



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

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

9:00 a.m.

Meeting will be held via webinar

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. Meeting webinar/teleconference instructions can be accessed at the following link:
<https://www.sdmts.com/about-mts-meetings-and-agendas/board-meetings>

ACTION RECOMMENDED

1. Roll Call
2. Approval of Minutes - January 21, 2021 Approve
3. Public Comments - Limited to five speakers with three minutes per speaker. Others will be heard after Board Discussion items. If you have a report to present, please give your copies to the Clerk of the Board.

Please SILENCE electronics
during the meeting

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San Diego 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 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 is also the For-Hire Vehicle administrator for nine cities.

CONSENT ITEMS

6. [Mid-Coast Corridor Transit Project – Projected Staffing](#) Approve
Action would approve an additional 15 Security and Information Technology (IT) positions to support the Mid-Coast Corridor Trolley (Mid-Coast) extension.
7. [Appointments of Primary Member And Alternate To San Diego And Arizona Eastern Railway Company \(SD&AE\) Board Of Directors](#) Approve
Action appoint Wayne Terry as the primary SD&AE Board member and Sharon Cooney as Mr. Terry's alternate on the SD&AE Board.
8. [Zero-Emission Bus \(ZEB\) Procurement Project: 60-Foot Low-Floor Electric Buses – Issuance of Purchase Order to New Flyer of America, Inc. \(New Flyer\)](#) Approve
Action would authorize the Chief Executive Officer (CEO) to issue a Purchase Order to New Flyer for the purchase of twelve (12) 60-foot low-floor electric battery-powered buses in the amount of \$18,558,245.40.
9. [On-Call Construction Management and Engineering/Inspection Services – Assignment Increase](#) Approve
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 2 to MTS Doc. No. G2023.0-17 with the San Diego Association of Governments (SANDAG) in the amount of \$1,000,000. The new total value of the contract shall not exceed \$5,000,000.
10. [Printed Circuit Boards \(PCBs\) and Electronic Components – Contract Amendments](#) Approve
Action would: 1) Ratify Amendment No. 1 to MTS Doc. No. L1476.0-19 with Siemens Mobility Inc., in the amount of \$90,000; and 2) Authorize the Chief Executive Officer (CEO) to approve Amendment No. 2 to MTS Doc. No. L1476.0-19 with Siemens Mobility Inc., for PCBs and Electronic Components, for a total of \$350,000.
11. [Provision of Hewlett Packard Enterprise \(HPE\) Nimble HF20 Array Equipment and Support to Replace Regional Transit Management System \(RTMS\) 3PAR Storage Array \(3PAR\) – Purchase Order](#) Approve
Action would authorize the Chief Executive Officer (CEO) to execute a Purchase Order to Nth Generation Computing Inc. for the provision of HPE Nimble HF20 Array equipment and support to replace the RTMS 3PAR in the amount of \$106,834.56.
12. [On-Call Electrical Repair Services – Contract Amendment](#) Approve
Action would: 1) Ratify MTS Doc No. PWG253.0-18 (Attachment A) with ACM Lighting Services (ACM), a Disadvantaged Business Enterprise (DBE), for on-call electrical repair services for a period of one base year and two optional one-year extensions in the amount of \$22,130.00 for the base year only; 2) Ratify Amendment No. 1-3 to MTS Doc No. PWG253.0-18 (Attachment B-D) with ACM to add additional funds for on-call electrical repair services in the amount of \$75,743.20; and 3) Authorize the Chief Executive Officer (CEO) to execute Amendment No. 4 to MTS Doc No. PWG253.0-18 (in substantially the same format as Attachment E), with ACM to add locations and funds for on-call electrical repair services in the amount of \$25,568.00, for a new contract total of \$123,441.20.

- | | | |
|-----|--|---------------|
| 13. | <u>Design Services for the Fashion Valley Elevator Project – Work Order Amendment</u>
Action would: 1) Ratify Work Order Amendment Nos. 1-4 under MTS Doc No. G1949.0-17 with Jacobs Engineering Group, Inc. (Jacobs) totaling \$99,945.60, for additional design services; and 2) Authorize the Chief Executive Officer (CEO) to execute Work Order Amendment No. 5 WOA1949-AE-15.05 under MTS Doc. No. G1949.0-17 with Jacobs in the amount of \$20,068.12 for additional Design Support During Construction (DSDC) services for the Project. | Approve |
| 14. | <u>America Plaza Pedestrian Enhancements Project – Award Work Order Contract</u>
Action would authorize the Chief Executive Officer (CEO) to execute Work Order WOA1951-AE-63 to MTS Doc. No. G1951.0-17 with Mott MacDonald in the amount of \$749,706.49 for design services for the America Plaza Pedestrian Enhancements Project | Approve |
| 15. | <u>Investment Report – Quarter Ending December 31, 2020</u> | Informational |

CLOSED SESSION

24. None.

NOTICED PUBLIC HEARINGS

- | | | |
|-----|--|---------|
| 25. | <u>Temporary COVID-19 Service Adjustments Public Hearing (Denis Desmond)</u>
Action would: 1) Receive a Title VI Service Equity Report on major service changes related to COVID-19; 2) Receive public testimony; 3) Approve the extension of temporary service reductions beyond 12 months and until it is determined feasible and reasonable by staff to restore services; and 4) Waive the requirement for a major service change process to restore services when feasible. | Approve |
|-----|--|---------|

DISCUSSION ITEMS

- | | | |
|-----|---|---------------|
| 30. | <u>San Diego Transit Corporation (SDTC) Pension Investment Status (Jeremy Miller, Representative with RVK Inc. and Larry Marinesi)</u> | Informational |
| 31. | <u>San Diego Transit Corporation (SDTC) Employee Retirement Plan's Actuarial Valuation as of July 1, 2020 (Anne Harper and Alice Alsberghe with Cheiron Inc. and Larry Marinesi)</u>
Action would receive the SDTC Employee Retirement Plan's (Plan) actuarial valuation as of July 1, 2020, and adopt the pension contribution amount of \$17,585,592 for fiscal year 2022. | Adopt |
| 32. | <u>Excess Liability and Workers' Compensation Insurance Renewals (Brian White and Dennis Mulqueeney with Alliant Insurance Services, Inc. and Karen Landers)</u>
Action would: 1) Authorize the Chief Executive Officer (CEO) to purchase an Excess Liability Program, effective March 1, 2021, that results in the lowest Total Cost of Risk based on final quotes received for a \$3M, \$4M, or \$5M Self Insured Retention (SIR) structure and a limit of \$75M for rail operations and | Approve |

\$50M for non-rail operations (final negotiated cost to be determined) (See Discussion); 2) Approve the increase of the MTS Liability Reserve by up to \$3 million in FY 2021 (from the existing \$2M reserve to up to \$5M) funded with Transportation Development Act (TDA) funds to align total reserves with new insurance SIR structure; and 3) Approve the second year of MTS's two-year Excess Workers' Compensation insurance, effective March 1, 2021 for a premium of \$214,531.

REPORT ITEMS

- | | | |
|-----|--|---------------|
| 45. | <u>American Public Transportation Association (APTA) Security Peer Review Report (Sharon Cooney)</u> | Informational |
| 46. | <u>Free Transfers Consideration (Rob Schupp)</u> | Informational |
| 47. | <u>Operations Budget Status Report for December 2020 (Gordon Meyer)</u> | Informational |

OTHER ITEMS

- | | | |
|-----|---|---------------|
| 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> March 11, 2021. | |
| 65. | <u>Adjournment</u> | |

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

MINUTES

January 21, 2021

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. Note that the meeting was conducted via webinar to comply with public health orders].

1. Roll Call

Chair Fletcher 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

Chair Fletcher moved to approve the minutes of the December 10, 2020, MTS Board of Directors meeting. Board Member Sandke seconded the motion, and the vote was 11 to 0 in favor with Board Member Gastil, Board Member Salas, Vice Chair Sotelo-Solis and Board Member Weber absent.

3. Public Comment

There were no Public Comments.

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

Board Member Montgomery Steppe requested Board Member Elo-Rivera be added to the Public Security Committee.

Chair Fletcher made a motion to approve the recommended slate of appointments, including the addition of Board Member Elo-Rivera to the Public Security Committee.

Action on Recommended Consent Items

Chair Fletcher moved to elect Alejandra Sotelo-Solis as Vice Chair and Mary Salas as Chair Pro Tem for 2021; and to approve the nominating slate proposed by the Ad Hoc Nominating Committee for the appointment of representatives to MTS Committees for 2021, with the addition of Sean Elo-Rivera to the Public Security Committee. Board Member Aguirre seconded the motion, and the vote was 13 to 0 in favor with Board Member Gastil and Board Member Weber absent.

CONSENT ITEMS

6. Application Xtender (AX) and Kofax Software Maintenance & Professional Service Support – Purchase Order

Action would: 1) Ratify previous Purchase Order (PO) 4500023458 award of \$94,928.89 with Wave TSG, LLC, a Small Business (SB), previously issued under Chief Executive Officer (CEO) authority; and 2) Authorize the CEO to execute an amendment to the PO with Wave TSG, LLC, a SB, to increase capacity by \$15,180.00 for a revised total PO value of \$110,108.89 for three (3) years.

7. Fare Media Retail Network – Contract Amendment
Action would authorize the Chief Executive Officer (CEO) to execute Amendment 1 to MTS Doc No. G2287.0-19, with Ready Credit Corporation (RCC), for the provision of retail-packaged fare media, at a not to exceed amount of \$537,476.25.
8. On-Call Homeless Encampment Cleanup Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. PWG327.0-21, with Urban Corps of San Diego County (Urban Corps), for on-call homeless encampment cleanup services for a five-year period in the amount of \$337,906.80.
9. Systems, Applications, and Products (SAP) Qualtrics Survey & Data Collection Software and Cloud Services – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. No. G2445.0-21, with Carahsoft Technology Corp., for the procurement of SAP Qualtrics Cloud Services for three (3) years in the amount of \$174,989.47.
10. Supply of Oils and Lubricants – Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute the following contracts, effective February 1, 2021 for five (5) years, totaling \$1,075,661.88: 1) MTS Doc. No. B0724.0-21, with AAA Oil, Inc., dba California Fuels and Lubricants, a Minority Owned Business Enterprise (MBE), for a total of \$512,909.78; 2) MTS Doc. No. B0725.0-21, with SC Commercial, LLC, dba SC Fuels, for a total of \$252,398.16; and 3) MTS Doc. No. G2449.0-21, with Jamison Professional Services dba Jamison Transportation Products, a Disadvantaged Business Enterprise (DBE), for a total of \$310,353.94.
11. ADA Paratransit Client Certification Services – Contract Amendment
Action would: 1) Ratify Amendment Nos. 1-3 with Medical Transportation Management (MTM), a Women Owned Business Enterprise (WBE), in the total amount of \$1,116,096.40; and 2) Approve Amendment No. 4 to MTS Doc. No. G1901.0-16 to authorize the Chief Executive Officer (CEO) to extend the contract for one (1) year with MTM for ADA Paratransit Client Certification Services, for a total of \$485,916.00.
12. Cradlepoint NetCloud Mobile Advanced Plan with Threat Management Services - Contract Award
Action would authorize the Chief Executive Officer (CEO) to execute MTS Doc. G2450.0-21, with AT&T Corporation, for NetCloud Mobile Advanced Services for five (5) years in the amount of \$330,000.00.
13. Mission Valley West Signal Upgrade – Construction Change Orders (CCO) Under a Job Order Contract (JOC) Work Order
Action would: 1) Ratify CCO MTSJOC7506-05.03 under MTS Doc No. PWL235.0-17, with HMS Constructions, Inc. (HMS), totaling \$91,595.59, for repair of the damaged fiber cable and the signal wirings in various signal cases; and 2) Authorize the Chief Executive Officer (CEO) to execute CCO MTSJOC7506-05.04 under MTS Doc No. PWL235.0-17, with HMS, in the amount of \$55,826.85 for additional signal engineer time to troubleshoot various vital and non-vital signaling issues to complete this project.
14. Semiannual Uniform Report of Disadvantaged Business Enterprise (DBE) Awards and Payments

15. San Diego Gas & Electric (SDG&E) License Agreement – Fez Street Traction Power Substation
Action would authorize the Chief Executive Officer (CEO) to execute a license agreement with SDG&E allowing for the construction, maintenance, and operation of a traction powered substation (TPSS) serving the Mid-Coast Light Rail Project.
16. Security Services – Contract Extension
Action would authorize the Chief Executive Officer (CEO) to execute Amendment No. 7 to MTS Doc. No. G1828.0-15, with Allied Universal dba Transit Systems Security, with Allied Universal dba Transit Systems Security, extending the contract to December 31, 2021, in the amount of \$5,332,564.00 for the provision of security services.

BOARD MEMBER COMMENTS

Board Member Montgomery Steppe requested item 16 be pulled for further clarification.

Action on Recommended Consent Items, Excluding Consent Item No. 16

Chair Fletcher moved to approve Consent Agenda Item Nos. 6 to 15. Vice Chair Sotelo-Solis seconded the motion, and the vote was 13 to 0 in favor with Board Member Gastil and Board Member Weber absent.

COMMENTS – CONSENT ITEM 16

Sharon Cooney, MTS Chief Executive Officer, clarified this item would allow a six-month extension to the existing Security contract. She explained the postponement would give the new Director of Transit Security & Passenger Safety, Al Stiehler, an opportunity to be included in the selection process. The extension would also allow MTS staff to visit the sites where the bidders had existing contracts with other agencies. Unfortunately, with the rise in cases of COVID-19, the field assessment was postponed to ensure the safety of MTS staff. Ms. Cooney noted that the site visits remain a desirable aspect of the selection process to ensure a competitive award.

PUBLIC COMMENTS – CONSENT ITEM 16

David Roger – an active rider provided a verbal comment to the Board during the meeting. Roger expressed concerns with the parameters of armed enforcement when checking fare, but not enforcing riders to wear masks on transit.

BOARD COMMENTS – CONSENT ITEM 16

Board Member Montgomery Steppe asked where staff would be conducting site visits and what the timeline would be for the visits. She was concerned the inability to assess the sites due to travel restrictions would cause another extension to the existing contract.

Sam Elmer, MTS Manager of Procurement, clarified two of the administrative offices were local, one was in San Diego County and another in Los Angeles County. Staff expected to propose a new contract to the Board in June or July of 2021 for the approval of a new contract. This would allow an adequate transition period for both the contractor and staff.

Board Member Montgomery Steppe was satisfied with the response and asked staff to update the Public Security Committee of this progress.

Board Member Sandke responded to the public comment for consent item 16. He cited the weekly reports the Board receives as evidence of the wide array of transit activity that varies

from infractions to felonies. He explained that security presence on transit is important and extends beyond fare enforcement.

Action on Consent Item Number 16

Board Member Montgomery Steppe moved to approve Consent Agenda Item No. 16. Board Member Sandke seconded the motion, and the vote was 15 to 0 in favor.

NOTICED PUBLIC HEARINGS (ITEM TAKEN PRIOR TO CLOSED SESSION)

25. None.

DISCUSSION ITEMS (ITEM TAKEN PRIOR TO CLOSED SESSION)

30. None.

REPORT ITEMS (ITEMS TAKEN PRIOR TO CLOSED SESSION)

45. PRONTO Fare Collection System Implementation and Fare Study Update (Israel Maldonado and Rob Schupp)

Rob Schupp, MTS Director of Marketing and Communication, and Israel Maldonado, MTS Fare Systems Administrator, presented on the PRONTO fare collection system implementation and fare study update. They discussed the differences between the Compass and PRONTO systems, PRONTO features, rider benefits, an explanation of how the name and color were chosen, transition process, next steps and phasing, project costs, capital cost, operating cost, regional fare ordinance, fare adjustment scenarios, fare model projections, and fare study outreach.

Chair Fletcher explained the history of PRONTO and noted there was much excitement for the project, especially the new fare capping system. Chair Fletcher clarified that today's presentation is for informational purposes and feedback. He noted SANDAG has the statutory authority to make regional fare changes. Chair Fletcher clarified that the SANDAG's Board will not endorse a decision without considering advisory recommendations by the MTS Board. Chair Fletcher clarified that while fare capping is a benefit to all riders, it would bring a decrease in revenue. The Board will need to weigh budgetary tradeoffs, especially as it considers youth and senior fare reductions.

Ms. Cooney added that the agency is in the process of public outreach efforts to receive input from the community about proposed fare changes. The agency is aware of the expense, but fare capping will benefit frequent and low-income riders. While there are costs associated to fare capping, staff believes there are solutions to balancing the budget that the community will support. Ms. Cooney highlighted the benefits of community input as another resource for innovative ideas. Once the agency has captured the community's narrative, staff will return with a final recommendation. She also acknowledged the possibility of an incremental fare change over a period of time.

