application of this statement is effective for MTS's fiscal year ending June 30, 2019.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 1 - Summary of Significant Accounting Policies (Continued)

R. Upcoming Governmental Accounting Standards for the Year Ending June 30, 2020

For the fiscal year ending June 30, 2020, MTS will implement the following new GASB Pronouncements:

GASB Statement No. 84 - In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Application of this statement is effective for MTS's fiscal year ending June 30, 2020.

GASB Statement No. 90 - In August 2018, GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. Application of this statement is effective for MTS's fiscal year ending June 30, 2020.

Note 2 - Cash, Cash Equivalents, and Investments

Cash and investments are reported in the accompanying statements of net position as follows on June 30, 2019 and 2018:

	2019	2018
Cash and cash equivalents	\$ 98,640,856	\$ 84,588,129
Cash and cash equivalents restricted for capital support	22,690,668	17,246,933
Total cash and investments	\$ 121,331,524	\$ 101,835,062

Cash and cash equivalents consisted as follows on June 30, 2019 and 2018:

Investment Type	Measurement Input	Fair Value	
		2019	2018
Cash and cash equivalents:			
Demand Deposits	N/A	\$ 49,175,889	\$ 37,898,684
Retention Trust Account	N/A	4,819,561	2,799,920
San Diego County Investment Pool	Level 2	32,663,475	43,281,259
State of California - Local Agency Investment Fund	Uncategorized	34,672,599	17,855,199
Total cash and cash equivalents		\$ 121,331,524	\$ 101,835,062

Demand Deposits

As of June 30, 2019, the carrying amount of demand deposits was \$49,175,889 and the bank balance was \$49,452,745 compared to \$37,898,684 and \$43,038,639 at June 30, 2018, of which the total amount was collateralized or insured with securities held by the pledging financial institutions in MTS's name as discussed below.

All cash accounts are pooled and swept nightly to a concentration account. Funds required to be held by fiscal agents under the provisions of bond indentures are not included in the pooled cash account.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 2 - Cash, Cash Equivalents, and Investments (Continued)

Investments

Under the provisions of MTS's investment policy and in accordance with California Government Code, MTS is authorized to invest or deposit in the following:

- United States Treasury bills, notes, bonds, or strips
- Federal Agency or U.S. government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by Federal agencies or U.S. government-sponsored enterprises
- Eligible Banker's Acceptances
- Prime Commercial Paper issued by a U.S. organization with a rating category of "A" or "A-1", its equivalent or higher
- Non-negotiable certificates of deposit that meet the requirements for deposit under California Government Code Section 53630
- Negotiable Certificates of Deposit with issuers rated in a rating category of "A", its equivalent or higher
- Repurchase Agreements collateralized by U.S. Treasury obligations, Federal Agency securities, or Federal Instrumentality securities
- Reverse Repurchase Agreements
- State of California's Local Agency Investment Fund (LAIF)
- The San Diego County Treasurer's Pooled Money Fund
- A Joint Powers Authority Pool rated among the top two rating categories by a nationally recognized statistical rating organization (NRSRO)
- Medium Term Notes issued by corporations organized and operating within the U.S. with issuers rated in a rating category of "A", its equivalent, or higher by a NRSRO
- Money Market Funds registered under the Investment Company Act of 1940
- Municipal bonds issued by MTS
- Registered State warrants or treasury notes or bonds of the State of California
- Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California
- Registered treasury notes or bonds of any of the other 49 states in addition to California
- Supranational obligations

For full details on the authorized investments and associated limitations, please refer to MTS Board Policy 30 on our website. <https://www.sdmts.com/about-mts-reports-records-and-policies/policies-and-procedures>

Local Agency Investment Funds

MTS's investments with Local Agency Investment Fund (LAIF) include a portion of the pool funds invested in structured notes and asset-backed securities. These investments include the following:

- Structured Notes - debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises.
- Asset-Backed Securities - entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's), small business loans or credit card receivables.

LAIF is overseen by the Local Investment Advisory Board, which consists of five members, in accordance with State statute. The fair value of our position in the pool is the same as the value of the pool shares.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 2 - Cash, Cash Equivalents, and Investments (Continued)

Local Agency Investment Funds (Continued)

As of June 30, 2019, MTS had \$34,672,599 invested in LAIF, which had invested 1.77% of the pool investment funds in structured notes and asset-backed securities compared to \$17,855,199 and 2.67% at June 30, 2018.

San Diego County Treasurer's Pooled Money Fund

The San Diego County Treasurer's Pooled Money Fund is a local government investment pool managed by the County Treasurer's Office on behalf of Investment Pool participants. Depositors in the Investment Pool include both mandatory participants, those agencies required by law to deposit their funds with the County Treasurer's Office, and voluntary participants, agencies that place their funds in the Investment Pool as an investment option. Voluntary participants, including cities, fire districts, and various special districts accounted for approximately 6.78% and 7.88% of the Investment Pool as of June 30, 2019 and 2018, respectively. At June 30, 2019 and 2018, the fair value of our position in the pool is 99.92% and 99.48%, respectively, of the value of the pool shares.

Pursuant to Section 27130-27137 of the California Government Code, the County Board of Supervisors has established the Treasurer's Oversight Committee ("TOC") that monitors and reviews the Investment Policy. The TOC consists of members appointed from the districts or offices that they represent, and up to five members of the public having expertise in, or an academic background in public finance.

To mitigate credit risk, the Investment Pool's Investment Policy, which is more restrictive than the Government Code, places a minimum standard on the ratings of investments held in the Investment Pool. Investments in securities other than those guaranteed by the U.S. Treasury or Government Sponsored Enterprises must have a credit rating of no less than "A" for long-term or "A1" for short-term. Non-rated securities include sweep accounts, collateralized certificates of deposit and repurchase agreements. Sweep accounts and collateralized certificates of deposit must be FDIC insured and collateralized with securities held by a named agent of the depository. Repurchase agreements are collateralized by securities, authorized by the California Government Code Section 53601, having fair market value of 102% or greater than the amount of the repurchase agreement. The Investment Pool does not hold any investments in structured notes.

MTS's investments with the County Treasurer's Office include a portion of the pool funds invested in asset-backed securities as defined in the preceding section for LAIF investments. As of June 30, 2019, MTS had \$32,663,475 invested with the San Diego County Treasurer's Pooled Fund, which had invested 7.20% of the pool investment funds in asset-backed securities compared to \$43,281,259 and 2.11% at June 30, 2018.

Disclosures Relating to Interest Rate Risk

As a means of limiting its exposure to market value losses arising from rising interest rates, MTS's investment policy limits investments to maturities dependent on the investment vehicle.

Disclosures Relating to Credit Risk

MTS's investment policy limits investments in commercial paper and negotiable certificates of deposit to instruments rated "A", its equivalent or better by a NRSRO. In the current year, MTS does not hold investments in commercial paper or certificates of deposit. MTS investment instruments include deposits in LAIF and the San Diego County Treasurer's Pooled Market Fund which are not rated and do not require ratings.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 2 - Cash, Cash Equivalents, and Investments (Continued)

Disclosures Relating to Concentration of Credit Risk

The investment policy limits the amount of the percentage of the portfolio that can be invested by the type of investment for certain types of investments. MTS is in compliance with investment type percentages of the total portfolio of the investment policy.

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the broker or dealer to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code requires California banks and savings and loan associations to secure MTS's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in MTS's name.

The fair value of pledged securities must equal at least 110% of MTS's cash deposits. California law also allows institutions to secure MTS deposits by pledging first trust deed mortgage notes having a value of 150% of MTS's total cash deposits. MTS may waive collateral requirements for cash deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. MTS has waived the collateralization requirements.

Summary of Investments to Maturity

Investments held by MTS grouped by maturity date at June 30, 2019 and 2018, are shown below:

Maturity	2019	2018
Current to one year	\$ 121,331,524	\$ 101,835,062
Total	<u>\$ 121,331,524</u>	<u>\$ 101,835,062</u>

Note 3 - Accounts Receivable

A. Accounts and Other Receivables

At June 30, 2019 and 2018, the net realizable accounts and other receivables consisted of the following:

	2019	2018
Passenger revenue - General Public	\$ 2,590,781	\$ 3,239,372
Other trade receivables	6,373,594	4,582,072
Pension plan receivable	1,698,906	1,609,767
Total accounts and other receivables	<u>\$ 10,663,281</u>	<u>\$ 9,431,211</u>

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 3 - Accounts Receivable (Continued)

B. Due From Other Governments

At June 30, 2019 and 2018, amounts due from other governments consisted of the following:

	2019	2018
FTA Grant Funds	\$ 60,851,790	\$ 59,537,420
SANDAG - Project/Route reimbursement	25,274,333	753,333
STA Funds	7,523,824	6,875,454
SANDAG - <i>TransNet</i>	5,187,851	6,248,861
Passenger Revenue - Other Governments	1,306,541	1,762,228
County of San Diego	951,154	4,692,714
North County Transit District - passenger revenue and shared costs	575,904	957,362
State of California	254,850	1,638,020
Other Local Governments	99,546	52,444
Department of Homeland Security	45,673	35,869
City of San Diego	-	19,215
Total due from other governments	<u>\$ 102,071,466</u>	<u>\$ 82,572,920</u>

Note 4 - Inventory

At June 30, 2019 and 2018, inventory consisted of the following repair and maintenance parts and administrative supplies:

	2019	2018
San Diego Transit Corp.	\$ 4,173,162	\$ 3,458,589
San Diego Trolley, Inc.	16,574,675	14,787,714
Total inventory	<u>\$ 20,747,837</u>	<u>\$ 18,246,303</u>

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 5 - Capital Assets

A summary of changes in capital assets for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets, not depreciated				
Land and right-of-way	\$ 256,922,883	\$ -	\$ -	\$ 256,922,883
Construction-in-progress	52,609,807	55,614,281	(66,302,684)	41,921,404
Total capital assets, not depreciated	309,532,690	55,614,281	(66,302,684)	298,844,287
Capital assets, depreciated:				
Buildings and structures	1,995,593,088	109,804,853	(657,908)	2,104,740,033
Buses and vehicles	758,262,110	51,938,744	(13,426,880)	796,773,974
Equipment and other	149,152,910	10,832,531	(5,969,807)	154,015,634
Capital lease property	12,091,981	-	-	12,091,981
Total capital assets, depreciated	2,915,100,089	172,576,128	(20,054,595)	3,067,621,622
Less accumulated depreciation for:				
Buildings and structures	(999,231,355)	(64,433,608)	547,739	(1,063,122,724)
Buses and vehicles	(325,701,394)	(46,556,061)	13,286,111	(358,971,344)
Equipment and other	(101,543,715)	(11,639,153)	3,659,765	(109,523,103)
Capital lease property	(11,147,295)	(377,874)	-	(11,525,169)
Total accumulated depreciation	(1,437,623,759)	(123,006,696)	17,488,115	(1,543,142,340)
Total capital assets, depreciated, net	1,477,476,330	49,569,432	(2,566,480)	1,524,479,282
Total capital assets, net	\$ 1,787,009,020	\$ 105,183,713	\$ (68,869,164)	\$ 1,823,323,569

A summary of changes in capital assets for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Capital assets, not depreciated				
Land and right-of-way	\$ 256,922,883	\$ -	\$ -	\$ 256,922,883
Construction-in-progress	36,172,730	69,128,731	(52,691,654)	52,609,807
Total capital assets, not depreciated	293,095,613	69,128,731	(52,691,654)	309,532,690
Capital assets, depreciated:				
Buildings and structures	1,903,169,196	92,423,892	-	1,995,593,088
Buses and vehicles	788,558,176	52,157,135	(82,453,201)	758,262,110
Equipment and other	141,534,519	7,661,286	(42,895)	149,152,910
Capital lease property	12,091,981	-	-	12,091,981
Total capital assets, depreciated	2,845,353,872	152,242,313	(82,496,096)	2,915,100,089
Less accumulated depreciation for:				
Buildings and structures	(934,725,013)	(64,506,342)	-	(999,231,355)
Buses and vehicles	(362,078,490)	(44,226,192)	80,603,288	(325,701,394)
Equipment and other	(89,769,157)	(11,817,453)	42,895	(101,543,715)
Capital lease property	(10,769,421)	(377,874)	-	(11,147,295)
Total accumulated depreciation	(1,397,342,081)	(120,927,861)	80,646,183	(1,437,623,759)
Total capital assets, depreciated, net	1,448,011,791	31,314,452	(1,849,913)	1,477,476,330
Total capital assets, net	\$ 1,741,107,404	\$ 100,443,183	\$ (54,541,567)	\$ 1,787,009,020

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 5 - Capital Assets (Continued)

MTS converted \$66 million in capital assets from CIP to assets in service in FY2019 compared to \$53 million in FY2018. A summary of capital asset additions contributed by MTS is as follows:

	2019	2018
MTS - General Operations	\$ 6,075,926	\$ 1,448,245
MTS - Contracted Services	7,416,853	36,947,032
San Diego Transit Corporation	4,562,728	7,394,755
San Diego Trolley, Inc.	48,247,177	6,901,622
Total	<u>\$ 66,302,684</u>	<u>\$ 52,691,654</u>

Capital asset additions totaling \$106 million were contributed by SANDAG in FY2019 compared to \$100 million in FY2018. SANDAG also contributed spare parts for the new LRVs to SDTI. A summary of capital asset additions contributed by SANDAG is as follows:

	2019	2018
MTS - Contracted Services	\$ 90,287,543	\$ 2,724,742
San Diego Transit Corporation	1,991,933	89,506,033
San Diego Trolley, Inc.	13,993,969	7,319,884
Total	<u>106,273,445</u>	<u>99,550,659</u>
San Diego Trolley, Inc - LRV Spare Parts Inventory	318,668	-
Total contributed capital	<u>\$ 106,592,113</u>	<u>\$ 99,550,659</u>

Depreciation

Depreciation expense for capital assets for the years ended June 30, 2019 and 2018 were comprised of the following:

	2019	2018
MTS - General Operations	\$ 3,106,473	\$ 3,098,695
MTS - Contracted Services	22,706,135	21,236,046
San Diego Transit Corporation	29,467,429	25,998,089
San Diego Trolley, Inc.	67,726,659	70,595,031
Total	<u>\$ 123,006,696</u>	<u>\$ 120,927,861</u>

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 6 – Due To Other Governments

At June 30, 2019 and 2018, amounts due to other governments consisted of the following:

	2019	2018
SANDAG - subsidy revenue for construction projects in process	\$ 4,480,475	\$ 5,165,754
State of California - miscellaneous	919,015	561,701
City of La Mesa - Miscellaneous	586,030	17,486
North County Transit District-passenger revenue	416,368	1,509,661
City of Lemon Grove - TDA Funds	129,847	126,065
City of San Diego - miscellaneous	103,131	39,726
City of El Cajon - TDA Funds	97,392	94,555
County of San Diego - miscellaneous	56,819	103,362
Other Governments - miscellaneous	53,179	50,956
City of Coronado - TDA Funds	37,738	46,431
SANDAG - project reimbursements	28,813	859,163
Total due to other governments	<u>\$ 6,908,807</u>	<u>\$ 8,574,860</u>

Note 7 – Unearned Revenue

At June 30, 2019 and 2018, unearned revenue consisted of the following:

	2019	2018
<i>TransNet</i> Funds for LRVs received in advance	\$ 12,921,047	\$ -
Caltrans LCTOP funds received in advance	8,852,223	1,689,717
STA State of Good Repair funds received in advance	4,319,957	3,046,020
Fare media payments received in advance	1,999,924	2,806,245
Insurance recoveries received in advance	1,596,242	-
Lease payments received in advance	1,594,871	1,577,725
Naming Rights payment received in advance	975,000	300,000
Total unearned revenue	<u>\$ 32,259,264</u>	<u>\$ 9,419,707</u>

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 8 – Long-Term Debt

A. Summary

A summary of changes in long-term obligations for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Additions	Reductions	Balance June 30, 2019	Amounts due within one year	Amounts due in more than one year
MTS:						
Capital lease obligations	\$ 1,071,269	\$ -	\$ (708,197)	\$ 363,072	\$ 363,072	\$ -
Compensated absences payable	1,144,305	676,009	(671,456)	1,148,858	671,456	477,402
Accrued damage, injury, and employee claims	952,955	449,867	(412,000)	990,822	439,332	551,490
Aggregate net pension liability	13,418,753	7,912,254	(8,348,344)	12,982,663	-	12,982,663
Aggregate total OPEB liability	5,575,125	653,863	(203,914)	6,025,074	-	6,025,074
Total MTS	22,162,407	9,691,993	(10,343,911)	21,510,489	1,473,860	20,036,629
San Diego Transit Corporation:						
Pension Obligation Bonds	15,340,000	-	(2,430,000)	12,910,000	2,555,000	10,355,000
Compensated absences payable	6,831,941	3,031,119	(3,049,850)	6,813,210	3,049,850	3,763,360
Accrued damage, injury, and employee claims	13,346,566	3,138,584	(4,454,554)	12,030,596	3,289,320	8,741,276
Aggregate net pension liability	134,375,705	24,130,606	(24,444,935)	134,061,376	-	134,061,376
Aggregate total OPEB liability	28,722,883	2,176,297	(1,378,967)	29,520,213	-	29,520,213
Total San Diego Transit Corporation	198,617,095	32,476,606	(35,758,306)	195,335,395	8,894,170	186,441,225
San Diego Trolley, Inc.:						
Compensated absences payable	2,777,508	2,447,070	(2,328,645)	2,895,933	2,328,645	567,288
Accrued damage, injury, and employee claims	2,990,631	929,646	(1,105,044)	2,815,233	1,269,760	1,545,473
Aggregate net pension liability	33,477,254	15,925,962	(18,083,844)	31,319,372	-	31,319,372
Aggregate total OPEB liability	11,098,821	830,012	(362,917)	11,565,916	-	11,565,916
Total San Diego Trolley, Inc.	50,344,214	20,132,690	(21,880,450)	48,596,454	3,598,405	44,998,049
Total	\$ 271,123,716	\$ 62,301,289	\$ (67,982,667)	\$ 265,442,338	\$ 13,966,435	\$ 251,475,903

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 8 – Long-Term Debt (Continued)

A. Summary (Continued)

A summary of changes in long-term obligations for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017 (As Restated)	Additions	Reductions	Balance June 30, 2018	Amounts due within one year	Amounts due in more than one year
MTS:						
Capital lease obligations	\$ 1,747,713	\$ -	\$ (676,444)	\$ 1,071,269	\$ 708,197	\$ 363,072
Compensated absences payable	1,081,927	972,967	(910,589)	1,144,305	910,589	233,716
Accrued damage, injury, and employee claims	531,592	828,363	(407,000)	952,955	359,151	593,804
Aggregate net pension liability	11,480,319	7,401,043	(5,462,609)	13,418,753	-	13,418,753
Aggregate total OPEB liability	5,562,352	109,394	(96,621)	5,575,125	-	5,575,125
Total MTS	20,403,903	9,311,767	(7,553,263)	22,162,407	1,977,937	20,184,470
San Diego Transit Corporation:						
Pension Obligation Bonds	17,655,000	-	(2,315,000)	15,340,000	2,430,000	12,910,000
Compensated absences payable	7,244,573	2,637,867	(3,050,499)	6,831,941	3,050,499	3,781,442
Accrued damage, injury, and employee claims	12,189,894	6,656,672	(5,500,000)	13,346,566	3,604,736	9,741,830
Aggregate net pension liability	136,322,951	24,966,384	(26,913,630)	134,375,705	-	134,375,705
Aggregate total OPEB liability	29,858,990	(206,937)	(929,170)	28,722,883	-	28,722,883
Total San Diego Transit Corporation	203,271,408	34,053,986	(38,708,299)	198,617,095	9,085,235	189,531,860
San Diego Trolley, Inc.:						
Compensated absences payable	2,663,379	2,332,538	(2,218,409)	2,777,508	2,218,409	559,099
Accrued damage, injury, and employee claims	2,913,356	1,180,275	(1,103,000)	2,990,631	1,297,933	1,692,698
Aggregate net pension liability	30,302,011	20,276,699	(17,101,456)	33,477,254	-	33,477,254
Aggregate total OPEB liability	11,414,062	(126,202)	(189,039)	11,098,821	-	11,098,821
Total San Diego Trolley, Inc.	47,292,808	23,663,310	(20,611,904)	50,344,214	3,516,342	46,827,872
Total	\$ 270,968,119	\$ 67,029,063	\$ (66,873,466)	\$ 271,123,716	\$ 14,579,514	\$ 256,544,202

Long-term debt is reported in the accompanying statement of net position as follows:

	2019		2018	
	Due Within One Year	Noncurrent Liabilities	Due Within One Year	Noncurrent Liabilities
Long-Term Liabilities:				
Compensated absences payable	\$ 6,049,951	\$ 4,808,050	\$ 6,179,497	\$ 4,574,257
Accrued damage, injury, and employee claims	4,998,412	10,838,239	5,261,820	12,028,332
Long-term debt	2,918,072	10,355,000	3,138,197	13,273,072
Aggregate net pension liability	-	178,363,411	-	181,271,712
Aggregate total OPEB liability	-	47,111,203	-	45,396,829
Total long-term liabilities	\$ 13,966,435	\$ 251,475,903	\$ 14,579,514	\$ 256,544,202

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 8 – Long-Term Debt (Continued)

B. Capital Lease

The County of San Diego (the County) has a master lease agreement with the MTS Joint Powers Agency (Agency) for the lease of the MTS Tower building. MTS entered into a sublease agreement with the County for a portion (27.61%) of the MTS Tower building. The sublease is classified as a capital lease because 27.61% of the title transfers to MTS at the end of the County's master lease. The master lease terminates on November 1, 2086; however, the County has the option to terminate the agreement on November 1, 2041 and each tenth anniversary thereafter. In May 2011, San Diego County refunded the underlying debt obligation in order to secure a more favorable interest rate, which results in a \$1.3 million reduction in future principal and interest payments under the terms of the lease agreement. A \$788,266 net economic capital gain from the refunding, which is the difference between the present value of the minimum payments on the refunded debt and the present value of the minimum payments on the refunding debt, has been deferred. The deferred gain will be amortized as a component of interest expense over the life of the refunding debt, which is the same life as the refunded debt.

The asset acquired through the capital lease is as follows:

	2019	2018
Building – MTS Tower	\$ 12,091,981	\$ 12,091,981
Less accumulated depreciation	(11,525,169)	(11,147,295)
Total	<u>\$ 566,812</u>	<u>\$ 944,686</u>

At June 30, 2019 the future minimum payments under the capital lease were \$363,072 summarized below:

Year ending June 30:	Tower Lease Payments
2020	\$ 372,148
Total minimum lease payments	372,148
Less amount representing interest	(9,076)
Present value of minimum lease payments	<u>\$ 363,072</u>

C. Pension Obligation Bonds

In October 2004, MTS issued \$77,490,000 of Taxable Pension Obligation Bonds (POBs) for the benefit of SDTC. The purpose of the bonds was to make contributions to the San Diego Transit Corporation Retirement Plan and reduce its unfunded liability. This is in essence a hedge versus the assumed investment rate of 8% used by the actuary to determine the Actuarial Accrued Liability. The proceeds less fees were invested into the retirement plan. The bonds consist of the following:

Series A Bonds of \$38,690,000 are fixed rate bonds that mature in annual installments between 2006 and 2024 and bear an interest rate from 2.58% to 5.15% increasing progressively over the maturities. Interest is due and payable semi-annually on June 1 and December 1. Principal is due and payable each year on December 1.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 8 – Long-Term Debt (Continued)

C. Pension Obligation Bonds (Continued)

At June 30, 2019 and 2018, the outstanding balance of the Pension Obligation Bonds is \$12,910,000 and \$15,340,000, respectively. The required payments for the Pension Obligation Bonds, including interest, are:

Year ending June 30	Principal	Interest	Total
2020	\$ 2,555,000	\$ 599,074	\$ 3,154,074
2021	2,690,000	464,015	3,154,015
2022	2,835,000	321,746	3,156,746
2023	2,985,000	171,881	3,156,881
2024	1,845,000	47,509	1,892,509
Total	<u>\$ 12,910,000</u>	<u>\$ 1,604,225</u>	<u>\$ 14,514,225</u>

Note 9 - Risk Management

MTS (including SDTC, SDTI, and MTS - Contracted Services) is self-insured for third party liability claims to a maximum of \$2,000,000 per occurrence. Amounts in excess of the self-insured retention limits for public liability are covered through commercial insurance carriers up to \$75,000,000. No stop loss or cap coverage is purchased above the \$75,000,000 limits. MTS, SDTC, and SDTI purchase all-risk (excluding earthquake) insurance coverage for property damage up to \$600,000,000 per occurrence with deductibles ranging from \$25,000 to \$250,000, depending on the type of property and peril involved. In addition, MTS, SDTC, and SDTI are self-insured for costs arising from employee workers' compensation act benefit claims including employer's liability to a retained limit of \$1,000,000 per occurrence. Amounts in excess of \$1,000,000 are insured up to statutory limits. MTS, SDTC, and SDTI all finance their respective unemployment insurance liabilities. MTS, SDTC and SDTI have policies for crime coverage through commercial insurance as well as cyber liability insurance to protect the agencies from third party claims alleging computer security breaches. The crime coverage policy has a limit of \$1,000,000 subject to a \$2,500 deductible and the cyber liability policy has a limit of \$5,000,000 subject to a \$100,000 deductible. These policies protect against theft, loss or unauthorized disclosure of personally identifiable information.

Claim expenditures and liabilities in connection with these self-insurance programs are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported based upon past experience, modified for current trends and information. Claim payments up to \$2,000,000 per incident are recorded as risk management expenses in the statements of revenues, expenses, and changes in net position. Claim payments did not exceed insurance coverage in any of the past three years.

	Beginning of fiscal year	Current year claims and changes in estimates	Claims payments	End of fiscal year
2017	\$ 15,595,150	\$ 3,599,692	\$ (3,560,000)	\$ 15,634,842
2018	15,634,842	8,665,310	(7,010,000)	17,290,152
2019	17,290,152	1,128,499	(2,582,000)	15,836,651

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 9 - Risk Management (Continued)

Following is a summary of accrued damage, injury, and employee claims for fiscal years 2019 and 2018:

	2019	2018
Current portion	\$ 4,998,412	\$ 5,261,820
Non-current portion	10,838,239	12,028,332
Total	<u>\$ 15,836,651</u>	<u>\$ 17,290,152</u>

MTS has established a policy to consolidate the minimum balances required in the liability claims reserve accounts of SDTC and SDTI to be held by MTS. The policy also established eligible uses for the MTS reserve account, which included the reimbursement to SDTC and SDTI of awards/settlements of individual liability claims for personal injury and/or property damage in excess of \$300,000, but within the self-insurance retention at SDTC and SDTI. In connection with these self-insurance programs, liabilities for MTS, SDTC and SDTI were \$15,836,651 at June 30, 2019 and \$17,290,152 at June 30, 2018.

The Board has designated \$2,000,000 for the purposes of funding the future claims liabilities of MTS, SDTC, and SDTI.

Note 10 - Contingencies

Pending legal actions. MTS, SDTC and SDTI have been named in certain legal actions pending at June 30, 2019. While the outcome of these lawsuits is not presently determinable, in the opinion of management of MTS, SDTC and SDTI, based in part on the advice of counsel, the resolution of these matters is not expected to have a material adverse effect on the financial position or results of operations of MTS, SDTC, or SDTI, or is adequately covered by insurance.

Pledged Revenue. SDTC has pledged future revenues pursuant to the provision of the Pension Obligation Bonds issued by SDTC in FY 2004.

Note 11 – Employee Retirement Systems

A. Summary

Aggregate Net Pension Liability

Aggregate Net Pension Liability is reported in the accompanying statements of net position as follows:

	2019	2018
MTS CalPERS Plans	\$ 12,982,663	\$ 13,418,753
SDTI CalPERS Plans	29,552,949	31,326,755
SDTI PARS Plan	1,766,423	2,150,499
SDTC Retirement Plan	134,061,376	134,375,705
Total	<u>\$ 178,363,411</u>	<u>\$ 181,271,712</u>

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

A. Summary (Continued)

Deferred Outflows of Resources

Deferred Outflows of Resources at June 30, 2019 are reported in the accompanying statement of net position as follows:

	Contributions Made After Measurement Date	Differences Between Expected and Actual Experience	Differences Between Projected and Actual Earnings on Pension Plan Investments	Changes in Assumptions	Changes in Employer's Proportion	Differences Between Employer's Contributions and Proportionate Share of Contributions	Total
MTS CalPERS Plans	\$ 2,041,117	\$ 498,122	\$ 64,183	\$ 1,480,062	\$ 464,158	\$ 529,418	\$ 5,077,060
SDTI CalPERS Plans	3,824,864	158,950	285,018	5,085,955	-	-	9,354,787
SDTI PARS Plan	435,748	-	40,356	426,943	-	-	903,047
SDTC Retirement Plan	13,632,820	395,229	8,665,478	-	-	-	22,693,527
Total	\$ 19,934,549	\$ 1,052,301	\$ 9,055,035	\$ 6,992,960	\$ 464,158	\$ 529,418	\$ 38,028,421

Deferred Outflows of Resources at June 30, 2018 are reported in the accompanying statement of net position as follows:

	Contributions Made After Measurement Date	Differences Between Expected and Actual Experience	Differences Between Projected and Actual Earnings on Pension Plan Investments	Changes in Assumptions	Changes in Employer's Proportion	Differences Between Employer's Contributions and Proportionate Share of Contributions	Total
MTS CalPERS Plans	\$ 1,896,639	\$ 16,501	\$ 463,033	\$ 2,047,380	\$ 1,162,548	\$ 597,880	\$ 6,183,981
SDTI CalPERS Plans	3,266,081	231,199	1,495,441	6,839,732	-	-	11,832,453
SDTI PARS Plan	539,350	-	128,350	184,933	-	-	852,633
SDTC Retirement Plan	13,020,223	790,458	10,413,914	9,899,958	-	-	34,124,553
Total	\$ 18,722,293	\$ 1,038,158	\$ 12,500,738	\$ 18,972,003	\$ 1,162,548	\$ 597,880	\$ 52,993,620

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

A. Summary (Continued)

Deferred Inflows of Resources

Deferred Inflows of Resources at June 30, 2019 are reported in the accompanying statement of net position as follows:

	Differences Between Expected and Actual Experience	Changes in Assumptions	Changes in Employer's Proportion	Total
MTS CalPERS Plans	\$ 169,508	\$ 362,735	\$ 246,648	\$ 778,891
SDTI CalPERS Plans	2,162,417	1,436,635	-	3,599,052
SDTI PARS Plan	487,781	-	-	487,781
SDTC Retirement Plan	120,237	320,161	-	440,398
Total	<u>\$ 2,939,943</u>	<u>\$ 2,119,531</u>	<u>\$ 246,648</u>	<u>\$ 5,306,122</u>

Deferred Inflows of Resources at June 30, 2018 are reported in the accompanying statement of net position as follows:

	Differences Between Expected and Actual Experience	Changes in Assumptions	Changes in Employer's Proportion	Total
MTS CalPERS Plans	\$ 236,407	\$ 156,115	\$ 166,559	\$ 559,081
SDTI CalPERS Plans	2,423,342	1,011,002	-	3,434,344
SDTI PARS Plan	95,439	-	-	95,439
SDTC Retirement Plan	724,825	-	-	724,825
Total	<u>\$ 3,480,013</u>	<u>\$ 1,167,117</u>	<u>\$ 166,559</u>	<u>\$ 4,813,689</u>

Pension Expense

Pension expenses are included in the accompanying statements of revenues, expenses, and changes in net position as follows:

	2019	2018
MTS CalPERS Plans	\$ 2,931,758	\$ 3,230,287
SDTI CalPERS Plans	4,769,974	5,391,273
SDTI PARS Plan	403,546	528,123
SDTC Retirement Plan	24,465,090	24,640,931
Total	<u>\$ 32,570,368</u>	<u>\$ 33,790,614</u>

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

B. MTS

General Information about the Pension Plans

Plan Description – All MTS management employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the MTS Miscellaneous, MTS Miscellaneous PEPRA, or MTS Miscellaneous Second Tier cost-sharing multiple employer defined benefit plans administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment and can only be amended by the MTS Board of Directors.

The Plan's provisions and benefits in effect as of June 30, 2019 are summarized as follows:

MTS Miscellaneous Plan-1223
CLOSED TO NEW MEMBERS

Hire date	Prior to December 24, 2012
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	12 months
Retirement age	50-55
Monthly benefits, as a % of eligible compensation	2.0%-2.7%
Required employee contribution rates	8.00%
Required employer contribution rates	25.21%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	\$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service
COLA	2.00%

MTS Miscellaneous Second Tier Plan - 30134

Hire date	On or Between December 24 and 31, 2012 or Grandfathered classic members
Benefit formula	2.0% @ 60
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	12 months
Retirement age	50-63
Monthly benefits, as a % of eligible compensation	1.092%-2.418%
Required employee contribution rates	7.00%
Required employer contribution rates	8.19%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	\$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service
COLA	2.00%

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

B. MTS (Continued)

General Information about the Pension Plans (Continued)

MTS PEPRA Miscellaneous Plan - 26789

Hire date	On or after January 1, 2013
Benefit formula	2.0% @ 62
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	36 months
Retirement age	52-67
Monthly benefits, as a % of eligible compensation	1.0-2.5%
Required employee contribution rates	6.25%
Required employer contribution rates	6.91%
Pre-Retirement Death Benefit	Optional Settlement 2W
Post-Retirement Death Benefit	\$500 Lump Sum
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service
COLA	2.00%

Employees Covered – At June 30, 2019 (measurement date 2018) and June 30, 2018 (measurement date 2017), the following employees were covered by the benefit terms:

	2019	2018
Inactive employees or beneficiaries currently receiving benefits	136	126
Inactive employees entitled to but not yet receiving benefits	68	47
Active employees	163	159
Total	367	332

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2019 and 2018 (measurement dates 2018 and 2017), the active employee contribution rates and average employer contribution rates were as follows:

	2019		2018	
	Employee Contribution Rate	Employer Contribution Rate	Employee Contribution Rate	Employer Contribution Rate
MTS - Miscellaneous Plan-1223	8.00%	22.08%	8.00%	20.35%
MTS Miscellaneous Second Tier Plan - 30134	7.00%	7.65%	7.00%	7.61%
MTS PEPRA Miscellaneous Plan - 26789	6.25%	6.53%	6.25%	6.56%

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

B. MTS (Continued)

General Information about the Pension Plans (Continued)

For the years ended June 30, 2019 and 2018 (measurement dates 2018 and 2017) the plan's proportionate share of aggregate contributions recognized as part of pension expense were:

	2019	2018
Contributions - employer	\$ 1,536,182	\$ 1,348,728
Contributions - employee	543,455	496,615

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019 and 2018 (measurement dates 2018 and 2017), MTS reported \$12,982,663 and \$13,418,753 net pension liabilities for its proportionate share of the aggregate net pension liability.

MTS Plans' net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. MTS's proportion of the net pension liability was based on a projection of the MTS's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool:

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2017). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2018). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (FY2018).
- (3) The individual plan's TPL, FNP, and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from step (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.
- (5) The plan's TPL as of the measurement date is equal to the risk pool TPL generated in step (2) multiplied by the TPL ratio generated in step (4). The plan's FNP as of the measurement date is equal to the FNP generated in step (2) multiplied by the FNP ratio generated in step (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan's NPL at the measurement date is the difference between the TPL and FNP calculated in step (5).

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

MTS's proportionate share of the net pension liability as of June 30, 2018, 2017 and 2016 (measurement dates) were as follows:

Proportion June 30, 2016	0.13477%
Proportion June 30, 2017	0.13531%
Change - Increase (Decrease)	0.00054%
Proportion June 30, 2018	0.13473%
Change - Increase (Decrease)	-0.00058%

For the years ended June 30, 2019 and 2018, MTS recognized pension expense of \$2,931,758 and \$3,230,287, respectively. At June 30, 2019 and 2018, MTS reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 2,041,117	\$ -	\$ 1,896,639	\$ -
Differences between expected and actual experience	498,122	(169,508)	16,501	(236,407)
Changes in assumptions	1,480,062	(362,735)	2,047,380	(156,115)
Change in employer's proportion	464,158	(246,648)	1,162,548	(166,559)
Differences between actual and proportionate share of employer contributions	529,418	-	597,880	-
Differences between projected and actual earnings on pension plan investments	64,183	-	463,033	-
Total	\$ 5,077,060	\$ (778,891)	\$ 6,183,981	\$ (559,081)

The \$2,041,117 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020.

As of the measurement date June 30, 2018, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amounts
2020	\$ 1,679,371
2021	1,056,675
2022	(362,222)
2023	(116,790)
2024	-
Total	\$ 2,257,034

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

In the previous year, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amounts
2019	\$ 1,430,994
2020	1,567,698
2021	1,004,481
2022	(274,911)
2023	-
Total	<u>\$ 3,728,262</u>

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	varies by entry age and service
Payroll Growth	2.88%
Investment Rate of Return	7.15% (1)
Mortality	derived using CalPERS's membership data for all funds (2)

(1) Net of pension plan investment expenses.

(2) The mortality table used was developed based on CalPERS's specific data.

The table includes 15 years of mortality improvements using Society of Actuaries Scales 90% of scale MP 2016.

Change in Assumptions – GASB 68, paragraph 30 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In the current year, the actuarial report did not have a change of assumption. In the prior year, the discount rate was reduced from 7.65 percent to 7.15 percent. All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class (a)	New Strategic Allocation	Real Return Years 1-10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

- (a) In the System's CAFR, Fixed Income is included in Global Debt Securities;
 Liquidity is included in Short-term Investments; Inflation Assets are included in both
 Global Equity Securities and Global Debt Securities.
- (b) an expected inflation of 2.00% for this period
- (c) an expected inflation of 2.92% for this period

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

B. MTS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents MTS's proportionate share of the net pension liability as of June 30, 2019 and 2018, calculated using the discount rate, as well as what MTS's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	2019	2018
1% Decrease	6.15%	6.15%
Net Pension Liability	\$ 20,194,220	\$ 20,167,504
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 12,982,663	\$ 13,418,753
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 7,029,640	\$ 7,829,316

Pension Plan Fiduciary Net Position – Detailed information about MTS's pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan – At June 30, 2019, MTS reported a payable of \$171,024 for the outstanding amount of contributions to the pension plan required for the current year compared to \$154,017 for the year ended June 30, 2018.

C. SDTI

1. CalPERS Plans

Plan Description – All SDTI employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the SDTI Miscellaneous or PEPR Miscellaneous single employer defined benefit plans administered by California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Plan members include both contract and non-contract employees. Benefits are based on years of credited service, equal to one year of full time employment and can only be amended by the MTS Board of Directors.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

1. CalPERS Plans (Continued)

The Plans' provisions and benefits in effect as of June 30, 2019 are summarized as follows:

San Diego Trolley Miscellaneous Plan - 1406
Closed to New Members

	Management Employees	Union Employees
Hire date	Prior to January 1, 2013	Prior to January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Final Average Compensation Period	12 months	12 months
Retirement age	50-63	50-63
Monthly benefits, as a % of eligible compensation	1.426-2.418%	1.426-2.418%
Required employee contribution rates	8.00%	7.26%
Required employer contribution rates	12.28%	11.26%
Pre-Retirement Death Benefit	1959 Survivor Benefit Level 2	1959 Survivor Benefit Level 2
Post-Retirement Death Benefit	\$500 Lump Sum	\$500 Lump Sum
COLA	2.00%	2.00%
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service	1.8% of final compensation multiplied by service

San Diego Trolley PEPRA Miscellaneous Plan - 26965

Hire date	On or After January 1, 2013
Benefit formula	2.0% @ 62
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	36 months
Retirement age	52-67
Monthly benefits, as a % of eligible compensation	1.0-2.5%
Required employee contribution rates	5.75%
Required employer contribution rates	13.28%
Pre-Retirement Death Benefit	1959 Survivor Benefit Level 2
Post-Retirement Death Benefit	\$500 Lump Sum
COLA	2.00%
Non-Industrial Standard Disability	1.8% of final compensation multiplied by service

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

2. PARS Plans

Plan Description – All full-time SDTI management employees employed between October 1, 2003 and December 24, 2012 are eligible to participate in the PARS Retirement Enhancement Plan, a defined benefit plan held by the Public Agency Retirement System Trust, an agent multiple employer retirement trust under Internal Revenue Service Code Section 401(a). The Plan is administered by Public Agency Retirement Services (PARS). Separate information for the Plan is included in another financial report issued by PARS. Copies of the financial report can be obtained in writing from Public Agency Retirement Services, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

Benefits Provided – PARS provides supplemental service retirement benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Members are eligible to receive benefits if they have retired under CalPERS, have terminated employment, or had their position eliminated due to internal reorganization or mandatory operating budget reductions after January 1, 2004. The Plan benefit supplements member's CalPERS benefit to provide members with an enhanced retirement benefit and MTS management has the authority to amend the Plan's benefit terms. The monthly lifetime benefit is calculated by taking the difference between (1) and (2) below and multiplying it by one-twelfth (1/12):

- (1) PARS Age Factor x Benefit Service x Highest Average Annual Compensation (Subject to CalPERS Deductions) during the Last 12 Months of Employment
- (2) CalPERS Age Factor x Benefit Service x Highest Average Annual Compensation (Subject to CalPERS Deductions) during the Last 12 Months of Employment

The Plan's provisions and benefits in effect as of June 30, 2019 are summarized as follows:

San Diego Trolley PARS Plan
CLOSED TO NEW MEMBERS

Hire date	Prior to January 1, 2013
Benefit formula	2.7% @ 55
Benefit vesting schedule	5 years service
Benefit payments	Monthly for life
Final Average Compensation Period	12 months
Retirement age	50-63
Monthly benefits, as a % of eligible compensation	0.282-0.574%
Required employee contribution rates	Not Required or Permitted
Required employer contribution rates	9.64%
Pre-Retirement Death Benefit	None
Post-Retirement Death Benefit	Joint-and-100% Survivor Option
Disability Retirement Benefit	None
COLA	2.00%

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Employees Covered – At June 30, 2019 and 2018 (measurement dates 2018 and 2017), the following employees were covered by the benefit terms for each Plan:

	CalPERS Plan		PARS Plan	
	2019	2018	2019	2018
Inactive employees or beneficiaries currently receiving benefits	241	241	43	45
Inactive employees entitled to but not yet receiving benefits	85	92	0	0
Active employees	548	549	53	54

*SDTI PEPRA Plan is included in the SDTI Miscellaneous Plan June 30, 2017 valuation report.

Contributions

1. CalPERS Plans

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. SDTI is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2019 and 2018 (measurement dates 2018 and 2017), the active employee contribution rates and average employer contribution rates were as follows:

	2019		2018	
	Employee	Employer	Employee	Employer
SDTI Miscellaneous Plan 1406 - Management EE	8.00%	10.53%	8.00%	9.85%
SDTI Miscellaneous Plan 1406 - Union EE	7.26%	11.26%	7.00%	10.85%
SDTI Miscellaneous PEPRA Plan 26965	5.75%	11.53%	5.75%	10.85%

For the years June 30, 2019 and 2018 (measurement dates 2018 and 2017), the contributions recognized as part of pension expense were:

	2019	2018
Contributions - employer	\$ 3,342,623	\$ 2,835,680
Contributions - employee	2,034,672	1,806,506

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Contributions (Continued)

2. PARS

Employer contribution rates for the PARS plan are contractually established by the Plan's administrator and agreed to by the employer, and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined biannually on an actuarial basis as of June 30 by PARS. For the period ended June 30, 2018 (measurement date), the employer's contribution rate is 9.64% and was 9.96% at June 30, 2017 (measurement date).

For the years June 30, 2019 and 2018 (measurement dates 2018 and 2017), the contributions recognized as part of pension expense were:

	2019	2018
Contributions - employer	\$ 549,296	\$ 605,864
Contributions - employee	-	-

Net Pension Liability

1. CalPERS Plans

SDTI's net pension liability is measured as the total pension liability less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	varies by entry age and service
Payroll Growth	2.875%
Investment Rate of Return	7.15% (1)
Mortality	Derived using CalPERS's Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power applies, 2.75% thereafter

(1) Net of pension plan investment expenses.

(2) The mortality table used was developed based on CalPERS's specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016.

Changes in Assumptions – GASB 68, paragraph 30 states that the long-term expected rate of return should be determined net of pension plan investment expense, but without reduction for pension plan administrative expense. In the current year, the actuarial report did not have a change of assumption. In the prior year, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Net Pension Liability (Continued)

1. CalPERS Plans (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class (a)	New Strategic Allocation	Real Return Years 1-10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

(a) In the System’s CAFR, Fixed Income is included in Global Debt Securities;
 Liquidity is included in Short-term Investments; Inflation Assets are included in both
 Global Equity Securities and Global Debt Securities.

(b) an expected inflation of 2.00% for this period

(c) an expected inflation of 2.92% for this period

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Net Pension Liability (Continued)

2. PARS Plan

The net pension liability for the PARS Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.75%
Salary Increases Including Inflation	Graded rates based on years of services, 3.50% after 30 years of services
Payroll Growth	3.00%
Investment Rate of Return	6.50%
Pre-Retirement Mortality	Consistent with Non-Industrial rates used to value the Miscellaneous CALPERS Pension Plans
Post Retirement Benefit Increase	CALPERS Miscellaneous Public Agency rates for "2.7% at 55" plans. Increased 20% at each age.

Change in Assumptions – In the current year, discount rate and investment rate of return were lowered from 7.00% to 6.50%.

Discount Rate – The discount rate used to measure the total pension liability was 6.50 percent.

A formal cash flow projection was not performed as described under Paragraph 27 of GASB Statement 68. However, Paragraph 29 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations "can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan..." In our professional judgment, adherence to the actuarial funding policy described above will result in the pension plan's projected Fiduciary Net Position being greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The best estimate for the long-term expected rate of return of 6.50 percent was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The table below reflects long-term expected real rate of return presented as arithmetic and geometric means by asset class.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Net Pension Liability (Continued)

2. PARS Plan (Continued)

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return (a)	Long-Term Expected Geometric Real Rate of Return (b)
U.S. Cash	2.82%	0.31%	0.31%
U.S. Core Fixed Income	36.21%	2.14%	2.02%
U.S. Equity Market	45.26%	4.59%	3.32%
Foreign Developed Equity	9.95%	5.52%	3.91%
Emerging Market Equities	4.07%	7.82%	4.59%
U.S. REITs	1.69%	5.04%	3.27%

(a) Assumed inflation: 2.32% mean and 1.85% standard deviation

(b) Assumed inflation: 2.30% mean and 1.85% standard deviation

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents SDTI's net pension liability at June 30, 2019 and 2018, calculated using the discount rate, as well as what SDTI's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	CalPERS Plan		PARS Plan	
	2019	2018	2019	2018
1% Decrease	6.15%	6.15%	5.50%	6.00%
Net Pension Liability	\$ 51,421,098	\$ 52,557,834	\$ 2,795,751	\$ 3,175,995
Current Discount Rate	7.15%	7.15%	6.50%	7.00%
Net Pension Liability	\$ 29,552,949	\$ 31,326,755	\$ 1,766,423	\$ 2,150,499
1% Increase	8.15%	8.15%	7.50%	8.00%
Net Pension Liability	\$ 11,540,308	\$ 13,888,356	\$ 843,767	\$ 1,293,730

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Changes in Net Pension Liability

1. CalPERS Plans

At June 30, 2019 (measurement date 2018), the change in the Net Pension Liability for the Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2018	\$ 143,524,344	\$ 112,197,589	\$ 31,326,755
Changes in the year:			
Service cost	4,029,579	-	4,029,579
Interest on the total pension liability	10,112,324	-	10,112,324
Changes of assumptions	(1,064,034)	-	(1,064,034)
Differences between expected and actual experience	(498,533)	-	(498,533)
Benefit payments, including refunds of member contributions	(5,090,945)	(5,090,945)	-
Net Plan to Plan resource movement	-	(281)	281
Contributions - employer	-	3,342,623	(3,342,623)
Contributions - employee	-	2,034,672	(2,034,672)
Net investment income	-	9,482,977	(9,482,977)
Administrative expense	-	(506,849)	506,849
Net Changes	7,488,391	9,262,197	(1,773,806)
Balance at June 30, 2019	\$ 151,012,735	\$ 121,459,786	\$ 29,552,949

At June 30, 2018 (measurement date 2017), the change in the Net Pension Liability for the Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2017	\$ 129,098,911	\$ 101,392,319	\$ 27,706,592
Changes in the year:			
Service cost	3,882,206	-	3,882,206
Interest on the total pension liability	9,611,237	-	9,611,237
Changes of assumptions	8,593,509	-	8,593,509
Differences between expected and actual experience	(2,759,754)	-	(2,759,754)
Benefit payments, including refunds of member contributions	(4,901,765)	(4,901,765)	-
Contributions - employer	-	2,835,680	(2,835,680)
Contributions - employee	-	1,806,506	(1,806,506)
Net investment income	-	11,214,548	(11,214,548)
Administrative expense	-	(149,699)	149,699
Net Changes	14,425,433	10,805,270	3,620,163
Balance at June 30, 2018	\$ 143,524,344	\$ 112,197,589	\$ 31,326,755

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Changes in Net Pension Liability

2. PARS Plan

At June 30, 2019 (measurement date 2018), the change in the Net Pension Liability for the Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2018	\$ 8,346,429	\$ 6,195,930	\$ 2,150,499
Changes in the year:			
Service cost	198,627	-	198,627
Interest on the total pension liability	587,363	-	587,363
Changes of assumptions	473,927	-	473,927
Differences between expected and actual experience	(652,788)	-	(652,788)
Benefit payments, including refunds of member contributions	(313,613)	(313,613)	-
Contributions - employer	-	549,296	(549,296)
Contributions - employee	-	-	-
Net investment income	-	458,921	(458,921)
Administrative expense	-	(17,012)	17,012
Net Changes	293,516	677,592	(384,076)
Balance at June 30, 2019	\$ 8,639,945	\$ 6,873,522	\$ 1,766,423

At June 30, 2018 (measurement date 2017), the change in the Net Pension Liability for the Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2017	\$ 7,862,504	\$ 5,267,085	\$ 2,595,419
Changes in the year:			
Service cost	230,296	-	230,296
Interest on the total pension liability	556,089	-	556,089
Changes of assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Benefit payments, including refunds of member contributions	(302,460)	(302,460)	-
Contributions - employer	-	605,864	(605,864)
Contributions - employee	-	-	-
Net investment income	-	638,858	(638,858)
Administrative expense	-	(13,417)	13,417
Net Changes	483,925	928,845	(444,920)
Balance at June 30, 2018	\$ 8,346,429	\$ 6,195,930	\$ 2,150,499

Pension Plan Fiduciary Net Position – Detailed information about the PARS Plan's fiduciary net position is available in the separately issued financial reports.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2019 and 2018, SDTI recognized pension expense of \$5,173,520 and \$5,919,396, respectively. At June 30, 2019 and 2018, SDTI reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS Plans			
	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 3,824,864	\$ -	\$ 3,266,081	\$ -
Differences between expected and actual experience	158,950	(2,162,417)	231,199	(2,423,342)
Changes in assumptions	5,085,955	(1,436,635)	6,839,732	(1,011,002)
Net differences between projected and actual earnings on pension plan investments	285,018	-	1,495,441	-
Total	<u>\$ 9,354,787</u>	<u>\$ (3,599,052)</u>	<u>\$ 11,832,453</u>	<u>\$ (3,434,344)</u>

	PARS Plan			
	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 435,748	\$ -	\$ 539,350	\$ -
Differences between expected and actual experience	-	(487,781)	-	(95,439)
Changes in assumptions	426,943	-	184,933	-
Net differences between projected and actual earnings on pension plan investments	40,356	-	128,350	-
Total	<u>\$ 903,047</u>	<u>\$ (487,781)</u>	<u>\$ 852,633</u>	<u>\$ (95,439)</u>

The combined \$4,260,612 reported as deferred outflows of resources related to contributions subsequent to the measurement date for the two plans will be recognized as a reduction of the net pension liability in the year ended June 30, 2020 compared to \$3,805,431 for the previous year.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

C. SDTI (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

As of the measurement date, June 30, 2018, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	SDTI CalPERS Plan	SDTI PARS Plan
2020	\$ 1,796,861	\$ 41,782
2021	1,049,660	(3,154)
2022	(331,015)	(55,572)
2023	(584,635)	(3,538)
2024	-	-
Total	<u>\$ 1,930,871</u>	<u>\$ (20,482)</u>

In the previous year, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	SDTI CalPERS Plan	SDTI PARS Plan
2019	\$ 766,947	\$ 106,995
2020	2,413,386	106,994
2021	1,666,185	55,891
2022	285,510	(52,036)
2023	-	-
Total	<u>\$ 5,132,028</u>	<u>\$ 217,844</u>

Payable to the Pension Plan

At June 30, 2019, SDTI reported a payable of \$343,069 to CalPERS and \$48,765 to PARS for the outstanding amount of contributions to the pension plans required for the fiscal year compared to \$446,881 payable to CalPERS and \$75,283 payable to PARS for the year ended June 30, 2018.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

D. SDTC

General Information about the Pension Plans

Plan Description - The San Diego Transit Corporation (SDTC) Employee Retirement Plan (Plan), a single-employer defined benefit plan, is currently open to all full-time non-contract employees and certain part-time noncontract employees who have completed one year of service in which they have worked at least 1,000 hours. For contract employees to be eligible for participation in the defined benefit plan, the employee must have been hired before November 25, 2012 if they are an Amalgamated Transit Union (ATU) Local 1309 member, or before April 28, 2011 if they are an International Brotherhood of Electrical Workers (IBEW) Local 465 member.

Beginning in FY 2011, SDTC negotiated changes to retirement benefits for ATU Local 1309 members and IBEW Local 465 members. ATU Local 1309 represented employees hired after November 25, 2012 and IBEW local 465 represented employees hired after April 28, 2011 will receive their retirement benefits from a defined contribution 401(a) plan. Based on the applicable Collective Bargaining Agreement, SDTC contributes a fixed percentage of each employee's gross wages to a 401(a) account and matches voluntary employee contributions up to a maximum of 2% of the employees' gross wages.

The SDTC Plan issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to San Diego Transit Corporation, 1255 Imperial Avenue, Suite 1000, San Diego, CA 92101.

Benefits Provided – The SDTC Plan provides retirement, termination, and disability benefits, annual cost-of-living adjustments, and death benefits to eligible Plan members and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment and can only be amended by the MTS Board of Directors.

The Plan's provisions and benefits as of June 30, 2019 are as follows:

	San Diego Transit Pension Plan - Non-Contract Employees	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Final Average Compensation Period	12 months	36 months
Retirement age	53-63	52-67
Monthly benefits, as a % of eligible compensation	1.742%-2.418%	1.0%-2.5%
Required employee contribution rates	8.00%	6.25%
Required employer contribution rates	45.90%	47.65%
Pre-Retirement Death Benefit	50% Joint & Survivor	
Post-Retirement Death Benefit	Based on benefit election	
Non-Industrial Standard Disability	1.5% times average monthly final earnings times credited years of service	
COLA	Lesser of CPI or 2.0%	

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

General Information about the Pension Plans (Continued)

	SDTC Contract Employees	
	ATU – Closed Plan	IBEW – Closed Plan
Hire date	Prior to November 25, 2012	Prior to January 1, 2013
Benefit formula	2% @ 55	2% @ 55
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Final Average Compensation Period	36 months	36 months
Retirement age	53-63	55-65
Monthly benefits, as a % of eligible compensation	1.742%-2.418%	2.0%-2.418%
Required employee contribution rates	8.00%	8.00%
Required employer contribution rates	45.90%	45.90%
Pre-Retirement Death Benefit	50% Joint & Survivor	
Post-Retirement Death Benefit	Based on benefit election	
Disability	1.5% times average monthly final earnings times credited years of service	

Employees Covered – At June 30, 2019 and 2018 (measurement date 2018 and 2017), the following employees were covered by the benefit terms for the Plan:

	2019	2018
Inactive employees or beneficiaries currently receiving benefits	975	952
Inactive employees entitled to but not yet receiving benefits	230	214
Active employees	462	513

Contributions – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the period ended June 30, 2018 (measurement date), the active employee contribution rate is 6.25- 8.00% of annual pay, and the average employer's contribution rate is 46.34% of annual payroll compared to 6.25-8.00% and 43.52% for the previous year.

For the year ended June 30, 2019 and 2018 (measurement dates 2018 and 2017), the contributions recognized as part of pension expense for the Plan were as follows:

	2019	2018
Contributions - employer	\$ 13,020,223	\$ 12,649,101
Contributions - employee	1,751,616	2,047,593

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

Net Pension Liability

SDTC's net pension liability is measured as the total pension liability less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of July 1, 2018, using an annual actuarial valuation as of July 1, 2018.

Actuarial Assumptions – The total pension liabilities in the July 1, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	July 1, 2018
Measurement Date	July 1, 2018
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Projected Salary Increase	2.75% plus merit component based on employee classification and years of services
Investment Rate of Return (1)	7.00%
Mortality	RP-2000 Tables using male rates for both male and female members with generational improvements using Scale MP-2015
COLA Increase – Non-Contract Members	2.00%

(1) Net of pension plan investment expenses.

Changes in Assumptions – Valuation salary changed from using the most recent pensionable pay preceeding the valuation date to a two-year average of pay from the two years preceding the valuation date. This method change was done to mitigate fluctuations in overtime pay year over year which better reflects future salary expectations.

Discount Rate – The discount rate used to measure the Total Pension Liability was 7.00%.

We have assumed that the employees will continue to contribute to the Plan at the required rates and the employer will continue the historical and legally required practice of contributing to the Plan based on an actuarially determined contribution, reflecting a payment equal to annual Normal Cost, a portion of the expected Administrative Expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability as of June 30, 2012, over a closed 25-year period (19 years remaining as of the July 1, 2018 actuarial valuation). Actuarial gains and losses in plan years after June 30, 2012 are amortized over closed 15-year periods as a level dollar amount.

A formal cash flow projection was not performed as described under Paragraph 27 of GASB Statement 68. However, Paragraph 29 allows for alternative methods to confirm the sufficiency of the Net Position if the evaluations "can be made with sufficient reliability without a separate projection of cash flows into and out of the pension plan..." In our professional judgment, adherence to the actuarial funding policy described above will result in the pension plan's projected Fiduciary Net Position being greater than or equal to the benefit payments projected for each future period. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

Net Pension Liability (Continued)

According to Paragraph 30 of GASB Statement 68, the long-term expected rate of return should be determined net of pension plan investment expenses but without reduction for pension plan administrative expenses. The 7.00% investment return assumption used in the Total Pension Liability is net of investment expenses only.