PUBLIC COMMENTS

Carolina Martinez – with Environmental Health Coalition provided a verbal comment to the Board during the meeting. Martinez expressed excitement for the launch of the new fare system however, was concerned about increases to fares during the pandemic. The rise in fares may deter riders from using public transportation. Martinez supported scenario 3 while understanding

the expenses of the new system implementation and was in support of a phased fare increase over time. Martinez noted that the delay would not only benefit riders but also allow the agency to see what revenue would look like once the economy stabilized. Martinez asked the Board to halt fare increases at the moment, as doing so would impact many communities in the region.

BOARD COMMENTS

Vice Chair Sotelo-Solis asked if costs could be offset with Coronavirus Aid, Relief, and Economic Security (CARES) Act funding in tandem with reduced fares. She asked staff if this option was viable.

Ms. Cooney noted the subsequent agenda item would address the agencies' subsidy revenue as well as CARES Act funding. Staff would be analyzing the cost benefit with promotional fares, especially as the pandemic subsidies and the agency promotes ridership. She noted this suggestion can be considered, and the Budget Development Committee will meet in the spring to discuss these matters. She reminded the Board that the agency has only received one allocation of federal aid during the pandemic.

Vice Chair Sotelo-Solis noted it was important to know the CARES Act funding could be an option used to offset costs. She also asked if the scenarios could show the greenhouse gas (GHG) emissions impacts.

Ms. Cooney clarified ridership impacts determined GHG levels and are thus correlated.

Vice Chair Sotelo-Solis cited Title VI of the Civil Rights Act and asked if this analysis was done for the fare increase. She asked if the fare model projections were part of the social equity analysis.

Mr. Maldonado clarified that a social equity analysis was created by the SANDAG consultant. He offered to have the consultant share the specifics of the analysis with the Board.

Chair Fletcher acknowledged the agency had a variety of options to consider while being cautious of the budgetary restraints and offsets. He acknowledged the CARES Act funding was used to stabilize the workforce and refrain from having layoffs or operational cuts in the agency, all while balancing the significant lowered ridership revenue stream due to COVID-19.

Board Member Galvez asked what the initial PRONTO card purchase would be and if there was flexibility to provide free cards.

Mr. Schupp replied that during the transition, the agency would distribute PRONTO cards at no cost and that once the program was active, the cards would retail at \$2.00.

Board Member Moreno commended the agency for the platform changes. She invited the community to engage in public comment on the matter. She referenced a letter she received from Circulate San Diego that suggests the agency offer free transfers on the system and supports their recommendation. She asked staff if the agency would consider implementing the change.

Ms. Cooney briefly discussed challenges and the history of free transfers.

Board Member Moreno explained that the change in policy could encourage choice ridership. She encouraged staff and the Board to provide free transfers within the system.

Chair Fletcher asked staff to present a report to the Board with a historical synopsis, along with the operational budgetary impacts of free transfers.

Board Member Elo-Rivera noted he liked the PRONTO system as it allows riders to pay as they go, especially if riders do not have enough money at the beginning of the month to pay for the monthly pass. He asked how the agency ensured impacted communities would participate in community engagement efforts and what languages beyond English and Spanish advertisements were promoted.

Mr. Schupp explained the agency advertised the meetings onboard the vehicles, as well as print and digital distribution and advertisement mediums. He also noted the information was distributed to community partners for promotion. Advertisements were conducted primarily in English and Spanish, with some Asian language printed advertisements and translation available in any language, upon request.

Board Member Elo-Rivera extended his office as an additional community engagement resource.

Board Member Sandke expressed concerns with making budgetary decisions using one-time funds as there could be long-term impacts. He recalled several scenarios when the last fare changes were made and that the revenue projections resulted in a ridership decrease. He was interested in scenarios where changes would build ridership, like scenario 1 and 2. He acknowledged that the ridership revenue the agency relies on would eventually need to be balanced through other modes in order to keep fares competitive and at a low cost.

Board Member Salas supported Board Member Moreno about revisiting free transfers on the system. She encouraged the Board to reassess and refer to other agencies as case studies for possible implementation to the system.

Board Member Montgomery Steppe agreed with revisiting free transfers in the system and is strongly against fare increases, especially during the current pandemic. She also asked about the Title VI Report. She noted the analysis and methodology of the report was dated and unhelpful, and asked for additional follow up on the report.

Board Member Aguirre expressed concern for possible fare increases and is in support of scenario 3. She looks forward to furthering her decision based on the Title VI Report to determine what the social impact may be. She is also excited to see the new fare collection system use fare capping.

Board Member Whitburn asked for additional information at a future time or meeting related to other transit systems incorporating a low-income fare-based system and whether MTS could implement something similar.

Action Taken

No action taken. Informational item only.

46. Subsidy Revenue Overview (Mike Thompson)

Mike Thompson, MTS Director of Financial Planning and Analysis, presented on the agency's subsidy revenue overview including: MTS subsidy revenues, local sales tax revenues, Federal Transit Administration (FTA) recurring funds, FTA non-recurring funds; other federal non-

recurring funds; other subsidy revenues; other recurring subsidy revenues; other competitive programs, competitive grant program results, and subsidy funding summary by year.

Chair Fletcher noted the agency has experienced deficits due to COVID-19. He acknowledged a substantial decline in ridership, but nonetheless, MTS has maintained consistency in service levels and employment because of the CARES Act funding. Chair Fletcher acknowledged the agency does not know when the situation will stabilize; however, the agency is still undergoing a structural deficit.

Board Member Moreno acknowledged President Biden's plan to allocate transportation funding in the upcoming stimulus funding proposal. She asked if MTS would allocate this funding similarly to the CARES Act. Board Member Moreno also asked if the agency had lobbyists that could advocate for the funds and if they had provided information about the package.

Mr. Thompson explained that details of the package have not yet been released. He clarified the agency does have state and federal lobbyists and have not received additional details about the package. Mr. Thompson continued that the agency is also part of the American Public Transportation Association which is actively advocating for additional funding.

Board Member Sandke asked about the grant results and how MTS compared to other agencies. He asked about the internal processes that would allow MTS to increase the number of grant projects awarded.

Mr. Thompson clarified the agency applies for any grant that a project could qualify for. He explained the collaboration the agency does with lobbyists and representatives in order to understand what the focus is for the fiscal year.

Board Member Sandke asked if the agency was in contact with cities such as Seattle and San Francisco that received federal and state funding for their waterway transportation system.

Mr. Thompson confirmed that the agency would look into this to pursue potential waterway transportation funding.

Action Taken

No action taken. Informational item only.

47. MTS Safety Performance Annual Review (David Bagley and Jared Garcia)

David Bagley, MTS Rail Safety System Manager, and Jared Garcia, MTS Bus Manager of Safety, provided a presentation on the annual MTS safety performance. They covered topics on State Safety Oversight (SSO), Public Transportation Agency Safety Plan (PTASP), Public Transportation Safety Certification Training Program (PTSCTP), rail accidents, rail incident history, state wide rail accidents, safety performance measures, emergency response training, Mid-Coast project organization construction phase, Mid-Coast corridor activities, 2020 internal safety & security audit, California Public Utilities Commission (CPUC) state safety oversight activities, FTA COVID-19 recovery listening session, bus target performance, bus safety events, bus preventable accident trend, and performance target coordination.

Action Taken

No action taken. Informational item only.

48. Operations Budget Status Report for November 2020 (Gordon Meyer)

Gordon Meyer, MTS Operating Budget Supervisor, presented on the operations budget status report for November 2020. He discussed topics on consolidated MTS operations, FTA CARES Act funding, total operating revenues, total operating expenses, and total operating activities.

Action Taken

No action taken. Informational item only.

OTHER ITEMS (ITEMS TAKEN PRIOR TO CLOSED SESSION)

60. Chair Report

Chair Fletcher invited Board Members and the public to view the State of MTS inaugural address, which will highlight topics such as zero emission buses, homeless outreach program, public safety reform efforts and other topics.

61. Chief Executive Officer's Report

Ms. Cooney welcomed incoming Board Members and expressed excitement on behalf of MTS staff to work with the Board. She also noted MTS is engaged with County officials regarding vaccine Super Stations and how MTS could help manage traffic and support people getting to their vaccine appointments by providing free rides for those individuals with vaccine appointments.

62. Board Member Communications

There were no Board Member communications.

63. Additional Public Comments on Items Not on the Agenda

David Roger – initially noted his interest in providing a public comment, but experienced technical difficulties and did not provide comment.

64. Next Meeting Date

The next regularly scheduled Board meeting is February 11, 2021.

CLOSED SESSION (ITEMS TAKEN OUT OF ORDER)

24. Closed Session Items

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

a. CLOSED SESSION – CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to California Government Code Section 54957.6

Agency: San Diego Transit Corporation ("SDTC")

Employee Organization: International Brotherhood of Electrical Workers, Local 465
(Representing SDTC Mechanics and Servicers)

Agency-Designated Representative: Jeffrey M. Stumbo, Chief Human Resources Officer
(EEO Officer)

The Board reconvened to Open Session at 11:14 a.m.

Oral Report of Final Actions Taken in Closed Session

Karen Landers, General Counsel, reported the following:

- a. The Board approved a tentative agreement with the IBEW 465 representing SDTC Mechanics and Servicers with 13 members in favor and Board Member Goble and Board Member Salas absent.

65. Adjournment

The meeting was adjourned at 11:16 am.

/S/ Nathan Fletcher

Chairperson

San Diego Metropolitan Transit System

Filed by:

Approved as to form:

/S/ Dalia Gonzalez

Clerk of the Board

San Diego Metropolitan Transit System

/S/ Karen Landers

General Counsel

San Diego Metropolitan Transit System

Attachment: Roll Call Sheet

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BOARD OF DIRECTORS
ROLL CALL

MEETING OF (DATE):	January 21, 2021	CALL TO ORDER (TIME):	9:00am
RECESS:		RECONVENE:	
CLOSED SESSION:	10:58 am	RECONVENE:	11:14 am
PUBLIC HEARING:		RECONVENE:	
ORDINANCES ADOPTED:		ADJOURN:	11:16 am

BOARD MEMBER		(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
AGUIRRE	<input checked="" type="checkbox"/>	(Leyba-Gonzalez) <input type="checkbox"/>	9:00 am	11:14am
ELO-RIVERA	<input checked="" type="checkbox"/>	(LaCava) <input type="checkbox"/>	9:00 am	11:14am
FLETCHER	<input checked="" type="checkbox"/>	(Vargas) <input type="checkbox"/>	9:00 am	11:14am
FRANK	<input checked="" type="checkbox"/>	(Mullin) <input type="checkbox"/>	9:00 am	11:14am
GALVEZ	<input checked="" type="checkbox"/>	(Cardenas) <input type="checkbox"/>	9:01 am	11:14am
GASTIL	<input checked="" type="checkbox"/>	(Mendoza) <input type="checkbox"/>	9:07 am	11:14am
GLORIA	<input type="checkbox"/>	(Whitburn) <input checked="" type="checkbox"/>	9:07 am	11:14am
GOBLE	<input checked="" type="checkbox"/>	(Ortiz) <input type="checkbox"/>	9:01 am	10:58 am
HALL	<input checked="" type="checkbox"/>	(McNelis) <input type="checkbox"/>	9:00 am	11:14am
MONTGOMERY	<input checked="" type="checkbox"/>	(Von Wilpert) <input type="checkbox"/>	9:00 am	11:14am
MORENO	<input checked="" type="checkbox"/>	(Campillo) <input type="checkbox"/>	9:01 am	11:14am
SALAS	<input checked="" type="checkbox"/>	(Cardenas) <input type="checkbox"/>	9:02 am	10:58 am
SANDKE	<input checked="" type="checkbox"/>	(Bailey) <input type="checkbox"/>	9:00 am	11:14am
SOTELO-SOLIS	<input checked="" type="checkbox"/>	(Bush) <input type="checkbox"/>	9:04 am	11:14am
WEBER	<input checked="" type="checkbox"/>	(Arapostathis) <input type="checkbox"/>	9:07 am	11:14am

SIGNED BY THE CLERK OF THE BOARD: /S/ Dalia Gonzalez

CONFIRMED BY THE GENERAL COUNSEL: /S/ Karen Landers

Public Comment - Agenda Item No. 3

10 February 2021

To Directors of the Metropolitan Transit System:

This communication has been many years in development. Now the time has come to take action on the issue of restoring the Desert Line of the San Diego and Arizona Eastern Railway and break the monopoly of the Burlington Northern / Santa Fe Railway on our region, while getting a significant amount of trucking away from the border region.

From 2000 to 2007 a group, that I am affiliated with, operated the Desert Line and the connecting rail line between Tijuana and Tecate, Baja California Mexico successfully. We opened the collapsed tunnels in Tijuana, Tecate and the Carrizo Gorge. We had Union Pacific locomotives operating on the rail line and even demonstrated that the largest rail cars and car carriers on the Union Pacific system could readily pass through all the tunnels.

We lost control of the rail system by allowing a Las Vegas group to become involved with their schemes, as well as the routine rotation of Baja California governors placing their pawns to control the assignment of the Mexican portion of the line issued in 2000 from the Secretary of Transportation and Communication, out of Mexico City.

Throughout this process, in the background BNSF has been watching and had a “consultant” involved to keep track of the situation. MTS, of course has ownership of the line and has had 5 or so railroad companies involved with running the line on the US side. The Mexican side has gone through several permutations also.

When I was a MTDB Director, Juan Vargas, then a San Diego City Councilman, and I saw the value of restoring the railroad. Then Congressman Filner even got an appropriation to do so and those funds were squandered on the San Ysidro yard and who know where else, but none on the Desert Line.

The present contractor on the Desert Line does not appear to have fulfilled the obligations of the contract. You may be aware of this through special sessions on the issue. Legal staff is hesitant to discuss this issue due to the litigious nature of the party involved.

My understanding, based upon my monitoring the situation with contacts in Mexico, is that the \$1,000,000 per year payment under the contract is two years in arrears. Contract-obligated improvements to the tunnels and trestles on the Desert Line are but smoke and mirrors.

The same contractor of the Desert Line operates the Tijuana-Tecate portion of the rail line and is in litigation over many hundreds of thousands of dollars of rental fees for locomotives rented and only recently returned to the owner in Ohio. These rented locomotives were replaced by 1977-vintage locomotives with known defects and these have not been performing well in keeping the Mexico delivery of cargo professional. Many customers are now off-loading their cargos in the San Diego region and trucking them across the border due to this poor management, as well as poor administration by the various Baja California state administrators.

Public Comment - Agenda Item No. 3

The action requested by this communication is to allow my organization to acquire the Desert Line and remove it from MTS interference. We have a separate railroad and associated business developing in the region and will have significant cargo to justify opening and re-connecting this legacy of John. D. Spreckels.

MTS is not in the freight business and this rail line has been handled poorly over the past 40 years. To allow the rail line to languish this long is malfeasance. The opening of the line by a properly-funded operation can restore a significant economic stimulate to the region, offer an alternative for the movement of goods into San Diego and Tijuana and be part of a Climate Action Plan for the County and municipalities in the region by taking a significant amount of diesel trucking off the highway and idling at the border.

Please give this issue your attention and move it forward. It will cost MTS nothing and it will open up a major economic stimulus in the region, both in the southwestern US and northwestern Mexico.

A handwritten signature in black ink, reading "R. Mitchel Beauchamp". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

R. Mitchel Beauchamp, M. Sc.

Post Office Box 985

National City CA 91951

Public Comment - Agenda Item No. 3

Dalia Gonzalez

From: Kamran Hamidi <khsd6920@gmail.com>
Sent: Wednesday, February 10, 2021 3:51 PM
To: Dalia Gonzalez
Cc: Samantha Leslie; Karen Landers; Sharon Cooney; juliog@sandiego.gov
Subject: MTS 2/11 Public Comment RE: Policy 34.2.2 Taxi Tablets preventing COVID
Attachments: policy.34.for-hire_vehicle_services_0.pdf

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Dalia,

Please include the following non-agenda public comment for the February 11, 2021 MTS Board meeting, regarding updating MTS Policy 34.2.2 to encourage the use of tablets in more taxis to prevent the spread of COVID:

Dear MTS Board,

Thank you for helping to keep taxi passengers and taxi drivers in San Diego safe during the pandemic.

MTS can help prevent the spread of coronavirus in taxis and a potential COVID outbreak in taxis if Policy 34.2.2 is updated at your next MTS Board meeting. Policy 34.2.2 currently allows an additional 6% charge for taxicabs that have tablets electronically connected to the taximeter for credit card payments.

Broadening the additional 6% for everybody who installs a tablet in their taxi, rather than only those with tablets electronically connected to the meter, can help encourage sanitary practices and prevent the spread of COVID. This is because having a dedicated tablet for credit card transactions is a lot more sanitary than the current unsafe credit card processing practice of passengers touching a taxi driver's personal cell phone which is breathed upon and put close to the driver's face.

When we go to the grocery store we have a dedicated device for credit card transactions, the grocery cashier does not hand us their personal cell phone to process credit card transactions. Taxis should be encouraged to do the same and have dedicated tablets in more taxis for signing and adding a tip.