The table below reflects long-term expected real rate of return by asset class. The critical inputs of the asset allocation model are the expected risk, return and correlations of different asset classes.

Asset Class	Strategic Allocation	Real Return Years 1-10	Real Return Years 11+
United States Equity	25.00%	4.30%	4.30%
International Equity	20.00%	6.40%	6.40%
Fixed Income	32.50%	1.25%	1.25%
Alternatives (Multi-Asset)	22.50%	3.75%	3.75%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability for the SDTC Plan as of June 30, 2019 and 2018, calculated using the discount rate, as well as what SDTC's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	2019	2018
1% Decrease	6.00%	6.00%
Net Pension Liability	\$ 165,940,641	\$ 166,180,628
Current Discount Rate	7.00%	7.00%
Net Pension Liability	\$ 134,061,376	\$ 134,375,705
1% Increase	8.00%	8.00%
Net Pension Liability	\$ 106,995,199	\$ 107,378,009

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

Changes in Net Pension Liability

At June 30, 2019 (measurement date 2018), the change in the Net Pension Liability for the SDTC Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2018	\$ 296,010,712	\$ 161,635,007	\$ 134,375,705
Changes in the year:			
Service cost	3,559,738	-	3,559,738
Interest on the total pension liability	20,325,978	-	20,325,978
Changes of assumptions	(640,322)	-	(640,322)
Differences between expected and actual experience	(240,474)	-	(240,474)
Benefit payments, including refunds of member contributions	(18,715,199)	(18,715,199)	-
Contributions - employer	-	13,020,223	(13,020,223)
Contributions - employee	-	1,751,616	(1,751,616)
Net investment income	-	8,792,300	(8,792,300)
Administrative expense	-	(244,890)	244,890
Net Changes	4,289,721	4,604,050	(314,329)
Balance at June 30, 2019	\$ 300,300,433	\$ 166,239,057	\$ 134,061,376

At June 30, 2018 (measurement date 2017), the change in the Net Pension Liability for the SDTC Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at July 1, 2017	\$ 289,255,802	\$ 152,932,851	\$ 136,322,951
Changes in the year:			
Service cost	3,660,961	-	3,660,961
Interest on the total pension liability	19,885,608	-	19,885,608
Changes of assumptions	-	-	-
Differences between expected and actual experience	1,185,687	-	1,185,687
Benefit payments, including refunds of member contributions	(17,977,346)	(17,977,346)	-
Contributions - employer	-	12,649,101	(12,649,101)
Contributions - employee	-	2,047,593	(2,047,593)
Net investment income	-	12,216,936	(12,216,936)
Administrative expense	-	(234,128)	234,128
Net Changes	6,754,910	8,702,156	(1,947,246)
Balance at June 30, 2018	\$ 296,010,712	\$ 161,635,007	\$ 134,375,705

Pension Plan Fiduciary Net Position – Detailed information about the SDTC Plan's fiduciary net position is available in the separately issued financial reports. The financial report may be obtained by writing to San Diego Transit Corporation, 1255 Imperial Avenue, Suite 1000, San Diego, CA 92101.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 11 – Employee Retirement Systems (Continued)

D. SDTC (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the years ended June 30, 2019 and 2018, SDTC recognized pension expense of \$24,465,090 and \$24,640,931, respectively. At June 30, 2019 and 2018, SDTC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2019		2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 13,632,820	\$ -	\$ 13,020,223	\$ -
Changes in assumptions	-	(320,161)	9,899,958	-
Differences between expected and actual experience	395,229	(120,237)	790,458	(724,825)
Differences between projected and actual earnings on pension plan investments	8,665,478	-	10,413,914	-
Total	\$ 22,693,527	\$ (440,398)	\$ 34,124,553	\$ (724,825)

The \$13,632,820 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020 compared to \$13,020,223 for the previous year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amounts
2020	\$ 5,397,593
2021	2,598,012
2022	149,095
2023	475,609
2024	-
Total	\$ 8,620,309

In the previous year, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions were:

Year Ended June 30	Amounts
2019	\$ 13,221,231
2020	5,362,383
2021	2,122,404
2022	(326,513)
2023	-
Total	\$ 20,379,505

Payable to the Pension Plan

At June 30, 2019, SDTC reported a payable of \$1,150,062 for the outstanding amount of contributions to the pension plan required for the fiscal year compared to \$1,099,401 for the year ended June 30, 2018.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 12 – Other Postemployment Benefits

Generally accepted accounting policies require that the reported results for total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense must pertain to certain defined timeframes. For this report, the following timeframes are used:

Fiscal Year	June 30, 2019
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 - June 30, 2018

Plan Description: MTS contracts with a third party to provide MTS retirees, SDTI retirees, and SDTC Management retirees a nationwide private health care exchange. The third party also provides non-commissioned benefit advisors to assist retirees in determining the health plan that best suits their needs. MTS funds a Health Reimbursement Arrangement (HRA) account for each eligible retiree to offset the cost of the healthcare they purchase through the exchange. The amount of the HRA contribution is based on the retiree's years of service/former position and ranges between \$100 and \$1,300 per month. SDTC union employees receive retirement benefits through health and welfare trust funds established for the benefit of active and retired members of the unions that represent SDTC employees. SDTC contributes \$1,019 per active employee each month to the fund for ATU, Local 1309 represented employees and \$1,042 per active employee each month to the fund for IBEW, Local 465 represented employees. The Trust boards have full discretion on how these funds are spent to provide benefits for active and retired employees. Currently, the Trusts offer retirees the opportunity to participate in a Kaiser HMO plan and retirees who do not live in an area where Kaiser HMO coverage is available receive a capped reimbursement for their health insurance expenditures.

Eligibility. Employees are eligible after attaining age/service years of 55/10 for MTS and SDTI management, 55/15 for SDTI union, 55/10 for SDTC management, and 55/5 for SDTC unions.

Employees Covered

As of June 30, 2019 (June 30, 2018 measurement date), the following current and former employees were covered by the benefit terms:

	MTS	SDTI	SDTC
Active employees	167	595	820
Inactive employees or beneficiaries currently receiving benefits	19	37	230
Inactive employees entitled to but not yet receiving benefits	-	-	-
Total	186	632	1,050

As of June 30, 2018 (June 30, 2017 measurement date), the following current and former employees were covered by the benefit terms:

	MTS	SDTI	SDTC
Active employees	165	578	825
Inactive employees or beneficiaries currently receiving benefits	19	40	216
Inactive employees entitled to but not yet receiving benefits	-	-	-
Total	184	618	1,041

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 12 – Other Postemployment Benefits (Continued)

Actuarial Assumptions

The total OPEB liability as of June 30, 2019, was determined using the following actuarial assumptions:

	MTS	SDTI	SDTC
Actuarial Cost Method		Entry Age Normal	
Valuation Date		June 30, 2017	
Measurement Date		June 30, 2018	
Actuarial Assumptions:			
Discount Rate		3.5% per annum	
Inflation		2.75% per annum	
Salary Increases		3.0% per annum in aggregate	
Investment Rate of Return		N/A	
Medical Trend Rates		6.5%, decreasing 0.5% per year	
Dental Trend Rates		4% per annum	
Mortality Rate		Based on the Society of Actuaries 2014 retirement plans mortality study with the updates to the mortality projection scale	RPH-2014 using scale MP 2017
Pre-Retirement Turnover			Management-3-10% Union 2-25%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.5% percent as of the measurement date June 30, 2018 and 3.4% as of the measurement date June 30, 2017. This discount rate is the average, rounded to 5 basis points, of the range of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO index, Fidelity GO AA 20 year Bond Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of MTS, SDTI and SDTC, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for June 30, 2019:

	MTS	SDTI	SDTC	Aggregate
1% Decrease	2.50%	2.50%	2.50%	2.50%
Total OPEB Liability	\$ 7,187,160	\$ 13,413,321	\$ 34,179,661	\$ 54,780,142
Current Discount Rate	3.50%	3.50%	3.50%	3.50%
Total OPEB Liability	\$ 6,025,074	\$ 11,565,916	\$ 29,520,213	\$ 47,111,203
1% Increase	4.50%	4.50%	4.50%	4.50%
Total OPEB Liability	\$ 5,102,051	\$ 10,056,141	\$ 25,754,218	\$ 40,912,410

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 12 – Other Postemployment Benefits (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate (Continued)

The following presents the total OPEB liability of MTS, SDTI and SDTC, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for June 30, 2018:

	MTS	SDTI	SDTC	Aggregate
1% Decrease	2.40%	2.40%	2.40%	2.40%
Total OPEB Liability	\$ 6,662,990	\$ 12,922,889	\$ 33,311,275	\$ 52,897,154
Current Discount Rate	3.40%	3.40%	3.40%	3.40%
Total OPEB Liability	\$ 5,575,125	\$ 11,098,821	\$ 28,722,883	\$ 45,396,829
1% Increase	4.40%	4.40%	4.40%	4.40%
Total OPEB Liability	\$ 4,712,679	\$ 9,611,184	\$ 25,015,711	\$ 39,339,574

Sensitivity of the Total OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the total OPEB liability of MTS, SDTI and SDTC, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for June 30, 2019:

	MTS	SDTI	SDTC	Aggregate
1% Decrease in Healthcare Cost Trend Rate		<u>2.0% HRA Contribution Increase</u>		
Total OPEB Liability	\$ 4,889,885	\$ 10,011,453	\$ 25,216,839	\$ 40,118,177
Current Healthcare Cost Trend Rate		<u>3.0% HRA Contribution Increase</u>		
Total OPEB Liability	\$ 6,025,074	\$ 11,565,916	\$ 29,520,213	\$ 47,111,203
1% Increase in Healthcare Cost Trend Rate		<u>4.0% HRA Contribution Increase</u>		
Total OPEB Liability	\$ 7,531,650	\$ 13,521,268	\$ 34,996,188	\$ 56,049,106

The following presents the total OPEB liability of MTS, SDTI and SDTC, as well as what the total OPEB liability would be if it were calculated using a health care cost trend rates that are one percentage point lower or one percentage point higher than the current rates, for June 30, 2018:

	MTS	SDTI	SDTC	Aggregate
1% Decrease in Healthcare Cost Trend Rate		<u>2.0% HRA Contribution Increase</u>		
Total OPEB Liability	\$ 4,560,975	\$ 9,628,895	\$ 24,713,928	\$ 38,903,798
Current Healthcare Cost Trend Rate		<u>3.0% HRA Contribution Increase</u>		
Total OPEB Liability	\$ 5,575,125	\$ 11,098,821	\$ 28,722,883	\$ 45,396,829
1% Increase in Healthcare Cost Trend Rate		<u>4.0% HRA Contribution Increase</u>		
Total OPEB Liability	\$ 6,915,415	\$ 12,945,048	\$ 33,804,404	\$ 53,664,867

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 12 – Other Postemployment Benefits (Continued)

Change in Total OPEB Liability

At June 30, 2019, the change in the Total OPEB liability is as follows:

	MTS	SDTI	SDTC	Aggregate
Balance at June 30, 2018	\$ 5,575,125	\$ 11,098,821	\$ 28,722,883	\$ 45,396,829
Changes Recognized for the Measurement Period:				
Service Cost	450,678	440,969	1,176,005	2,067,652
Interest on the total OPEB liability	203,185	389,043	1,000,292	1,592,520
Changes in assumptions	(104,394)	(168,207)	(421,922)	(694,523)
Benefit payments	(99,520)	(194,710)	(957,045)	(1,251,275)
Net Changes	449,949	467,095	797,330	1,714,374
Balance at June 30, 2019	<u>\$ 6,025,074</u>	<u>\$ 11,565,916</u>	<u>\$ 29,520,213</u>	<u>\$ 47,111,203</u>

At June 30, 2018, the change in the Total OPEB liability is as follows:

	MTS	SDTI	SDTC	Aggregate
Balance at June 30, 2017 (as restated)	\$ 5,562,352	\$ 11,414,062	\$ 29,858,990	\$ 46,835,404
Changes Recognized for the Measurement Period:				
Service Cost	504,282	493,375	1,317,293	2,314,950
Interest on the total OPEB liability	171,522	336,668	875,283	1,383,473
Changes in assumptions	(566,410)	(956,245)	(2,399,513)	(3,922,168)
Benefit payments	(96,621)	(189,039)	(929,170)	(1,214,830)
Net Changes	12,773	(315,241)	(1,136,107)	(1,438,575)
Balance at June 30, 2018	<u>\$ 5,575,125</u>	<u>\$ 11,098,821</u>	<u>\$ 28,722,883</u>	<u>\$ 45,396,829</u>

Contributions

The contribution requirements of plan members and MTS, SDTI and SDTC are established and may be amended by MTS Management or the Board of Directors. The contribution required to be made is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due).

For fiscal years 2019 and 2018, the following contributions were made:

	MTS	SDTI	SDTC	Aggregate
2019 Contributions	\$ 108,036	\$ 186,118	\$ 1,114,232	\$ 1,408,386
2018 Contributions	\$ 92,802	\$ 168,599	\$ 1,032,492	\$ 1,293,893

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 12 – Other Postemployment Benefits (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the years ended June 30, 2019 and 2018, OPEB expense is included in the accompanying statement of revenues, expenses, and changes in net position as follows:

	MTS	SDTI	SDTC	Aggregate
2019 OPEB Expense	\$ 586,783	\$ 705,073	\$ 1,706,058	\$ 2,997,914
2018 OPEB Expense	\$ 619,163	\$ 723,794	\$ 1,792,657	\$ 3,135,614

At June 30, 2019, MTS, SDTI and SDTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MTS		SDTI	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 108,036	\$ -	\$ 186,118	\$ -
Changes in assumptions	-	(547,083)	-	(893,264)
Total	\$ 108,036	\$ (547,083)	\$ 186,118	\$ (893,264)

	SDTC		Aggregate	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 1,114,232	\$ -	\$ 1,408,386	\$ -
Changes in assumptions	-	(1,951,277)	-	(3,391,624)
Total	\$ 1,114,232	\$ (1,951,277)	\$ 1,408,386	\$ (3,391,624)

At June 30, 2018, MTS, SDTI and SDTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MTS		SDTI	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 92,802	\$ -	\$ 168,599	\$ -
Changes in assumptions	-	(509,769)	-	(849,996)
Total	\$ 92,802	\$ (509,769)	\$ 168,599	\$ (849,996)

	SDTC		Aggregate	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 1,032,492	\$ -	\$ 1,293,893	\$ -
Changes in assumptions	-	(1,999,594)	-	(3,359,359)
Total	\$ 1,032,492	\$ (1,999,594)	\$ 1,293,893	\$ (3,359,359)

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 12 – Other Postemployment Benefits (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The combined \$1,408,386 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2020 compared to the combined \$1,293,893 reported in previous year.

As of the measurement date June 30, 2018, other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	MTS	SDTI	SDTC	Aggregate
2020	\$ (67,080)	\$ (124,939)	\$ (470,239)	\$ (662,258)
2021	(67,080)	(124,939)	(470,239)	(662,258)
2022	(67,080)	(124,939)	(470,239)	(662,258)
2023	(67,080)	(124,939)	(470,238)	(662,257)
2024	(67,080)	(124,939)	(70,322)	(262,341)
Thereafter	(211,683)	(268,569)	-	(480,252)
Total	\$ (547,083)	\$ (893,264)	\$ (1,951,277)	\$ (3,391,624)

As of the measurement date June 30, 2017, other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended June 30,	MTS	SDTI	SDTC	Aggregate
2019	\$ (56,641)	\$ (106,249)	\$ (399,919)	\$ (562,809)
2020	(56,641)	(106,249)	(399,919)	(562,809)
2021	(56,641)	(106,249)	(399,919)	(562,809)
2022	(56,641)	(106,249)	(399,919)	(562,809)
2023	(56,641)	(106,249)	(399,918)	(562,808)
Thereafter	(226,564)	(318,751)	-	(545,315)
Total	\$ (509,769)	\$ (849,996)	\$ (1,999,594)	\$ (3,359,359)

Note 13 – Other Required Individual Disclosures

SDTC and SDTI had unrestricted (deficits) of \$(155,432,063) and \$(14,343,439) as of June 30, 2019 compared to \$(143,276,697) and \$(13,179,197) for the year ended June 30, 2018. These deficits are primarily a result of the implementation of GASB 68 & 75 as well as timing difference between recognition of expenses on an accrual basis and when those expenses are funded by subsidy transfers for SDTC and SDTI.

San Diego Metropolitan Transit System
Notes to Basic Financial Statements (Continued)
For the Years Ended June 30, 2019 and 2018

Note 14 – Restatement of Net Position

As a result of the implementation of GASB Statement No. 75, net position as of July 1, 2017 was restated as follows:

Net position at July 1, 2017, as previously reported	\$ 1,724,184,943
Restatement to remove net OPEB liability from the statement of net position	18,573,045
Restatement to recognize total OPEB liability	(46,835,404)
Restatement to recognize OPEB contributions made subsequent to the measurement date as deferred outflow of resources	1,214,830
Total restatements	<u>(27,047,529)</u>
Net position at July 1, 2017, as restated	<u><u>\$ 1,697,137,414</u></u>

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MTS
(LAST TEN YEARS*)

Measurement Period, Year Ended June 30:	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.13473%	0.13531%	0.13477%	0.14142%	0.13277%
Proportionate share of the net pension liability	\$ 12,982,663	\$ 13,418,753	\$ 11,661,984	\$ 9,707,169	\$ 8,261,550
Covered payroll	\$ 12,873,186	\$ 11,809,510	\$ 11,078,469	\$ 9,954,718	\$ 9,277,782
Proportionate share of the net pension liability as percentage of covered payroll	100.85%	113.63%	105.27%	97.51%	89.05%
Plan's fiduciary net position as percentage of the total pension liability	75.65%	72.65%	72.53%	75.07%	77.50%
Proportionate share of aggregate employer contributions	\$ 1,536,182	\$ 1,348,728	\$ 1,896,142	\$ 1,998,897	\$ 755,170

*Ten year historical information is not yet available.

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SDTI CALPERS PLANS
(LAST TEN YEARS*)

Measurement Period, Year Ended June 30:	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 4,029,579	\$ 3,882,206	\$ 3,580,302	\$ 3,615,793	\$ 3,721,950
Interest on total pension liability	10,112,324	9,611,237	9,201,415	8,554,525	7,982,614
Differences between expected and actual experience	(498,533)	(2,759,754)	375,697	(510,309)	-
Changes in assumptions	(1,064,034)	8,593,509	-	(2,274,755)	-
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(5,090,945)	(4,901,765)	(4,345,171)	(3,799,240)	(3,155,596)
Net change in total pension liability	7,488,391	14,425,433	8,812,243	5,586,014	8,548,968
Total pension liability - beginning	143,524,344	129,098,911	120,286,668	114,700,654	106,151,686
Total pension liability - ending (a)	\$151,012,735	\$143,524,344	\$129,098,911	\$120,286,668	\$114,700,654
Plan fiduciary net position					
Contributions - employer	\$ 3,342,623	\$ 2,835,680	\$ 2,659,911	\$ 2,553,900	\$ 2,498,345
Contributions - employee	2,034,672	1,806,506	1,778,990	1,839,206	2,179,194
Net investment income	9,482,977	11,214,548	628,353	2,204,904	14,416,106
Benefit payments, including refunds of employee contributions	(5,090,945)	(4,901,765)	(4,345,171)	(3,799,240)	(3,155,596)
Net plan to plan resource movement	(281)	-	-	-	-
Administrative expense	(506,849)	(149,699)	(61,391)	(113,387)	-
Net change in plan fiduciary net position	9,262,197	10,805,270	660,692	2,685,383	15,938,049
Plan fiduciary net position - beginning	112,197,589	101,392,319	100,731,627	98,046,244	82,108,195
Plan fiduciary net position - ending (b)	\$121,459,786	\$112,197,589	\$101,392,319	\$100,731,627	\$ 98,046,244
Net pension liability - ending (a) - (b)	\$ 29,552,949	\$ 31,326,755	\$ 27,706,592	\$ 19,555,041	\$ 16,654,410
Plan fiduciary net position as a percentage of the total pension liability	80.43%	78.17%	78.54%	83.74%	85.48%
Covered payroll	\$ 27,790,199	\$ 26,643,371	\$ 27,247,357	\$ 26,965,416	\$ 26,268,261
Plan net pension liability as a percentage of covered payroll	106.34%	117.58%	101.69%	72.52%	63.40%

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date.

Changes of assumptions:

*2018 - Demographic assumptions and inflation rate were changed in accordance to CalPERS Experience Study and Review December 2017

*2017 - Discount rate decreased to 7.15 percent from 7.65 percent

*2015 - Discount rate increased to 7.65 percent from 7.50 percent

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SDTI PARS PLAN
(LAST TEN YEARS*)

Measurement Period, Year Ended June 30:	2018	2017	2016	2015
Total Pension Liability				
Service Cost	\$ 198,627	\$ 230,296	\$ 223,588	\$ 267,889
Interest on total pension liability	587,363	556,089	523,457	480,808
Differences between expected and actual experience	(652,788)	-	(166,133)	-
Changes in assumptions	473,927	-	321,921	-
Changes in benefit terms	-	-	-	-
Benefit payments, including refunds of employee contributions	(313,613)	(302,460)	(273,201)	(229,364)
Net change in total pension liability	293,516	483,925	629,632	519,333
Total pension liability - beginning	8,346,429	7,862,504	7,232,872	6,713,539
Total pension liability - ending (a)	\$ 8,639,945	\$ 8,346,429	\$ 7,862,504	\$ 7,232,872
Plan fiduciary net position				
Contributions - employer	\$ 549,296	\$ 605,864	\$ 547,473	\$ 590,203
Contributions - employee	-	-	-	-
Net investment income	458,921	638,858	(59,981)	127,592
Benefit payments, including refunds of employee contributions	(313,613)	(302,460)	(273,201)	(229,364)
Administrative expense	(17,012)	(13,417)	(14,665)	(12,186)
Net change in plan fiduciary net position	677,592	928,845	199,626	476,245
Plan fiduciary net position - beginning	6,195,930	5,267,085	5,067,459	4,591,214
Plan fiduciary net position - ending (b)	\$ 6,873,522	\$ 6,195,930	\$ 5,267,085	\$ 5,067,459
Net pension liability - ending (a) - (b)	\$ 1,766,423	\$ 2,150,499	\$ 2,595,419	\$ 2,165,413
 Plan fiduciary net position as a percentage of the total pension liability	 79.56%	 74.23%	 66.99%	 70.06%
 Covered payroll	 \$ 4,766,641	 \$ 5,170,611	 \$ 5,020,011	 \$ 4,943,557
 Plan net pension liability as a percentage of covered payroll	 37.06%	 41.59%	 51.70%	 43.80%

Notes to Schedule:

Benefit changes. The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date.

Changes in Assumption:

- *2018 - Investment rate of return decreased from 7.0 to 6.5 percent
- *2016 - Inflation rate decreased from 3.0 to 2.75 percent
- *2016 - Salary scale, retirement and pre-retirement mortality assumptions were updated.

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
SDTC PLAN
(LAST TEN YEARS*)

Measurement Period, Year Ended June 30:	2018	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 3,559,738	\$ 3,660,961	\$ 3,469,595	\$ 3,590,766	\$ 3,908,376
Interest on total pension liability	20,325,978	19,885,608	18,865,499	18,434,275	17,812,979
Differences between expected and actual experience	(240,474)	1,185,687	(2,174,475)	812,878	2,905,692
Changes in assumptions	(640,322)	-	29,699,872	-	-
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(18,715,199)	(17,977,346)	(17,350,158)	(16,584,043)	(15,466,924)
Net change in total pension liability	4,289,721	6,754,910	32,510,333	6,253,876	9,160,123
Total pension liability - beginning	296,010,712	289,255,802	256,745,469	250,491,593	241,331,470
Total pension liability - ending (a)	\$300,300,433	\$296,010,712	\$289,255,802	\$256,745,469	\$250,491,593
Plan fiduciary net position					
Contributions - employer	\$ 13,020,223	\$ 12,649,101	\$ 10,711,282	\$ 11,352,628	\$ 12,628,190
Contributions - employee	1,751,616	2,047,593	1,754,869	1,363,092	899,791
Net investment income	8,792,300	12,216,936	(540,093)	(2,018,866)	18,417,439
Benefit payments, including refunds of employee contributions	(18,715,199)	(17,977,346)	(17,350,158)	(16,584,043)	(15,466,924)
Administrative expense	(244,890)	(234,128)	(290,381)	(262,808)	(258,142)
Net change in plan fiduciary net position	4,604,050	8,702,156	(5,714,481)	(6,149,997)	16,220,354
Plan fiduciary net position - beginning	161,635,007	152,932,851	158,647,332	164,797,329	148,576,975
Plan fiduciary net position - ending (b)	\$166,239,057	\$161,635,007	\$152,932,851	\$158,647,332	\$164,797,329
Net pension liability - ending (a) - (b)	\$134,061,376	\$134,375,705	\$136,322,951	\$ 98,098,137	\$ 85,694,264
Plan fiduciary net position as a percentage of the total pension liability	55.36%	54.60%	52.87%	61.79%	65.79%
Covered payroll	\$ 29,686,976	\$ 31,660,643	\$ 31,048,663	\$ 32,658,827	\$ 32,313,553
Plan net pension liability as a percentage of covered payroll	451.58%	424.43%	439.06%	300.37%	265.20%

Notes to Schedule:

Benefit changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date.

Changes of assumptions:

- *2018 - Valuation salary changed from using the most recent pensionable pay preceeding the valuation date to a two-year average of pay from the two years preceeding the valuation date
- *2016 - Investment rate of return decreased from 7.5 to 7.0 percent
- *2016 - Inflation decreased from 3.0 to 2.75 percent
- *2016 - Revisions were made to merit pay increases, mortality, disability, service retirements and terminations

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CONTRIBUTIONS
MTS
(LAST TEN YEARS*)

Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,041,117	\$ 1,896,639	\$ 1,731,711	\$ 1,582,497	\$ 1,559,846	\$ 1,537,079
Contributions in relation to the actuarially determined contribution	(2,041,117)	(1,896,639)	(1,731,711)	(1,582,497)	(1,559,846)	(1,537,079)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 12,892,323	\$ 12,873,186	\$ 11,809,510	\$ 11,078,469	\$ 9,954,718	\$ 9,277,782
Contributions as a percentage of covered payroll	15.83%	14.73%	14.66%	14.28%	15.67%	16.57%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2019 were derived from the June 30, 2017 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2017 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.63%
Salary increases	Varies based on entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CONTRIBUTIONS
SDTI CALPERS PLAN
(LAST TEN YEARS*)

Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,824,864	\$ 3,266,081	\$ 2,835,680	\$ 2,659,911	\$ 2,553,900	\$ 2,498,345
Contributions in relation to the actuarially determined contribution	(3,824,864)	(3,266,081)	(2,835,680)	(2,659,911)	(2,553,900)	(2,498,345)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 30,126,573	\$ 27,790,199	\$ 26,643,371	\$ 27,247,357	\$ 26,965,416	\$ 26,268,261
Contributions as a percentage of covered payroll	12.70%	11.75%	10.64%	9.76%	9.47%	9.51%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019 were derived from the June 30, 2017 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2017 Funding Valuation Report
Asset valuation method	Market value of assets
Inflation	2.63%
Salary increases	Varies based on entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CONTRIBUTIONS
SDTI PARS PLAN
(LAST TEN YEARS*)

Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 459,504	\$ 460,930	\$ 499,993	\$ 445,465	\$ 546,873	\$ 463,079
Contributions in relation to the actuarially determined contribution	(435,748)	(539,350)	(605,864)	(547,473)	(590,203)	(453,934)
Contribution deficiency (excess)	\$ 23,756	\$ (78,420)	\$ (105,871)	\$ (102,008)	\$ (43,330)	\$ 9,145
Covered payroll	\$ 4,909,640	\$ 4,766,641	\$ 5,170,611	\$ 5,020,011	\$ 4,943,557	\$ 5,984,089
Contributions as a percentage of covered payroll	8.88%	11.32%	11.72%	10.91%	11.94%	7.59%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019 were derived from the June 30, 2017 funding valuation report.

Valuation date	June 30, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Amortization period	16 years as of valuation date
Asset valuation method	5-year smoothed market
Inflation	2.75%
Salary increases	Varies based on entry age and service
Payroll growth	3.00%
Investment rate of return	6.50%

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CONTRIBUTIONS
SDTC PLAN
(LAST TEN YEARS*)

Fiscal Year Ended June 30:	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 13,632,820	\$ 13,020,223	\$ 12,649,101	\$ 10,711,282	\$ 11,352,628	\$ 12,628,190
Contributions in relation to the actuarially determined contribution	(13,632,820)	(13,020,223)	(12,649,101)	(10,711,282)	(11,352,628)	(12,628,190)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 27,121,687	\$ 29,672,305	\$ 31,660,643	\$ 31,048,663	\$ 32,658,827	\$ 32,313,553
Contributions as a percentage of covered payroll	50.27%	43.88%	39.95%	34.50%	34.76%	39.08%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019 were derived from the June 30, 2017 funding valuation report.