The request to update Policy 34.2.2 to make the 6% incentive available to all taxis which dedicate any tablet for credit cards, regardless of whether the tablet is electronically connected to the meter, was made at the Taxi Advisory Committee chaired by Boardmember Elo-Rivera.

Please make a simple update to Council Policy 34.2.2 to encourage more taxis to modernize and sanitize as soon as possible.

Lives are saved by your efforts to help prevent the spread of COVID.

Thank you,

Kamran Hamidi



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

Policies and Procedures

No. 34

Board Approval: 12/12/2019

SUBJECT:

FOR-HIRE VEHICLE SERVICES

PURPOSE:

To establish a policy with guidelines and procedures for the implementation of MTS Ordinance No. 11.

BACKGROUND:

Regulation of for-hire vehicle service is in the interest of providing the citizens and visitors to the MTS region and particularly the Cities of Chula Vista, El Cajon, Imperial Beach, La Mesa, Lemon Grove, National City, Poway, San Diego, and Santee, with a good quality local transportation service. Toward this end, MTS finds it desirable to regulate the issuance of taxicab permits, to establish maximum rates of fare, and to provide for annual review of cost-recovery regulatory fees.

POLICY:

34.1 City of San Diego Entry Policy

New City of San Diego taxicab permits will be issued in accordance with San Diego City Council Policy No. 500-02, "Taxicab Permits".

34.2 Maximum Rates of Fare Policy

Maximum rate of fare for exclusive ride and group ride hire of taxicabs shall be made in accordance with the change in the Annual All Urban Western Transportation Consumer Price Index (CPI)/San Diego. The fare structure shall consist of the dollar amounts charged by permit holders for the flag drop, the per-mile charge, waiting-time charge, first zone, and each additional zone charge. The maximum rates of fare shall be computed annually by the Chief Executive Officer and presented at a noticed public hearing of the Taxicab Advisory Committee.



Public Comment - Agenda Item No. 3

34.2.1 Maximum Rates of Fare Determination

Unless Section 34.2.2 applies, the maximum fare determination shall be adjusted annually based on the 1990 Western transportation CPI/San Diego amounts of \$1.40 flag drop, \$1.50 per mile, and \$12.00 per hour waiting. Adjustments shall be rounded up or down, as appropriate, to the nearest even \$0.10 increment.

34.2.2 Maximum Rates of Fare Determination Only for Taxicabs Equipped with Point Of Sale Devices Electronically Connected to the Taximeter and Equipped with Printed or Electronically Conveyed Receipt Capability

Taxicabs equipped with point of sale devices electronically connected to the taximeter and capable of printing or electronically conveying receipts may charge the an increase of 6% more than the Maximum Rates of Fare for Taxicabs without such devices, as determined pursuant to Section 34.2.1. Adjustments shall be rounded up or down, as appropriate, to the nearest \$0.10 increment.

34.3 Airport Taxicab Fare Policy

In addition to the applicable maximum rate of fare described in Section 34.2.1, a taxicab operator may charge an “extra” equal to the Airport Trip Fee assessed against the individual taxicab operator by the San Diego County Regional Airport Authority. The extra may not be charged on any trip that does not originate at the airport or on any trip where the taxicab operator does not pay the fee to the San Diego County Regional Airport Authority. The extra charge may only be charged to the customer by utilizing the extra button on the taxicab meter. A driver may not verbally request payment.

34.4 Regulatory Fee Review

The following procedures will be utilized for the establishment of for-hire vehicle regulatory fees.

34.4.1 In accordance with State of California Public Utilities Code Section 120266, MTS shall fully recover the cost of regulating the taxicab and other for-hire vehicle industry. Pursuant to MTS Ordinance No. 11, Sections 1.3(b), 1.4(a), 1.4((c), and 1.5(d), the Chief Executive Officer establishes a fee schedule to effect full-cost recovery and notify affected permit holders of changes in the fee schedule.

34.4.2 The procedure for establishing a regulatory fee schedule will include an annual review of the audited expenses and revenue of the previous fiscal year associated with MTS for-hire vehicle activities. The revised fee schedule will be available for review by interested parties in November each year and is subject to appeal as provided for in Ordinance No. 11, Section 1.5(d).

34.4.3 A fee schedule based on previous year expenses and revenue amounts will be put into effect each January.

Public Comment - Agenda Item No. 3

POLICY.34.FOR-HIRE VEHICLE SERVICES

This policy was originally adopted on 12/8/88.

This policy was amended on 7/26/90.

This policy was amended on 5/9/91.

This policy was amended on 6/13/91.

This policy was amended on 1/28/93.

This policy was amended on 5/11/95.

This policy was amended on 10/31/02.

This policy was amended on 4/24/03.

This policy revised on 3/25/04.

This policy was amended on 4/26/07.

This policy was amended on 7/17/08.

This policy was amended on 4/19/12.

This policy was amended on 4/16/15.

This policy was amended on 12/12/2019.

Once approved, MTS staff will start recruiting and staffing the remaining positions for the opening of the Mid-Coast extension.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Mid-Coast Positions Table

IN - MEETING PUBLIC COMMENT

Miguel Aguirre with Grand Central West, provided a live public comment for agenda item #3. Aguirre's statement will be reflected in the minutes.



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

Agenda Item No. 6

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

MID-COAST CORRIDOR TRANSIT PROJECT – PROJECTED STAFFING

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors approve an additional 15 Security and Information Technology (IT) positions to support the Mid-Coast Corridor Trolley (Mid-Coast) extension.

Budget Impact

The Mid-Coast Trolley Project and subsequent operational costs are fully funded by TransNet/SANDAG through March 31, 2048, provided operating funds remain available in TransNet Extension Ordinance operating accounts and there will be no impact to the MTS Operating Budget.

DISCUSSION:

The Mid-Coast Trolley Project is an 11-mile extension of the UC San Diego Blue Line, starting from the Old Town Transit Center and running north to the UTC area, with nine new stations in between. Heavy civil construction for the Mid-Coast Trolley Project started in the fall of 2016 and the extension is scheduled to open to the public in November 2021.

The Mid-Coast Trolley Project will greatly expand San Diego Trolley, Inc. (SDTI) operations and will require the hiring of additional staff. In December 2018, the Board approved the hiring of approximately 85 additional Trolley positions. In January 2021, the Board approved 28 contracted Security positions as part of the Security contract extension. The pending additional position approvals include 13 internal Security positions and two Informational Technology positions. Details of the additional positions and forecasted start dates are included as Attachment A.



IN - MEETING PUBLIC COMMENT

Mitchel Beauchamp provided a live public comment for agenda item #3. Beauchamp's statement will be reflected in the minutes.

Trolley (1)			Security			Information Technology	
		Start Date			Start Date		
Transportation			Internal Positions			Internal Positions	
Controllers	4.0	First Day of Service	Code Compliance Inspectors	9.0	Early 2021	Network Administrator	1.0
Line Supervisors	3.0	First Day of Service	CCI Supervisors (Field Sergeant)	3.0	Early 2021	System Administrator / Help Desk	1.0
Training Supervisor	1.0	1/4/2021	Training Manager	1.0		Total IT	2.0
Train Operators	28.0	4/12/2021	Total Internal Security	13.0			
Total Transportation	36.0						
LRV Maintenance			Contracted Positions (2)				
Training Supervisor	1.0	Hired	Armed Security	14.0	July 2021		
LRV Supervisors	3.0	Hired	Unarmed Security	12.0	July 2021		
LRV Mechanics	16.0	Hired	Armed Supervisors (Sergeants)	2.0	July 2021		
Total LRV	20.0		Total Contracted Security	28.0			
MOW							
Wayside Supervisor	1.0	Hired					
Assistant Training Supervisor	1.0	Hired					
Wayside Maintainers	6.0	Hired					
Track Supervisor	1.0	12/1/2020					
Track Maintainers	3.0	12/1/2020					
Total MOW	12.0						
Facilities							
FT Supervisor	1.0	8/1/2021					
Service Person	12.0	8/1/2021					
Total Transportation	13.0						
Revenue							
Revenue Maintainers	4.0	6/1/2020					
Total Revenue	4.0						
Total	85.0		Total	41.0		Total	2.0

(1) Trolley staff was approved by the Board in December 2018 (Agenda Item 10)

(2) Contracted security positions were included in the contract extension with Allied Universal in January 2021 (Agenda Item 16)



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

Agenda Item No. 7

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

APPOINTMENTS OF PRIMARY MEMBER AND ALTERNATE TO SAN DIEGO AND
ARIZONA EASTERN RAILWAY COMPANY (SD&AE) BOARD OF DIRECTORS

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors appoint Wayne Terry as the primary SD&AE Board member and Sharon Cooney as Mr. Terry's alternate on the SD&AE Board.

Budget Impact

None.

DISCUSSION:

In May 2020, Sharon Cooney was named Chief Executive Officer of MTS and President of SD&AE. SD&AE is a railroad entity that MTS purchased from Southern Pacific Transportation Company in 1979. As a result of that purchase, SD&AE was converted to a non-stock, non-profit corporation, and MTS became the sole member of the company.

SD&AE began in 1906 when John D. Spreckels formed the San Diego & Arizona Railway company (SDA) to construct a railroad between San Diego and El Centro. In 1932, Spreckels sold SDA to Southern Pacific Railway, which renamed it as SD&AE. Passenger service was provided on the line between 1919 and 1951. MTS purchased SD&AE as a foundation for the San Diego Trolley service: the Blue Line right of way between San Ysidro and 12th & Imperial and the Orange Line right of way between 12th & Imperial and Santee¹ are part of SD&AE's original right of way.

¹ The current Orange Line service terminates in El Cajon while the Green Line extends from El Cajon to Santee.



Under a 1984 agreement with MTS's contracted freight operator, San Diego & Imperial Valley Railroad (SDIV) (a short line owned by Genesee & Wyoming Railroad), MTS currently appoints one member on the SD&AE Board of Directors, and SDIV appoints two members. The Board meets quarterly to review action items and receive reports regarding non-passenger rail operations on the SD&AE right of way. All actions of the SD&AE Board are brought to the MTS Board for review and ratification at the next available MTS Board meeting. MTS and SDIV are discussing a possible revision to the make-up of the SD&AE Board. However, until that process is completed, the SD&AE Board continues to meet as currently structured.

Today's action would formally appoint MTS Chief Operating Officer – Rail, Wayne Terry, as its primary Board Member for SD&AE, and MTS Chief Executive Officer, Sharon Cooney, as Mr. Terry's alternate on this Board. Prior to this action, the primary MTS appointee was former MTS Chief Executive Officer, Paul Jablonski, with Mr. Terry serving as his alternate.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com



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

Agenda Item No. 8

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

ZERO-EMISSION BUS (ZEB) PROCUREMENT PROJECT: 60-FOOT LOW-FLOOR
ELECTRIC BUSES – ISSUANCE OF PURCHASE ORDER TO NEW FLYER OF
AMERICA, INC. (NEW FLYER)

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to issue a Purchase Order to New Flyer for the purchase of twelve (12) 60-foot low-floor electric battery-powered buses in the amount of \$18,558,245.40.

Budget Impact

The total budget for this project shall not exceed \$18,558,245.40 (including tools, training and sales tax). This project is funded by Capital Improvement Project (CIP) 1009113201 – Iris Rapid ZEB Bus Procurement and 1001105501 – ZEB Pilot Program. Costs will be paid by Transit and Intercity Rail Capital Program (TIRCP), Low Carbon Transit Operations Program (LCTOP) and Transportation Development Act (TDA) funding.

New Flyer Electric Buses	Unit Price (per bus)	CA Sales Tax adjusted from 7.75% to 3.8125% (ZEB Partial Sales Tax Exemption)	Total
	\$1,365,467.00	\$52,058.00	\$1,417,525.00
		ADA (non-taxable)	\$ 41,532.00
		Delivery (non-taxable)	\$ 21,250.00
		Subtotal (Base Bus Price)	\$1,480,307.00
		Training (non-taxable)	\$ 66,213.45
		Total (per bus)	\$1,546,520.45
		Total (Not-to-exceed for 12 buses)	\$18,558,245.40



DISCUSSION:

In continued efforts to reduce carbon emissions in San Diego, and the award of a TIRCP grant, MTS will purchase twelve (12) 60-foot articulated battery electric buses to service a Rapid route connecting passengers from the Otay border to Trolley service in Imperial Beach (Iris Transit Center). This electric bus purchase will be supported by the first scalable/modular overhead charging infrastructure built at MTS's South Bay Division.

The ZEBs will be utilized on a designated Rapid route from the Otay border to the Iris Transit Center. This project is considered the beginning of MTS's ZEB fleet transition that will be the first step in understanding the infrastructure technology and build-out. Staff will also analyze characteristics such as route profiles, passenger loads, operator performance, and battery capacity with this bus type. In order to run the buses, overhead depot chargers will be installed to primarily charge buses overnight. The Phase I design is currently underway for the infrastructure.

Today's proposed action would purchase twelve (12) 60-foot articulated ZEB buses from New Flyer from the California State Bus Contract. The buses would supplement a new bus service, thus increasing South Bay's total bus count. The vehicles are expected to be delivered in mid-2022.

MTS proposes to use a government purchasing schedule established by the State of California Department of General Services (California DGS) to purchase the New Flyer ZEB 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 California DGS schedule includes electric battery-powered buses that meet MTS specifications.

The State of California DGS statewide contract was awarded through a formal competitive Request for Proposal (RFP) process (ref: RFP #0000014840). 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 New Flyer buses will have the newest onboard video surveillance systems preinstalled, enhanced wheelchair restraint systems with forward-facing safety barriers for improved safety, electric air conditioning, engine coolant systems, and overhead charging rail package. The vehicles are expected to have a maximum range of up to 150 miles per charge. Range varies considerably based on operating profiles including: grades, climate conditions, passenger loads, route structure and operators performance.

The buses are equipped with 611 KW of stored energy and will be charged through overhead depot chargers at South Bay operating facilities. Buses will also be equipped with plug in charging options to allow for remote charging at other MTS facilities, if necessary.

Therefore, staff is requesting that the MTS Board of Directors authorize the CEO to issue a Purchase Order to New Flyer for the purchase of twelve (12) 60-foot low-floor electric battery-powered buses in the amount of \$18,558,245.40.

/s/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com



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

Agenda Item No. 9

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

ON-CALL CONSTRUCTION MANAGEMENT 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. 2 to MTS Doc. No. G2023.0-17 (in substantially the same format as Attachment A) with the San Diego Association of Governments (SANDAG) in the amount of \$1,000,000. The new total value of the contract shall not exceed \$5,000,000.

Budget Impact

The total budget for this project shall not exceed \$5,000,000. Funding and budget allocations will be controlled and monitored per work order issued under each Master Agreement.

DISCUSSION:

To support on-going construction of MTS capital infrastructure projects, MTS staff requires Construction Management (CM) services to provide onsite owner representation in construction management and inspection. MTS and SANDAG will occasionally coordinate procurements for services that may be of need to each agency, which is the case for on-call CM services.

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, "Procurement of Goods and Services", and includes 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
- TRC Corporation
- CH2M Hill, Inc.
- DHS Consulting, Inc.
- EPC Consultants, Inc.
- PGH Wong Engineering
- Simon Wong Engineering

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 will 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.

On November 14, 2019, the Board approved Amendment No. 1 in the amount of \$1,000,000 for additional CM capacity for various projects requiring CM assistance that year. Today's action increases the assignment of capacity from SANDAG by an additional \$1,000,000 to a new assignment total of \$5,000,000. Each year, during the budgeting process, MTS assesses how much funding will be needed for CM services. The individual projects/work orders will be processed according to the signature authority set forth in Board Policy No. 41, "Signature Authority" (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 the Board of Directors authorize the CEO to execute Amendment No. 2 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 \$5,000,000.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Amendment No. 2 to MTS Doc. No. G2023.0-17

**AMENDMENT NO. 2 (S656176) TO THE
PARTIAL ASSIGNMENT OF THE
SAN DIEGO ASSOCIATION OF GOVERNMENTS'
SOLICITATION CAPACITY
FOR ON-CALL PROFESSIONAL AND TECHNICAL CONSTRUCTION
MANAGEMENT AND ENGINEERING SERVICES
TO THE METROPOLITAN TRANSIT SYSTEM (MTS)**

RFQ NO. 5004361

THIS AMENDMENT NO. 2 to the Partial Assignment by and between the San Diego Association of Governments, hereinafter ("Assignor"), and the Metropolitan Transit System (MTS), hereinafter ("Assignee") is entered into for the following reasons:

- A. Under the original Partial Assignment dated June 7, 2017, SANDAG partially assigned its solicitation capacity for On-Call Professional and Technical Construction Management and Engineering Services (the "Project") to MTS.
- B. Under Amendment 1 to the original Partial Assignment dated December 23, 2019, SANDAG partially assigned additional solicitation capacity for the Project to MTS.
- C. Since that time, it has been determined that Assignor needs less capacity and Assignee needs more capacity to carry out the Project.
- D. This Amendment No. 2 is to increase the portion of Assignor's capacity allotted to Assignee in its solicitation for the Project by \$1,000,000.

NOW, THEREFORE, it is agreed as follows:

- 1. Section 1 of the Partial Assignment shall be amended to instead read as follows: Assignor hereby assigns, transfers, and sets over unto Assignee \$5,000,000 as a portion of Assignor's capacity in its solicitation for the Project.
- 2. All other provisions of said Partial Assignment not amended herein, shall remain in full force and effect. Nothing in this Amendment No. 2 is intended to relieve the parties of their obligations to perform as required by the partial assignment unless expressly stated herein.
- 3. This Amendment No. 2 may be executed and delivered by facsimile signature and a facsimile signature shall be treated as an original. This Amendment No. 2 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.

The persons below assert that they are authorized to execute this Amendment which shall be effective as of the last date a party to the Amendment provides an electronic signature below.

Assignor:

San Diego Association of Governments

Assignee:

MTS

John Haggerty
Director of Engineering and Construction

Sharon Cooney
Chief Executive Officer

Approved as to form:

Approved as to form:

Office of the General Counsel

Office of the General Counsel



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

February 11, 2021

SUBJECT:

PRINTED CIRCUIT BOARDS (PCBs) AND ELECTRONIC COMPONENTS –
CONTRACT AMENDMENTS

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Ratify Amendment No. 1 to MTS Doc. No. L1476.0-19 (Attachment A) with Siemens Mobility Inc., in the amount of \$90,000; and
- 2) Authorize the Chief Executive Officer (CEO) to approve Amendment No. 2 to MTS Doc. No. L1476.0-19 (in substantially the same format as Attachment B) with Siemens Mobility Inc., for PCBs and Electronic Components, for a total of \$350,000.

Budget Impact

The total budget for this project shall not exceed \$1,597,285.97. This project is funded by the Light Rail Vehicle (LRV) Maintenance budget 350016-545100.

DISCUSSION:

On June 13, 2019, the MTS Board approved MTS Doc. No. L1476.0-19 with Siemens Mobility Inc., for \$1,157,285.97 for the purchase and repair of PCBs, propulsion and auxiliary power related electronics for Siemens' LRV models: SD100, S70 and S70us. The provision options were either new depending on availability, core exchange or repair/return. Services were for a 2-year period from July 1, 2019 to June 30, 2021.

These critical components determine the acceleration/de-acceleration rates and speed of the vehicle, and as such are considered safety critical. This was issued as a Sole Source to Siemens as the commissioning and subsequent safety certification of the vehicles was performed with these components on board, and any deviation from the



original design would require extensive and expensive re-testing and safety certification of the system and approval by California Public Utilities Commission. Substitutions increase risk of damage to equipment, injury to employees or passengers and potential loss of life. In addition, MTS has neither the qualified personnel nor the facilities to make repairs to these highly technical and complicated electronic components.

The original contract parts list adopted a consumption forecast that at the time, reflected historical usage across the parts. With the ageing of some vehicles and an increase in failure across specific boards, this resulted in an increased volume of product that require repair. On December 18, 2020, MTS issued Amendment No. 1 to add \$90,000 to L1476.0-19 to cover pending repairs to ensure there would be no delay to these critical components.

MTS has conducted a further forecast for upcoming usage and staff would now like to add \$350,000 under Amendment No. 2 to cover services until the end of the current contract on June 30, 2021 (Attachment B). This brings the new not-to-exceed amount from \$1,247,285.97 to \$1,597,285.97.

Therefore, staff recommends that the MTS Board of Directors:

- 1) Ratify Amendment No. 1 to MTS Doc. No. L1476.0-19 (Attachment A) with Siemens Mobility Inc., in the amount of \$90,000; and
- 2) Authorize the Chief Executive Officer (CEO) to approve Amendment No. 2 to MTS Doc. No. L1476.0-19 (in substantially the same format as Attachment B) with Siemens Mobility Inc., for PCBs and Electronic Components, for a total of \$350,000.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Amendment No. 1 to MTS Doc No. L1476.0-19
B. Draft Amendment No. 2 to MTS Doc No. L1476.0-19
C. Projected Services

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

ATTACHMENT A.1

Amendment 1

December 18, 2020

MTS Doc No. L1476.1-19

LRV PRINTED CIRCUIT BOARDS (PCBs) PURCHASE, REPAIR AND EXCHANGE (UTEX)

Reiner Martin
Siemens Mobility Inc.
7464 French Road
Sacramento, CA 95828-4600

This shall serve as Amendment No. 1 to the original agreement L1476.0-19 as further described below.

SCOPE

Contractor supplies and repairs Propulsion and Auxiliary Power Related Electronics and PCBs for Siemens' LRV models: SD-100, S70 and S70us.

The provision options are either new (depending on availability), UTEX core exchange with 48 hour delivery to MTS, or repair/return.

If a returned component is found to be unrepairable, a new or refurbished replacement is made available for purchase.

There are no changes to the scope of work under this amendment.

SCHEDULE

There are no changes to the schedule provision. The termination date remains 6/30/2021.

PAYMENT

Due to a higher than anticipated repairs and replacements, MTS is increasing the contract by \$90,000 to cover estimated immediate pending work.

The not-to-exceed amount is now \$1,247,285.97 (\$1,157,285.97 + \$90,000). This amount shall not be exceeded without prior written approval from MTS.

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

Sincerely,



Sharon Cooney
Chief Executive Officer

Agreed:

Reiner Martin, Director Rail Svc.

Siemens Mobility Inc.

Date: 12/18/2020

Cathie Steele, Director Finance

Siemens Mobility Inc.

Date: 12/18/2020

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

ATTACHMENT A.2

Amendment 2

February 11, 2021

MTS Doc No. L1476.2-19

LRV PRINTED CIRCUIT BOARDS (PCBs) PURCHASE, REPAIR AND EXCHANGE (UTEX)

Reiner Martin
Siemens Mobility Inc.
7464 French Road
Sacramento, CA 95828-4600

This shall serve as Amendment No. 2 to the original agreement L1476.0-19 as further described below.

SCOPE

Contractor supplies and repairs Propulsion and Auxiliary Power Related Electronics and PCBs for Siemens' LRV models: SD-100, S70 and S70us.

The provision options are either new (depending on availability), UTEX core exchange with 48 hour delivery to MTS, or repair/return.

If a returned component is found to be unrepairable, a new or refurbished replacement is made available for purchase.

There are no changes to the scope of work under this amendment.

SCHEDULE

There are no changes to the schedule provision. The termination date remains 6/30/2021.

PAYMENT

Due to a higher than anticipated repairs and replacements, MTS is increasing the contract by \$350,000 to cover estimated immediate pending work.

The not-to-exceed amount is now \$1,597,285.97 (\$1,247,285.97 + \$350,000). This amount shall not be exceeded without prior written approval from MTS.

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

Sincerely,

Sharon Cooney
Chief Executive Officer

Agreed:

Siemens Mobility Inc.

Date: _____

Siemens Mobility Inc.

Date: _____

DRAFT

ATTACHMENT C

FORECASTED REPAIR, EXCHANGE THROUGH 6/30/21

Open PO	Open PO Amount	12 Month Consumption	Estimate Exchange/ Repair QTY (Feb~Jun/2021)	Additional Repair PO may be issued:	Repair PO Highest Net \$ (2018~2020)	Repair <u>Open</u> PO Highest Net\$	Possible additional PO Amount\$	Material
4	\$42,720.49	15	7	3	\$39,800.00	\$13,676.00	\$119,400.00	APS AUX PWR Supply - SD8 (UTEX)
5	\$158,027.04	13	6	1	\$26,600.00	\$5,882.04	\$26,600.00	Compact Invert Unit Kernel SD8/9 (UTEX)
0	\$0.00	5	3	0	\$76,976.00	\$0.00	\$0.00	Compact Inverter Unit KERNEL SD7 (UTEX)
1	\$3,800.00	5	3	2	\$3,800.00	\$3,800.00	\$7,600.00	PCB C055 Output Contactor Drv SD7 (UTEX)
5	\$27,935.00	1	1	0	\$5,700.00	\$2,603.00	\$0.00	PCB C055 Multifunction I/O SD8/9 (UTEX)
0	\$0.00	1	1	0	\$5,423.00	\$0.00	\$0.00	PCB C035 C043 Chopper Ctrl SD100 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	PCB C067 In/Output Digital - SD100 (UTEX)
0	\$0.00	1	1	0	\$4,107.00	\$0.00	\$0.00	C075 Analog Interface - SD100 (UTEX)
6	\$32,232.54	1	1	0	\$5,372.09	\$5,372.09	\$0.00	PCB C097 C115 Pwr Convtr - SD100 (UTEX)
0	\$0.00	1	1	0	\$0.00	\$0.00	\$0.00	PCB C133 Pwr Sup Convtr - SD100 (UTEX)
0	\$0.00	0	0	0	\$14,143.00	\$0.00	\$0.00	PCB C157 Pwr Start-Up - SD100 (UTEX)
1	\$3,831.00	6	3	2	\$3,831.00	\$3,831.00	\$7,662.00	PCB G003 Outp Pulse AMP GTO SD100 (UTEX)
0	\$0.00	2	1	1	\$3,831.00	\$0.00	\$3,831.00	PCB G011 Output Pulse AMP SD100 (UTEX)
2	\$8,222.00	2	1	0	\$0.00	\$4,111.00	\$0.00	PCB G019 Output Cont Dr SD100 (UTEX)
2	\$8,222.00	4	2	0	\$4,111.00	\$4,111.00	\$0.00	G031 Output Contact Drive SD100 (UTEX)
0	\$0.00	0	0	0	\$5,423.00	\$0.00	\$0.00	PCB G055 Inp Conv Dig Sgnl SD100 (UTEX)
0	\$0.00	0	0	0	\$5,423.00	\$0.00	\$0.00	PCB G063 ICD Signal GNLS SD100 (UTEX)
0	\$0.00	4	2	2	\$5,423.00	\$0.00	\$10,846.00	PCB G071 IC Digital Signal SD100 (UTEX)
0	\$0.00	1	1	0	\$3,758.00	\$0.00	\$0.00	PCB G087 In/Output Analog SD100 (UTEX)
0	\$0.00	0	0	0	\$4,852.00	\$0.00	\$0.00	PCB G103 Input Temp Convert SD100 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	PCB G111 Output Measure AMP SD100 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	PCB G131 Ref Value Convertr SD100 (UTEX)
0	\$0.00	0	0	0	\$6,794.00	\$0.00	\$0.00	PCB C019 CPU Module (486) SD7 (UTEX)
4	\$17,794.21	1	1	0	\$4,702.21	\$4,702.21	\$0.00	PCB C031 MVB32 VCU SD7 (UTEX)
2	\$11,400.00	0	0	0	\$5,700.00	\$5,700.00	\$0.00	PCB C039 Multi In/Output VCU SD7 (UTEX)
0	\$0.00	3	2	2	\$0.00	\$0.00	\$0.00	PCB C047/SD7,G031/SD8 Bin In Conv (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	PCB G031 RS485 SD7 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	PCB G039 Converter SD7/SD8 (UTEX)
0	\$0.00	1	1	0	\$0.00	\$0.00	\$0.00	PCB G047 5V±15V VCU SD7 (UTEX)
2	\$16,698.62	0	0	0	\$0.00	\$0.00	\$0.00	Reference Value Converter SD7/8/9 (UTEX)
7	\$35,656.00	3	2	0	\$5,467.00	\$5,467.00	\$0.00	ICU (A90)(A91) Invt Cntl Unit SD7 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	PCB G063 Adapter Converter - SD8 (UTEX)
1	\$3,591.00	3	2	1	\$10,276.11	\$3,591.00	\$10,276.11	PCB C019 Central Processor - SD8 (UTEX)
4	\$16,816.00	2	1	0	\$3,983.00	\$3,983.00	\$0.00	PCB G039 Binary Opt 24-36V/2A SD8/9 UTEX

Open PO	Open PO Amount	12 Month Consumption	Estimate Exchange/ Repair QTY (Feb~Jun/2021)	Additional Repair PO may be issued:	Repair PO Highest Net \$ (2018~2020)	Repair <u>Open</u> PO Highest Net\$	Possible additional PO Amount\$	Material
7	\$30,198.00	15	7	0	\$9,360.00	\$4,596.00	\$0.00	Control Unit Inverter ICU - SD8 (UTEX)
3	\$18,312.00	1	1	0	\$6,104.00	\$6,104.00	\$0.00	SIBCOS M2000-30-9 APS - SD8 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	SIBCOS M2500-2-9 SD8 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	Over Voltage Protection SD8 (UTEX)
1	\$73,181.00	0	0	0	\$0.00	\$0.00	\$0.00	Battery Charge Module APS - SD8/9 (UTEX)
6	\$20,202.00	7	3	0	\$0.00	\$3,367.00	\$0.00	PCB C003 Clock SD100 (UTEX)
2	\$7,254.00	1	1	0	\$3,627.00	\$3,627.00	\$0.00	PCB C019 CPU SD100 (UTEX)
2	\$5,970.00	5	3	1	\$2,985.00	\$2,985.00	\$2,985.00	PCB C027,MC Memory SD100 (UTEX)
0	\$0.00	0	0	0	\$3,011.00	\$0.00	\$0.00	PCB C051 C059 Digital Iface SD100 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	Voltage Transducer SD7 (UTEX)
3	\$9,825.00	0	0	0	\$3,275.00	\$3,275.00	\$0.00	G047 PCS 24V-110V/5V/±15V 50W SD8 (UTEX)
0	\$0.00	2	1	1	\$0.00	\$0.00	\$0.00	C039 EM1 Carrier W ACAN SD8 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	Voltage Transducer QPSW SD8 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	DC/DC Inverter 120KVA SD8 (UTEX)
1	\$59,217.00	0	0	0	\$0.00	\$0.00	\$0.00	Pulse Wid Mod Invert 120KVA SD8/9 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	Line Reactor 3.3 MH/370A Prop SD8 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	Line Reactor 3.3 MH/370A Prop SD7 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	QPSW4200-03 4200V;50MA APS SD8 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	QPSW-Transducer 1000/600/400V SD8 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	6K5-DRV-SEK SD8 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	Control Unit M9000 APS SD8 (UTEX)
0	\$0.00	5	3	3	\$3,609.00	\$0.00	\$10,827.00	Radial Fan APS SD8 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	Dead Battery Start SD8 (UTEX)
1	\$5,558.00	1	1	0	\$5,558.00	\$5,558.00	\$0.00	PCB G079 Input Train Cntr SD100 (UTEX)
3	\$4,944.00	5	3	0	\$2,944.00	\$2,944.00	\$0.00	PCB C083 Cntr Sys Monitor SD100 (UTEX)
1	\$1,000.00	14	6	5	\$22,929.00	\$1,000.00	\$114,645.00	PCB Board GTO Firing SD100 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	CETAC Power Supply GTO SD100 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	Combination Choke L1/L2 SD100 (UTEX)
0	\$0.00	0	0	0	\$0.00	\$0.00	\$0.00	DC Link Capacitor C1-C6 SD100 (UTEX)
0	\$0.00	3	2	2	\$2,251.00	\$0.00	\$4,502.00	Radial Blower Propulsion SD7 SD8 (UTEX)
4	\$23,936.00	7	3	0	\$9,278.00	\$5,984.00	\$0.00	PCB C003 TCN Gateway VCU SD7 (UTEX)

TOTAL \$319,174.11

OVERALL BOARD APPROVAL INCLUDING DELIVERY COSTS \$350,000.00



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

Agenda Item No. 11

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

PROVISION OF HEWLETT PACKARD ENTERPRISE (HPE) NIMBLE HF20 ARRAY EQUIPMENT AND SUPPORT TO REPLACE REGIONAL TRANSIT MANAGEMENT SYSTEM (RTMS) 3PAR STORAGE ARRAY (3PAR) – 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 to Nth Generation Computing Inc. for the provision of HPE Nimble HF20 Array equipment and support to replace the RTMS 3PAR in the amount of \$106,834.56.

Budget Impact

The total budget for this project shall not exceed \$106,834.56 (inclusive of CA 7.75% Sales Tax). The project will be funded by the Information Technology (IT) Operating Budget account 661010-571250 for ongoing maintenance support and Capital Improvement Program (CIP) 1007108601 for the one-time purchase of the hardware, initial install and support of initial set-up.

Description	Subtotal
Hardware, Initial Install and Set-up, Shipping & Sales Tax	\$85,943.56
Maintenance Support	\$20,891.00
Grand Total:	\$106,834.56

DISCUSSION:

MTS utilizes HPE 3PAR 7400 enterprise as its main production storage platform. It provides the underlying storage for the entire virtual environment, multiple database servers and file servers at different locations. The RTMS 3PAR is reaching the end of its



service life and needs to be replaced with another storage array. Similar Nimble arrays have replaced the 3PAR at the Imperial Avenue Division (IAD) and Operating Control Center (OCC) and will also replace the RTMS array for easier management of data.