Valuation date	July 1, 2017
Actuarial cost method	Entry Age
Amortization method/period	Level percent of payroll, closed 25-year period
Asset valuation method	5-year smoothed market
Salary increases	2.75% plus merit component based on employee classification and years of services
Investment rate of return	7.00% net of pension plan investment expenses
Mortality	Actives: RP-2000 tables using male rates for both male and female members with generational improvements using scale MP-2015

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
MTS
(LAST TEN YEARS*)

Measurement period, year ended June 30:	2018	2017
Total OPEB Liability		
Service Cost	\$ 450,678	\$ 504,282
Interest	203,185	171,522
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions	(104,394)	(566,410)
Benefit payments, including refunds of member contributions	(99,520)	(96,621)
Net change in total OPEB liability	449,949	12,773
Total OPEB liability - beginning	5,575,125	5,562,352
Total OPEB liability - ending (a)	\$ 6,025,074	\$ 5,575,125
OPEB fiduciary net position		
Contributions - employer	\$ 99,520	\$ 96,621
Net investment income	-	-
Benefit payments, including refunds of member contributions	(99,520)	(96,621)
Administrative expense	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 6,025,074	\$ 5,575,125
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered payroll	\$ 12,763,760	\$ 12,392,000
Plan net OPEB liability as a percentage of covered payroll	47.20%	44.99%

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
SDTI
(LAST TEN YEARS*)

Measurement period, year ended June 30:	2018	2017
Total OPEB Liability		
Service Cost	\$ 440,969	\$ 493,375
Interest	389,043	336,668
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions	(168,207)	(956,245)
Benefit payments, including refunds of member contributions	(194,710)	(189,039)
Net change in total OPEB liability	467,095	(315,241)
Total OPEB liability - beginning	11,098,821	11,414,062
Total OPEB liability - ending (a)	\$ 11,565,916	\$ 11,098,821
OPEB fiduciary net position		
Contributions - employer	\$ 194,710	\$ 189,039
Net investment income	-	-
Benefit payments, including refunds of member contributions	(194,710)	(189,039)
Administrative expense	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 11,565,916	\$ 11,098,821
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered payroll	\$ 31,280,070	\$ 30,369,000
Plan net OPEB liability as a percentage of covered payroll	36.98%	36.55%

*Ten year historical information is not yet available

San Diego Metropolitan Transit System
Required Supplementary Information (Unaudited)(Continued)
For the Years Ended June 30, 2019 and 2018

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
SDTC
(LAST TEN YEARS*)

Measurement period, year ended June 30:	2018	2017
Total OPEB Liability		
Service Cost	\$ 1,176,005	\$ 1,317,293
Interest	1,000,292	875,283
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions	(421,922)	(2,399,513)
Benefit payments, including refunds of member contributions	(957,045)	(929,170)
Net change in total OPEB liability	797,330	(1,136,107)
Total OPEB liability - beginning	28,722,883	29,858,990
Total OPEB liability - ending (a)	\$ 29,520,213	\$ 28,722,883
OPEB fiduciary net position		
Contributions - employer	\$ 957,045	\$ 929,170
Net investment income	-	-
Benefit payments, including refunds of member contributions	(957,045)	(929,170)
Administrative expense	-	-
Net change in plan fiduciary net position	-	-
Plan fiduciary net position - beginning	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 29,520,213	\$ 28,722,883
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%
Covered payroll	\$ 40,561,400	\$ 39,380,000
Plan net OPEB liability as a percentage of covered payroll	72.78%	72.94%

*Ten year historical information is not yet available

SUPPLEMENTARY INFORMATION

Combining Schedule of Net Position

Combining Schedule of Revenues, Expenses, and Changes in Net Position

Combining Statement of Cash Flows

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual:

Combined Operations

General Fund

Taxicab Administration

San Diego & Arizona Eastern Railway

MTS - Contracted Services

San Diego Transit Corporation

San Diego Trolley, Inc.

San Diego Metropolitan Transit System
Combining Schedule of Net Position
June 30, 2019

	General Operations	Contracted Services	SDTC	SDTI	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 98,055,414	\$ 212,006	\$ (14,759)	\$ 388,195	\$ 98,640,856
Cash and cash equivalents restricted for capital support	22,690,668	-	-	-	22,690,668
Accounts and other receivables	8,658,577	-	1,700,806	303,898	10,663,281
Due from other governments	101,626,814	62,476	52,865	329,311	102,071,466
Internal balances	(39,873,195)	8,824,618	16,620,537	14,428,040	-
Inventory	-	-	4,173,162	16,574,675	20,747,837
Prepaid items and other current assets	1,299,427	162,737	885,873	1,386,490	3,734,527
Total current assets	192,457,705	9,261,837	23,418,484	33,410,609	258,548,635
Noncurrent assets:					
Capital assets (net of accumulated depreciation)	102,380,015	295,538,041	288,563,862	1,136,841,651	1,823,323,569
Total noncurrent assets	102,380,015	295,538,041	288,563,862	1,136,841,651	1,823,323,569
Total assets	294,837,720	304,799,878	311,982,346	1,170,252,260	2,081,872,204
DEFERRED OUTFLOWS OF RESOURCES					
Pension-related deferred outflows of resources					
Contributions made after the measurement date	2,041,117	-	13,632,820	4,260,612	19,934,549
Differences between projected and actual investment earnings	64,183	-	8,665,478	325,374	9,055,035
Differences between expected and actual experience	498,122	-	395,229	158,950	1,052,301
Changes in employer's proportion	464,158	-	-	-	464,158
Differences between employer contributions and proportionate share	529,418	-	-	-	529,418
Changes in assumptions	1,480,062	-	-	5,512,898	6,992,960
Total pension-related deferred outflows of resources	5,077,060	-	22,693,527	10,257,834	38,028,421
OPEB-related deferred outflows of resources					
Contributions made after the measurement date	108,036	-	1,114,232	186,118	1,408,386
Total deferred outflows of resources	5,185,096	-	23,807,759	10,443,952	39,436,807

San Diego Metropolitan Transit System
Combining Schedule of Net Position (Continued)
June 30, 2019

	General Operations	Contracted Services	SDTC	SDTI	Total
LIABILITIES					
Current liabilities:					
Accounts payable	15,369,630	7,651,193	3,628,816	2,776,087	29,425,726
Due to other governments	6,342,851	45,660	120,532	399,764	6,908,807
Unearned revenue	32,120,992	-	-	138,272	32,259,264
Accrued expenses	611,740	16,891	1,181,421	1,304,310	3,114,362
Retentions payable	5,443,454	-	467	3,016	5,446,937
Due within one year:					
Compensated absences payable	671,456	-	3,049,850	2,328,645	6,049,951
Accrued damage, injury, and employee claims	439,332	-	3,289,320	1,269,760	4,998,412
Long-term debt	363,072	-	2,555,000	-	2,918,072
Total current liabilities	61,362,527	7,713,744	13,825,406	8,219,854	91,121,531
Noncurrent liabilities:					
Due in more than one year:					
Compensated absences payable	477,402	-	3,763,360	567,288	4,808,050
Accrued damage, injury, and employee claims	551,490	-	8,741,276	1,545,473	10,838,239
Long-term debt	-	-	10,355,000	-	10,355,000
Aggregate net pension liability	12,982,663	-	134,061,376	31,319,372	178,363,411
Aggregate total OPEB liability	6,025,074	-	29,520,213	11,565,916	47,111,203
Total noncurrent liabilities	20,036,629	-	186,441,225	44,998,049	251,475,903
Total liabilities	81,399,156	7,713,744	200,266,631	53,217,903	342,597,434

San Diego Metropolitan Transit System
Combining Schedule of Net Position (Continued)
June 30, 2019

	General Operations	Contracted Services	SDTC	SDTI	Total
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding related to capital assets	38,264	-	-	-	38,264
Pension-related deferred inflows of resources					
Differences between expected and actual experience	169,508	-	120,237	2,650,198	2,939,943
Changes in employer's proportion	246,648	-	-	-	246,648
Changes in assumptions	362,735	-	320,161	1,436,635	2,119,531
Total pension-related deferred inflows of resources	778,891	-	440,398	4,086,833	5,306,122
OPEB-related deferred inflows of resources					
Changes in assumptions	547,083	-	1,951,277	893,264	3,391,624
Total deferred inflows of resources	1,364,238	-	2,391,675	4,980,097	8,736,010
NET POSITION					
Net investment in capital assets	101,978,679	295,538,041	288,563,862	1,136,841,651	1,822,922,233
Restricted for capital assets	212,422	-	-	-	212,422
Unrestricted (deficit)	115,068,321	1,548,093	(155,432,063)	(14,343,439)	(53,159,088)
Total net position	\$ 217,259,422	\$ 297,086,134	\$ 133,131,799	\$ 1,122,498,212	\$ 1,769,975,567

San Diego Metropolitan Transit System
Combining Schedule of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2019

	General Operations	Contracted Services	SDTC	SDTI	Eliminations	Total
Operating revenues:						
Passenger revenue	\$ -	\$ 28,178,285	\$ 22,041,356	\$ 42,005,525	\$ -	\$ 92,225,166
Advertising	1,604,025	-	-	-	-	1,604,025
Miscellaneous	18,033,899	1,365	6,127	789,453	-	18,830,844
Total operating revenues	19,637,924	28,179,650	22,047,483	42,794,978	-	112,660,035
Operating expenses:						
Personnel costs	23,688,427	705,766	82,152,284	39,459,147	-	146,005,624
Outside services	17,907,137	79,094,438	2,075,749	8,768,475	-	107,845,799
Transit operations funding	117,426,981	-	-	-	(116,928,800)	498,181
Materials and supplies	21,064	25,635	6,409,354	6,470,470	-	12,926,523
Energy costs	246,327	8,233,769	5,578,023	14,725,944	-	28,784,063
Risk management	325,645	15,300	1,122,273	719,878	-	2,183,096
Miscellaneous	(20,698,557)	2,867,483	7,594,611	15,682,729	-	5,446,266
Depreciation	3,106,473	22,706,135	29,467,429	67,726,659	-	123,006,696
Total operating expenses	142,023,497	113,648,526	134,399,723	153,553,302	(116,928,800)	426,696,248
Operating income (loss)	(122,385,573)	(85,468,876)	(112,352,240)	(110,758,324)	116,928,800	(314,036,213)

San Diego Metropolitan Transit System
Combining Schedule of Revenues, Expenses, and Changes in Net Position (Continued)
For the Year Ended June 30, 2019

	General Operations	Contracted Services	SDTC	SDTI	Eliminations	Total
Public support and nonoperating revenues (expenses):						
Federal revenue	66,068,502	15,612,911	20,500,000	24,750,993	(60,863,904)	66,068,502
Transportation Development Act (TDA) funds	96,654,680	41,371,339	2,925,267	15,508,830	(59,805,436)	96,654,680
State Transit Assistance (STA) funds	32,382,645	-	6,866,113	1,266,634	(8,132,747)	32,382,645
State revenue - other	1,828,998	73,473	258,857	236,168	(568,498)	1,828,998
<i>TransNet</i> funds	51,050,475	4,924,537	40,625,938	-	(51,050,475)	45,550,475
Other local subsidies	1,058,481	780,481	278,000	-	(1,058,481)	1,058,481
Investment earnings	1,952,467	-	-	-	-	1,952,467
Interest expense	55,979	-	(727,381)	-	-	(671,402)
Gain (loss) on disposal of assets	(44,602)	-	(9,320)	(2,297,569)	-	(2,351,491)
Total public support and nonoperating revenues (expenses)	251,007,625	62,762,741	70,717,474	39,465,056	(181,479,541)	242,473,355
Income (loss) before transfers and contributed capital	128,622,052	(22,706,135)	(41,634,766)	(71,293,268)	(64,550,741)	(71,562,858)
Transfers	(64,550,741)	-	-	-	64,550,741	-
Contributed capital, net	(59,947,310)	97,704,396	6,554,661	62,280,366	-	106,592,113
Changes in net position	4,124,001	74,998,261	(35,080,105)	(9,012,902)	-	35,029,255
Net Position:						
Beginning of year	213,135,421	222,087,873	168,211,904	1,131,511,114	-	1,734,946,312
End of year	<u>\$ 217,259,422</u>	<u>\$ 297,086,134</u>	<u>\$ 133,131,799</u>	<u>\$ 1,122,498,212</u>	<u>\$ -</u>	<u>\$ 1,769,975,567</u>

San Diego Metropolitan Transit System
Combining Schedule of Cash Flows
For the Year Ended June 30, 2019

	General Operations	Contracted Services	SDTC	SDTI	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 20,919,452	\$ 28,179,731	\$ 21,868,179	\$ 42,652,985	\$ 113,620,347
Payments to suppliers	3,751,399	(89,483,940)	(21,647,227)	(46,461,139)	(153,840,907)
Payments to employees	(22,462,190)	(705,811)	(71,120,053)	(38,305,984)	(132,594,038)
Payments for damage and injury	(176,680)	-	(363,483)	(937,898)	(1,478,061)
Net cash provided by (used in) operating activities	2,031,981	(62,010,020)	(71,262,584)	(43,052,036)	(174,292,659)
Cash flows from noncapital financing activities:					
Public support funds received	69,833,847	63,679,590	74,739,765	43,763,056	252,016,258
Net cash provided by noncapital financing activities	69,833,847	63,679,590	74,739,765	43,763,056	252,016,258
Cash flows from capital and related financing activities:					
Debt service costs	(708,197)	-	(3,157,381)	-	(3,865,578)
Property acquisition	(55,892,229)	-	-	-	(55,892,229)
Proceeds from disposal of assets	112,831	-	2,650	6,750	122,231
Net cash provided by (used in) capital and related financing activities	(56,487,595)	-	(3,154,731)	6,750	(59,635,576)
Cash flows from investing activities:					
Interest received on investments	1,408,439	-	-	-	1,408,439
Net cash provided by investing activities	1,408,439	-	-	-	1,408,439
Net increase in cash and cash equivalents	16,786,672	1,669,570	322,450	717,770	19,496,462
Cash and cash equivalents:					
Beginning of year	103,959,410	(1,457,564)	(337,209)	(329,575)	101,835,062
End of year	\$ 120,746,082	\$ 212,006	\$ (14,759)	\$ 388,195	\$ 121,331,524
Cash and cash equivalents:					
Cash and cash equivalents	\$ 98,055,414	\$ 212,006	\$ (14,759)	\$ 388,195	\$ 98,640,856
Cash restricted for capital support	22,690,668	-	-	-	22,690,668
Total cash and cash equivalents	\$ 120,746,082	\$ 212,006	\$ (14,759)	\$ 388,195	\$ 121,331,524

San Diego Metropolitan Transit System
Combining Schedule of Cash Flows (Continued)
For the Year Ended June 30, 2019

	General Operations	Contracted Services	SDTC	SDTI	Total
Reconciliation of Operating (Loss) to Net Cash (Used In) Operating Activities					
Operating (loss):	\$ (5,456,773)	\$ (85,468,876)	\$ (112,352,240)	\$ (110,758,324)	\$ (314,036,213)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities					
Depreciation	3,106,473	22,706,135	29,467,429	67,726,659	123,006,696
(Increase) decrease in:					
Accounts and other receivables	(925,284)	81	(90,165)	(216,702)	(1,232,070)
Due from other governments	799,454	-	-	-	799,454
Inventory	-	-	(714,573)	(1,786,961)	(2,501,534)
Prepaid expenses and other current assets	(29,940)	15,300	22,972	(90,838)	(82,506)
Increase (decrease) in:					
Accounts payable	2,729,775	703,433	303,872	223,794	3,960,874
Due to other governments	(716,895)	33,952	7,232	188,689	(487,022)
Accrued expenses	(36,882)	(45)	(9,230)	169,753	123,596
Unearned revenue	1,407,358	-	-	74,709	1,482,067
Aggregate net pension liability	731,214	-	10,219,347	648,037	11,598,598
Aggregate total OPEB liability	456,795	-	585,533	475,325	1,517,653
Compensated absences	4,553	-	(18,731)	118,425	104,247
Accrued damage, injury and employee claims	(37,867)	-	1,315,970	175,398	1,453,501
Total adjustments	7,488,754	23,458,856	41,089,656	67,706,288	139,743,554
Net cash (used in) operating activities	\$ 2,031,981	\$ (62,010,020)	\$ (71,262,584)	\$ (43,052,036)	\$ (174,292,659)

Noncash investing, capital and financing activities:

During the year, SANDAG contributed \$106,592,113 in capital assets and inventory parts.

During the year, the fair value of investments increased by \$59,251.

San Diego Metropolitan Transit System
Combining Operations
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Passenger revenue	\$ 92,087,210	\$ 92,087,210	\$ 92,225,166	\$ -	\$ 92,225,166	\$ 137,956
Advertising	1,390,000	1,720,000	1,604,025	-	1,604,025	(115,975)
Miscellaneous operating revenues	13,945,930	16,357,930	18,830,844	(1,248,265)	17,582,579	1,224,649
Total operating revenues	107,423,140	110,165,140	112,660,035	(1,248,265)	111,411,770	1,246,630
Operating expenses:						
Personnel costs	133,813,280	135,399,540	146,005,624	(13,056,188)	132,949,436	2,450,104
Outside services	101,224,910	103,144,830	107,845,799	(4,055,922)	103,789,877	(645,047)
Transit operations funding	585,490	585,490	498,181	-	498,181	87,309
Materials and supplies	12,224,210	12,857,430	12,926,523	-	12,926,523	(69,093)
Energy costs	27,264,350	28,621,690	28,784,063	-	28,784,063	(162,373)
Risk management	4,665,700	3,722,130	2,183,096	223,204	2,406,300	1,315,830
Miscellaneous operating expenses	5,948,810	6,135,800	5,446,266	(39,219)	5,407,047	728,753
Depreciation	-	-	123,006,696	(123,006,696)	-	-
Total operating expenses	285,726,750	290,466,910	426,696,248	(139,934,821)	286,761,427	3,705,483
Operating income (loss)	(178,303,610)	(180,301,770)	(314,036,213)	138,686,556	(175,349,657)	4,952,113

San Diego Metropolitan Transit System
Combining Operations
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Public support and nonoperating revenues (expenses):						
Federal revenue	61,259,700	61,182,830	66,068,502	(5,083,296)	60,985,206	(197,624)
Transportation Development Act (TDA) funds	63,040,810	63,040,820	96,654,680	(33,613,871)	63,040,809	(11)
State Transit Assistance (STA) funds	5,600,000	8,756,340	32,382,645	(23,516,532)	8,866,113	109,773
State revenue - other	3,400,000	-	1,828,998	(1,755,525)	73,473	73,473
TransNet funds	42,384,210	44,266,720	45,550,475	-	45,550,475	1,283,755
Other local subsidies	1,055,820	1,555,820	1,058,481	-	1,058,481	(497,339)
Investment earnings	1,275,000	1,350,000	1,952,467	(166,015)	1,786,452	436,452
Interest expense	(1,480,940)	(1,480,940)	(671,402)	(809,512)	(1,480,914)	26
Gain (loss) on disposal of assets	200,000	200,000	(2,351,491)	2,473,722	122,231	(77,769)
Total public support and nonoperating revenues (expenses):	176,734,600	178,871,590	242,473,355	(62,471,029)	180,002,326	1,130,736
Income (loss) before contributed capital	(1,569,010)	(1,430,180)	(71,562,858)	76,215,527	4,652,669	6,082,849
Reserve revenue	1,569,010	1,430,180	-	117,665	117,665	(1,312,515)
Contributed capital, net	-	-	106,592,113	(106,592,113)	-	-
Changes in net position	\$ -	\$ -	35,029,255	\$ (30,258,921)	\$ 4,770,334	\$ 4,770,334
Net Position:						
Beginning of year			1,734,946,312			
End of year			<u>\$ 1,769,975,567</u>			

San Diego Metropolitan Transit System
General Operations
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Advertising	\$ 1,390,000	\$ 1,720,000	\$ 1,604,025	\$ -	\$ 1,604,025	\$ (115,975)
Miscellaneous operating revenues	11,900,930	14,424,730	15,905,864	(248,265)	15,657,599	1,232,869
Total operating revenues	13,290,930	16,144,730	17,509,889	(248,265)	17,261,624	1,116,894
Operating expenses:						
Personnel costs	20,088,940	21,467,500	22,860,040	(1,367,985)	21,492,055	(24,555)
Outside services	16,096,750	16,417,380	17,781,980	(635,174)	17,146,806	(729,426)
Transit operations funding	585,490	585,490	117,426,981	(116,928,800)	498,181	87,309
Materials and supplies	6,370	16,640	20,718	-	20,718	(4,078)
Energy costs	210,070	238,400	228,526	-	228,526	9,874
Risk management	435,100	373,580	260,035	(37,867)	222,168	151,412
Miscellaneous operating expenses	(21,375,360)	(20,342,830)	(20,906,956)	-	(20,906,956)	564,126
Depreciation	-	-	3,083,343	(3,083,343)	-	-
Total operating expenses	16,047,360	18,756,160	140,754,667	(122,053,169)	18,701,498	54,662
Operating income (loss)	(2,756,430)	(2,611,430)	(123,244,778)	121,804,904	(1,439,874)	1,171,556

San Diego Metropolitan Transit System
General Operations
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Public support and nonoperating revenues (expenses):						
Federal revenue	140,000	120,000	66,068,502	(65,917,968)	150,534	30,534
Transportation Development Act (TDA) funds	585,490	585,490	96,654,680	(91,750,231)	4,904,449	4,318,959
State Transit Assistance (STA) funds	-	-	32,382,645	(32,382,645)	-	-
State revenue - other	-	-	1,828,998	(1,828,998)	-	-
<i>TransNet</i> funds	-	-	51,050,475	(51,050,475)	-	-
Other local subsidies	-	-	1,058,481	(1,058,481)	-	-
Investment earnings	1,275,000	1,350,000	1,952,467	(166,015)	1,786,452	436,452
Interest expense	(744,060)	(744,060)	55,979	(800,037)	(744,058)	2
Gain (loss) on disposal of assets	200,000	200,000	(44,602)	157,433	112,831	(87,169)
Total public support and nonoperating revenues (expenses):	1,456,430	1,511,430	251,007,625	(244,797,417)	6,210,208	4,698,778
Income (loss) before transfers and contributed capital	(1,300,000)	(1,100,000)	127,762,847	(122,992,513)	4,770,334	5,870,334
Transfers	-	-	(64,550,741)	64,550,741	-	-
Reserve revenue	1,300,000	1,100,000	991,000	(991,000)	-	(1,100,000)
Contributed capital, net	-	-	(58,947,310)	58,947,310	-	-
Changes in net position	\$ -	\$ -	5,255,796	\$ (485,462)	\$ 4,770,334	\$ 4,770,334
Net Position:						
Beginning of year			194,180,568			
End of year			\$ 199,436,364			

San Diego Metropolitan Transit System
Taxicab Administration
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Miscellaneous operating revenues	\$ 1,065,000	\$ 943,200	\$ 988,859	\$ -	\$ 988,859	\$ 45,659
Total operating revenues	<u>1,065,000</u>	<u>943,200</u>	<u>988,859</u>	<u>-</u>	<u>988,859</u>	<u>45,659</u>
Operating expenses:						
Personnel costs	809,470	793,600	792,098	-	792,098	1,502
Outside services	107,230	95,750	76,671	-	76,671	19,079
Materials and supplies	8,000	1,100	346	-	346	754
Energy costs	14,670	19,030	17,801	-	17,801	1,229
Risk management	8,000	8,000	7,910	-	7,910	90
Miscellaneous operating expenses	224,260	187,600	182,505	-	182,505	5,095
Depreciation	-	-	6,042	(6,042)	-	-
Total operating expenses	<u>1,171,630</u>	<u>1,105,080</u>	<u>1,083,373</u>	<u>(6,042)</u>	<u>1,077,331</u>	<u>27,749</u>
Operating income (loss)	<u>(106,630)</u>	<u>(161,880)</u>	<u>(94,514)</u>	<u>6,042</u>	<u>(88,472)</u>	<u>73,408</u>
Reserve revenue	106,630	161,880	-	88,472	88,472	(73,408)
Changes in net position	<u>\$ -</u>	<u>\$ -</u>	<u>(94,514)</u>	<u>\$ 94,514</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:						
Beginning of year			243,617			
End of year			<u>\$ 149,103</u>			

San Diego Metropolitan Transit System
San Diego and Arizona Eastern Railway
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Miscellaneous operating revenues	\$ 245,000	\$ 150,000	\$ 1,139,176	\$ (1,000,000)	\$ 139,176	\$ (10,824)
Total operating revenues	<u>245,000</u>	<u>150,000</u>	<u>1,139,176</u>	<u>(1,000,000)</u>	<u>139,176</u>	<u>(10,824)</u>
Operating expenses:						
Personnel costs	53,000	31,000	36,289	-	36,289	(5,289)
Outside services	210,000	140,000	48,486	-	48,486	91,514
Risk management	120,300	117,300	57,700	-	57,700	59,600
Miscellaneous operating expenses	24,080	30,000	25,894	-	25,894	4,106
Depreciation	-	-	17,088	(17,088)	-	-
Total operating expenses	<u>407,380</u>	<u>318,300</u>	<u>185,457</u>	<u>(17,088)</u>	<u>168,369</u>	<u>149,931</u>
Operating income (loss)	(162,380)	(168,300)	953,719	(982,912)	(29,193)	139,107
Reserve revenue	162,380	168,300	(991,000)	1,020,193	29,193	(139,107)
Contributed capital, net	-	-	(1,000,000)	1,000,000	-	-
Changes in net position	<u>\$ -</u>	<u>\$ -</u>	<u>(1,037,281)</u>	<u>\$ 1,037,281</u>	<u>\$ -</u>	<u>\$ -</u>
Net Position:						
Beginning of year			18,711,236			
End of year			<u>\$ 17,673,955</u>			

San Diego Metropolitan Transit System
Contracted Services
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Passenger revenue	\$ 30,323,700	\$ 29,317,500	\$ 28,178,285	\$ -	\$ 28,178,285	\$ (1,139,215)
Miscellaneous operating revenues	-	-	1,365	-	1,365	1,365
Total operating revenues	<u>30,323,700</u>	<u>29,317,500</u>	<u>28,179,650</u>	<u>-</u>	<u>28,179,650</u>	<u>(1,137,850)</u>
Operating expenses:						
Personnel costs	420,000	605,600	705,766	-	705,766	(100,166)
Outside services	77,615,560	79,356,630	79,094,438	-	79,094,438	262,192
Materials and supplies	40,100	41,020	25,635	-	25,635	15,385
Energy costs	8,341,210	8,338,410	8,233,769	-	8,233,769	104,641
Risk management	15,300	15,300	15,300	-	15,300	-
Miscellaneous operating expenses	2,561,920	2,874,260	2,867,483	-	2,867,483	6,777
Depreciation	-	-	22,706,135	(22,706,135)	-	-
Total operating expenses	<u>88,994,090</u>	<u>91,231,220</u>	<u>113,648,526</u>	<u>(22,706,135)</u>	<u>90,942,391</u>	<u>288,829</u>
Operating income (loss)	<u>(58,670,390)</u>	<u>(61,913,720)</u>	<u>(85,468,876)</u>	<u>22,706,135</u>	<u>(62,762,741)</u>	<u>(849,021)</u>

San Diego Metropolitan Transit System
Contracted Services
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Public support and nonoperating revenues (expenses):						
Federal revenue	15,719,700	15,662,830	15,612,911	-	15,612,911	(49,919)
Transportation Development Act (TDA) funds	35,114,120	40,830,160	41,371,339	-	41,371,339	541,179
State revenue - other	3,400,000	-	73,473	-	73,473	73,473
<i>TransNet</i> funds	3,658,750	4,142,910	4,924,537	-	4,924,537	781,627
Other local subsidies	777,820	1,277,820	780,481	-	780,481	(497,339)
Total public support and nonoperating revenues (expenses):	58,670,390	61,913,720	62,762,741	-	62,762,741	849,021
Income (loss) before contributed capital	-	-	(22,706,135)	22,706,135	-	-
Contributed capital, net	-	-	97,704,396	(97,704,396)	-	-
Changes in net position	\$ -	\$ -	74,998,261	\$ (74,998,261)	\$ -	\$ -
Net Position:						
Beginning of year			222,087,873			
End of year			<u>\$ 297,086,134</u>			

San Diego Metropolitan Transit System
San Diego Transit Corporation
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Passenger revenue	\$ 21,735,500	\$ 22,016,400	\$ 22,041,356	\$ -	\$ 22,041,356	\$ 24,956
Miscellaneous operating revenues	15,000	15,000	6,127	-	6,127	(8,873)
Total operating revenues	21,750,500	22,031,400	22,047,483	-	22,047,483	16,083
Operating expenses:						
Personnel costs	74,909,470	74,484,330	82,152,284	(10,393,969)	71,758,315	2,726,015
Outside services	2,017,820	1,893,960	2,075,749	(295,457)	1,780,292	113,668
Materials and supplies	5,693,040	5,938,310	6,409,354	-	6,409,354	(471,044)
Energy costs	5,581,000	5,459,000	5,578,023	-	5,578,023	(119,023)
Risk management	2,167,000	1,560,630	1,122,273	229,127	1,351,400	209,230
Miscellaneous operating expenses	8,273,380	7,549,310	7,594,611	-	7,594,611	(45,301)
Depreciation	-	-	29,467,429	(29,467,429)	-	-
Total operating expenses	98,641,710	96,885,540	134,399,723	(39,927,728)	94,471,995	2,413,545
Operating income (loss)	(76,891,210)	(74,854,140)	(112,352,240)	39,927,728	(72,424,512)	2,429,628