On December 18, 2020, MTS issued an Invitation for Bid (IFB) to procure HPE Nimble HF20 Array to replace the existing RTMS 3PAR storage array. A single bid was received on the due date of January 15, 2021 from Nth Generation Computing Inc.

After reviewing the single bid submission, Nth Generation was found to be a responsive and responsible bidder. The submitted pricing was determined to be a fair and reasonable price in comparison to the Independent Cost Estimate (ICE), Manufacturer Bill of Material (BOM) price estimate and other authorized HPE providers online pricing.

Therefore, staff recommends that the MTS Board authorize the CEO to execute a Purchase Order to Nth Generation Computing Inc. for provision of HPE Nimble HF20 Array equipment and support to replace RTMS 3PAR storage array in the amount of \$106,834.56.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Nth Generation Computing Inc. Bid Price Form

ATTACHMENT 1
MTS BID PRICING FORM
REGIONAL TRANSIT MANAGEMENT SYSTEM (RTMS) 3PAR STORAGE ARRAY REPLACEMENT (MTS DOC. NO. G2440.0-21)

BID DUE DATE: 1/15/2021

TIME: 2:00 P.M., Prevailing Local Time

DEL. LEAD TIME (ARO): 17-20 days (within 30 days)

Item#	Product Part Number	Product Description	QTY	Taxable Yes (Y) or No (N)	Unit Price (USD)	Extended List Price (USD)
1	Q8H72A	HPE Nimble Storage HF20 Adaptive Dual Controller 10GBASE-T 2-port CTO Base Array	1	Y	\$ 15,688.00	\$ 15,688.00
2	Q8B69B	HPE Nimble Storage HF20/20C Adaptive Array 42TB (21x2TB) FIO HDD Bundle	1	Y	\$ 14,079.00	\$ 14,079.00
3	Q8B90B	HPE Nimble Storage 2x16Gb Fibre Channel 2-port FIO Adapter Kit	1	Y	\$ 5,632.00	\$ 5,632.00
4	Q8G27B	HPE Nimble Storage NOS Default FIO Software	1	Y	\$ 1.00	\$ 1.00
5	Q8J27A	HPE Nimble Storage C13 to C14 250V 10Amp 1.8m Universal FIO Power Cord	2	Y	\$ 1.00	\$ 2.00
6	Q8J30A	HPE Nimble Storage HF20 Adaptive Array R2 5.76TB (6x960GB) FIO Cache Bundle	1	Y	\$ 14,471.00	\$ 14,471.00
7	R3P91A	HPE Nimble Storage AF/HF Array Standard Tracking	1	Y	\$ 1.00	\$ 1.00
8	HT620A5	HPE NS 5Y 4H Parts Exchange Support (must be included as part of the Bill of Materials at no cost)	1	N	\$ -	\$ -
9	HT620A5 ZEE	HPE NS HF20/20C Hybr 42TB HDD Bndl Supp	1	N	\$ 4,650.00	\$ 4,650.00
10	HT620A5 ZE7	HPE NS HF20 5.76TB Cache Supp	1	N	\$ 4,243.00	\$ 4,243.00
11	HT620A5 ZEB	HPE NS HF20 Hybrid Base Array Supp	1	N	\$ 8,013.00	\$ 8,013.00
12	HT620A5 ZG1	HPE NS 2x16Gb FC 2p Adptr Supp	1	N	\$ 3,985.00	\$ 3,985.00
13	HA114A1	HPE Installation and Startup Service (must be included as part of the Bill of Materials at no cost)	1	N	\$ -	\$ -
14	HA114A1 5MR	HPE Nimble Array Startup SVC	1	N	\$ 3,500.00	\$ 3,500.00
15	H5UP3A1	HPE Network Integr and Depl Pack SVC Credits (must be included as part of the Bill of Materials at no cost)	1	N	\$ -	\$ -
16	H5UP3A1 003	HPE Network 50 Pack Integr and Depl SVC	2	N	\$ 14,250.00	\$ 28,500.00
Subtotal:						\$ 102,765.00

San Diego, California Sales Tax (7.75%) for Taxable line items only: **3865.24**Freight Charges/ Shipping FOB specified destination (No Charge): **204.32**GRAND TOTAL (Basis of Award): **106,834.56**

*Please include your Product Technical/Data Sheet with your Bid Form Submission

Read attached Request for Quote (RFQ) carefully. They are a part of your proposal. Unit prices will prevail regardless of extensions submitted by the Proposer. Proposal must be firm and valid for a minimum of 120

DATE: 1/15/2021FIRM: Nth Generation Computing, Inc.SIGNATURE: Joyce RussellTYPE OR PRINT NAME: Joyce RussellTITLE: EVP/CFOADDRESS: 17055 Camino San BernardoCITY, STATE & ZIP: San Diego, CA 92127PHONE NUMBER: 858-451-2383FAX NUMBER: 858-673-8431E-MAIL ADDRESS: bids@nth.com

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

RETURN THIS FORM WITH YOUR BID

BID FORM**Refer to Attachment: ATT 1 Bid Form**

Bidder shall submit pricing for all the work described in the Scope of Work section. In preparing a cost bid, Bidders are requested to provide a total all-inclusive cost for each year of service. Estimated quantities are for bid purposes only. The quantities do not reflect guaranteed usage by MTS and may be more or less than indicated.

Read attached General Provisions carefully. **They are a part of your bid.** Unit prices will prevail regardless of extensions submitted by the Bidder.

All bidders must complete bid forms as provided, failure to do so will deem the bid non-responsive.

Bidder accepts responsibility for accuracy and presentation of the numbers included in the cost/price form under Section 3.

Submit the bid following instructions as specified in Submission Requirements section.

**F.O.B. POINT: SDMTS-IADP.
100 16th Street,
San Diego, California 92101,**

Bidder to check one:


All parts shall be delivered within thirty (30) calendar days after Purchase Order issuance.

☒ *Yes, I can meet the 30 calendar day delivery time *dependent upon MFG direct fulfillment availability.

☐ No, I cannot meet the 30 calendar day delivery time

DATE: 01/15/2021

FIRM: Nth Generation Computing, Inc.

SIGNATURE: 

TYPE OR PRINT NAME: Joyce Russell

TITLE: EVP/CFO

ADDRESS: 17055 Camino San Bernardo

CITY, STATE & ZIP: San Diego, CA 92127

PHONE NUMBER: 858-451-2383

FAX NUMBER: 858-673-8431

E-MAIL ADDRESS: bids@nth.com



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

Agenda Item No. 12

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

ON-CALL ELECTRICAL REPAIR SERVICES – CONTRACT AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Ratify MTS Doc No. PWG253.0-18 (Attachment A) with ACM Lighting Services (ACM), a Disadvantaged Business Enterprise (DBE), for on-call electrical repair services for a period of one base year and two optional one-year extensions in the amount of \$22,130.00 for the base year only;
- 2) Ratify Amendment No. 1-3 to MTS Doc No. PWG253.0-18 (Attachment B-D) with ACM to add additional funds for on-call electrical repair services in the amount of \$75,743.20; and
- 3) Authorize the Chief Executive Officer (CEO) to execute Amendment No. 4 to MTS Doc No. PWG253.0-18 (in substantially the same format as Attachment E), with ACM to add locations and funds for on-call electrical repair services in the amount of \$25,568.00, for a new contract total of \$123,441.20.

Budget Impact

The total budget for this project shall not exceed \$123,441.20. This project will be funded by the respective fiscal years' maintenance operating budget accounts as follows: Land Management (LM); San Diego Trolley, Inc. (SDTI); San Diego Transit Corp. (SDTC) & Bus Rapid Transit (BRT):

Program	Budget Account	Purpose	Amount	Board Approval Date
LM	791010-571210	Original Contract – Base Year 1	\$ 7,505.00	CEO Approval 05/14/2018 per

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San Diego 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 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 is also the For-Hire Vehicle administrator for nine cities.

				Board Policy No. 41
SDTI	380016-575170	Original Contract – Base Year 1	\$ 14,625.00	CEO Approval 05/14/2018 per Board Policy No. 41
LM	791010-571210	Amendment No. 1 – Add Funds	\$10,000.00	CEO Approval 02/13/2019 per Board Policy No. 41
LM	791010-571210	Amendment No. 2 Exercise Option Years 1 & 2	\$18,528.52	CEO Approval 05/16/2019 per Board Policy No. 41
SDTI	380016-575170	Amendment No. 2 Exercise Option Years 1 & 2	\$30,214.68	CEO Approval 05/16/2019 per Board Policy No. 41
SDTI	360016-536600	Amendment No. 3 – Add Stadium Trolley Station and Funds	\$17,000.00	CEO Approval 08/07/2020 per Board Policy No. 41
SDTC	331014-545500	Amendment No. 4 – Add SDTC and BRT Locations and Funds	\$568.00	Today's proposed action
BRT	846012-571140	Amendment No. 4 – Add SDTC and BRT Locations and Funds	\$25,000.00	Today's proposed action
Total Amount			\$123,441.20	

DISCUSSION:

MTS, LM and SDTI required the service of a contractor to perform all on-call electrical services, including minor through complex electrical repairs and/or services. Routine and emergency electrical services were performed at a variety of SDTI locations including SDTI buildings, SDTI Trolley Stations and other SDTI properties as directed by the SDTI Facilities Manager and MTS buildings managed by the MTS Land Management Project Manager. These services were needed to ensure that electrical repairs at MTS facilities and properties were responded to and repaired in a timely professional manner, so as to mitigate damage to MTS infrastructure and lessen the impact of electrical issues on both MTS employees and tenants.

On March 5, 2018, MTS issued an Invitation for Bids (IFB) for On-Call Electrical Repair Services to interested parties through a formal competitive bid process. At the time, it was believed that the lowest bid for these services would exceed, or come close to \$100,000. On April 3, 2018, a total of six (6) bids were received.

Bid Summary:

Company	Bid Amount
ACM Lighting (Disadvantaged Business Enterprise (DBE))	\$60,873.20
Berelectric	\$68,005.20
Baker Electric	\$77,137.20
M Brey Electric (Small Business (SB))	\$80,481.20
Global Power Group	\$84,956.20
Vistam (Minority Owned Business Enterprise (MBE))	\$95,118.83

On May 14, 2018, per Board Policy No. 41, "Signature Authority", the CEO approved the original contract with ACM for the on-call electrical repair services.

Since the execution of the agreement, the need to add locations and funds had amassed. Hence, Amendment Nos. 1-3 had achieved this necessity by either adding additional locations and/or funds.

Today's proposed action, Amendment No. 4, would add one SDTC location, and all BRT station locations, and the requisite funds to the agreement.

Therefore, staff recommends that the MTS Board:

- 1) Ratify MTS Doc No. PWG253.0-18 (Attachment A) with ACM Lighting Services (ACM), a Disadvantaged Business Enterprise (DBE), for on-call electrical repair services for a period of one base year and two optional one-year extensions in the amount of \$22,130.00 for the base year only;
- 2) Ratify Amendment No. 1-3 to MTS Doc No. PWG253.0-18 (Attachment B-D) with ACM to add additional funds for on-call electrical repair services in the amount of \$75,743.20; and
- 3) Authorize the Chief Executive Officer (CEO) to execute Amendment No. 4 to MTS Doc No. PWG253.0-18 (in substantially the same format as Attachment E), with ACM to add locations and funds for on-call electrical repair services in the amount of \$25,568.00, for a new contract total of \$123,441.20.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. MTS Doc. No. PWG253.0-18
B. MTS Doc. No. PWG253.1-18
C. MTS Doc. No. PWG253.2-18
D. MTS Doc. No. PWG253.3-18
E. Draft MTS Doc. No. PWG253.4-18



**STANDARD SERVICES AGREEMENT
FOR
ON-CALL ELECTRICAL REPAIR SERVICES**

PWG253.0-18
CONTRACT NUMBER

FILE/PO NUMBER(S)

THIS AGREEMENT is entered into this 17 day of May, 2018, 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: ACM Lighting Services Address: 1411 S. Rimpau Avenue, Suite 202

Form of Business: Corporation Corona, CA 92879
(Corporation, Partnership, Sole Proprietor, etc.)

Telephone: (951) 272-4881 Email Address: raul@acmlightingservices.com

Authorized person to sign contracts Raul Morales Estimator
Name Title

The attached Standard Conditions are part of this Agreement. The Contractor agrees to furnish to MTS services and materials, as follows: On-Call Electrical Repair Services as specified in the Scope of Work (attached as Exhibit A), Bid 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 one (1) base year, with two (2) optional one-year extensions exercisable at the sole discretion of MTS.

Payment terms shall be net 30 days from invoice date. The total cost of this contract shall not exceed \$60,873.20 without the express written consent of MTS.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM		CONTRACTOR AUTHORIZATION	
By <u>[Signature]</u> Chief Executive Officer		Firm <u>ACM Lighting Services</u>	
Approved as to form		By <u>[Signature]</u>	
By <u>[Signature]</u> Office of General Counsel		Signature	
		Title <u>Estimator</u>	

AMOUNT ENCUMBERED	BUDGET ITEM	FISCAL YEAR
\$60,873.20	Various	2018
By <u>[Signature]</u> Chief Financial Officer		Date <u>5/15/18</u>

(91 total pages, each bearing contract number)

LMARQUIS-SA
SA-PWG253.0-18 ACM SAUGUSTYN
05/09/2018



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

February 8, 2019

MTS DOC No. PWG253.1-18

Mr. Raul Morales
Estimator
ACM Lighting Services
1411 S. Rimpau Ave., Ste. 202
Corona, CA 92879

Dear Mr. Morales:

**Subject: AMENDMENT 1 TO MTS DOC. NO. PWG253.0-18; ON-CALL ELECTRICAL
REPAIR SERVICES**

This letter shall serve as Amendment 1 to our agreement for on-call electrical repair services, as further described below.

SCOPE OF WORK

There shall be no change to the Scope of Work.

SCHEDULE

There shall be no change to the Schedule.

PAYMENT

The total value of the base contract amount shall be increased by \$10,000.00. The revised base contract amount is \$32,130.00.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul C. Jablonski", written over a horizontal line.

Paul C. Jablonski
Chief Executive Officer

Accepted: *Raul Morales*

A handwritten signature in black ink, appearing to read "Raul Morales", written over a horizontal line.

Raul Morales
ACM Lighting Services

Date 2/14/2019

SAUGUSTYN
PWG253.1-18.ACM LIGHTING.020919

MEMORANDUM

To: Purchase Order (PO) File and Attached to PR 10023465

From: Richard Rose (Project Manager)

Date: 1/30/19

Subject: Year 1 Budget Increase for On-Call Electric Services

The existing year 1 (6/1/18 – 5/31/19) budget for the above referenced PR for on-call electric services needs to be increased by \$10,000 (from \$7,505 to \$17,505). This increase is necessary to cover unforeseen necessary electrical and lighting repairs primarily at the Taxi Admin building (1501 National Ave) and the Auto Auction building (5801 Fairmount Ave).

Before this \$10,000 increase, PO 4500018931 for the PR will have an available remaining balance of \$983.17 after payment of a pending \$4,011.38 invoice for electric repairs primarily to bring the Auto Auction building up to code for the electric panel and wiring, etc. Nearly \$5,000 is required to pay for the needed cost to replace inadequate and non-working exterior floodlights on the Taxi Admin building roof and the inadequate wall lights on the street side of the building. The P.O. budget increase will also cover the relatively small cost needed to replace the inadequate exterior lighting outside the leased building at 304-306 Front Street in El Cajon, as well as to do possible additional upcoming needed minor electrical repairs at other buildings through the end of May 2019.



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

May 13, 2019

MTS DOC No. PWG253.2-18

Mr. Raul Morales
Estimator
ACM Lighting Services
1411 S. Rimpau Ave., Ste. 202
Corona, CA 92879

Dear Mr. Morales:

Subject: AMENDMENT 2 TO MTS DOC. NO. PWG253.0-18; ON-CALL ELECTRICAL
REPAIR SERVICES

This letter shall serve as Amendment 2 to our agreement for on-call electrical repair services, as further described below.

SCOPE OF WORK

MTS shall exercise all Option Years 1 and 2 pursuant to the contract.

SCHEDULE

The Option Year One coverage period shall be effective June 1, 2019 through May 31, 2020 and Option Year Two coverage period shall be effective June 1, 2020 through May 31, 2021.

PAYMENT

Increase the amount of the agreement by the total for each option year and increase the Land Management (LM) contract allocation by an additional \$10,000. The total value of this amendment shall be increased, as reflected below:

Option Year 1	Option Year 2	LM Allocation Increase	Total Value
\$19,158.50	\$19,584.70	\$10,000.00	\$48,743.20

Including this amendment, the total value of the contract shall not exceed \$80,873.20 without prior written approval from MTS.