San Diego Metropolitan Transit System
San Diego Transit Corporation
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	Variance with Final Budget Positive (Negative)
Public support and nonoperating revenues (expenses):						
Federal revenue	20,500,000	20,500,000	20,500,000	-	20,500,000	-
Transportation Development Act (TDA) funds	12,524,630	5,932,870	2,925,267	(36,600)	2,888,667	(3,044,203)
State Transit Assistance (STA) funds	5,600,000	8,756,340	6,866,113	2,000,000	8,866,113	109,773
State revenue - other	-	-	258,857	(258,857)	-	-
<i>TransNet</i> funds	38,725,460	40,123,810	40,625,938	-	40,625,938	502,128
Other local subsidies	278,000	278,000	278,000	-	278,000	-
Interest expense	(736,880)	(736,880)	(727,381)	(9,475)	(736,856)	24
Gain (loss) on disposal of assets	-	-	(9,320)	11,970	2,650	2,650
Total public support and nonoperating revenues (expenses):	76,891,210	74,854,140	70,717,474	1,707,038	72,424,512	(2,429,628)
Income (loss) before contributed capital	-	-	(41,634,766)	41,634,766	-	-
Contributed capital, net	-	-	6,554,661	(6,554,661)	-	-
Changes in net position	\$ -	\$ -	(35,080,105)	\$ 35,080,105	\$ -	\$ -
Net Position:						
Beginning of year			168,211,904			
End of year			<u>\$ 133,131,799</u>			

San Diego Metropolitan Transit System
San Diego Trolley Incorporated
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Operating revenues:						
Passenger revenue	\$ 40,028,010	\$ 40,753,310	\$ 42,005,525	\$ -	\$ 42,005,525	\$ 1,252,215
Miscellaneous operating revenues	720,000	825,000	789,453	-	789,453	(35,547)
Total operating revenues	<u>40,748,010</u>	<u>41,578,310</u>	<u>42,794,978</u>	<u>-</u>	<u>42,794,978</u>	<u>1,216,668</u>
Operating expenses:						
Personnel costs	37,532,400	38,017,510	39,459,147	(1,294,234)	38,164,913	(147,403)
Outside services	5,177,550	5,241,110	8,768,475	(3,125,291)	5,643,184	(402,074)
Materials and supplies	6,476,700	6,860,360	6,470,470	-	6,470,470	389,890
Energy costs	13,117,400	14,566,850	14,725,944	-	14,725,944	(159,094)
Risk management	1,920,000	1,647,320	719,878	31,944	751,822	895,498
Miscellaneous operating expenses	16,240,530	15,837,460	15,682,729	(39,219)	15,643,510	193,950
Depreciation	-	-	67,726,659	(67,726,659)	-	-
Total operating expenses	<u>80,464,580</u>	<u>82,170,610</u>	<u>153,553,302</u>	<u>(72,153,459)</u>	<u>81,399,843</u>	<u>770,767</u>
Operating income (loss)	<u>(39,716,570)</u>	<u>(40,592,300)</u>	<u>(110,758,324)</u>	<u>72,153,459</u>	<u>(38,604,865)</u>	<u>1,987,435</u>

San Diego Metropolitan Transit System
San Diego Trolley Incorporated
Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual (Continued)
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actuals per Statement of Revenues, Expenses, and Changes in Net Position Amounts	Budget Basis Adjustments	Actuals on Budget Basis	
Public support and nonoperating revenues (expenses):						
Federal revenue	24,900,000	24,900,000	24,750,993	(29,232)	24,721,761	(178,239)
Transportation Development Act (TDA) funds	14,816,570	15,692,300	15,508,830	(1,632,476)	13,876,354	(1,815,946)
State Transit Assistance (STA) funds	-	-	1,266,634	(1,266,634)	-	-
State revenue - other	-	-	236,168	(236,168)	-	-
Gain (loss) on disposal of assets	-	-	(2,297,569)	2,304,319	6,750	6,750
Total public support and nonoperating revenues (expenses):	39,716,570	40,592,300	39,465,056	(860,191)	38,604,865	(1,987,435)
Income (loss) before contributed capital	-	-	(71,293,268)	71,293,268	-	-
Contributed capital, net	-	-	62,280,366	(62,280,366)	-	-
Changes in net position	\$ -	\$ -	(9,012,902)	\$ 9,012,902	\$ -	\$ -
Net Position:						
Beginning of year			1,131,511,114			
End of year			<u>\$ 1,122,498,212</u>			

STATISTICAL SECTION

(Unaudited)

Included in this section of the Metropolitan Transit System comprehensive annual financial report is detailed information to assist in analysis and understanding of the information presented in the financial statements, notes and required supplementary information.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how MTS's financial position has changed over time.

Revenue Capacity

These schedules contain detailed information about the fare structures and revenue generated from transit operations provided by MTS.

Debt Capacity

This schedule presents information to help the reader assess the affordability of MTS's current levels of outstanding debt and MTS's ability to issue debt in the future.

Demographic and Economic Information

These schedules provide service and infrastructure data to help the reader understand how the information in MTS's financial report relates to the services MTS provides.

Operating Information

These schedules provide service and infrastructure data to help the reader understand how the information in MTS's financial report relates to the services MTS provides.

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FINANCIAL TRENDS

San Diego Metropolitan Transit System
Net Position by Component (in 000's)
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Business-type activities:										
Net investment in capital assets	\$ 1,822,922	\$ 1,785,808	\$ 1,739,360	\$ 1,760,427	\$ 1,699,222	\$ 1,395,206	\$ 1,296,217	\$ 1,172,816	\$ 1,073,562	\$ 1,078,178
Restricted	212	14,447	4,440	8,750	5,309	6,742	7,255	78,378	7,007	2,548
Unrestricted	(53,159)	(65,308)	(19,615)	(31,668)	(31,900)	181,114	189,837	157,609	173,128	177,158
Total business-type activities net position	\$ 1,769,975	\$ 1,734,947	\$ 1,724,185	\$ 1,737,509	\$ 1,672,631	\$ 1,583,062	\$ 1,493,309	\$ 1,408,803	\$ 1,253,697	\$ 1,257,884
Primary government:										
Net investment in capital assets	\$ 1,822,922	\$ 1,785,808	\$ 1,739,360	\$ 1,760,427	\$ 1,699,222	\$ 1,395,206	\$ 1,296,217	\$ 1,172,816	\$ 1,073,562	\$ 1,078,178
Restricted	212	14,447	4,440	8,750	5,309	6,742	7,255	78,378	7,007	2,548
Unrestricted	(53,159)	(65,308)	(19,615)	(31,668)	(31,900)	181,114	189,837	157,609	173,128	177,158
Total primary government net position	\$ 1,769,975	\$ 1,734,947	\$ 1,724,185	\$ 1,737,509	\$ 1,672,631	\$ 1,583,062	\$ 1,493,309	\$ 1,408,803	\$ 1,253,697	\$ 1,257,884

Source: Audited Financial Statements.

San Diego Metropolitan Transit System
Changes in Net Position (in 000's)
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating revenues:										
Passenger revenue	\$ 92,225	\$ 90,236	\$ 93,279	\$ 97,914	\$ 97,615	\$ 93,995	\$ 90,652	\$ 88,094	\$ 84,764	\$ 84,167
Advertising	1,604	1,131	1,379	968	816	870	972	784	621	783
Charter	-	-	-	-	6	30	1	186	129	128
Miscellaneous	18,831	17,404	18,863	15,781	9,349	9,531	4,934	4,445	4,688	4,264
Total operating revenues	112,660	108,771	113,521	114,663	107,786	104,426	96,559	93,509	90,202	89,342
Operating expenses:										
Personnel costs	146,006	146,282	137,021	121,921	114,575	117,092	123,720	112,537	104,329	109,512
Outside services	107,846	101,574	97,800	94,802	84,302	73,859	67,414	66,050	64,037	63,574
Transit operations funding	498	488	463	491	2,692	4,243	3,571	3,721	4,053	3,758
Materials and supplies	12,927	14,918	13,065	9,715	10,307	9,276	8,469	7,977	7,678	6,680
Energy costs	28,784	26,414	25,552	24,531	28,003	26,044	22,572	22,689	21,932	22,892
Risk management	2,183	6,675	4,276	4,864	5,849	3,610	2,902	4,030	3,924	4,859
Miscellaneous	5,446	5,854	5,934	4,978	4,975	6,244	6,493	5,116	4,899	3,571
Depreciation	123,007	120,928	123,880	119,520	108,199	103,198	92,788	84,811	81,041	98,238
Total operating expenses	426,697	423,133	407,991	380,822	358,902	343,566	327,929	306,931	291,893	313,084
Operating (loss)	(314,037)	(314,362)	(294,470)	(266,159)	(251,116)	(239,140)	(231,370)	(213,422)	(201,691)	(223,742)

San Diego Metropolitan Transit System
Changes in Net Position (in 000's) (Continued)
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Public support and nonoperating revenues (expenses):										
Grants and contributions	243,544	253,298	232,775	235,763	235,755	211,517	183,945	325,658	170,850	224,506
Investment earnings	1,952	941	636	292	3,065	6,087	6,267	7,622	7,695	9,708
Interest expense	(671)	(809)	(963)	(1,071)	(6,883)	(6,982)	(7,520)	(8,014)	(8,420)	(12,702)
Gain (loss) on disposal of	(2,351)	(809)	396	2,433	67	(273)	804	(620)	712	(69)
Other expenses	-	-	-	-	-	(13)	(13)	(5)	(139)	(1,075)
Total public support and nonoperating revenues (expenses)	242,474	252,621	232,844	237,417	232,004	210,336	183,483	324,641	170,698	220,368
Income (loss) before contributed capital	(71,563)	(61,741)	(61,626)	(28,742)	(19,112)	(28,804)	(47,887)	111,219	(30,993)	(3,374)
Contributed capital, net	106,592	99,551	48,301	93,619	245,717	118,768	132,182	44,118	26,806	11,110
Changes in net position	\$ 35,029	\$ 37,810	\$ (13,325)	\$ 64,877	\$ 226,605	\$ 89,964	\$ 84,295	\$ 155,337	\$ (4,187)	\$ 7,736

Source: Audited Financial Statements.

REVENUE CAPACITY

San Diego Metropolitan Transit System
Operating Revenues by Source (000's)
Last Ten Fiscal Years

Fiscal Year Ended	Passenger Fares	Federal Operating Funds	State Operating Funds	Local Operating Funds	Other
San Diego Transit Corporation					
2010	\$ 26,708	\$ 18,267	\$ 16,249	\$ 21,456	\$ 182
2011	26,056	19,894	29,435	18,307	152
2012	27,498	20,709	20,497	17,549	196
2013	28,621	20,266	31,954	18,886	6
2014	27,781	19,336	16,489	20,897	34
2015	27,156	18,096	18,085	28,982	5
2016	26,169	18,000	15,993	35,558	2
2017	24,864	20,000	17,138	31,038	10
2018	23,034	20,225	16,467	38,889	187
2019	22,041	20,500	10,050	40,904	6
San Diego Trolley					
2010	\$ 33,050	\$ 16,449	\$ 5,637	\$ 5,000	\$ 462
2011	34,673	14,912	5,497	5,000	528
2012	35,216	14,989	7,208	5,492	552
2013	35,554	22,426	3,379	5,000	574
2014	40,188	22,913	1,501	5,000	1,256
2015	41,140	21,151	5,047	5,000	628
2016	41,113	21,148	6,040	5,000	698
2017	38,968	23,149	13,609	5,000	704
2018	39,354	24,247	22,930	-	777
2019	42,006	24,751	17,012	-	789
MTS - Contracted Services					
2010	\$ 24,410	\$ 10,420	\$ 21,524	\$ 1,636	\$ 47
2011	24,036	4,641	28,857	2,002	-
2012	25,380	7,155	26,635	1,984	-
2013	26,476	5,595	28,132	2,368	-
2014	26,025	10,362	26,906	2,665	-
2015	29,318	14,127	30,543	2,123	79
2016	30,631	13,827	33,796	2,258	(2)
2017	29,447	13,838	36,162	2,296	2
2018	27,848	14,599	38,320	2,699	2
2019	28,178	15,613	41,445	5,705	1

Source: Audited Financial Statements.

San Diego Metropolitan Transit System
Fare Structure
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Bus Cash Fares										
One-way fare, local routes	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Senior/disabled, local routes	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
Rapid/Express	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Senior/disabled Rapid/Express	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Rapid Express/Premium	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Senior/disabled Rapid Express/Premium	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Rural bus	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00	5.00-10.00
Senior/disabled Rural bus	2.50-5.00	2.50-5.00	2.50-5.00	2.50-5.00	2.50-5.00	2.50-5.00	2.50-5.00	2.50-5.00	2.50-5.00	2.50-5.00
Trolley Cash Fares										
One-way fare, all stations	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Senior/disabled one-way fare all stations	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
Bus and Trolley Day Passes										
Regional day pass	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Region plus day pass	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	14.00	14.00
Bus and Trolley Monthly Passes										
Regional monthly pass	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00	72.00
Senior/disabled Regional	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00	18.00
Youth Regional	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
14-Day/Half-month	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00	43.00
Rapid Express/Premium monthly pass	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Senior/disabled Rapid Express/Premium	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00
Youth Rapid Express/Premium	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00
14-Day/Half-month Rapid Express/Premium	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00

SOURCE: SANDAG Comprehensive Fare Ordinance, amendments effective July 2014.

The SANDAG Board of Directors approved a Comprehensive Fare Ordinance amendment in February 2019 with new transit fares effective September 1, 2019.

San Diego Metropolitan Transit System
Farebox Recovery Percentage
Last Ten Fiscal Years

Fiscal Year Ended	San Diego Transit	San Diego Trolley	MTS-Contracted Services
2010	28.46	54.26	42.06
2011	31.22	57.41	40.37
2012	30.50	55.63	41.50
2013	29.01	53.98	42.31
2014	30.34	56.52	39.46
2015	29.50	56.64	38.48
2016	27.39	54.76	38.05
2017	26.21	47.81	36.02
2018	23.12	44.89	33.36
2019	23.41	49.71	30.98

Source: Audited financial statements; calculated as passenger revenue divided by operating expenses (less depreciation, GASB 68 related pension expense and GASB 75 related OPEB expenses), and interest expense.

DEBT CAPACITY

San Diego Metropolitan Transit System
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Year ended June 30	Capital Lease - Tower	Capital Lease- Equipment	1995 LRV Lease/ Leaseback	Pension Obligation Bonds	Total	Percentage of Personal Income	Debt per Capita
2010	\$ 6,647,108	\$ 44,190	\$ 119,948,726	\$ 61,150,000	\$ 187,790,024	0.13%	\$ 61
2011	5,317,686	-	118,501,460	47,265,000	171,084,146	0.11%	55
2012	4,766,867	-	116,942,900	40,510,000	162,219,767	0.10%	51
2013	4,189,818	-	115,264,486	25,880,000	145,334,304	0.09%	46
2014	3,614,149	-	113,457,002	23,965,000	141,036,151	0.08%	44
2015	3,006,729	-	18,108,323	21,960,000	43,075,052	0.02%	13
2016	2,393,787	-	-	19,860,000	22,253,787	0.01%	7
2017	1,747,713	-	-	17,655,000	19,402,713	0.01%	6
2018	1,071,269	-	-	15,340,000	16,411,269	0.01%	5
2019	363,072	-	-	12,910,000	13,273,072	0.01%	4

Details regarding MTS's outstanding debt can be found in the notes to the financial statements.

- MTS retired the capital equipment lease and refunded the Tower capital lease in FY2011
- MTS retired the 1995 LRV Lease/Leaseback obligation in FY2016

DEMOGRAPHIC AND ECONOMIC INFORMATION

**San Diego Metropolitan Transit System
Regional Population and Personal Income Statistics
Last Ten Fiscal Years**

	County of San Diego Population (1)	County of San Diego Personal Income (thousands) (1)	Per Capita Personal Income (1)	San Diego County Average Unemployment Rate (2)
2010	3,102,852	136,600,000	49,924	10.50%
2011	3,135,522	145,700,000	51,339	10.40%
2012	3,173,442	152,700,000	52,103	9.30%
2013	3,207,852	157,800,000	52,674	7.40%
2014	3,247,475	167,600,000	54,554	6.10%
2015	3,274,141	177,600,000	56,796	5.00%
2016	3,295,816	183,000,000	57,086	5.10%
2017	3,320,108	192,600,000	58,014	4.30%
2018	3,347,292	201,200,000	58,513	3.70%
2019	3,372,910	210,100,000	59,325	3.30%

Source:

(1) California Department of Transportation - Actuals 2010-2017, Forecast 2018-2019

(2) California Employment Development Department, June 2019

**San Diego Metropolitan Transit System
Full-Time and Part-Time Employees by Function
Last Ten Fiscal Years**

	<u>MTS</u>	<u>San Diego Transit</u>	<u>San Diego Trolley</u>	<u>Total</u>
2010	110	782	528	1,420
2011	116	758	543	1,417
2012	122	761	568	1,451
2013	136	786	599	1,521
2014	149	785	600	1,534
2015	154	852	595	1,601
2016	163	823	571	1,557
2017	165	825	578	1,568
2018	166	802	593	1,561
2019	166	841	612	1,619

Source: MTS Human Resources records

**San Diego Metropolitan Transit System
Ten Largest Employers in San Diego County**

<u>Company Name</u>	<u>Number of Employees (1)</u>	<u>Percent of 1,529,500 County Total (2)</u>
Naval Base San Diego	42,951	2.81%
Federal Government	38,527	2.52%
Sharp HealthCare	25,500	1.67%
University of California, San Diego	20,000	1.31%
County of San Diego	18,132	1.19%
UC San Diego Health	15,379	1.01%
Scripps Health	15,000	0.98%
San Diego Unified School District	13,559	0.89%
Qualcomm Inc.	13,000	0.85%
City of San Diego	11,538	0.75%

Source:

1. Infogroup Inc., U.S. Office of Personnel Management data reported for Executive Branch and Company websites
2. Employment Development Department, State of California

Note: County of San Diego employment information is presented. Employer information is not currently available for the area served by the Metropolitan Transit System within San Diego County. MTS presents only current employment data for the County of San Diego.

OPERATING INFORMATION

San Diego Metropolitan Transit System
Operating Indicator by Function
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Operating Cost (in 000's)										
San Diego Transit	\$ 93,943	\$ 99,619	\$ 94,878	\$ 95,526	\$ 92,059	\$ 91,568	\$ 98,666	\$ 90,153	\$ 83,457	\$ 93,831
San Diego Trolley	81,414	87,666	81,501	75,086	72,637	71,098	65,859	63,309	60,395	60,913
MTS-Contract Services	90,864	83,468	81,744	80,511	76,190	65,959	62,573	61,154	59,536	58,037
Farebox Revenue (in 000's)										
San Diego Transit	\$ 22,041	\$ 23,034	\$ 24,864	\$ 26,169	\$ 27,156	\$ 27,781	\$ 28,621	\$ 27,498	\$ 26,056	\$ 26,708
San Diego Trolley	42,006	39,354	38,968	41,113	41,140	40,188	35,554	35,216	34,673	33,050
MTS-Contract Services	28,178	27,848	29,447	30,631	29,318	26,025	26,476	25,380	24,036	24,410
Total Passengers (in 000's)										
San Diego Transit	\$ 22,397	\$ 22,867	\$ 24,315	\$ 25,628	\$ 27,264	\$ 28,541	\$ 28,927	\$ 28,802	\$ 27,252	\$ 26,921
San Diego Trolley	37,294	36,995	37,639	39,614	40,082	39,695	29,699	32,655	31,613	30,469
MTS-Contract Services	25,667	25,567	26,241	27,194	27,574	23,761	23,479	23,780	22,664	21,988
Revenue Miles (in 000's)										
San Diego Transit	\$ 9,739	\$ 9,684	\$ 9,626	\$ 9,702	\$ 9,561	\$ 8,695	\$ 8,557	\$ 8,221	\$ 8,178	\$ 8,624
San Diego Trolley	8,821	8,656	8,728	8,424	8,596	8,516	7,758	7,544	7,519	7,743
MTS-Contract Services	15,666	14,983	15,144	14,969	13,328	12,139	11,607	11,214	11,196	11,450
Subsidy / Total Passenger										
San Diego Transit	\$ 3.21	\$ 3.35	\$ 2.88	\$ 2.71	\$ 2.38	\$ 2.24	\$ 2.42	\$ 2.18	\$ 2.10	\$ 2.50
San Diego Trolley	1.05	1.31	1.13	0.86	0.78	0.78	1.02	0.86	0.81	0.92
MTS-Contract Services	2.44	2.18	2.00	1.83	1.70	1.68	1.54	1.50	1.57	1.53

Source: NTD Report, and audited financial statements.

San Diego Metropolitan Transit System
Service Performance Data
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Service Provided										
San Diego Transit										
Vehicle Revenue Miles (in 000's)	9,739	9,684	9,626	9,702	9,561	8,695	8,557	8,221	8,178	8,624
Vehicle Revenue Hours (in 000's)	823	821	822	825	806	795	787	757	754	789
Passengers (in 000's)	22,397	22,867	24,315	25,628	27,264	28,541	28,927	28,802	27,252	26,921
Passenger Miles (in 000's)	98,896	104,545	109,727	111,639	117,585	110,009	108,222	106,804	100,500	98,163
Number of Vehicles	270	270	278	279	272	310	260	236	236	238
San Diego Trolley										
Vehicle Revenue Miles (in 000's)	8,821	8,656	8,728	8,424	8,596	8,516	7,758	7,544	7,519	7,743
Vehicle Revenue Hours (in 000's)	487	478	490	493	496	504	472	428	423	442
Passenger Car Hours (in 000's)	500	486	504	507	509	512	476	433	429	448
Passengers (in 000's)	37,294	36,995	37,639	39,614	40,082	39,695	29,699	32,655	31,613	30,469
Passenger Miles (in 000's)	219,453	214,376	210,971	223,185	224,422	228,531	173,151	194,822	193,063	186,509
Number of Vehicles	141	130	179	179	179	179	178	151	128	134
MTS-Contracted Services										
Vehicle Revenue Miles (in 000's)	15,666	14,983	15,144	14,969	13,328	12,139	11,607	11,214	11,196	11,450
Vehicle Revenue Hours (in 000's)	1,305	1,256	1,269	1,252	1,112	998	961	933	927	946
Passengers (in 000's)	25,667	25,567	26,241	27,194	27,573	23,761	23,479	23,780	22,664	21,988
Passenger Miles (in 000's)	97,045	94,665	95,940	97,479	94,504	85,269	84,021	79,789	82,125	79,237
Number of Vehicles	530	538	526	520	520	449	427	404	407	369
Total										
Passengers (in 000's)	85,358	85,429	88,195	92,436	94,919	91,997	82,105	85,237	81,529	79,378
Passenger Miles (in 000's)	415,394	413,586	416,638	432,303	436,511	423,809	365,394	381,415	375,688	363,909

Source: NTD Report and MTS internal capital asset system

San Diego Metropolitan Transit System
Capital Assets Statistics by Function
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Operations										
Buildings and structures	1	1	1	1	1	1	1	1	1	1
Nonrevenue vehicles	-	-	-	1	3	3	3	5	5	5
San Diego Transit										
Land (parcels)	2	2	2	2	2	2	2	2	2	2
Buildings and structures	11	11	9	8	7	7	4	2	2	2
Buses	270	270	278	279	272	310	260	236	236	238
Nonrevenue vehicles	15	15	12	12	12	12	14	19	22	32
San Diego Trolley										
Trolley stations	54	54	54	54	54	54	54	54	54	54
Track miles	54	54	54	54	54	54	54	54	54	54
Light rail vehicles (total inventory)	141	130	179	179	179	179	178	151	128	134
Nonrevenue vehicles	12	12	12	12	16	16	15	31	43	51
MTS - Contracted Services										
Land (parcel)	2	2	2	2	2	2	2	2	1	1
Buildings and structures	11	5	4	4	4	4	4	4	3	3
Buses	530	538	526	520	520	449	427	404	407	369
Nonrevenue vehicles	7	7	9	9	10	8	8	8	10	7
Taxicab Administration										
Buildings and structures	1	1	1	1	1	1	1	1	1	1
Nonrevenue vehicles	1	1	1	1	2	2	2	4	3	3

Source: MTS ERP System

San Diego Metropolitan Transit System
Ridership
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Ridership (in 000's)										
San Diego Transit	22,397	22,867	24,315	25,628	27,264	28,541	28,927	28,802	27,252	26,921
% Change	-2.06%	-5.96%	-5.12%	-6.00%	-4.47%	-1.33%	0.43%	5.69%	1.23%	-9.55%
San Diego Trolley	37,294	36,995	37,639	39,614	40,082	39,695	29,699	32,655	31,613	30,469
% Change	0.81%	-1.71%	-4.99%	-1.17%	0.97%	33.66%	-9.05%	3.30%	3.75%	-17.49%
MTS - Contracted Services	25,667	25,567	26,241	27,194	27,574	23,761	23,479	23,780	22,664	21,988
% Change	0.39%	-2.57%	-3.51%	-1.38%	16.05%	1.20%	-1.27%	4.92%	3.07%	1.58%

Source: NTD Report

San Diego Metropolitan Transit System
Operating Subsidy
Last Ten Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Average Fare per Rider										
San Diego Transit	0.98	1.01	1.02	1.02	1.00	0.97	0.99	0.95	0.96	0.99
San Diego Trolley	1.13	1.06	1.04	1.04	1.03	1.01	1.20	1.08	1.10	1.08
MTS - Contract Services	1.10	1.09	1.12	1.13	1.06	1.10	1.13	1.07	1.06	1.11
Operating Expense per Rider										
San Diego Transit	4.19	4.36	3.90	3.73	3.38	3.21	3.41	3.13	3.06	3.49
San Diego Trolley	2.18	2.37	2.17	1.90	1.81	1.79	2.22	1.94	1.91	2.00
MTS - Contract Services	3.54	3.27	3.12	2.96	2.76	2.78	2.67	2.57	2.63	2.64
Subsidy per Rider										
San Diego Transit	3.21	3.35	2.88	2.71	2.38	2.24	2.42	2.18	2.10	2.50
San Diego Trolley	1.05	1.31	1.13	0.86	0.79	0.78	1.02	0.86	0.81	0.92
MTS - Contract Services	2.44	2.18	2.00	1.83	1.70	1.68	1.54	1.50	1.57	1.53

Source: NTD report and Audited financial statements



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
San Diego Metropolitan Transit System
San Diego, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Diego Metropolitan Transit System (MTS), which comprise the statements of net position as of June 30, 2019 and 2018, and the related statements of revenues, expenses and changes in net position, and cash flows for the years then ended, and the related notes to the basic financial statements and have issued our report thereon dated October 29, 2019.

Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered MTS's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the MTS's internal control. Accordingly, we do not express an opinion on the effectiveness of MTS's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MTS's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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To the Board of Directors
San Diego Metropolitan Transit System
San Diego, California
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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The PwC Group, LLP

San Diego, California
October 29, 2019

October 29, 2019

To the Board of Directors
of the San Diego Metropolitan Transit System
San Diego, California

We have audited the financial statements of the San Diego Metropolitan Transit System ("MTS") for the year ended June 30, 2019, and have issued our report thereon dated October 29, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the scope and timing of our audit. We have communicated such information in our letter to you dated April 8, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MTS are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2019. We noted no transactions entered into by the MTS during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting MTS's financial statements were:

- Management's estimate of the fair value of investments is based on information provided by the State of California, City of San Diego, U.S. Treasury, and financial institutions. We agreed the fair value factor used in determining that it is reasonable in relation to the financial statements as a whole.
- Management's estimate of the depreciation on capital assets is based on the industry standard and past experience on actual useful life of the asset groups. We evaluated the key factors and assumptions used to develop the depreciation on capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net other postemployment benefit ("OPEB") liability is based on an actuarial valuation on total OPEB liability. We evaluated the key factors and assumptions used to develop the net OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net pension liabilities is based on the actuarial valuation on total pension liability and based on audited financial statements on fiduciary net position for CalPERS plans. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

Note 1 – Summary of Significant Accounting Policies
Note 11 – Employee Retirement Systems
Note 12 – Other Postemployment Benefits

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 29, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors
of the San Diego Metropolitan Transit System
San Diego, California
Page 3

Other Matters

We applied certain limited procedures to the MD&A, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions, and the Schedules of Changes in the Total OPEB Liability and Related Ratios, which are RSI that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining Statements and the Budgetary Comparison Schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of MTS Board of Directors and management of MTS and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The PwC Group, LLP

San Diego, California



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Agenda Item No. 45

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

UC SAN DIEGO BLUE LINE TROLLEY SERVICE IN THE SOUTHBAY (BRENT BOYD
AND SHARON COONEY)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

The UC San Diego Blue Line is the heaviest ridership Trolley line in the entire MTS system with nearly 18 million annual passenger trips, which is nearly half of all Trolley ridership. Even with 7.5 minute frequency in peak travel times, the Blue Line is often standing room only. In addition, the line cannot operate 24 hours due to freight obligations. Over the years, MTS has made a number of improvements to the infrastructure and service levels to optimize the line's ability to keep up with demand. Staff will provide a report on the Blue Line, the improvements that have been made in recent years, some additional improvements being considered, the challenges the corridor continues to face in keeping up with demand, and some potential long term improvements being vetted through the Elevate SD 2020 public participation process.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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





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Agenda Item No. 46

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

YEAR END OPERATIONS REPORT (WAYNE TERRY AND MIKE WYGANT)

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Staff from the Rail and Bus Operating Divisions will provide a summary of fiscal year 2019 service performance.

/s/ Paul C. Jablonski
Paul C. Jablonski
Chief Executive Officer

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





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Agenda Item No. 47

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

November 14, 2019

SUBJECT:

SEMI-ANNUAL SECURITY REPORT (JANUARY 1, 2019 THROUGH JUNE 30, 2019)
(MANNY GUADERRAMA)

INFORMATIONAL ONLY

Budget Impact

None with this action.

DISCUSSION:

This annual security report covers the period from January 1, 2019 through June 30, 2019. Topics to be discussed will be the crime statistics for the calendar year and information regarding security and enforcement.

Transit Enforcement staff utilized the Automated Regional Justice Information System (ARJIS) database to obtain/identify Part I crimes that were possibly transit related. All law enforcement agencies in the San Diego region report their crime information to ARJIS and this is the most reliable data. Crime statistics where MTS staff was notified/involved are tracked and maintained in the MTS database (eForce). Once a crime was identified as possibly transit related, crime reports were obtained/reviewed to determine if there was a nexus to MTS.

/s/ Paul C. Jablonski

Paul C. Jablonski
Chief Executive Officer

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

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Metropolitan Transit System (MTS) is a California public agency comprised of San Diego Transit Corp., San Diego Trolley, Inc. and San Diego and Arizona Eastern Railway Company (nonprofit public benefit corporations). MTS is the taxicab administrator for seven cities.

MTS member agencies include the cities of Chula Vista, Coronado, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, Santee, and the County of San Diego.





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Agenda Item No. 61

Chief Executive Officer's Report

November 14, 2019

In accordance with Board Policy No. 52, "Procurement of Goods and Services", attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period September 25, 2019 through November 4, 2019.

*Please note additional reporting of purchase orders that is now possible with the new SAP Enterprise Resource Planning system.

CEO Travel Report (since last Board meeting)

October 11-15: APTA Annual Conference in New York, NY
October 17-18: TOPS Committee Meeting in Washington, DC

Board Member Travel Report (since last Board meeting)

Ronn Hall: October 12-17: APTA Annual Conference in New York, NY
Mary Salas: October 12-17: APTA Annual Conference in New York, NY



EXPENSE CONTRACTS				
Doc #	Organization	Subject	Amount	Day
PWB268.3-19	ALVAREZ & SHAW	CCO 2 & 6 THROUGH 10	\$72,990.26	9/30/2019
PWG277.1-19	ASBURY ENVIRONMENTAL DBA WORLD OIL ENVIRONMENTALS	NO COST AMENDMENT	\$0.00	10/1/2019
G1947.0-17AE-23.01	HDR INC.	DESIGN SUPPORT DUGIN CONSTRUCTION	\$17,647.68	10/1/2019
L1254.1-15	SYNCO CHEMICAL CORPORATION	NAME CHANGE	\$0.00	10/2/2019
G1949.0-17AT-19.02	JACOBS ENGINEERING	BID SUPPORT & DESIGN SUPPORT DURING CONSTRUCTION SERVICES	\$58,847.38	10/3/2019
B0692.1-18	ACE UNIFORMS & ACCESSORIES	NO COST AMENDMENT	\$0.00	10/3/2019
G1949.0-17AE-24	JACOBS ENGINEERING	NO COST TIME EXTENSION	\$0.00	10/3/2019
G1949.0-17AE-31.01	JACOBS ENGINEERING	INCREASED HOURLY RATES FOR PARTY CHIEF	\$0.00	10/3/2019
L1468.2-19	MY ELECTRICIAN	ZERO COST TIME EXTENSION	\$0.00	10/4/2019
G2019.0-17CM05	KLEINFELDER/SIMON WONG	SDSU VFD VERIFICATION	\$43,473.50	10/9/2019
PWL243.8-17	VEOLIA TRANSPORTATION	AMAYA & GROSSMONT TRANSIT CENTER	\$35,300.00	10/10/2019
G1794.3-15	AT&T	ADD 222 PROFESSIONAL HOURS	\$0.00	10/15/2019
PWG269.1-19	HERZOG CONTRACTING CORP	NO COST AMENDMENT	\$0.00	10/15/2019
G2179.1-19	FOX SPORTS COLLEGE PROPERTIES	EXERCISE OPTION YEAR 2	\$22,000.00	10/16/2019
L1032.16-12	SIEMENS INDUSTRY	HVAC EFFICIENCY UPGRADE REQUIREMENT	\$99,417.63	10/16/2019
PWG274.0-19274-01	PUB CONSTRUCTION	CPD TRAINING BLDG. REPAIRS	\$10,618.19	10/17/2019
PWG225.4-17	COMFORT MECHANICAL	ADD NEW BRT STATIONS TO AGREEMENT	\$1,118.00	10/23/2019
G1935.1-17	ADP	CONTRACT ALLOWANCE	\$0.00	10/23/2019
G2079.1-18	DATAMATICS GLOBAL SERVICE INC.	EXERCISE OPTION YEARS	\$32,000.00	10/24/2019
PWL234.0-177503-52.1	ABC CONSTRUCTION	UTILITY DETECTION SERVICES	\$816.75	10/25/2019
G2333.0-20	SD FIRE RESCUE	AED SERVICE	\$740.00	10/25/2019
PWB267.1-19	AHRENS MECHANICAL	ELECTRICAL, GENERATOR, PANEL CHANGES AND BLOWERS	\$6,000.00	10/25/2019
G2053.1-18-16	CIVILIAN	VOICE TRANSIT EARNED MEDIA SUPPORT	\$54,000.00	10/28/2019
G2053.1-18.15	CIVILIAN	CONTINUATION OF COMMUNITY ADVISORY COMMITTEE SUPPORT	\$34,712.00	10/28/2019
G2053.1-18-17	CIVILIAN	CONTINUATION OF ELEVATE SD 2020	\$23,250.00	10/28/2019

EXPENSE CONTRACTS				
Doc #	Organization	Subject	Amount	Day
G1887.1-16	MOTOROLA SOLUTIONS	EXTEND POST WARRANTY RADIO MAINTENANCE SERVICES	\$99,996.37	10/31/2019
B0710.0-20	TRANSIT PRODUCTS & SERVICES	AS NEEDED PURCHASES FOR WINDOW GLASS FOR BUSES	\$64,391.40	11/4/2019
G2017.0-17CM002	CH2M HILL INC.	TRACK INSPECTION SERVICES - S34	\$8,386.00	11/4/2019

REVENUE CONTRACTS & MOUs				
Doc #	Organization	Subject	Amount	Day
S200-20-720	PACIFIC BELL DBA AT&T	LICENSE AGREEMENT - AERIAL FIBER AT HILL ST	\$0.00	9/26/2019
S200-19-705	CENTURY LINK	ROE - HARBOR DRIVE & CESAR CHAVEZ	\$2,024.58	9/26/2019
L4634.0-20	SAN DIEGO DANCE THEATER	ROE - GASLAMP STATION	\$0.00	9/27/2019
G0930.21.3-04	NCTD	COMPASS CARD PROGRAM REVISION 3	\$0.00	9/27/2019
G1160.4-08	SANDAG	MODIFY PAYMENT PROVISION & EXTEND TERM THROUGH 6/30/22	\$0.00	9/27/2019
L1160.3-14	ETIC ENGINEERING	ROE - EXTEND PERMIT EXPIRATION DATE	\$750.00	10/7/2019
L1513.0-20	SKYRIDERS WINDOW CLEANING	ROE - 1080 PARK BLVD	\$1,574.58	10/8/2019
L0901.0-10-93	BRICEHOUSE STATION	SPECTRUM SCIENCE COMMUNICATIONS	\$9,000.00	10/9/2019
M6736.0-20	PROJECT DESIGN CONSULTANTS	ROE - FENTON PARKWAY	\$1,199.58	10/9/2019
L5822.0-20	OUR LADY OF THE ROSARY CHURCH	JROE - ROW ENTRY MILEPOST 266.90 & 267.00	\$0.00	10/10/2019
G2307.0-20	CORONADO UNION HIGH SCHOOL DISTRICT	COMPASS CARD	\$0.00	10/11/2019
G1683.6-14	US DISTRICT COURT SOUTHERN CAL	MTS COMPASS CARD EMPLOYER PROGRAM	\$0.00	10/23/2019
G2335.0-20	INTERNEXUS SAN DIEGO	NEW AGREEMENT	\$0.00	10/24/2019
M6735.0-20	EASY DAY SPORTS	KAISER HALF MARATHON & 5K	\$750.00	10/28/2019
S200-20-721	BRAD L STONER PAINTING	ROE - 698 ANITA ST. CHULA VISTA	\$1,274.58	10/31/2019
G1755.5-15	UCSD	EXTEND CONTRACT THROUGH 2025	\$0.00	11/4/2019

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4400000741	9/25/2019	W.W. Grainger Inc		G130-SHOP TOOLS	678.18	-	-
4400000742	9/25/2019	Office Depot		G200-OFFICE SUPPLIES	61.39	-	-
4400000743	9/25/2019	Office Depot		G200-OFFICE SUPPLIES	217.39	-	-
4400000744	10/1/2019	W.W. Grainger Inc		G190-SAFETY/MED SUPPLIES	310.10	-	-
4400000745	10/1/2019	Mcmaster-Carr Supply Co		F130-VEH HOISTS, JACKS	1,479.30	-	-
4400000746	10/1/2019	W.W. Grainger Inc		B250-BUS REPAIR PARTS	23.31	-	-
4400000747	10/1/2019	W.W. Grainger Inc		G130-SHOP TOOLS	1,045.93	-	-
4400000748	10/2/2019	Office Depot		G200-OFFICE SUPPLIES	31.01	-	-
4400000749	10/2/2019	Office Depot		G200-OFFICE SUPPLIES	141.59	-	-
4400000750	10/3/2019	Office Depot		G200-OFFICE SUPPLIES	101.45	-	-
4400000751	10/3/2019	Office Depot		G200-OFFICE SUPPLIES	141.05	-	-
4400000752	10/3/2019	Office Depot		G200-OFFICE SUPPLIES	267.25	-	-
4400000753	10/8/2019	W.W. Grainger Inc		M180-STATION ELECTRICAL	410.76	-	-
4400000754	10/8/2019	Office Depot		G200-OFFICE SUPPLIES	644.14	-	-
4400000755	10/9/2019	Office Depot		G200-OFFICE SUPPLIES	104.42	-	-
4400000756	10/10/2019	Office Depot		G200-OFFICE SUPPLIES	226.50	-	-
4400000757	10/10/2019	Office Depot		G200-OFFICE SUPPLIES	338.33	-	-
4400000758	10/10/2019	Office Depot		G200-OFFICE SUPPLIES	217.39	-	-
4400000759	10/10/2019	W.W. Grainger Inc		G130-SHOP TOOLS	457.43	-	-
4400000760	10/14/2019	W.W. Grainger Inc		B250-BUS REPAIR PARTS	89.70	-	-
4400000761	10/15/2019	W.W. Grainger Inc		B250-BUS REPAIR PARTS	38.23	-	-
4400000762	10/16/2019	W.W. Grainger Inc		G190-SAFETY/MED SUPPLIES	19.29	-	-
4400000763	10/17/2019	Office Depot		G200-OFFICE SUPPLIES	249.30	-	-
4400000764	10/17/2019	W.W. Grainger Inc		G130-SHOP TOOLS	281.64	-	-
4400000765	10/18/2019	Office Depot		G200-OFFICE SUPPLIES	617.19	-	-
4400000766	10/21/2019	W.W. Grainger Inc		G140-SHOP SUPPLIES	207.74	-	-
4400000767	10/21/2019	Office Depot		G200-OFFICE SUPPLIES	867.24	-	-
4400000768	10/22/2019	Office Depot		G200-OFFICE SUPPLIES	139.41	-	-
4400000769	10/23/2019	W.W. Grainger Inc		B250-BUS REPAIR PARTS	75.96	-	-
4400000770	10/23/2019	Office Depot		G200-OFFICE SUPPLIES	56.49	-	-
4400000771	10/23/2019	Office Depot		G200-OFFICE SUPPLIES	217.39	-	-
4400000772	10/23/2019	Office Depot		G200-OFFICE SUPPLIES	223.89	-	-
4400000773	10/28/2019	Office Depot		G200-OFFICE SUPPLIES	999.00	-	-
4400000774	10/28/2019	Office Depot		G200-OFFICE SUPPLIES	263.31	-	-
4400000775	10/28/2019	Office Depot		G200-OFFICE SUPPLIES	603.38	-	-
4400000776	10/28/2019	Office Depot		G200-OFFICE SUPPLIES	297.44	-	-
4400000777	10/28/2019	W.W. Grainger Inc		F140-SHELVING AND RACK	2,133.54	-	-
4400000778	10/29/2019	Office Depot		G200-OFFICE SUPPLIES	703.68	-	-
4400000779	10/30/2019	W.W. Grainger Inc		G130-SHOP TOOLS	122.04	-	-
4400000780	10/30/2019	W.W. Grainger Inc		G130-SHOP TOOLS	1,365.63	-	-
4400000781	10/31/2019	Office Depot		G200-OFFICE SUPPLIES	66.69	-	-
4400000782	10/31/2019	Office Depot		G200-OFFICE SUPPLIES	335.95	-	-
4400000783	11/1/2019	W.W. Grainger Inc		M130-CROSSING MECHANISM	13.96	-	-
4400000784	11/4/2019	Office Depot		G200-OFFICE SUPPLIES	61.73	-	-
4500026848	9/25/2019	Home Depot USA Inc		F190-LANDSCAPING MAT'LS	709.94	-	-
4500026849	9/25/2019	Freeby Signs		B250-BUS REPAIR PARTS	323.78	-	-
4500026850	9/25/2019	Gillig LLC		B130-BUS BODY	4,691.27	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500026851	9/25/2019	Transit Holdings Inc		B140-BUS CHASSIS	23.04	-	-
4500026852	9/25/2019	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	2,773.88	-	-
4500026853	9/25/2019	Citywide Auto Glass Inc		A140-AUTO/TRUCK REPAIR	671.11	-	-
4500026854	9/25/2019	Transit Holdings Inc		B140-BUS CHASSIS	1,988.67	-	-
4500026855	9/25/2019	Transit Holdings Inc		B140-BUS CHASSIS	2,377.56	-	-
4500026856	9/25/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	7,026.87	-	-
4500026857	9/25/2019	TransiTalent.com LLC		P310-ADVERTISING SERVICES	2,990.00	-	-
4500026858	9/25/2019	Cummins Pacific LLC		P190-REV VEHICLE REPAIRS	220.00	-	-
4500026859	9/25/2019	Battery Power Inc.		B160-BUS ELECTRICAL	4,308.76	-	-
4500026860	9/25/2019	TK Services Inc		B250-BUS REPAIR PARTS	1,519.15	-	-
4500026861	9/25/2019	Lucerix International Corporation		B130-BUS BODY	86.26	-	-
4500026862	9/25/2019	Acuity Specialty Products Inc		G180-JANITORIAL SUPPLIES	770.09	-	-
4500026863	9/25/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	3,208.26	-	-
4500026864	9/25/2019	Transit Holdings Inc		B130-BUS BODY	652.28	-	-
4500026865	9/25/2019	Waytek Inc		B160-BUS ELECTRICAL	29.98	-	-
4500026866	9/25/2019	Kaman Industrial Technologies		F110-SHOP/BLDG MACHINERY	143.28	-	-
4500026867	9/25/2019	B & S Graphics Inc		B130-BUS BODY	242.71	-	-
4500026868	9/25/2019	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	567.73	-	-
4500026869	9/25/2019	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	2,075.55	-	-
4500026870	9/25/2019	Home Depot USA Inc		F110-SHOP/BLDG MACHINERY	255.84	-	-
4500026871	9/25/2019	Allied Refrigeration Inc		B250-BUS REPAIR PARTS	208.91	-	-
4500026872	9/25/2019	Center City Printing	Minority Owned Business	G230-PRINTED MATERIALS	929.77	-	-
4500026873	9/25/2019	Madden Construction Inc		P280-GENERAL SVC AGRMNTS	951.00	-	-
4500026874	9/25/2019	TK Services Inc		B250-BUS REPAIR PARTS	383.17	-	-
4500026875	9/25/2019	Knorr Brake Company		R220-RAIL/LRV TRUCKS	347.92	-	-
4500026876	9/25/2019	Sherwin Williams Company		F120-BUS/LRV PAINT BOOTHS	1,486.50	-	-
4500026877	9/25/2019	Schunk Carbon Technology LLC		R190-RAIL/LRV PANTOGRAPH	423.13	-	-
4500026878	9/25/2019	Siemens Mobility, Inc.		R120-RAIL/LRV CAR BODY	7,815.12	-	-
4500026879	9/25/2019	Siemens Mobility, Inc.		R220-RAIL/LRV TRUCKS	16,060.47	-	-
4500026880	9/25/2019	Schunk Carbon Technology LLC		R160-RAIL/LRV ELECTRICAL	17,106.39	-	-
4500026881	9/25/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	10,727.48	-	-
4500026882	9/26/2019	Transit Holdings Inc		B140-BUS CHASSIS	1,342.92	-	-
4500026883	9/26/2019	Bay City Equipment Industries Inc		F110-SHOP/BLDG MACHINERY	40.84	-	-
4500026884	9/26/2019	FinishMaster Inc		F120-BUS/LRV PAINT BOOTHS	261.89	-	-
4500026885	9/26/2019	Transit Holdings Inc		G140-SHOP SUPPLIES	1,605.64	-	-
4500026886	9/26/2019	Home Depot USA Inc		G140-SHOP SUPPLIES	121.76	-	-
4500026887	9/26/2019	MCAS Miramar Vet		G120-SECURITY	532.85	-	-
4500026888	9/26/2019	Allied Refrigeration Inc		B250-BUS REPAIR PARTS	146.47	-	-
4500026889	9/26/2019	Knorr Brake Company		R220-RAIL/LRV TRUCKS	12,309.36	-	-
4500026890	9/26/2019	Romaine Electric Corporation	Small Business	B160-BUS ELECTRICAL	2,546.89	-	-
4500026891	9/26/2019	Translation & Simultaneous		P310-ADVERTISING SERVICES	514.51	-	-
4500026892	9/26/2019	Asbury Environmental Services		B200-BUS PWR TRAIN EQUIP	2,831.35	-	-
4500026893	9/26/2019	Dimensional Silk Screen Inc		P280-GENERAL SVC AGRMNTS	1,303.80	-	-
4500026894	9/26/2019	Edward A. Verdugo		P310-ADVERTISING SERVICES	1,200.00	-	-
4500026895	9/26/2019	F-1 Marketing Group		P310-ADVERTISING SERVICES	1,582.34	-	-
4500026896	9/26/2019	Mission Janitorial Supplies		G180-JANITORIAL SUPPLIES	40.12	-	-
4500026897	9/26/2019	Schuko LLC		P160-EQUIPMENT RENTALS	2,512.39	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500026899	9/26/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	2,650.05	-	-
4500026900	9/26/2019	Steven Reid		F110-SHOP/BLDG MACHINERY	7,583.34	-	-
4500026901	9/26/2019	Supreme Oil Company		B180-BUS DIESEL	8,134.01	-	-
4500026902	9/26/2019	Newegg Business, Inc.		G290-FARE REVENUE EQUIP	1,061.83	-	-
4500026903	9/26/2019	ESRI		I110-INFORMATION TECH	27,400.00	-	-
4500026904	9/26/2019	Dell Marketing L.P.		I110-INFORMATION TECH	6,566.27	-	-
4500026905	9/26/2019	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	178.84	-	-
4500026906	9/26/2019	Transit Holdings Inc		B130-BUS BODY	1,057.20	-	-
4500026907	9/27/2019	General Signals Inc		M130-CROSSING MECHANISM	261.51	-	-
4500026908	9/27/2019	Hitachi Rail STS USA, Inc.		M130-CROSSING MECHANISM	238.75	-	-
4500026909	9/27/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	2,825.75	-	-
4500026910	9/27/2019	All The King's Flags		M200-YARD FACILITIES	1,058.97	-	-
4500026911	9/27/2019	Romaine Electric Corporation	Small Business	M130-CROSSING MECHANISM	2,585.42	-	-
4500026912	9/27/2019	Culligan of San Diego		G140-SHOP SUPPLIES	2,142.00	-	-
4500026913	9/27/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	1,863.65	-	-
4500026914	9/27/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	23,891.43	-	-
4500026915	9/27/2019	Allied Refrigeration Inc		R170-RAIL/LRV HVAC	1,189.56	-	-
4500026916	9/27/2019	Genuine Parts Co		B250-BUS REPAIR PARTS	1,453.23	-	-
4500026917	9/27/2019	Elkhart Brass Manufacturing Co.		B130-BUS BODY	479.34	-	-
4500026918	9/27/2019	Shilpark Paint Corp.		G160-PAINTS & CHEMICALS	128.99	-	-
4500026919	9/27/2019	SPX Corporation		G290-FARE REVENUE EQUIP	726.75	-	-
4500026920	9/27/2019	IPD Packaging Inc.		G140-SHOP SUPPLIES	125.52	-	-
4500026921	9/27/2019	Transit Holdings Inc		B130-BUS BODY	962.98	-	-
4500026922	9/27/2019	SPX Corporation		G290-FARE REVENUE EQUIP	9,380.07	-	-
4500026923	9/27/2019	Uline		F170-MATL HANDLING EQUIP	647.47	-	-
4500026924	9/27/2019	JKL Cleaning Systems		F180-BUILDING MATERIALS	489.33	-	-
4500026925	9/27/2019	Gillig LLC		B130-BUS BODY	4,691.27	-	-
4500026926	9/27/2019	Myers & Sons Hi-Way Safety Inc		T150-TRACK, BRIDGES	92.58	-	-
4500026927	9/27/2019	Marco's Canopies Inc	Small Business	P280-GENERAL SVC AGRMNTS	998.00	-	-
4500026928	9/27/2019	W.W. Grainger Inc		G140-SHOP SUPPLIES	2,069.35	-	-
4500026929	9/28/2019	Citywide Auto Glass Inc		G130-SHOP TOOLS	28.28	-	-
4500026930	9/28/2019	Willy's Electronic Supply Co	Small Business	M180-STATION ELECTRICAL	201.55	-	-
4500026931	9/28/2019	OneSource Distributors, LLC		M130-CROSSING MECHANISM	565.69	-	-
4500026932	9/28/2019	Professional Contractors Supplies		G160-PAINTS & CHEMICALS	934.01	-	-
4500026933	9/30/2019	Flyers Energy LLC		G170-LUBRICANTS	3,468.52	-	-
4500026934	9/30/2019	West-Lite Supply Co Inc	Small Business	M200-YARD FACILITIES	342.86	-	-
4500026935	9/30/2019	DoAll Company		R230-RAIL/LRV MECHANICAL	1,968.05	-	-
4500026936	9/30/2019	Transit Holdings Inc		B140-BUS CHASSIS	1,000.66	-	-
4500026937	9/30/2019	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	982.23	-	-
4500026938	9/30/2019	Transit Holdings Inc		B130-BUS BODY	1,367.17	-	-
4500026939	9/30/2019	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	9,617.87	-	-
4500026940	9/30/2019	Willy's Electronic Supply Co	Small Business	B250-BUS REPAIR PARTS	46.34	-	-
4500026941	9/30/2019	HD Supply Construction Supply, LTD.		G130-SHOP TOOLS	2,008.03	-	-
4500026942	9/30/2019	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	1,371.97	-	-
4500026943	9/30/2019	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	12,237.55	-	-
4500026944	9/30/2019	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	2,823.57	-	-
4500026945	9/30/2019	Home Depot USA Inc		G130-SHOP TOOLS	1,747.20	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500026946	9/30/2019	Team One Repair Inc		G290-FARE REVENUE EQUIP	1,504.76	-	-
4500026948	9/30/2019	Freeby Signs		B130-BUS BODY	25.32	-	-
4500026949	10/1/2019	SPX Corporation		G290-FARE REVENUE EQUIP	30.43	-	-
4500026950	10/1/2019	Cubic Transportation Systems		B190-BUS FARE EQUIP	1,616.25	-	-
4500026951	10/1/2019	Transit Holdings Inc		B130-BUS BODY	4,127.77	-	-
4500026952	10/1/2019	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	2,021.69	-	-
4500026953	10/1/2019	Vern Rose Inc		G140-SHOP SUPPLIES	638.97	-	-
4500026954	10/1/2019	Gillig LLC		B130-BUS BODY	2,806.15	-	-
4500026955	10/1/2019	Drake Integrations LLC	Small Business	C120-SPECIALTY CONTRACTOR	70,500.00	-	-
4500026956	10/1/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	1,476.96	-	-
4500026957	10/1/2019	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	286.09	-	-
4500026958	10/1/2019	Muncie Transit Supply		B130-BUS BODY	501.32	-	-
4500026959	10/1/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	2,088.36	-	-
4500026960	10/1/2019	CDW LLC		I110-INFORMATION TECH	31,236.62	-	-
4500026961	10/1/2019	Mohawk Mfg & Supply Co		B200-BUS PWR TRAIN EQUIP	1,169.05	-	-
4500026962	10/1/2019	Jeyco Products Inc		G130-SHOP TOOLS	23.26	-	-
4500026963	10/1/2019	Southern Counties Oil Co, LP		A120-AUTO/TRUCK GASOLINE	30,208.50	-	-
4500026964	10/1/2019	SC Commercial, LLC		B180-BUS DIESEL	7,890.85	-	-
4500026965	10/1/2019	Ocean Blue Environmental Services	Small Business	C120-SPECIALTY CONTRACTOR	433.75	-	-
4500026966	10/1/2019	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	204.55	-	-
4500026967	10/1/2019	Airgas Inc		G190-SAFETY/MED SUPPLIES	1,810.41	-	-
4500026968	10/1/2019	Chromate Industrial Corporation		G150-FASTENERS	280.88	-	-
4500026969	10/2/2019	Proclip USA Inc		I130-IT CAPITAL HARDWARE	13,631.89	-	-
4500026970	10/2/2019	Madden Construction Inc		P280-GENERAL SVC AGRMNTS	997.06	-	-
4500026971	10/2/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	1,326.66	-	-
4500026972	10/2/2019	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	9,718.30	-	-
4500026973	10/2/2019	Gillig LLC		B130-BUS BODY	4,691.27	-	-
4500026974	10/2/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	181.12	-	-
4500026975	10/2/2019	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	103.01	-	-
4500026976	10/2/2019	Cummins Pacific LLC		B250-BUS REPAIR PARTS	1,083.47	-	-
4500026977	10/2/2019	W.W. Grainger Inc		G140-SHOP SUPPLIES	1,252.65	-	-
4500026978	10/2/2019	Rowlbartos Media LLC	Small Business	P280-GENERAL SVC AGRMNTS	3,499.00	-	-
4500026979	10/2/2019	Shilpark Paint Corp.		G160-PAINTS & CHEMICALS	476.15	-	-
4500026980	10/2/2019	CDW LLC		I130-IT CAPITAL HARDWARE	297.87	-	-
4500026981	10/2/2019	Transit Holdings Inc		B130-BUS BODY	321.07	-	-
4500026982	10/2/2019	El Dorado Coatings Inc	Small Business	R140-RAIL/LRV DOORS/RAMP	271.53	-	-
4500026983	10/2/2019	Cellco Partnership		I110-INFORMATION TECH	9,327.75	-	-
4500026984	10/2/2019	Gillig LLC		B140-BUS CHASSIS	1,469.99	-	-
4500026985	10/2/2019	Verdugo Testing Co Inc	Minority Owned Business	F200-TANK EQUIPMENT	271.91	-	-
4500026986	10/2/2019	Cubic Transportation Systems		G290-FARE REVENUE EQUIP	9,084.08	-	-
4500026987	10/2/2019	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	2,178.30	-	-
4500026988	10/2/2019	Cummins Pacific LLC		P190-REV VEHICLE REPAIRS	2,880.00	-	-
4500026989	10/2/2019	Dell Marketing L.P.		I110-INFORMATION TECH	3,355.48	-	-
4500026990	10/2/2019	Home Depot USA Inc		G140-SHOP SUPPLIES	1,586.42	-	-
4500026991	10/2/2019	Jeyco Products Inc		G140-SHOP SUPPLIES	179.41	-	-
4500026992	10/2/2019	California Air Compressor Company		F110-SHOP/BLDG MACHINERY	371.88	-	-
4500026993	10/2/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	3,044.40	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500026994	10/3/2019	Transit Holdings Inc		B130-BUS BODY	170.05	-	-
4500026995	10/3/2019	Waxie's Enterprises Inc.		G140-SHOP SUPPLIES	2,004.27	-	-
4500026996	10/3/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	1,039.32	-	-
4500026997	10/3/2019	Transit Holdings Inc		B130-BUS BODY	715.16	-	-
4500026998	10/3/2019	Freeby Signs		B250-BUS REPAIR PARTS	285.54	-	-
4500026999	10/3/2019	Wayne Harmeier Inc		B140-BUS CHASSIS	716.54	-	-
4500027000	10/3/2019	Knorr Brake Company		R160-RAIL/LRV ELECTRICAL	3,412.55	-	-
4500027001	10/3/2019	Transit Holdings Inc		B130-BUS BODY	4,233.48	-	-
4500027002	10/3/2019	B&H Photo & Electronics Corp		G220-OFFICE EQUIPMENT	214.43	-	-
4500027003	10/3/2019	Voice of San Diego		P310-ADVERTISING SERVICES	250.00	-	-
4500027004	10/3/2019	Transit Holdings Inc		G150-FASTENERS	319.00	-	-
4500027005	10/3/2019	United Fastener Inc		B250-BUS REPAIR PARTS	182.74	-	-
4500027006	10/3/2019	Freeby Signs		B250-BUS REPAIR PARTS	314.64	-	-
4500027007	10/3/2019	Alps Publishing Inc		P310-ADVERTISING SERVICES	29,700.00	-	-
4500027008	10/3/2019	Urban Corps of San Diego County		C130-CONSTRUCTION SVCS	23,640.00	-	-
4500027009	10/3/2019	Discovery Health Services LLC		P480-EE MAINTENANCE	9,100.00	-	-
4500027010	10/3/2019	HNTB Corporation		C140-CONSTRUCTION MGT SRV	16,860.41	-	11,222.29
4500027012	10/3/2019	Dell Marketing L.P.		I110-INFORMATION TECH	23,541.45	-	-
4500027013	10/4/2019	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	91.54	-	-
4500027015	10/4/2019	Don Oleson Inc	Small Business	B120-BUS MECHANICAL PARTS	4,902.69	-	-
4500027016	10/4/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	779.36	-	-
4500027017	10/4/2019	Tacos & Gorditas para sus Fiestas		P540-MAINTENANCE TRAINING	662.50	-	-
4500027018	10/4/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	1,250.85	-	-
4500027019	10/4/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	91.90	-	-
4500027020	10/4/2019	Norman Industrial Materials		G140-SHOP SUPPLIES	35.01	-	-
4500027021	10/4/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	3,531.17	-	-
4500027022	10/4/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	168.49	-	-
4500027023	10/4/2019	Tribologik Corporation		G140-SHOP SUPPLIES	925.03	-	-
4500027024	10/4/2019	Knorr Brake Co-IFE North America		R120-RAIL/LRV CAR BODY	30,708.75	-	-
4500027025	10/4/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	81,159.51	-	-
4500027026	10/4/2019	San Diego Seal Inc	Small Business	R220-RAIL/LRV TRUCKS	130.15	-	-
4500027027	10/4/2019	Pacific Rigging Loft Inc		C120-SPECIALTY CONTRACTOR	225.00	-	-
4500027028	10/5/2019	711 Print Enterprises Inc		G120-SECURITY	559.23	-	-
4500027029	10/5/2019	Healy Newspapers		P310-ADVERTISING SERVICES	675.00	-	-
4500027030	10/5/2019	US Mobile Wireless		G120-SECURITY	375.00	-	-
4500027031	10/5/2019	711 Print Enterprises Inc		G120-SECURITY	3,123.68	-	-
4500027032	10/5/2019	Steven Timme		G230-PRINTED MATERIALS	302.84	-	-
4500027033	10/5/2019	San Diego Dance Theater		G250-NOVELTIES & AWARDS	800.00	-	-
4500027034	10/5/2019	Deaf Community Services of San Dieg		G260-MEDIA	440.00	-	-
4500027035	10/5/2019	South County Economic Development		P310-ADVERTISING SERVICES	385.00	-	-
4500027036	10/6/2019	NS Corporation		F110-SHOP/BLDG MACHINERY	226.28	-	-
4500027037	10/6/2019	Voith Turbo Inc		R160-RAIL/LRV ELECTRICAL	1,692.21	-	-
4500027038	10/6/2019	C.R. Laurence Co Inc		R120-RAIL/LRV CAR BODY	200.87	-	-
4500027039	10/6/2019	Reid and Clark Screen Arts Co		R120-RAIL/LRV CAR BODY	913.35	-	-
4500027040	10/7/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	1,252.28	-	-
4500027041	10/7/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	40.62	-	-
4500027042	10/7/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	2,288.57	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027043	10/7/2019	Shilpark Paint Corp.		G160-PAINTS & CHEMICALS	822.31	-	-
4500027044	10/7/2019	HD Supply Construction Supply, LTD.		G130-SHOP TOOLS	2,896.32	-	-
4500027045	10/7/2019	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	11,867.65	-	-
4500027046	10/7/2019	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	2,731.10	-	-
4500027047	10/7/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	425.14	-	-
4500027048	10/7/2019	Matthias Moos		M120-OVRHEAD CATENARY SYS	4,945.73	-	-
4500027049	10/7/2019	General Signals Inc		M130-CROSSING MECHANISM	4,545.33	-	-
4500027050	10/7/2019	Siemens Mobility, Inc.		R220-RAIL/LRV TRUCKS	47,205.55	-	-
4500027051	10/8/2019	Transit Holdings Inc		B140-BUS CHASSIS	268.75	-	-
4500027052	10/8/2019	Bocks Awards Inc		G250-NOVELTIES & AWARDS	416.91	-	-
4500027053	10/8/2019	Genuine Parts Co		B250-BUS REPAIR PARTS	52.78	-	-
4500027054	10/8/2019	NS Corporation		F110-SHOP/BLDG MACHINERY	3,697.18	-	-
4500027055	10/8/2019	ProShine Global LLC		F110-SHOP/BLDG MACHINERY	50,465.28	-	-
4500027056	10/8/2019	Cummins Pacific LLC		B250-BUS REPAIR PARTS	327.75	-	-
4500027057	10/8/2019	CDW LLC		I110-INFORMATION TECH	1,566.98	-	-
4500027058	10/8/2019	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	785.77	-	-
4500027060	10/8/2019	HD Supply Construction Supply, LTD.		G140-SHOP SUPPLIES	781.75	-	-
4500027061	10/8/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	1,743.49	-	-
4500027063	10/8/2019	Cummins Pacific LLC		B250-BUS REPAIR PARTS	307.08	-	-
4500027064	10/8/2019	Pressnet Express Inc		G230-PRINTED MATERIALS	748.87	-	-
4500027065	10/8/2019	TK Services Inc		R170-RAIL/LRV HVAC	12,299.33	-	-
4500027066	10/8/2019	Hegenscheidt-MFD Corporation		C120-SPECIALTY CONTRACTOR	35,932.01	-	-
4500027067	10/9/2019	Bonsall Petroleum Construction Inc		F110-SHOP/BLDG MACHINERY	150.00	-	-
4500027068	10/9/2019	CDW LLC		I110-INFORMATION TECH	2,507.86	-	-
4500027069	10/9/2019	Maintex Inc		G170-LUBRICANTS	943.25	-	-
4500027070	10/9/2019	Western Electricity		P280-GENERAL SVC AGRMNTS	625.00	-	-
4500027071	10/9/2019	Neyenesch Printers Inc		G230-PRINTED MATERIALS	420.23	-	-
4500027072	10/9/2019	Steven Timme		G230-PRINTED MATERIALS	90.04	-	-
4500027073	10/9/2019	Nth Generation Computing Inc	Woman Owned Business	I110-INFORMATION TECH	20,554.28	-	-
4500027074	10/9/2019	R.B. Hornberger Co Inc		T110-TRACK, RAIL	1,115.22	-	-
4500027075	10/9/2019	Culligan of San Diego		G140-SHOP SUPPLIES	2,040.00	-	-
4500027076	10/9/2019	Neyenesch Printers Inc		G230-PRINTED MATERIALS	3,092.05	-	-
4500027077	10/9/2019	Patco Industries Inc		M140-WAYSIDE SIGNALS	2,084.97	-	-
4500027078	10/9/2019	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	29,438.41	-	-
4500027079	10/9/2019	Transit Holdings Inc		B130-BUS BODY	268.55	-	-
4500027080	10/9/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	5,872.21	-	-
4500027081	10/9/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	8,557.52	-	-
4500027082	10/9/2019	Gillig LLC		B250-BUS REPAIR PARTS	563.17	-	-
4500027083	10/9/2019	M Power Truck & Diesel Repair		P210-NON-REV VEH REPAIRS	1,289.52	-	-
4500027084	10/9/2019	Pacific Rigging Loft Inc		G130-SHOP TOOLS	942.75	-	-
4500027085	10/10/2019	Team One Repair Inc		G290-FARE REVENUE EQUIP	1,884.30	-	-
4500027086	10/10/2019	Airgas Inc		G190-SAFETY/MED SUPPLIES	3,019.03	-	-
4500027087	10/10/2019	Annex Automotive and		F120-BUS/LRV PAINT BOOTHS	8,179.43	-	-
4500027088	10/10/2019	Transit Holdings Inc		B140-BUS CHASSIS	2,572.26	-	-
4500027089	10/10/2019	Supreme Oil Company		B180-BUS DIESEL	5,760.32	-	-
4500027090	10/10/2019	RegACar Inc		B250-BUS REPAIR PARTS	685.02	-	-
4500027091	10/10/2019	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	155.19	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027092	10/10/2019	Charter Industrial Supply Inc	Small Business	G140-SHOP SUPPLIES	206.16	-	-
4500027093	10/10/2019	Transit Holdings Inc		B130-BUS BODY	1,973.04	-	-
4500027095	10/10/2019	Rush Truck Centers of California		B250-BUS REPAIR PARTS	332.95	-	-
4500027096	10/10/2019	Annex Automotive and		F120-BUS/LRV PAINT BOOTHS	14,458.77	-	-
4500027097	10/10/2019	Professional Contractors Supplies		G140-SHOP SUPPLIES	1,653.64	-	-
4500027098	10/10/2019	Norman Industrial Materials		G140-SHOP SUPPLIES	31.05	-	-
4500027099	10/10/2019	Wayne Harmeier Inc		B140-BUS CHASSIS	424.54	-	-
4500027100	10/10/2019	Electronic Data Magnetics Inc		G280-FARE MATERIALS	4,417.76	-	-
4500027101	10/10/2019	Home Depot USA Inc		G140-SHOP SUPPLIES	62.23	-	-
4500027102	10/11/2019	Cummins Pacific LLC		B250-BUS REPAIR PARTS	220.00	-	-
4500027103	10/11/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	767.00	-	-
4500027104	10/11/2019	Matthias Moos		M120-OVRHEAD CATENARY SYS	3,400.59	-	-
4500027105	10/11/2019	Astro Air Filter		R120-RAIL/LRV CAR BODY	208.95	-	-
4500027106	10/11/2019	ASPEN Refrigerants Inc		R170-RAIL/LRV HVAC	728.40	-	-
4500027107	10/11/2019	West-Lite Supply Co Inc	Small Business	M180-STATION ELECTRICAL	1,701.98	-	-
4500027108	10/11/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	9,829.38	-	-
4500027109	10/11/2019	Gillig LLC		B130-BUS BODY	6,727.35	-	-
4500027110	10/11/2019	Mohawk Mfg & Supply Co		B130-BUS BODY	45.89	-	-
4500027111	10/11/2019	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	200.56	-	-
4500027112	10/11/2019	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	5,494.04	-	-
4500027114	10/11/2019	Absopulse Electronics LTD.		M110-SUB STATION	2,847.63	-	-
4500027115	10/11/2019	Pape Material Handling		F110-SHOP/BLDG MACHINERY	2,064.60	-	-
4500027116	10/11/2019	HD Supply Construction Supply, LTD.		G130-SHOP TOOLS	524.21	-	-
4500027117	10/11/2019	CDW LLC		G200-OFFICE SUPPLIES	216.54	-	-
4500027118	10/14/2019	Robcar Corporation	Woman Owned Business	G110-BUS/TROLLEY SIGNAGE	1,110.23	-	-
4500027119	10/14/2019	Shilpark Paint Corp.		G160-PAINTS & CHEMICALS	397.76	-	-
4500027120	10/14/2019	JKL Cleaning Systems		G130-SHOP TOOLS	733.99	-	-
4500027121	10/14/2019	Home Depot USA Inc		F110-SHOP/BLDG MACHINERY	108.28	-	-
4500027122	10/14/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	11.60	-	-
4500027123	10/14/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	5,941.96	-	-
4500027124	10/14/2019	California Sheet Metal Works		G150-FASTENERS	2,533.21	-	-
4500027125	10/14/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	35.98	-	-
4500027126	10/14/2019	Transit Holdings Inc		B130-BUS BODY	34.33	-	-
4500027127	10/14/2019	SC Commercial, LLC		B180-BUS DIESEL	7,363.64	-	-
4500027128	10/14/2019	Autolift Services Inc	Small Business	C120-SPECIALTY CONTRACTOR	975.00	-	-
4500027129	10/14/2019	Tennant Sales & Serv Co		P130-EQUIP MAINT REPR SVC	2,731.50	-	-
4500027130	10/14/2019	Aimee Partners Inc		P260-TESTING & ANALYSIS	905.00	-	-
4500027131	10/14/2019	Brian Pusey		P190-REV VEHICLE REPAIRS	375.00	-	-
4500027132	10/14/2019	Padre Janitorial Supplies Inc	Small Business	G180-JANITORIAL SUPPLIES	124.77	-	-
4500027133	10/14/2019	Knorr Brake Company		R160-RAIL/LRV ELECTRICAL	36,218.52	-	-
4500027134	10/14/2019	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	11,097.00	-	-
4500027135	10/14/2019	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	2,854.40	-	-
4500027136	10/14/2019	Charter Industrial Supply Inc	Small Business	B120-BUS MECHANICAL PARTS	639.46	-	-
4500027137	10/14/2019	BC Custom Design Services LLC		F110-SHOP/BLDG MACHINERY	2,171.47	-	-
4500027138	10/14/2019	San Diego Pump, Inc.	Small Business	F110-SHOP/BLDG MACHINERY	2,010.80	-	-
4500027139	10/15/2019	Prochem Specialty Products Inc	Small Business	G180-JANITORIAL SUPPLIES	2,087.23	-	-
4500027140	10/15/2019	Transit Holdings Inc		B140-BUS CHASSIS	3,180.94	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027141	10/15/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	516.79	-	-
4500027142	10/15/2019	Transit Holdings Inc		B140-BUS CHASSIS	3,157.51	-	-
4500027143	10/15/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	2,804.74	-	-
4500027144	10/15/2019	Harbor Diesel & Equipment		P190-REV VEHICLE REPAIRS	10,642.38	-	-
4500027145	10/15/2019	Air & Lube Systems Inc	DBE	F110-SHOP/BLDG MACHINERY	323.25	-	-
4500027146	10/15/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	32,849.77	-	-
4500027147	10/15/2019	Data Hardware Depot LP		I110-INFORMATION TECH	3,494.44	-	-
4500027148	10/15/2019	Norman Industrial Materials		G140-SHOP SUPPLIES	382.17	-	-
4500027149	10/15/2019	Norman Industrial Materials		G140-SHOP SUPPLIES	430.17	-	-
4500027150	10/15/2019	Kaman Industrial Technologies		B250-BUS REPAIR PARTS	471.12	-	-
4500027151	10/15/2019	Muncie Transit Supply		B200-BUS PWR TRAIN EQUIP	210.89	-	-
4500027152	10/15/2019	Industrial Maintenance Supply LLC	DBE	B200-BUS PWR TRAIN EQUIP	340.04	-	-
4500027153	10/15/2019	Jeyco Products Inc		G140-SHOP SUPPLIES	335.91	-	-
4500027154	10/15/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	1,869.49	-	-
4500027155	10/15/2019	JKL Cleaning Systems		G180-JANITORIAL SUPPLIES	506.10	-	-
4500027156	10/15/2019	Center City Printing	Minority Owned Business	G230-PRINTED MATERIALS	655.82	-	-
4500027157	10/15/2019	Qualitrol Company LLC		M110-SUB STATION	2,798.53	-	-
4500027158	10/15/2019	OneSource Distributors, LLC		M110-SUB STATION	292.17	-	-
4500027159	10/16/2019	W.W. Grainger Inc		B130-BUS BODY	950.68	-	-
4500027160	10/16/2019	Transit Holdings Inc		B140-BUS CHASSIS	1,369.34	-	-
4500027161	10/16/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	5,808.53	-	-
4500027162	10/16/2019	Madden Construction Inc		P280-GENERAL SVC AGRMNTS	274.13	-	-
4500027163	10/16/2019	Louis Sardo Upholstery Inc		B250-BUS REPAIR PARTS	3,363.22	-	-
4500027164	10/16/2019	Ivy-IT, Inc.		F180-BUILDING MATERIALS	1,074.15	-	-
4500027165	10/16/2019	Mcmaster-Carr Supply Co		B250-BUS REPAIR PARTS	182.96	-	-
4500027166	10/16/2019	Culligan of San Diego		G140-SHOP SUPPLIES	1,632.00	-	-
4500027167	10/16/2019	VisioLogix Corporation		G120-SECURITY	235.59	-	-
4500027168	10/16/2019	Transit Holdings Inc		B130-BUS BODY	12,011.05	-	-
4500027169	10/16/2019	G & A Auto Air Conditioning		A140-AUTO/TRUCK REPAIR	234.27	-	-
4500027170	10/16/2019	Gillig LLC		G140-SHOP SUPPLIES	1,749.15	-	-
4500027171	10/16/2019	Neopart Transit LLC		B160-BUS ELECTRICAL	5,939.95	-	-
4500027172	10/16/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	19,758.71	-	-
4500027173	10/16/2019	Uline		F170-MATL HANDLING EQUIP	182.10	-	-
4500027174	10/16/2019	W.W. Grainger Inc		F170-MATL HANDLING EQUIP	13.20	-	-
4500027175	10/16/2019	Home Depot USA Inc		G140-SHOP SUPPLIES	1,241.00	-	-
4500027176	10/16/2019	Bank of New York Mellon		P400-FINANCIAL & AUDIT	6,300.00	-	-
4500027177	10/17/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	40.62	-	-
4500027178	10/17/2019	Transit Holdings Inc		B130-BUS BODY	1,748.74	-	-
4500027179	10/17/2019	Westair Gases & Equipment Inc	Small Business	B200-BUS PWR TRAIN EQUIP	207.80	-	-
4500027180	10/17/2019	Prochem Specialty Products Inc	Small Business	G180-JANITORIAL SUPPLIES	2,435.10	-	-
4500027181	10/17/2019	Mcmaster-Carr Supply Co		F110-SHOP/BLDG MACHINERY	264.80	-	-
4500027182	10/17/2019	Cummins Pacific LLC		B250-BUS REPAIR PARTS	113.21	-	-
4500027183	10/17/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	2,175.11	-	-
4500027184	10/17/2019	Ace Uniforms & Accessories	Small Business	G240-UNIFORM PROCUREMENT	1,616.25	-	-
4500027185	10/17/2019	Home Depot USA Inc		F110-SHOP/BLDG MACHINERY	132.00	-	-
4500027186	10/17/2019	Ahlee Backflow Service	Small Business	F110-SHOP/BLDG MACHINERY	944.24	-	-
4500027187	10/17/2019	Cummins Pacific LLC		P190-REV VEHICLE REPAIRS	220.00	-	-