Sincerely,

Raul C. Jablonski
Chief Executive Officer

Accepted:

Raul Morales
ACM Lighting Services

Date: 5/20/2019



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

August 5, 2020

MTS DOC No. PWG253.3-18

Mr. ~~Carlos~~ Morales
Estimador
ACM Lighting Services
1411 S. Rimpau Ave., Ste. 202
Corona, CA 92879

Dear Mr. Morales:

Subject: AMENDMENT 3 TO MTS DOC. NO. PWG253.0-18; ON-CALL ELECTRICAL
REPAIR SERVICES

This letter shall serve as Amendment 3 to our agreement for on-call electrical repair services,
as further described below.

SCOPE OF WORK

This amendment shall add the Stadium Station site, located at 9449 Friars Rd, San Diego, CA
92108 to the Scope of Work.

SCHEDULE

There shall be no change to the schedule as a result of this amendment.

PAYMENT

This amendment shall increase the total value of the agreement of \$80,873.20 by \$17,000.00.
Including this amendment, the total value of the contract shall not exceed \$97,873.20 without
prior written approval from MTS.

Sincerely,

A handwritten signature in black ink that reads 'Sharon Cooney'.

Sharon Cooney
Chief Executive Officer

Accepted:

Carlos Morales
ACM Lighting Services

Date: A handwritten signature in black ink, likely of Carlos Morales, written over a horizontal line.

Vice president



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

February 11, 2021

MTS DOC No. PWG253.4-18

Mr. Carlos Morales
Estimator
ACM Lighting Services
1411 S. Rimpau Ave., Ste. 202
Corona, CA 92879

Dear Mr. Morales:

Subject: AMENDMENT 4 TO MTS DOC. NO. PWG253.0-18; ON-CALL ELECTRICAL
REPAIR SERVICES

This letter shall serve as Amendment 4 to our agreement for on-call electrical repair services,
as further described below.

SCOPE OF WORK

This amendment shall add shall add the Kearny Mesa Division (KMD) location as Table 3 for
the SDTC program, and three (3) Bus Rapid Transit (BRT) station locations as Table 4 to the
agreement (Attachment A, MTS Locations & Contact Information, Tables 2 & 3).

SCHEDULE

There shall be no change to the schedule as a result of this amendment.

PAYMENT

This amendment shall Increase the total value of the agreement of \$97,873.20 by \$25,568.00.
Including this amendment, the total value of the contract shall not exceed \$123,441.20 without
prior written approval from MTS.

Sincerely,

Accepted:

Sharon Cooney
Chief Executive Officer

Carlos Morales
ACM Lighting Services

Date: _____



ATTACHMENT A
(MTS Locations & Contact Information)

Table 3: SDTC

	BUILDING NAME	ADDRESS	CITY	ZIP
1	KMD	4630 Ruffner St.	San Diego	92111

Contact Information

Thomas Pascarella, Facilities Supervisor - Bus
Office: 619-238-0100 Ext. 6475
Email: thomas.pascarella@sdmts.com

Table 4: BRT

#	Stop	Description	Location	BRT Route(s)
1	TC	UTC Transit Center	M-TC-Bus	201/202/204
2	10772	Gilman Dr / Myers Dr	N-W/B	201
3	10374	Gilman Dr / Myers Dr	F-E/B	202
4	99459	Executive Dr / Regents Rd	N-W/B	201
5	99461	Medical Center Dr / Health Sciences Dr	F-N/B	201
6	13092	Voigt Dr / Scripps Memorial Hospital	N-W/B	201
7	99463	Villa La Jolla Dr / Gilman Dr	F-E/B	201
8	13024	Nobel Dr / La Jolla Village Square Drwy	N-E/B	201
9	10034	Nobel Dr / Lebon Dr	N-E/B	201
10	11909	Palmilla Dr / Lebon Dr	F-S/B	201
11	12662	Regents Rd / Arriba St	F-N/B	201
12	10399	Nobel Dr / Regents Rd	F-E/B	201
13	11915	Regents Rd / Nobel Dr	F-S/B	202
14	11154	Arriba St / Regents Rd	F-W/B	202
15	99932	Lebon Dr / Palmilla Dr	F-N/B	202
16	11151	Nobel Dr / Lebon Dr	F-W/B	202
17	13058	Nobel Dr / La Jolla Village Square Drwy	F-W/B	202
18	12326	Gilman Dr / Villa La Jolla Dr	F-N/B	202
19	99200	Voigt Dr / Scripps Memorial Hospital	M-E/B	202
20	99462	Medical Center Dr / Health Sciences Dr	N-S/B	202
21	99460	Executive Dr / Regents Rd	F-E/B	202
22	99075	Executive Dr / Executive Wy	F-E/B	204
23	99586	Judicial Dr / Golden Haven Dr	F-S/B	204
24	99194	Judicial Dr / Research Pl	F-S/B	204
25	13267	Nobel Dr / Towne Centre Dr	F-W/B	204
26	12782	11th Av / Broadway	F-N/B	215
27	99367	11th Av / B St	N-N/B	280/290
28	88916	I-15 Centerline Sta / University Av	F-N/B	235 NB
29	88918	I-15 Centerline Sta / El Cajon Bl	F-N/B	235 NB
30	23001	Miramar College Transit Station	TC-Bus	235 NB
31	23015	Sabre Springs / Penasquitos Station	TC-Bus	235 NB
32	99475	Rancho Bernardo Transit Station	TC-Bus	235 NB
33	99497	Del Lago Transit Station	TC-Bus	235 NB
34	99496	Escondido Transit Center	TC-Bus	235 SB
35	88919	I-15 Centerline Sta / El Cajon Bl	F-S/B	235 SB
36	88917	I-15 Centerline Sta / University Av	F-S/B	235 SB
37	10183	Clairemont Mesa Bl / Ruffin Rd	F-E/B	235 SB
38	99589	Santa Fe Depot Transit Center	N-S/B	215/225/235 EB
39	13314	Broadway / 1st Av	N-E/B	215/225/235 EB
40	10097	Broadway / 5th Av	N-E/B	215/225/235 EB

41	13550	Park Bl / University Av	F-N/B	215 EB
42	13552	Park Bl / Howard Av	F-N/B	215 EB
43	13554	El Cajon Bl / Texas St	F-E/B	215 EB
44	10543	El Cajon Bl / 30th St	F-E/B	215 EB
45	10190	El Cajon Bl / 35th St	F-E/B	215 EB
46	10609	El Cajon Bl / 43rd St	F-E/B	215 EB
47	13555	El Cajon Bl / Winona Av	F-E/B	215 EB
48	10250	El Cajon Bl / 54th St	F-E/B	215 EB
49	10262	College Av / El Cajon Bl	F-N/B	215 EB
50	11412	El Cajon Bl / College Av	F-W/B	215 WB
51	11389	El Cajon Bl / 54th St	F-W/B	215 WB
52	11377	El Cajon Bl / Winona Av	F-W/B	215 WB
53	10986	El Cajon Bl / 43rd St	N-W/B	215 WB
54	11334	El Cajon Bl / 35th St	F-W/B	215 WB
55	11296	El Cajon Bl / 30th St	F-W/B	215 WB
56	99199	El Cajon Bl / Texas St	F-W/B	215 WB
57	13553	Park Bl / Howard Av	F-S/B	215 WB
58	13551	Park Bl / University Av	N-S/B	215 WB
59	91107	Park Bl / Broadway	N-S/B	215 WB
60	10841	Broadway / 4th Av	N-W/B	215/225/235 WB
61	10839	Broadway / Union St	N-W/B	215/225/235 WB
62	99791	India St / C St	F-N/B	215/225/235 WB
63	99342	Broadway / Park Bl	F-W/B	225/235 SB
64	10109	Broadway / Park Bl	N-E/B	225/235 NB
65	TC	Otay Mesa Transit Center	TC-Bus	225(905/ 909/950)
66	88959	Millenia Station	E/B	225 NB
67	88957	Otay Ranch Station	N/B	225 NB
68	88955	Santa Venetia Station	W/B	225 NB
69	88953	Lomas Verdes Station	W/B	225 NB
70	88951	Heritage Station	W/B	225 NB
71	90515	East Palomar Station	W/B	225 NB
72	90514	East Palomar Station	E/B	225 SB
73	88950	Heritage Station	E/B	225 SB
74	88952	Lomas Verdes Station	E/B	225 SB
75	88954	Santa Venetia Station	E/B	225 SB
76	88956	Otay Ranch Station	S/B	225 SB
77	88958	Millenia Station	W/B	225 SB
78	N/A	Palomar Station Parking Lot	N/A	N/A

Contact Information**Diana Hernandez, Passenger Facilities Coordinator, BRT****Office: 619-446-4915****Email: Diana.Hernandez@sdmts.com**



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

Agenda Item No. 13

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

DESIGN SERVICES FOR THE FASHION VALLEY ELEVATOR PROJECT – WORK
ORDER AMENDMENT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Ratify Work Order Amendment Nos. 1-4 under MTS Doc No. G1949.0-17 (Attachments A-D) with Jacobs Engineering Group, Inc. (Jacobs) totaling \$99,945.60, for additional design services; and
- 2) Authorize the Chief Executive Officer (CEO) to execute Work Order Amendment No. 5 WOA1949-AE-15.05 under MTS Doc. No. G1949.0-17 (insubstantially the same format as Attachment E) with Jacobs in the amount of \$20,068.12 for additional Design Support During Construction (DSDC) services for the Project.

Budget Impact

The total budget for this project shall not exceed \$391,798.59. Jacobs work order (WOA1949-AE-15) is funded through Capital Improvement Project (CIP) budget account number 2004001902 (Fashion Valley Second Elevator).

Work Order No.	Purpose	Amount	Board Approval Date
WOA1949-AE-15	Original Work Order	\$271,784.87	2/15/18, Item 12
WOA1949-AE-15.01	Additional geotechnical engineering	\$4,762.02	CEO approval 7/12/18 per Board Policy No. 41
WOA1949-AE-15.02	Additional design for bus movements	\$27,349.90	CEO approval 8/9/18 per Board Policy No. 41
WOA1949-AE-15.03	DSDC services and creation of conformed drawings	\$35,232.29	CEO approval 3/5/2020 per Board Policy No. 41
WOA1949-AE-15.04	Additional DSDC services	\$32,601.39	CEO approval 10/2/2020 per Board Policy No. 41
WOA1949-AE-15.05	Additional DSDC services	\$20,068.12	Today's Proposed Action
		\$391,798.59	



DISCUSSION:

MTS contracted with Jacobs to provide design services to add a second elevator at the Fashion Valley Transit Center. The Fashion Valley Trolley Station is one of MTS's most highly traveled stations with more than 6,000 passengers per day. In order to continue servicing the increased number of passengers, an additional elevator was needed to supplement peak travel periods, and maintain the existing elevator. Two elevators are currently used at similar stations such as Grantville and Grossmont Center. Furthermore, construction of a second elevator will provide additional functionality of the station under the Americans with Disabilities Act (ADA). Currently, if the elevator is out of service, patrons must travel through the upper deck of a parking garage and over the mall to access another accessible route.

On February 15, 2018, the MTS Board approved Jacobs for design services for the Project. As the Project progressed from the start of design in early 2018 through construction, a number of minor scope changes occurred, resulting in the modification of the design scope.

In July 2018, Amendment No. 1 was issued to provide additional geotechnical engineering services to perform concrete coring and sampling of the existing soil. This information was necessary, as it provided bidders with a geotechnical report that reduced the bidders' risk and corresponding inflated pricing.

Amendment No. 2 was issued later in August 2018 for design revisions to aid in bus movements around the transit center. As design progressed, it became apparent the new elevator location would require changes to the ADA path of travel. To make the ADA path of travel modifications, the bus drive aisle and curbs needed to be modified. The resulting curb modifications shifted the bus drive aisle to the north, allowing passengers and buses the ability to safely travel through the transit center.

The construction contract for the Project was awarded in December 2019. In March 2020, Amendment No. 3 increased the design scope of work to include DSDC services and conformed drawings. MTS staff typically adds DSDC services to work orders when the project moves from the design phase to the procurement of construction services. The designer's work changes to a review and approval role, confirming the construction work matches the intended design. This amendment also included the creation of conformed drawings for the Project. The conformed drawings clarify the scope of the project when construction starts by incorporating all design changes resulting from question and answer (Q&A) period during the bid process. The resulting set of drawings reduces questions from the contractor and construction manager and simplifies the as-built document process.

Amendment No. 4 was issued in October 2020 as the project reached the half way point in construction. As work progressed in the field, design changes were made to the sump pump, to lower on-going maintenance costs, and to modify the exterior wall finish to match the existing elevator at the other end of the station.

Under proposed work order Amendment No. 5, the DSDC budget shall be increased one final time to incorporate two requested design changes by MTS staff: 1) enhancement of passenger safety and security, and 2) improvement of the proposed roof drainage design. The elevator installation is scheduled to be complete in Spring 2021.

On January 12, 2016, San Diego Association of Governments (SANDAG) and MTS issued a joint Request for Statement of Qualifications (RFSQ) for On-Call Architectural and Engineering (A&E) Design Consulting services. The RFSQ resulted in the approval of 8 firms qualified to perform A&E services. Tasks are assigned to the firms through a work order process. MTS selects the most qualified firm based on the scope of work to be performed.

MTS staff reviewed the approved A&E firms and utilizing a rotation process according to the established ranked order of firms, selected Jacobs to perform the requisite services. Jacobs had the architectural experience to fulfill the requirements of the Project.

Therefore, staff recommends that the MTS Board:

- 1) Ratify Work Order Amendment Nos. 1-4 under MTS Doc No. G1949.0-17 (Attachment A -D) with Jacobs totaling \$99,945.60, for additional design services; and
- 2) Authorize the CEO to execute Work Order Amendment No. 5 WOA1949-AE-15.05 under MTS Doc. No. G1949.0-17 (insubstantially the same format as Attachment E) with Jacobs in the amount of \$20,068.12 for additional DSDC services for the Fashion Valley Elevator project.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachments: A. Work Order WOA1949-AE-15.01, MTS Doc No. G1949.0-17
B. Work Order WOA1949-AE-15.02, MTS Doc No. G1949.0-17
C. Work Order WOA1949-AE-15.03, MTS Doc No. G1949.0-17
D. Work Order WOA1949-AE-15.04, MTS Doc No. G1949.0-17
E. Draft Work Order WOA1949-AE-15.05, MTS Doc No. G1949.0-17



July 10, 2018

MTS Doc. No. G1949.1-17
Work Order No. WOA1949-AE-15.01

Jacobs Engineering Group, Inc.
Lewis P. Cornell, Vice President
725 West Town & Country Road, Suite 300
Orange CA, 92868

Dear Mr. Cornell:

Subject: MTS DOC. NO. G1949.1-17, WORK ORDER WOA1949-AE-15, GENERAL ENGINEERING DESIGN SERVICES FOR FASHION VALLEY STATION ELEVATOR REPLACEMENT AND ADDITION PROJECT

This letter shall serve as Amendment 1 to Work Order WOA1949-AE-15 to MTS Doc. No. G1949.1-17, for professional services under the General Engineering Consultant Agreement, as further described below.

SCOPE OF SERVICES

This Amendment adds two cone penetrometer tests to be performed at the proposed locations of the elevators in order to obtain additional information on the subsurface soil conditions. Concrete coring and patching will also be performed in order to advance the cone penetrometer to an approximate depth of 60 feet at the two locations.

SCHEDULE

There shall be no change to the original schedule.

PAYMENT

This Amendment adds an additional \$4,762.02 to the Work Order. Payment shall be based on actual costs in the amount not to exceed without prior authorization of \$276,762.02.

Please sign below, and return the document to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect.

Sincerely,


Paul C. Jablonski
Chief Executive Officer

Accepted:



Lewis Cornell
Jacobs Engineering Group, Inc.

LMARQUIS-CL
CL-G1949.1-17.WOA1949-AE-15.01.JACOBS.SAUGUSTYN

Date: August 7, 2018

Attachment: A - Negotiated Fee Proposal



August 7, 2018

MTS Doc. No. G1949.1-17
Work Order No. WOA1949-AE-15.02

Jacobs Engineering Group, Inc.
Lewis P. Cornell, Vice President
725 West Town & Country Road, Suite 300
Orange CA, 92868

Dear Mr. Cornell:

Subject: MTS DOC. NO. G1949.1-17, WORK ORDER WOA1949-AE-15, GENERAL ENGINEERING DESIGN SERVICES FOR FASHION VALLEY STATION ELEVATOR REPLACEMENT AND ADDITION PROJECT

This letter shall serve as Amendment 2 to Work Order WOA1949-AE-15 to MTS Doc. No. G1949.1-17, for professional services under the General Engineering Consultant Agreement, as further described below.