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PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027188	10/17/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	15,794.02	-	-
4500027189	10/17/2019	San Diego Seal Inc	Small Business	G140-SHOP SUPPLIES	134.41	-	-
4500027190	10/17/2019	W.W. Grainger Inc		B130-BUS BODY	1,259.74	-	-
4500027191	10/17/2019	Gillig LLC		B130-BUS BODY	1,874.58	-	-
4500027192	10/17/2019	Kaman Industrial Technologies		B160-BUS ELECTRICAL	2,380.67	-	-
4500027193	10/17/2019	Newark Corporation		G290-FARE REVENUE EQUIP	6,181.31	-	-
4500027195	10/17/2019	Airgas Inc		R160-RAIL/LRV ELECTRICAL	2,014.02	-	-
4500027196	10/17/2019	Cummins Pacific LLC		B250-BUS REPAIR PARTS	3,178.62	-	-
4500027197	10/17/2019	W.W. Grainger Inc		G130-SHOP TOOLS	68.64	-	-
4500027198	10/17/2019	Autolift Services Inc	Small Business	F110-SHOP/BLDG MACHINERY	1,650.00	-	-
4500027199	10/17/2019	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	75.41	-	-
4500027200	10/17/2019	Dellner Inc		R130-RAIL/LRV COUPLER	356.66	-	-
4500027201	10/17/2019	HI-TEC Enterprises	Small Business	R160-RAIL/LRV ELECTRICAL	3,124.76	-	-
4500027202	10/18/2019	Wayne Harmeier Inc		B140-BUS CHASSIS	716.54	-	-
4500027203	10/18/2019	Gillig LLC		B250-BUS REPAIR PARTS	26.03	-	-
4500027204	10/18/2019	Zep Vehicle Care Inc		G160-PAINTS & CHEMICALS	647.20	-	-
4500027205	10/18/2019	Mouser Electronics Inc		R160-RAIL/LRV ELECTRICAL	645.53	-	-
4500027206	10/18/2019	Norman Industrial Materials		G140-SHOP SUPPLIES	278.96	-	-
4500027207	10/18/2019	Cummins Pacific LLC		B250-BUS REPAIR PARTS	220.00	-	-
4500027208	10/17/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	57,323.00	-	-
4500027209	10/18/2019	Aztec Fire & Safety	Small Business	G140-SHOP SUPPLIES	2,544.18	-	-
4500027210	10/18/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	1,873.32	-	-
4500027211	10/18/2019	Gillig LLC		B130-BUS BODY	2,583.89	-	-
4500027212	10/18/2019	ProShine Global LLC		C130-CONSTRUCTION SVCS	2,435.20	-	-
4500027213	10/18/2019	Staples Contract & Commercial Inc		G220-OFFICE EQUIPMENT	258.59	-	-
4500027214	10/18/2019	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	2,305.71	-	-
4500027215	10/18/2019	Airgas Inc		G140-SHOP SUPPLIES	668.57	-	-
4500027216	10/18/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	1,109.65	-	-
4500027217	10/18/2019	Downstream Services, Inc.	Small Business	P280-GENERAL SVC AGRMNTS	2,810.00	-	-
4500027218	10/18/2019	Annex Automotive and		F120-BUS/LRV PAINT BOOTHS	7,380.93	-	-
4500027219	10/19/2019	Reid and Clark Screen Arts Co		R120-RAIL/LRV CAR BODY	2,197.29	-	-
4500027220	10/20/2019	Kaman Industrial Technologies		G160-PAINTS & CHEMICALS	102.52	-	-
4500027221	10/19/2019	Golden State Supply LLC		F180-BUILDING MATERIALS	122.72	-	-
4500027222	10/20/2019	Applied Industrial Technologies-CA		G160-PAINTS & CHEMICALS	1,449.03	-	-
4500027223	10/21/2019	Transit Holdings Inc		B130-BUS BODY	3,548.82	-	-
4500027224	10/21/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	7.00	-	-
4500027225	10/21/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	1,753.31	-	-
4500027226	10/21/2019	Dell Marketing L.P.		I110-INFORMATION TECH	21,032.81	-	-
4500027227	10/21/2019	Gillig LLC		B130-BUS BODY	13,604.18	-	-
4500027228	10/21/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	30,952.09	-	-
4500027229	10/21/2019	Chromate Industrial Corporation		G150-FASTENERS	1,484.76	-	-
4500027230	10/21/2019	Sherwin Williams Company		F120-BUS/LRV PAINT BOOTHS	1,983.40	-	-
4500027231	10/21/2019	R.S. Hughes Co Inc		G190-SAFETY/MED SUPPLIES	665.14	-	-
4500027232	10/21/2019	Muncie Transit Supply		B200-BUS PWR TRAIN EQUIP	1,793.29	-	-
4500027233	10/21/2019	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	9,987.30	-	-
4500027234	10/21/2019	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	2,731.10	-	-
4500027235	10/21/2019	SC Commercial, LLC		B180-BUS DIESEL	7,683.43	-	-

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PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027236	10/21/2019	E W Truck & Equipment Co Inc		B120-BUS MECHANICAL PARTS	220.45	-	-
4500027237	10/21/2019	Madden Construction Inc		P280-GENERAL SVC AGRMNTS	139.50	-	-
4500027238	10/21/2019	Cardiac Science Corporation		G200-OFFICE SUPPLIES	68.96	-	-
4500027239	10/21/2019	Magnetic Ticket & Label Corp		G280-FARE MATERIALS	8,140.42	-	-
4500027240	10/21/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	3,777.01	-	-
4500027241	10/21/2019	Gillig LLC		B140-BUS CHASSIS	84.52	-	-
4500027242	10/21/2019	Transit Holdings Inc		B140-BUS CHASSIS	8,794.30	-	-
4500027243	10/21/2019	Thompson Building Materials		R230-RAIL/LRV MECHANICAL	3,019.05	-	-
4500027244	10/21/2019	W.W. Grainger Inc		G140-SHOP SUPPLIES	746.93	-	-
4500027245	10/21/2019	Cummins Pacific LLC		P190-REV VEHICLE REPAIRS	220.00	-	-
4500027246	10/21/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	17,534.66	-	-
4500027247	10/21/2019	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	87.87	-	-
4500027248	10/21/2019	Shilpark Paint Corp.		G160-PAINTS & CHEMICALS	166.94	-	-
4500027249	10/21/2019	OneSource Distributors, LLC		G190-SAFETY/MED SUPPLIES	492.53	-	-
4500027250	10/21/2019	SiteOne Landscape Supply Holding		G130-SHOP TOOLS	130.74	-	-
4500027251	10/21/2019	Citywide Auto Glass Inc		R120-RAIL/LRV CAR BODY	484.02	-	-
4500027252	10/22/2019	Prochem Specialty Products Inc	Small Business	G170-LUBRICANTS	2,205.76	-	-
4500027253	10/22/2019	Machinex, Inc.		R120-RAIL/LRV CAR BODY	1,389.98	-	-
4500027254	10/22/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	143.91	-	-
4500027255	10/22/2019	Transit Holdings Inc		B130-BUS BODY	265.84	-	-
4500027256	10/22/2019	Harbor Diesel & Equipment		B200-BUS PWR TRAIN EQUIP	6,570.61	-	-
4500027257	10/22/2019	Cubic Transportation Systems		B190-BUS FARE EQUIP	2,424.38	-	-
4500027258	10/22/2019	W.W. Grainger Inc		G180-JANITORIAL SUPPLIES	1,606.10	-	-
4500027259	10/22/2019	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	3,095.93	-	-
4500027260	10/22/2019	Southern Counties Lubricants LLC		G170-LUBRICANTS	1,765.75	-	-
4500027261	10/22/2019	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	1,943.66	-	-
4500027263	10/22/2019	SPX Corporation		G290-FARE REVENUE EQUIP	1,210.24	-	-
4500027264	10/22/2019	Synco Chemical Corporation		G170-LUBRICANTS	24,369.82	-	-
4500027265	10/22/2019	Synco Chemical Corporation		G170-LUBRICANTS	786.58	-	-
4500027266	10/22/2019	Tribologik Corporation		G140-SHOP SUPPLIES	1,373.82	-	-
4500027267	10/22/2019	Transit Holdings Inc		B130-BUS BODY	9,458.29	-	-
4500027268	10/22/2019	Autolift Services Inc	Small Business	C120-SPECIALTY CONTRACTOR	5,041.91	-	-
4500027269	10/22/2019	Gillig LLC		B140-BUS CHASSIS	3,167.12	-	-
4500027270	10/22/2019	Supreme Oil Company		B180-BUS DIESEL	7,638.44	-	-
4500027271	10/22/2019	M Power Truck & Diesel Repair		P210-NON-REV VEH REPAIRS	734.03	-	-
4500027272	10/22/2019	Cummins Pacific LLC		B120-BUS MECHANICAL PARTS	18,687.03	-	-
4500027273	10/22/2019	BJ's Rentals	Small Business	F180-BUILDING MATERIALS	234.90	-	-
4500027274	10/22/2019	Mohawk Mfg & Supply Co		B130-BUS BODY	2,964.77	-	-
4500027275	10/22/2019	Grah Safe & Lock Inc	Small Business	G140-SHOP SUPPLIES	82.01	-	-
4500027276	10/22/2019	Transit Holdings Inc		B140-BUS CHASSIS	2,479.72	-	-
4500027277	10/22/2019	Pacific Rigging Loft Inc		G130-SHOP TOOLS	270.06	-	-
4500027278	10/22/2019	Mcmaster-Carr Supply Co		G140-SHOP SUPPLIES	99.75	-	-
4500027279	10/22/2019	J H Platinum		P330-UNIFORM RENT/CLEAN	345.50	-	-
4500027280	10/22/2019	Mcmaster-Carr Supply Co		F110-SHOP/BLDG MACHINERY	137.06	-	-
4500027281	10/22/2019	Wayne Harmeier Inc		B160-BUS ELECTRICAL	484.88	-	-
4500027282	10/22/2019	Pape Material Handling		F110-SHOP/BLDG MACHINERY	1,259.88	-	-
4500027283	10/22/2019	TK Services Inc		B250-BUS REPAIR PARTS	89.14	-	-