SCOPE OF SERVICES

This Amendment adds services to to mitigate complications with standard bus turning movements in and around the Fashion Valley MTS Bus Station (Attachment A).

SCHEDULE

There shall be no change to the original schedule.

PAYMENT

This Amendment adds an additional \$27,349.90 to the Work Order (Attachment B). Payment shall be based on actual costs in the amount not to exceed without prior authorization of \$303,896.79.

Please sign below, and return the document to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Paul C. Jablonski', is written over a horizontal line.

Paul C. Jablonski
Chief Executive Officer

SAUGUSTYN
G1949.1-17, JACOBS, 080718

Accepted:

A handwritten signature in blue ink, appearing to read 'Lewis Cornell', is written over a horizontal line.

for Lewis Cornell
Jacobs Engineering Group, Inc.

Date: 08/28/2018

Attachments: Attachment A, Scope of Work
Attachment B, Negotiated Fee Proposal



Metropolitan Transit System

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

February 27, 2020

MTS Doc. No. G1949.0-17
Work Order No. WOA1949-AE-15.03

Jacobs Engineering Group, Inc.
Kosal Krishnan, Vice President
725 West Town & Country Road, Suite 300
Orange CA, 92868

Dear Mr. Krishnan:

Subject: AMENDMENT NO. 3 WORK ORDER WOA1949-AE-15, MTS DOC. NO. G1949.0-17,
GENERAL ENGINEERING DESIGN SERVICES FOR FASHION VALLEY STATION
ELEVATOR REPLACEMENT AND ADDITION PROJECT

This letter shall serve as Amendment 3 to Work Order WOA1949-AE-15 to MTS Doc. No. G1949.0-17,
for professional services under the General Engineering Consultant Agreement, as further described
below.

SCOPE OF SERVICES

This Amendment adds services to provide revised conformed documents for a single elevator for the
Fashion Valley Station Elevator Replacement and Addition Project (Attachment A).

SCHEDULE

The original schedule shall extend through September 30, 2021.

PAYMENT

This Amendment adds an additional \$35,232.29 to the Work Order (Attachment B). Payment shall be
based on actual costs in the amount not to exceed without prior authorization of \$339,129.08.

Please sign below, and return the document to the Contracts Specialist at MTS. All other terms and
conditions shall remain the same and in effect.

Sincerely,

Paul C. Jablonski
Chief Executive Officer

Accepted:

Kosal Krishnan
Jacobs Engineering Group, Inc.

Date: 3/17/2020

Attachments: Attachment A, Scope of Work
Attachment B, Negotiated Fee Proposal

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

September 30, 2020

MTS Doc. No. G1949.0-17
Work Order No. WOA1949-AE-15.04

Jacobs Engineering Group, Inc.
Julian Hoyle, Vice President
725 West Town & Country Road, Suite 300
Orange CA, 92868

Dear Mr. Hoyle:

Subject: AMENDMENT NO. 4 TO WORK ORDER WOA1949-AE-15, MTS DOC. NO. G1949.0-17
GENERAL ENGINEERING DESIGN SERVICES FOR FASHION VALLEY STATION
ELEVATOR REPLACEMENT AND ADDITION PROJECT

This letter shall serve as Amendment No. 4 to Work Order WOA1949-AE-15 to MTS Doc. No. G1949.0-17, for professional services under the General Engineering Consultant Agreement, as further described below.

SCOPE OF SERVICES

There shall be no change to the Scope of Services. This Amendment adds funds to the Work Order for Design Support During Construction services for the Fashion Valley Station Elevator Replacement and Addition Project.

SCHEDULE

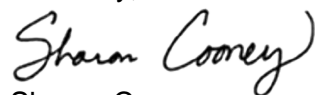
There shall be no change to the schedule as a result of this Amendment. The original schedule shall remain in effect through September 30, 2021.

PAYMENT

This Amendment adds an additional \$32,601.39 to the Work Order (Attachment A). Payment shall be based on actual costs. The revised Work Order amount shall not to exceed \$371,730.47 without prior authorization of MTS.

Please sign below, and return the document to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect.

Sincerely,



Sharon Cooney
Chief Executive Officer

Accepted:



Julian Hoyle
Jacobs Engineering Group, Inc.

Date: 10/27/2020 _____

Attachments: Attachment A, Negotiated Fee Proposal



1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

DRAFT

February 11, 2021

MTS Doc. No. G1949.0-17
Work Order No. WOA1949-AE-15.05

Jacobs Engineering Group, Inc.
Julian Hoyle, Vice President
725 West Town & Country Road, Suite 300
Orange, CA 92868

Dear Mr. Hoyle:

Subject: AMENDMENT NO. 5 TO WORK ORDER WOA1949-AE-15, MTS DOC. NO. G1949.0-17
GENERAL ENGINEERING DESIGN SERVICES FOR FASHION VALLEY STATION
ELEVATOR REPLACEMENT AND ADDITION PROJECT

This letter shall serve as Amendment No. 5 to Work Order WOA1949-AE-15 to MTS Doc. No. G1949.0-17, for professional services under the General Engineering Consultant Agreement, as further described below.

SCOPE OF SERVICES

There shall be no change to the Scope of Services. This Amendment adds funds to the Work Order for Design Support During Construction services for the Fashion Valley Station Elevator Replacement and Addition Project.

SCHEDULE

There shall be no change to the schedule as a result of this Amendment. The original schedule shall remain in effect through September 30, 2021.

PAYMENT

This Amendment adds an additional \$20,068.12 to the Work Order (Attachment A). Payment shall be based on actual costs. The revised Work Order amount shall not to exceed \$391,798.59 without prior authorization of MTS.

Please sign below, and return the document to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect.

Sincerely,

Accepted:

Sharon Cooney
Chief Executive Officer

Julian Hoyle
Jacobs Engineering Group, Inc.

Date: _____

Attachments: Attachment A, Negotiated Fee Proposal



ATTACHMENT A NEGOTIATED FEE PROPOSAL

Work Order Estimate Summary

Att. E, AI 13, 2/11/2021

MTS Doc. No.	G1949.0-17
Work Order No.	17.04
Attachment:	B

Work Order Title: Fashion Valley Elevator -Amendment 5 -Provide Additional DSDC & Close-out

Project No: TBD

Table 1 - Cost Codes Summary (Costs & Hours)

Item	Cost Codes	Cost Codes Description	Total Costs
1	0100	PROJECT MANAGEMENT	\$560.00
2	0255	ENGINEERING	\$19,508.12

Totals = \$20,068.12

Table 2 - TASKS/WBS Summary (Costs & Hours)

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	ADMIN	PM & COORDINATION		\$560.00
10	ENGINEERING	DESIGN SUPPORT DURING CONSTRUCTION & CLOSE-OUT	154.00	\$19,508.12

Totals = 154.00 \$20,068.12

Table 3 - Consultant/Subconsultant Summary (Costs & Hours)

(If Applicable, Select One)				Consultant	Labor Hrs	Total Costs
DBE	DVBE	SBE	Other			
			X	JACOBS	154.00	\$20,068.12

Totals = 154.00 \$20,068.12

Work Order Estimate Summary

Att. E, AI 13, 2/11/2021

JACOBS ENGINEERING GROUP, INC.

MTS Doc. No.: **G1949.0-17**
Work Order No.: **17.04**

Total Hours =	154
Total Costs =	\$20,068.12

Fashion Valley Elevator -Amendment 5 -Provide Additional DSDC & Close-out

Attachment: **B**

			ODCs (See Attachment)	PIRBAZARI, KEYVAN Manager of Projects III	TINARI, JOSEPH Manager of Engineering I	OLSIEWSKI, STANLEY Office Engineer V (Architecture)	LEE, CHRISTOPHER Civil Design VI	SHERVIN SHAFI Structural Engineering IV	MONTELLANO, VIC Engineering PM II (Electrical)	KORPASH, CURTIS Engineering PM II (Mechanical Design)	Total Hours	Totals
Item	TASKS/WBS	TASKS/WBS Description		\$ 255.14	\$ 219.47	\$ 124.18	\$ 133.68	\$147.23	\$ 173.85	\$ 173.85		
1	ADMIN	PM & COORDINATION										
1.1	0100	INVOICING/SCHEDULING/ADMIN	\$560.00									\$560.00
1.2	0100	COORDINATION W/MTS, BUS OPERATORS, MTS PROCUREMENT										
1.4	0100	QA/QC ON DELIVERABLES										
		Subtotals (Hours) =	N/A									\$560.00
		Subtotals (Costs) =	\$560.00									\$560.00
10	ENGINEERING	DESIGN SUPPORT DURING CONSTRUCTION & CLOSE-OUT										
10.1	0255	ATTEND WEEKLY CONSTRUCTION MEETINGS(2hrs/wk for 4 mos)				32					32	\$3,973.76
10.2	0255	REVIEW & APPROVE SUBMITTALS				40					40	\$4,967.20
10.3	0255	RESPOND TO RFIS				60					60	\$7,450.80
10.4	0255	FIELD OBSERVATIONS										
10.5	0255	PREPARE DCN'S				6					6	\$745.08
10.6	0255	PUNCHLIST & CLOSEOUT ACTIVITIES	200			8		8			16	\$2,371.28
		Subtotals (Hours) =	N/A			146		8			154	\$19,508.12
		Subtotals (Costs) =	\$200.00			\$18,130.28		\$1,177.84			154	\$19,508.12
Totals (Summary) =												
Total (Hours) =						146		8			154	
Total (Costs) =			\$760.00			\$18,130.28		\$1,177.84				\$20,068.12
Percentage of Total (Hours) =						95%		5%			100%	
Percentage of Total (Costs) =			4%			90%		6%				100%

Work Order Estimate Summary

Att. E, AI 13, 2/11/2021

Consultant/ Subconsultant: **JACOBS ENGINEERING GROUP, INC.**

Contract No: **G1949.0-17**

Task Order No. **17.04**

Work Order Title: **Fashion Valley Elevator -Amendment 5 -Provide Additional DSDC & Close-out**

Attachment: **B**

TASKS/WBS (1-5)													
ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Mileage	EA	\$200.00										
2	Contract Admin	LS	\$560.000	1	\$560.00								
3													
4													
5													
6													
7													
8													
9													
10													
				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =	

TASKS/WBS (6-10)													
ODC Item	Description	Task 6		Task 7		Task 8		Task 9		Task 10		Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Mileage									1	\$200.00	1	\$200.00
2	Contract Admin											1	\$560.00
3													
4													
5													
6													
7													
8													
9													
10													
		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Totals =	

JACOBS



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

Agenda Item No. 14

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

AMERICA PLAZA PEDESTRIAN ENHANCEMENTS PROJECT – AWARD WORK
ORDER CONTRACT

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors authorize the Chief Executive Officer (CEO) to execute Work Order WOA1951-AE-63 to MTS Doc. No. G1951.0-17 (in substantially the same format as Attachment A) with Mott MacDonald in the amount of \$749,706.49 for design services for the America Plaza Pedestrian Enhancements Project

Budget Impact

The total budget for this project shall not exceed \$749,706.49. This project is funded by MTS Capital Improvement Program (CIP) Project # 2009108001 – America Plaza Pedestrian Enhancements – Design.

DISCUSSION:

As part of its grant application to the State of California for the Transit and Intercity Rail Capital Program (TIRCP), MTS identified a need to improve pedestrian connections between America Plaza and Santa Fe Depot. As a gateway to San Diego for travelers arriving downtown by passenger rail, or by bus from the airport, the America Plaza/Santa Fe Depot station area is a critical transportation center for the region. The existing public walkways and wayfinding do not adequately accommodate pedestrian demand today. Pedestrian travel through this busy connection point, which is expected to grow with the Mid-Coast Trolley extension opening in late 2021, is further increasing the need for the project. The State of California awarded MTS just over \$4.2 million for the project in a 2018 TIRCP Grant.



On July 25, 2019, the MTS Board authorized a work order for Mott MacDonald to study the existing conditions, conduct public outreach, and develop conceptual designs to improve the pedestrian connection between Santa Fe Depot and America Plaza. The results of the outreach and design concepts were reviewed by MTS staff, and a preferred concept was selected. The preferred concept was documented in a final report and submitted to the MTS Board in September 2020, and included a new crosswalk, landscaped median, two sawtooth bus bays, and adjusted curb and sidewalks to support multi-modal transportation between America Plaza and Santa Fe Depot.

This work order will authorize Mott MacDonald to generate detailed design drawings, technical specifications and cost estimates. The final documents resulting from this work order will be used to advertise the project to obtain competitive bids and ultimately construct the project.

On January 12, 2016, San Diego Association of Governments (SANDAG) and MTS issued a joint Request for Statement of Qualifications (RFSQ) for On-Call Architectural and Engineering (A&E) Design Consulting services. The RFSQ resulted in the approval of eight firms qualified to perform A&E services. Tasks are assigned to the firms through a work order process.

MTS staff reviewed the approved A&E firms and utilizing a direct award process, selected Mott MacDonald to perform the requisite services. Mott MacDonald had previously completed conceptual design, as noted above.

Mott MacDonald's proposed amount was \$858,258.01. After discussions and negotiations, staff was able to reduce this cost to \$749,706.49 which is less than MTS's Independent Cost Estimate (ICE) and determined to be fair and reasonable.

Mott MacDonald will be using the following subconsultants for this project: Estrada Land Planning (Disadvantaged Business Enterprise (DBE)), Aguirre & Associates (DBE), Ninyo & Moore (Minority Owned Business Enterprise (MBE)), STC Traffic (Small Business (SB)), and Fehr & Peers.

Therefore, staff recommends that the MTS Board authorize the CEO to execute Work Order WOA1951-AE-63 to MTS Doc. No. G1951.0-17 (in substantially the same format as Attachment A) with Mott MacDonald in the amount of \$749,706.49 to develop complete design for the America Plaza Pedestrian Enhancements project.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Draft Work Order WOA1951-AE-63 to MTS Doc. No. G1951.0-17

1255 Imperial Avenue, Suite 1000
San Diego, CA 92101
Tel 619.231.1466 Fax 619.234.3407

DRAFT

February 11, 2021

MTS Doc. No. G1951.0-17
Work Order No. WOA1951-AE-63

Mr. Dan Tempelis
Senior Vice President
Mott MacDonald, LLC
401 B Street, Suite 1520
San Diego, CA 92101

Dear Mr. Tempelis:

Subject: MTS DOC. NO. G1951.0-17, WORK ORDER WOA1951-AE-63, GENERAL ENGINEERING SERVICES FOR AMERICA PLAZA/SANTA FE DEPOT PEDESTRIAN ENHANCEMENTS FINAL DESIGN

This letter shall serve as our agreement for Work Order WOA1951-AE-63 to MTS Doc. No. G1951.0-17, for engineering services for America Plaza/Santa Fe Depot Pedestrian Enhancements final design.

SCOPE OF SERVICES

Provide design services for America Plaza/Santa Fe Depot Pedestrian Enhancements final design project. Work provided under this Work Order will be performed in accordance with the attached Scope of Services (Attachment A)

SCHEDULE

The Scope of Services, as described above, shall for a period of nine (9) months from the date of the Notice to Proceed.

PAYMENT

Payment shall be based on actual costs in the not to exceed amount of \$749,706.49 without prior authorization of MTS.

Please sign below, and return the document to the Contracts Specialist at MTS. All other terms and conditions shall remain the same and in effect.

Sincerely,

Accepted:

Sharon Cooney
Chief Executive Officer

Dan Tempelis, Senior Vice President
Mott MacDonald, LLC

Date: _____

Attachments: Attachment A, Scope of Services
Attachment B, Negotiated Fee Proposal



ATTACHMENT A

SCOPE OF SERVICES

SAN DIEGO METROPOLITAN TRANSIT SYSTEM (MTS)**ATTACHMENT A****MTS Doc. No. G1951.0-17****Work Order No. WOA1951-AE-63****Project Title: America Plaza/Santa Fe Depot Pedestrian Enhancements Final Design****I. INTRODUCTION**

The San Diego Metropolitan Transit System (MTS) is the transit operator for southern San Diego County, including the City of San Diego.

The America Plaza and Santa Fe Depot transit stations together represent the primary mass transportation portal to downtown San Diego for visitors, residents, and commuters. America Plaza and Santa Fe Depot together are the first points of interaction for passengers entering downtown San Diego via Amtrak Pacific Surfliner passenger rail and North County Transit District (NCTD) Coaster commuter rail. Furthermore, these facilities serve as the primary link into the MTS transit network for passengers arriving from the San Diego International Airport and via San Diego-docking cruise ships via MTS Route 992.

America Plaza currently serves as the terminal for the MTS UC San Diego Blue Line Trolley (the “Blue Line”), connecting downtown San Diego with Tijuana, Mexico at the San Ysidro Port of Entry. Beginning in late 2021 following the completion of a nearly \$2 Billion capital project, the Blue Line will also extend north from America Plaza to the campus of the University of California, San Diego. MTS Sycuan Green Line service (the “Green Line”) is provided to Santa Fe Depot, and extends east through San Diego’s Mission Valley to the East County communities of La Mesa, El Cajon, and Santee.