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PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027285	10/22/2019	Myers & Sons Hi-Way Safety Inc		M130-CROSSING MECHANISM	218.79	-	-
4500027286	10/22/2019	Steven Timme		G230-PRINTED MATERIALS	776.41	-	-
4500027287	10/22/2019	Steven Timme		G230-PRINTED MATERIALS	302.84	-	-
4500027288	10/22/2019	Simmons Boardman Books Inc		P540-MAINTENANCE TRAINING	1,814.20	-	-
4500027289	10/22/2019	Dion International Trucks LLC		P210-NON-REV VEH REPAIRS	356.30	-	-
4500027290	10/23/2019	W.W. Grainger Inc		G140-SHOP SUPPLIES	113.52	-	-
4500027291	10/23/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	692.21	-	-
4500027292	10/23/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	11.60	-	-
4500027293	10/23/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	5,500.07	-	-
4500027294	10/23/2019	California Sheet Metal Works		G130-SHOP TOOLS	1,534.36	-	-
4500027295	10/23/2019	Kaman Industrial Technologies		B120-BUS MECHANICAL PARTS	2,056.28	-	-
4500027296	10/23/2019	Citywide Auto Glass Inc		P210-NON-REV VEH REPAIRS	461.27	-	-
4500027297	10/23/2019	DLT Solutions LLC		I110-INFORMATION TECH	7,243.77	-	-
4500027298	10/23/2019	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	1,436.19	-	-
4500027299	10/23/2019	Annex Automotive and		R240-RAIL/LRV REPR PARTS	158.17	-	-
4500027300	10/23/2019	Professional Contractors Supplies		G180-JANITORIAL SUPPLIES	266.48	-	-
4500027301	10/23/2019	Home Depot USA Inc		G130-SHOP TOOLS	778.83	-	-
4500027302	10/23/2019	Mcmaster-Carr Supply Co		G140-SHOP SUPPLIES	385.52	-	-
4500027303	10/23/2019	Mohawk Mfg & Supply Co		B160-BUS ELECTRICAL	164.66	-	-
4500027304	10/23/2019	CASEI		F180-BUILDING MATERIALS	2,782.12	-	-
4500027305	10/23/2019	Prudential Overall Supply		G140-SHOP SUPPLIES	510.17	-	-
4500027306	10/23/2019	Data Controls Printworks Inc	Small Business	G230-PRINTED MATERIALS	113.14	-	-
4500027307	10/23/2019	Don Oleson Inc	Small Business	B120-BUS MECHANICAL PARTS	4,902.69	-	-
4500027308	10/23/2019	Mouser Electronics Inc		B250-BUS REPAIR PARTS	154.52	-	-
4500027309	10/23/2019	Southern Counties Oil Co, LP		G170-LUBRICANTS	6,303.38	-	-
4500027310	10/23/2019	Asbury Environmental Services		B200-BUS PWR TRAIN EQUIP	1,388.03	-	-
4500027311	10/23/2019	Wesco Distribution Inc		G270-ELECTRICAL/LIGHTING	206.62	-	-
4500027312	10/23/2019	Jeyco Products Inc		G130-SHOP TOOLS	980.75	-	-
4500027313	10/23/2019	Cubic Transportation Systems		R240-RAIL/LRV REPR PARTS	2,182.80	-	-
4500027314	10/23/2019	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	23,867.80	-	-
4500027315	10/23/2019	Louis Sardo Upholstery Inc		B130-BUS BODY	12,914.06	-	-
4500027316	10/23/2019	VCA Animal Hospitals, Inc.		G120-SECURITY	256.80	-	-
4500027317	10/23/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	6,561.98	-	-
4500027318	10/23/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	8,406.66	-	-
4500027319	10/23/2019	Schunk Carbon Technology LLC		R190-RAIL/LRV PANTOGRAPH	15,912.52	-	-
4500027320	10/23/2019	W.W. Grainger Inc		G140-SHOP SUPPLIES	871.34	-	-
4500027321	10/23/2019	Transtechtechnik Corp USA		R160-RAIL/LRV ELECTRICAL	34,096.66	-	-
4500027322	10/24/2019	Matthias Moos		M120-OVRHEAD CATENARY SYS	3,400.59	-	-
4500027323	10/24/2019	AxleTech International LLC		B140-BUS CHASSIS	232.53	-	-
4500027324	10/24/2019	Transit Holdings Inc		B140-BUS CHASSIS	1,405.43	-	-
4500027325	10/24/2019	G & A Auto Air Conditioning		P210-NON-REV VEH REPAIRS	920.04	-	-
4500027326	10/24/2019	Kurt Morgan		G200-OFFICE SUPPLIES	2,015.29	-	-
4500027327	10/24/2019	Keyser Marston Associates Inc	Small Business	P410-CONSULTING	20,000.00	-	-
4500027328	10/24/2019	Transit Holdings Inc		B140-BUS CHASSIS	1,962.86	-	-
4500027329	10/24/2019	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	1,018.35	-	-
4500027330	10/24/2019	Bald Eagle Enterprises Inc		R160-RAIL/LRV ELECTRICAL	3,017.86	-	-
4500027331	10/24/2019	Mohawk Mfg & Supply Co		B160-BUS ELECTRICAL	300.35	-	-

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PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027332	10/24/2019	Transit Products and Services		B130-BUS BODY	5,172.00	-	-
4500027333	10/24/2019	Criteria Corp		P470-NEW EE TESTING	5,000.00	-	-
4500027334	10/24/2019	Knorr Brake Company		R220-RAIL/LRV TRUCKS	377.13	-	-
4500027335	10/24/2019	Transit Holdings Inc		B130-BUS BODY	219.39	-	-
4500027336	10/24/2019	Graceland College Ctr for Prof		P490-MANAGEMENT TRAINING	499.00	-	-
4500027337	10/24/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	7,839.89	-	-
4500027338	10/24/2019	Downstream Services, Inc.	Small Business	P280-GENERAL SVC AGRMNTS	2,400.00	-	-
4500027339	10/24/2019	PUB Construction, Inc.	Minority Owned Business	C130-CONSTRUCTION SVCS	10,618.19	-	5,999.28
4500027340	10/24/2019	The Gordian Group, Inc.		C130-CONSTRUCTION SVCS	285.30	-	-
4500027341	10/24/2019	Cubic Transportation Systems		G290-FARE REVENUE EQUIP	14,613.07	-	-
4500027342	10/25/2019	Annex Automotive and		R240-RAIL/LRV REPR PARTS	571.81	-	-
4500027343	10/25/2019	Airgas Inc		G140-SHOP SUPPLIES	1,988.36	-	-
4500027344	10/25/2019	Ismael Frausto		R140-RAIL/LRV DOORS/RAMP	632.43	-	-
4500027345	10/25/2019	Mersen Usa Bn Corp		R220-RAIL/LRV TRUCKS	3,309.01	-	-
4500027346	10/25/2019	Transit Holdings Inc		B140-BUS CHASSIS	1,286.42	-	-
4500027347	10/25/2019	Kiel NA LLC		B250-BUS REPAIR PARTS	172.40	-	-
4500027348	10/25/2019	Transit Holdings Inc		B140-BUS CHASSIS	261.13	-	-
4500027349	10/25/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	135.33	-	-
4500027350	10/25/2019	Sherwin Williams Company		G160-PAINTS & CHEMICALS	1,814.27	-	-
4500027351	10/25/2019	Vern Rose Inc		G140-SHOP SUPPLIES	385.67	-	-
4500027352	10/25/2019	Transit Holdings Inc		B140-BUS CHASSIS	3,493.73	-	-
4500027353	10/25/2019	G & A Auto Air Conditioning		P210-NON-REV VEH REPAIRS	487.81	-	-
4500027354	10/25/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	2,346.39	-	-
4500027355	10/25/2019	Waxie's Enterprises Inc.		F170-MATL HANDLING EQUIP	3,276.66	-	-
4500027356	10/25/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	164.86	-	-
4500027357	10/25/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	983.75	-	-
4500027358	10/25/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	944.66	-	-
4500027359	10/25/2019	Steven Timme		G230-PRINTED MATERIALS	1,596.53	-	-
4500027360	10/25/2019	Gillig LLC		B160-BUS ELECTRICAL	12,099.03	-	-
4500027361	10/25/2019	TK Services Inc		G170-LUBRICANTS	317.75	-	-
4500027362	10/25/2019	Jeyco Products Inc		G130-SHOP TOOLS	212.59	-	-
4500027363	10/25/2019	Muncie Transit Supply		B130-BUS BODY	2,988.86	-	-
4500027364	10/25/2019	City Treasurer		G190-SAFETY/MED SUPPLIES	740.00	-	-
4500027365	10/25/2019	Knorr Brake Company		R220-RAIL/LRV TRUCKS	538.77	-	-
4500027366	10/25/2019	Willy's Electronic Supply Co	Small Business	M110-SUB STATION	2,197.03	-	-
4500027367	10/25/2019	CDW LLC		R160-RAIL/LRV ELECTRICAL	210.12	-	-
4500027368	10/25/2019	Chromate Industrial Corporation		G150-FASTENERS	1,204.25	-	-
4500027369	10/25/2019	Controlled Motion Solutions Inc		R220-RAIL/LRV TRUCKS	826.83	-	-
4500027370	10/25/2019	General Signals Inc		M130-CROSSING MECHANISM	3,038.90	-	-
4500027371	10/25/2019	Siemens Mobility, Inc.		M140-WAYSIDE SIGNALS	8,158.83	-	-
4500027372	10/25/2019	SMC Electrical Products Inc		C130-CONSTRUCTION SVCS	42,569.87	-	-
4500027373	10/25/2019	West-Lite Supply Co Inc	Small Business	M180-STATION ELECTRICAL	3,248.67	-	-
4500027374	10/25/2019	R.B. Hornberger Co Inc		G130-SHOP TOOLS	2,339.51	-	-
4500027375	10/28/2019	El Dorado Coatings Inc	Small Business	R140-RAIL/LRV DOORS/RAMP	271.53	-	-
4500027376	10/28/2019	Culligan of San Diego		G140-SHOP SUPPLIES	1,577.60	-	-
4500027377	10/28/2019	Harbor Diesel & Equipment		G170-LUBRICANTS	2,477.18	-	-
4500027378	10/28/2019	Barry Sandler Enterprises		G180-JANITORIAL SUPPLIES	2,769.44	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027379	10/28/2019	Southern Counties Lubricants LLC		G170-LUBRICANTS	1,765.75	-	-
4500027380	10/28/2019	Romaine Electric Corporation	Small Business	B160-BUS ELECTRICAL	3,820.33	-	-
4500027381	10/28/2019	Romaine Electric Corporation	Small Business	B160-BUS ELECTRICAL	7,217.11	-	-
4500027382	10/28/2019	B & S Graphics Inc		B130-BUS BODY	77.58	-	-
4500027383	10/28/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	5,784.71	-	-
4500027384	10/28/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	5,879.52	-	-
4500027385	10/28/2019	Shilpark Paint Corp.		G160-PAINTS & CHEMICALS	826.57	-	-
4500027386	10/28/2019	Charter Industrial Supply Inc	Small Business	B200-BUS PWR TRAIN EQUIP	348.05	-	-
4500027387	10/28/2019	Inland Kenworth (US) Inc		B200-BUS PWR TRAIN EQUIP	338.51	-	-
4500027388	10/28/2019	Tribologik Corporation		G140-SHOP SUPPLIES	961.67	-	-
4500027389	10/28/2019	E W Truck & Equipment Co Inc		B140-BUS CHASSIS	100.21	-	-
4500027390	10/28/2019	Brian Pusey		B250-BUS REPAIR PARTS	112.50	-	-
4500027391	10/28/2019	TK Services Inc		B110-BUS HVAC SYSTEMS	2,127.24	-	-
4500027392	10/28/2019	SC Commercial, LLC		B180-BUS DIESEL	8,437.86	-	-
4500027393	10/28/2019	Gillig LLC		B140-BUS CHASSIS	1,370.37	-	-
4500027394	10/28/2019	Transit Holdings Inc		B160-BUS ELECTRICAL	57.17	-	-
4500027395	10/28/2019	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	9,709.90	-	-
4500027396	10/28/2019	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	2,607.80	-	-
4500027397	10/28/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	1,312.89	-	-
4500027398	10/28/2019	Vericom LLC		I110-INFORMATION TECH	81.89	-	-
4500027399	10/28/2019	Trentman Corporation	Small Business	P280-GENERAL SVC AGRMNTS	2,231.43	-	-
4500027400	10/28/2019	Reid and Clark Screen Arts Co		R120-RAIL/LRV CAR BODY	2,790.94	-	-
4500027401	10/28/2019	Southern Counties Oil Co, LP		G170-LUBRICANTS	3,281.96	-	-
4500027402	10/28/2019	Genuine Parts Co		B250-BUS REPAIR PARTS	244.82	-	-
4500027403	10/29/2019	Harbor Diesel & Equipment		B120-BUS MECHANICAL PARTS	459.44	-	-
4500027404	10/29/2019	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	224.05	-	-
4500027405	10/29/2019	Delphin Computer Supply	Small Business	G200-OFFICE SUPPLIES	754.25	-	-
4500027406	10/29/2019	Battery Systems Inc		B160-BUS ELECTRICAL	1,706.07	-	-
4500027407	10/29/2019	Transit Holdings Inc		B130-BUS BODY	2,470.65	-	-
4500027408	10/29/2019	Home Depot USA Inc		F170-MATL HANDLING EQUIP	32.29	-	-
4500027409	10/29/2019	Siemens Mobility, Inc.		R220-RAIL/LRV TRUCKS	4,011.54	-	-
4500027410	10/29/2019	Center City Printing	Minority Owned Business	G200-OFFICE SUPPLIES	596.40	-	-
4500027411	10/29/2019	Willy's Electronic Supply Co	Small Business	B160-BUS ELECTRICAL	273.47	-	-
4500027412	10/29/2019	Siemens Mobility, Inc.		R220-RAIL/LRV TRUCKS	1,732.08	-	-
4500027413	10/29/2019	TK Services Inc		B250-BUS REPAIR PARTS	267.25	-	-
4500027414	10/29/2019	Davey Auto Body Inc		A140-AUTO/TRUCK REPAIR	5,108.75	-	-
4500027415	10/29/2019	Genuine Parts Co		R180-RAIL/LRV LIGHTING	3,307.42	-	-
4500027416	10/29/2019	Jankovich Company		G170-LUBRICANTS	4,404.39	-	-
4500027417	10/29/2019	W.W. Grainger Inc		G140-SHOP SUPPLIES	690.06	-	-
4500027418	10/29/2019	Cummins Pacific LLC		B140-BUS CHASSIS	8,011.40	-	-
4500027419	10/29/2019	Smart Car Care Products Inc		R240-RAIL/LRV REPR PARTS	28.93	-	-
4500027420	10/29/2019	APD Incorporated		B130-BUS BODY	377.13	-	-
4500027421	10/29/2019	Dell Marketing L.P.		I110-INFORMATION TECH	44,446.88	-	-
4500027422	10/29/2019	Patco Industries Inc		M140-WAYSIDE SIGNALS	2,370.50	-	-
4500027423	10/29/2019	Home Depot USA Inc		G160-PAINTS & CHEMICALS	1,283.73	-	-
4500027424	10/29/2019	Cubic Transportation Systems		G290-FARE REVENUE EQUIP	14,804.31	-	-
4500027425	10/29/2019	Knorr Brake Company		R160-RAIL/LRV ELECTRICAL	2,120.83	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027426	10/29/2019	P & R Paper Supply Company Inc		G140-SHOP SUPPLIES	169.43	-	-
4500027427	10/29/2019	Knorr Brake Company		R160-RAIL/LRV ELECTRICAL	31,707.41	-	-
4500027429	10/29/2019	The Gordian Group, Inc.		T110-TRACK, RAIL	7,967.73	-	-
4500027430	10/29/2019	Sid Tool Co		G180-JANITORIAL SUPPLIES	326.81	-	-
4500027431	10/30/2019	Team One Repair Inc		G290-FARE REVENUE EQUIP	2,589.98	-	-
4500027432	10/30/2019	HI-TEC Enterprises	Small Business	R140-RAIL/LRV DOORS/RAMP	296.32	-	-
4500027433	10/30/2019	Mcmaster-Carr Supply Co		M110-SUB STATION	494.42	-	-
4500027434	10/30/2019	Grah Safe & Lock Inc	Small Business	R120-RAIL/LRV CAR BODY	135.77	-	-
4500027435	10/30/2019	Robcar Corporation	Woman Owned Business	G140-SHOP SUPPLIES	1,069.75	-	-
4500027436	10/30/2019	Professional Contractors Supplies		G130-SHOP TOOLS	1,572.10	-	-
4500027437	10/30/2019	HI-TEC Enterprises	Small Business	R230-RAIL/LRV MECHANICAL	620.64	-	-
4500027438	10/30/2019	Total Filtration Services Inc		F120-BUS/LRV PAINT BOOTHS	284.68	-	-
4500027439	10/30/2019	Kaman Industrial Technologies		G140-SHOP SUPPLIES	85.93	-	-
4500027440	10/30/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	524.44	-	-
4500027441	10/30/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	1,445.83	-	-
4500027442	10/30/2019	Chromate Industrial Corporation		G150-FASTENERS	542.24	-	-
4500027443	10/30/2019	Transit Holdings Inc		B130-BUS BODY	2,081.12	-	-
4500027444	10/30/2019	The Carpenter Group Inc		M120-OVRHEAD CATENARY SYS	614.18	-	-
4500027445	10/30/2019	Genuine Parts Co		G130-SHOP TOOLS	47.48	-	-
4500027446	10/30/2019	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	813.07	-	-
4500027447	10/30/2019	Mcmaster-Carr Supply Co		F110-SHOP/BLDG MACHINERY	80.74	-	-
4500027448	10/30/2019	Norman Industrial Materials		G140-SHOP SUPPLIES	213.50	-	-
4500027449	10/30/2019	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	15,164.74	-	-
4500027450	10/30/2019	American Seating Company	Small Business	B250-BUS REPAIR PARTS	280.69	-	-
4500027451	10/30/2019	Waytek Inc		B160-BUS ELECTRICAL	39.97	-	-
4500027452	10/30/2019	San Diego Compressed Air Power LLC		F180-BUILDING MATERIALS	260.45	-	-
4500027453	10/30/2019	Northwest Pump & Equipment Co		G130-SHOP TOOLS	677.77	-	-
4500027454	10/30/2019	Cummins Pacific LLC		P190-REV VEHICLE REPAIRS	270.00	-	-
4500027455	10/30/2019	Southern Counties Lubricants LLC		G170-LUBRICANTS	1,765.75	-	-
4500027456	10/30/2019	Harbor Diesel & Equipment		G170-LUBRICANTS	2,477.18	-	-
4500027457	10/30/2019	CASEI		F180-BUILDING MATERIALS	2,521.35	-	-
4500027458	10/30/2019	Sportworks Northwest Inc		B130-BUS BODY	213.35	-	-
4500027459	10/30/2019	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	1,281.66	-	-
4500027460	10/30/2019	Willy's Electronic Supply Co	Small Business	G130-SHOP TOOLS	131.10	-	-
4500027461	10/30/2019	Acuity Specialty Products Inc		G180-JANITORIAL SUPPLIES	660.07	-	-
4500027462	10/30/2019	B & S Graphics Inc		B130-BUS BODY	358.99	-	-
4500027463	10/30/2019	MCAS Miramar Vet		G120-SECURITY	74.70	-	-
4500027464	10/30/2019	Aslan Capital Inc		G180-JANITORIAL SUPPLIES	800.80	-	-
4500027465	10/30/2019	E W Truck & Equipment Co Inc		B120-BUS MECHANICAL PARTS	220.45	-	-
4500027466	10/30/2019	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	1,915.30	-	-
4500027467	10/30/2019	Wayne Harmeier Inc		B140-BUS CHASSIS	716.54	-	-
4500027468	10/30/2019	United Laboratories Inc		G180-JANITORIAL SUPPLIES	332.06	-	-
4500027469	10/30/2019	Madden Construction Inc		P280-GENERAL SVC AGRMNTS	995.20	-	-
4500027470	10/30/2019	Golden State Supply LLC		G170-LUBRICANTS	305.86	-	-
4500027471	10/30/2019	Ace Uniforms & Accessories	Small Business	G120-SECURITY	161.63	-	-
4500027472	10/30/2019	US Mobile Wireless		G120-SECURITY	916.96	-	-
4500027473	10/30/2019	Reid and Clark Screen Arts Co		G120-SECURITY	325.52	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027474	10/30/2019	San Diego County Superintendent of		P310-ADVERTISING SERVICES	300.00	-	-
4500027475	10/30/2019	BJ's Rentals	Small Business	F180-BUILDING MATERIALS	58.73	-	-
4500027476	10/30/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	2,503.66	-	-
4500027477	10/30/2019	Airgas Inc		G190-SAFETY/MED SUPPLIES	1,008.43	-	-
4500027478	10/30/2019	Louis Sardo Upholstery Inc		R200-RAIL/LRV SEATING	1,539.97	-	-
4500027479	10/31/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	7.00	-	-
4500027480	10/31/2019	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	1,415.08	-	-
4500027481	10/31/2019	Crossman Landscape & Maintenance		C130-CONSTRUCTION SVCS	2,550.00	-	-
4500027482	10/31/2019	Freeby Signs		B250-BUS REPAIR PARTS	876.10	-	-
4500027483	10/31/2019	Transit Holdings Inc		B130-BUS BODY	1,221.87	-	-
4500027484	10/31/2019	Schunk Carbon Technology LLC		R160-RAIL/LRV ELECTRICAL	22,808.52	-	-
4500027485	10/31/2019	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	2,833.85	-	-
4500027486	10/31/2019	Hoppecke Batteries		R160-RAIL/LRV ELECTRICAL	11,385.32	-	-
4500027487	10/31/2019	Cummins Pacific LLC		P190-REV VEHICLE REPAIRS	377.75	-	-
4500027488	10/31/2019	AFL Telecommunications, Inc.		M120-OVRHEAD CATENARY SYS	1,605.05	-	-
4500027489	10/31/2019	San Diego Friction Products, Inc.		B250-BUS REPAIR PARTS	28.68	-	-
4500027490	10/31/2019	W.W. Grainger Inc		B190-BUS FARE EQUIP	476.99	-	-
4500027491	10/31/2019	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	349.42	-	-
4500027492	10/31/2019	Gillig LLC		B120-BUS MECHANICAL PARTS	817.97	-	-
4500027493	10/31/2019	Mcmaster-Carr Supply Co		F110-SHOP/BLDG MACHINERY	81.13	-	-
4500027494	10/31/2019	Mission Janitorial Supplies		G180-JANITORIAL SUPPLIES	480.64	-	-
4500027495	10/31/2019	Transit Holdings Inc		B130-BUS BODY	813.36	-	-
4500027496	10/31/2019	Reid and Clark Screen Arts Co		R120-RAIL/LRV CAR BODY	2,397.40	-	-
4500027497	10/31/2019	Team One Repair Inc		G290-FARE REVENUE EQUIP	17,110.53	-	-
4500027498	11/1/2019	BJ's Rentals	Small Business	F180-BUILDING MATERIALS	927.50	-	-
4500027499	10/31/2019	Cembre Inc		G130-SHOP TOOLS	1,348.18	-	-
4500027500	10/31/2019	Newegg Business, Inc.		P540-MAINTENANCE TRAINING	1,715.73	-	-
4500027501	10/31/2019	Shilpark Paint Corp.		F180-BUILDING MATERIALS	1,704.68	-	-
4500027502	11/1/2019	Sid Tool Co		G130-SHOP TOOLS	1,094.03	-	-
4500027503	10/31/2019	Aimee Partners Inc		P260-TESTING & ANALYSIS	1,330.00	-	-
4500027504	11/1/2019	CDW LLC		I110-INFORMATION TECH	25,035.35	-	-
4500027505	11/1/2019	Frank Gigliotti		P110-BLDG MAINTENANCE	750.00	-	-
4500027506	10/31/2019	Chromate Industrial Corporation		R220-RAIL/LRV TRUCKS	1,988.00	-	-
4500027507	10/31/2019	Kenneth Place		F190-LANDSCAPING MAT'LS	297.25	-	-
4500027508	10/31/2019	BJ's Rentals	Small Business	F180-BUILDING MATERIALS	81.68	-	-
4500027509	10/31/2019	South Bay Fence Inc	Small Business	F190-LANDSCAPING MAT'LS	2,170.12	-	-
4500027510	11/1/2019	JKL Cleaning Systems		P130-EQUIP MAINT REPR SVC	68.45	-	-
4500027511	11/1/2019	Transit Holdings Inc		B140-BUS CHASSIS	705.92	-	-
4500027512	11/1/2019	Transit Holdings Inc		B110-BUS HVAC SYSTEMS	5,927.83	-	-
4500027513	11/1/2019	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	85.31	-	-
4500027514	11/1/2019	M Power Truck & Diesel Repair		P210-NON-REV VEH REPAIRS	669.49	-	-
4500027515	11/1/2019	Gillig LLC		B250-BUS REPAIR PARTS	411.69	-	-
4500027516	11/1/2019	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	212.28	-	-
4500027517	11/1/2019	Pacific Rigging Loft Inc		G140-SHOP SUPPLIES	114.00	-	-
4500027518	11/1/2019	Uline		F170-MATL HANDLING EQUIP	607.73	-	-
4500027519	11/1/2019	San Diego Plastics Inc	Small Business	R170-RAIL/LRV HVAC	2,186.96	-	-
4500027520	11/1/2019	West-Lite Supply Co Inc	Small Business	M200-YARD FACILITIES	2,750.85	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500027521	11/1/2019	Jeyco Products Inc		G130-SHOP TOOLS	285.42	-	-
4500027522	11/1/2019	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	809.97	-	-
4500027523	11/1/2019	Airgas Inc		G140-SHOP SUPPLIES	3,157.44	-	-
4500027524	11/1/2019	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	389.09	-	-
4500027525	11/1/2019	Muncie Transit Supply		B140-BUS CHASSIS	1,020.00	-	-
4500027526	11/1/2019	Southern Counties Oil Co, LP		A120-AUTO/TRUCK GASOLINE	26,245.79	-	-
4500027528	11/1/2019	Transit Holdings Inc		B130-BUS BODY	1,380.80	-	-
4500027529	11/1/2019	W.W. Grainger Inc		P280-GENERAL SVC AGRMNTS	83.54	-	-
4500027530	11/1/2019	Ferguson Enterprises		F110-SHOP/BLDG MACHINERY	347.56	-	-
4500027531	11/1/2019	Transit Holdings Inc		B250-BUS REPAIR PARTS	168.60	-	-
4500027532	11/1/2019	South Bay Fence Inc	Small Business	C120-SPECIALTY CONTRACTOR	995.00	-	-
4500027533	11/1/2019	Mark Carass		C110-GENERAL CONTRACTORS	970.00	-	-
4500027535	11/4/2019	E&E Industries	Small Business	F110-SHOP/BLDG MACHINERY	86.34	-	-
4500027536	11/4/2019	IDSC Holdings LLC		G130-SHOP TOOLS	732.69	-	-
4500027537	11/4/2019	Transit Holdings Inc		B140-BUS CHASSIS	1,609.45	-	-
4500027538	11/4/2019	Transit Holdings Inc		B130-BUS BODY	1,377.64	-	-
4500027539	11/4/2019	Transit Holdings Inc		B110-BUS HVAC SYSTEMS	90.62	-	-
4500027540	11/4/2019	Genuine Parts Co		F130-VEH HOISTS, JACKS	3,680.92	-	-
4500027541	11/4/2019	Allied Refrigeration Inc		R170-RAIL/LRV HVAC	137.38	-	-
4500027542	11/4/2019	Raphael's Party Rentals Inc		P540-MAINTENANCE TRAINING	450.87	-	-
4500027543	11/4/2019	Waxie's Enterprises Inc.		F170-MATL HANDLING EQUIP	1,853.28	-	-
4500027544	11/4/2019	Knorr Brake Co-IFE North America		G170-LUBRICANTS	3,426.45	-	-
4500027545	11/4/2019	Best Buy Stores LP		I110-INFORMATION TECH	306.92	-	-
4500027546	11/4/2019	Dell Marketing L.P.		I110-INFORMATION TECH	30,329.70	-	-
4500027547	11/4/2019	Citywide Auto Glass Inc		A140-AUTO/TRUCK REPAIR	394.54	-	-
4500027548	11/4/2019	Truman Arnold Companies		B180-BUS DIESEL	8,703.30	-	-
4500027549	11/4/2019	Truman Arnold Companies		B180-BUS DIESEL	8,151.23	-	-
4500027550	11/4/2019	Transit Holdings Inc		B130-BUS BODY	21,243.34	-	-
4500027551	11/4/2019	CH2M HILL, Inc.		T140-TRACK, TURNOUTS	8,386.00	-	-
4500027552	11/4/2019	Applied Industrial Technologies-CA		G140-SHOP SUPPLIES	184.34	-	-
4500027553	11/4/2019	Siemens Mobility, Inc.		R220-RAIL/LRV TRUCKS	28,261.69	-	-
4500027554	11/4/2019	Gillig LLC		B130-BUS BODY	283.28	-	-
4500027555	11/4/2019	Simon Wong Engineering Inc		M190-SDSU ELECTRICAL	43,473.50	-	-
4500027556	11/4/2019	Annex Automotive and		G160-PAINTS & CHEMICALS	3,281.19	-	-
4500027557	11/4/2019	Controlled Motion Solutions Inc		R220-RAIL/LRV TRUCKS	3,998.18	-	-
4500027558	11/4/2019	Knorr Brake Company		R220-RAIL/LRV TRUCKS	12,197.30	-	-
4500027559	11/4/2019	Annex Automotive and		F120-BUS/LRV PAINT BOOTHS	9,017.21	-	-