The three MTS Rapid bus lines serving these stations include:

- Rapid 215 serving the San Diego Zoo, San Diego’s uptown areas of Hillcrest, North Park, and City Heights, and San Diego State University;
- Rapid 225 to the City of Chula Vista in San Diego’s South Bay region and Tijuana, Mexico at the Otay Mesa Port of Entry; and
- Rapid 235 between downtown San Diego along Interstate 15 through to the City of Escondido.

At present, this major regional hub is a center point for transit service in the region, but generally operates as a set of co-located individual components. While Amtrak, Coaster, Green Line, and outbound Rapid services all serve Santa Fe Depot, the Blue Line and inbound Rapid services serve America Plaza Trolley Station. In practice the independent operations are separated and difficult for patrons to navigate. Passengers wishing to make connections at Santa Fe Depot are asked to activate a traffic signal to cross Kettner Boulevard. This has often resulted in delays to transit connections, and incentivized passengers to cross against the signal to make tight connections. Furthermore, the current configuration has caused confusion, as reported by patrons wishing to make connections.

II. EXPECTED RESULTS

The goal of this project is to provide complete construction documents based on the MTS approved America Plaza/Santa Fe Depot Pedestrian Enhancement Project Final Report completed by Mott MacDonald and received by the MTS Board of Directors on September 17, 2020. The main elements of project are summarized below.

- Project limits are along Kettner Blvd between Broadway and B Street
- One new raised crosswalk and one relocated and raised crosswalk on Kettner Blvd.
- Landscaped median
- Two sawtooth bus bays as part of bus stop enhancements
- Adjusted curbs and sidewalks to accommodate separate bus, taxi, loading, and parking areas

- Improved pedestrian lighting and landscaping
- New sidewalk and road pavers
- Restriping of Kettner Blvd.

In addition to providing the bid ready plans, specifications and estimate (PS&E), the Consultant shall provide all necessary outside agency coordination, obtain plan/permit approvals from the City of San Diego and other agencies (if needed), and perform all necessary survey and pre-construction geotechnical engineering in accordance with this Scope of Work.

This project will also incorporate a modern wayfinding program that will not only help connect passengers with transit services, but also help guide passengers toward other civic amenities. MTS will provide the overall wayfinding content (visuals/graphics) and sign type by location, but Consultant shall be responsible for identifying the signage location on the site plans and performing any required structural assessment for sign posts and/or foundations. Consultant will also provide the specification for the signs, including material finish and dimensions.

Taken together, the final transit center design will reflect cutting-edge green urban design and spatial planning, resulting in a creative and welcoming human-scale public space that is sensitive to both the surrounding built environment and the climate.

III. SCOPE OF WORK

The scope of work shall consist of the following tasks and deliverables:

Task 1 - Project Management and Coordination

- 1.1 Provide project management services including the requirements for invoicing, scheduling, monthly project progress reports, and administration of the Consultant's team.
- 1.2 Arrange and facilitate Project Development Team (PDT) meetings, interagency meetings, field reviews, and other project-related meetings. Consultant shall prepare meeting agendas, meeting minutes, necessary supplemental materials, and meeting sign-in sheets for all meetings.
- 1.3 Develop and implement a project schedule to complete the Scope of Work and manage the project to eliminate or minimize supplemental agreements.
- 1.4 Provide coordination between MTS and outside agencies and stakeholders, this includes decision making and communication with MTS and community/agency stakeholder team.
- 1.5 Prepare monthly status reports and project schedules which are to be submitted with invoices. The status report must outline all activities for which charges have been made by the Consultant or sub-Consultants. The Consultant shall prepare a draft status report and submit it for approval prior to submitting the first invoice.
- 1.6 Provide QA/QC on all deliverables. To ensure quality of work and compliance with the scope of work, the consultant shall perform a systematic in-house review of all documents produced prior to submittal. All reviewed documents shall have a check box or signature indicating a review has been performed.

Task 2 – Outside Agency Coordination and Approvals

- 2.1 Provide all necessary coordination with outside agencies and key stakeholders as required for the design. This includes, but isn't limited to the owners of Santa Fe Depot, North County Transit District, Amtrak, and the City of San Diego. The work also included coordination with the hotel development for the design of entrance driveway configuration and division of work. Consultant shall coordinate with MTS staff regarding ownership, easements, and joint-use agreements.
- 2.2 Provide all necessary coordination, submissions, and approvals of the design with the City of San Diego in order to obtain plan approval for the Contractor to obtain the necessary construction permit.

- 2.3 Collect all necessary as-builts from outside agencies required for the design.
- 2.4 Conduct initial site visits with MTS for review of project, confirmation of existing conditions, and examine existing environment, structures, and facilities.

Task 3 – Survey and Geotechnical Engineering During Design

- 3.1 Provide all necessary surveying for use in the design and permitting of site improvements. Consultant shall review and evaluate information for the proposed work area, including all available information and MTS design guidelines, local jurisdiction requirements, ADA standards and other pertinent information that may apply. Any survey after design or during the construction phase will be performed by the construction manager or contractor.
- 3.2 Provide all necessary geotechnical engineering as required for the design. This includes any testing or requirements the City of San Diego has as it relates to approvals and permit issuance. Any geotechnical engineering, special inspection, observations, or recommendations required during the course of the construction will be performed by the construction manager and/or contractor. Consultant shall review all pertinent and available geotechnical literature including geotechnical reports, topographic maps, geologic maps and aerial photographs; perform three field borings approximately 5 feet below existing pavement surface; and compile and analyze the data obtained; prepare a geotechnical memo. The geotechnical memo shall consist of a proposed pavement section, boring logs, and R-value test results. The consultant will conduct R-Value testing and engineering analysis required to evaluate geotechnical parameters and develop a proposed pavement section.
- 3.3 Provide environmental sampling in conjunction with the geotechnical evaluation. The environmental sampling shall consist of collecting soil samples during manual advancement of the three proposed borings at depths of 1, 3, and 5 feet below ground surface (BGS); submitting the soil samples, under chain-of-custody procedures, to a State of California certified laboratory for analysis of total petroleum hydrocarbons (TPH) extended range organics (TPH-ext) (C4-C40) utilizing EPA Method 8015B, volatile organic compounds (VOCs), including fuel oxygenates, utilizing EPA Method 8260B, and Title 22 Metals utilizing EPA Method 6010B/7471A; and preparing and submitting a technical memorandum summarizing the analytical results, including analytical data tables and figures. In the event that soil export is required, Consultant shall provide direction on the proper removal and disposal of the soil.
- 3.4 Prepare a limited geotechnical report based on the design phase geotechnical explorations.

Task 4 – Design, Specifications, and Estimate

- 4.1 The Consultant shall prepare a complete set of drawings consisting of, but not limited to the following:
 - Civil site plans and details based on any as-built plans, survey and field information gathered.
 - Demolition plans and details showing the limits and depth of all pavement removals, concrete removals, landscaping, and any other necessary demolition work with preferred material staging areas. Items to be protected, relocated, or salvaged shall also be clearly identified.
 - Improvement plans that depict the dimensions and limits of all paving improvements, parking improvements, pedestrian crosswalks, hardscaping, and related work. The details shall depict concrete pavement thickness, asphalt pavement thickness and details, subgrade preparation, pavement jointing details, slab reinforcement details, fencing details, and all required work.
 - Signing and striping plans depicting wayfinding signage locations, striping, and other related work.
 - Wayfinding plans depicting site-specific placement details, sign fabrication and foundation details, and individual sign layouts. This work assumes up to a total of 40 signs that will be distributed across 28 gateways and nodes identified in the America Plaza/Santa Fe Depot Wayfinding Design Guidelines: Mapping Gateways, Nodes, and Pathways diagram.

- Traffic signal plans depicting any modifications to existing signalized intersections, including any additional pedestrian signals at the new raised crosswalk, and other related work.
 - Grading and Drainage plans that depict existing and proposed contour lines, drainage structures, and drainage patterns with flow lines and ridges.
 - Landscape and Irrigation plans
 - Erosion and Sedimentation control plans and details showing locations of proposed temporary construction BMPs and proposed installation details.
 - Street Lighting Plans depicting the electrical point of connection, underground conduit pathway, wiring sizes, single line diagram, panel designation, typical trench detail, spare conduit design, and components necessary for the work.
 - Traffic Control Plans
- 4.2 Based on initial site visit, coordination with MTS and in response and adherence to the final Report, prepare design plan submittal packages at 60%, 90%, and 100% phases. Design plans shall include site layout, demolition, facility layout, concrete and asphalt paving, amenity installation details, utilities, and detail sheets.
- 4.3 Consultant shall prepare technical specifications for the proposed work. The specifications will be submitted to MTS for review at each milestone. Specifications will be prepared in CSI format. For any standard reference the Caltrans Standard Specifications (current version), San Diego Standard Specifications for Public Works Construction (current version), or San Diego Regional Standard Drawings can be referenced in order to adhere to the City of San Diego requirements as necessary for permitting approval.
- 4.4 Prepare construction cost estimate at each plan submission. The Consultant will develop a construction cost estimate for the 60%, 90% and 100% plan level and submit it to MTS. Current available cost data will be used to develop the Engineer's Estimate, and a bottom's up estimate is not included.

Task 5 – Construction Procurement Bid Support

- 5.1 Consultant shall assist MTS with the construction procurement by responding to bidder comments and pre-bid RFIs during the bidding phase.
- 5.2 Consultant shall prepare any specifications or front-end division 1 information to adhere to the MTS standard IFB language.

IV. PERIOD OF PERFORMANCE

MTS plans to see this project effort complete within nine (9) months following issuance of a Notice to Proceed.

V. DELIVERABLES

MTS expects to receive the following deliverables produced over the course of this project:

Task 1

- Project Schedule
- Monthly Invoices and Status Reports
- Meeting Agendas, Minutes, and Sign-in Sheets

Task 2

- None

Task 3

- Survey
- A Geotechnical Memo with a proposed pavement section, boring logs, and R-value test results
- A Geotechnical Memo summarizing the environmental analysis

Task 4

- 60% plans, specifications, and opinion of probable construction cost; one PDF copy.
- 90% plans, specifications, and opinion of probable construction cost; one PDF copy.
- 100% plans, specifications, and opinion of probable construction cost; one PDF copy and one full-size hard copy and one full-size mylar copy to be submitted to the City of San Diego.
- Issued for Construction (IFC) plans and specifications; one PDF copy
- Microstation CAD files to be submitted to the City of San Diego at project closeout
- Geotechnical report, including soil test results and recommendations

Task 5

- Specifications or front-end Division 1 information

VI. ASSUMPTIONS

The following items are assumed to complete the Scope of Work:

- A Categorical Exemption is anticipated under CEQA
- Design shall comply with City of San Diego Street Design Manual (March 2017), MTS Designing for Transit Manual (February 2018) and any other criteria and/or guidance for the Authority having Jurisdiction
- Design drawings shall be developed to comply with the City of San Diego CADD standards
- City of San Diego review period of 30 calendar days
- Traffic Index to be provided by City of San Diego
- New streetlights will not require additional feeds or coordination with SDG&E. All relocated and new lights will be connected to existing streetlight circuits.
- Over the shoulder review with MTS and the City of San Diego
- All equipment installed for the new pedestrian signal will be new with the exception of the service cabinet. The service cabinet from the traffic signal being removed will remain in-place and will be used to power the new traffic signal.
- Three (3) stages of construction are assumed for traffic control.

VII. EXCLUSIONS

The following items are excluded from this Scope of Work:

- Basis of Design Document (Work will be based on the approved PSR)
- Wayfinding visuals, graphics, and sign types
- Environmental documents/reports
- Pre- and Post-Construction Surveys
- Construction Permits
- Drainage Report
- Soil horticultural analysis and/or testing
- Traffic signal coordination timing plans
- Fiber splice diagrams
- Temporary signals

VIII. SCHEDULE OF SERVICES/MILESTONES/DELIVERABLES

Task	Begin/End Dates
Project Management and Coordination	NTP/project completion
Document Review and Site Visits	NTP/project completion

60% Design Submittal	NTP/NTP + 5 months
90% Design Submittal	NTP/NTP + 7 months
100% Design Submittal	NTP/NTP + 9 months

B. Milestones/Deliverables Schedule

Milestone/Deliverable	Due Date
Geotechnical Report, including soil test results	NTP + 2 months
Over the Shoulder Review	NTP/NTP + 3 months
60% Design Submittal	NTP/NTP + 5 months
90% Design Submittal	NTP/NTP + 7 months
100% Design Submittal	NTP/NTP + 9 months

IX. MATERIALS TO BE PROVIDED BY MTS AND/OR THE OTHER AGENCY

MTS will provide all necessary As-Builts for existing facilities within the project site if obtainable.

X. SPECIAL CONDITIONS

Not Applicable.

XI. MTS ACCEPTANCE OF SERVICES:

Contractor shall not be compensated at any time for unauthorized work outside of this Work Order. Contractor shall provide notice to MTS' Project Manager upon 100% completion of this Work Order. Within five (5) business days from receipt of notice of Work Order completion, MTS' Project Manager shall review, for acceptance, the 100% completion notice. If Contractor provides final service(s) or final work product(s) which are found to be unacceptable due to Contractors and/or Contractors subcontractors negligence and thus not 100% complete by MTS' Project Manager, Contractor shall be required to make revisions to said service(s) and/or work product(s) within the Not to Exceed (NTE) Budget. MTS reserves the right to withhold payment associated with this Work Order until the Project Manager provides written acceptance for the 100% final completion notice. Moreover, 100% acceptance and final completion will be based on resolution of comments received to the draft documents and delivery of final documentation which shall incorporate all MTS revisions and comments.

Monthly progress payments shall be based on hours performed for each person/classification identified in the attached Fee Schedule and shall at no time exceed the NTE. Contractor shall only be compensated for actual performance of services and at no time shall be compensated for services for which MTS does not have an accepted deliverable or written proof and MTS acceptance of services performed.

XII. DEFICIENT WORK PRODUCT:

Throughout the construction management and/or implementation phases associated with the services rendered by the Contractor, if MTS finds any work product provided by Contractor to be deficient and the deficiently delays any portion of the project, Contractor shall bear the full burden of their deficient work and shall be responsible for taking all corrective actions to remedy their deficient work product including but not limited to the following:

- Revising provided documents,

At no time will MTS be required to correct any portion of the Contractors deficient work product and shall bear no costs or burden associated with Contractors deficient performance and/or work product.

XIII. DELIVERABLE REQUIREMENTS

Contractor will be required to submit any and all documentation required by the Scope of Work. The deliverables furnished shall be of a quality acceptable to MTS. The criteria for acceptance shall be a product of neat appearance, well-organized, and procedurally, technically and grammatically correct. MTS reserves the right to request a change in the format if it doesn't satisfy MTS's needs. All work products will become the property of MTS. MTS reserves the right to disclose any reports or material provided by the Contractor to any third party.

Contractor shall provide with each task, a work plan showing the deliverables schedule as well as other relevant date needed for Contractor's work control, when and as requested by MTS.

Contractor's computer data processing and work processing capabilities and data storage should be compatible with Windows compatible PC's, text files readable in Microsoft Word, and standard and customary electronic storage. Contractor shall maintain backup copies of all data conveyed to MTS.

Contractor shall provide MTS with hard copy or electronic versions of reports and/or other material as requested by MTS.

XIV. PRICING

Pricing shall be firm and fixed for the duration of the Work Order and any subsequent Change Orders/Amendments to the Work Order. There shall be no escalation of rates or fees allowed.

XV. ADDITIONAL INFORMATION

List additional information as applicable to the specific Work Order scope of services.

XVI. PREVAILING WAGE

Prevailing wage rates apply to certain personnel for these services? ☒ Yes ☐ No

If yes, please list classification subject to prevailing wage rates:

Party Chief
Chainman

Exhibit A: America Plaza/Santa Fe Depot Pedestrian Enhancement Project Final Report

ATTACHMENT B

NEGOTIATED FEE PROPOSAL

Work Order Estimate Summary

Att. A, AI 14, 2/11/2021

MTS Doc. No. **G1951.0-17**

Work Order No. WOA1951-AE-63

Attachment: **B**

Work Order Title: **America Plaza/Santa Fe Depot Pedestrian Enhancements
Final Design**

Project No:

Table 1 - Cost Codes Summary (Costs & Hours)

Item	Cost Codes	Cost Codes Description	Total Costs
1		America Plaza / Santa Fe Depot Pedestrian Enhancement	\$749,706.49
2			

Totals = **\$749,706.49**

Table 2 - TASKS/WBS Summary (Costs & Hours)

Item	TASKS/WBS	TASKS/WBS Description	Labor Hrs	Total Costs
1	Task 1	Project Management and Coordination	334	\$63,613.02
2	Task 2	Outside Agency Coordination and Approvals	344	\$73,840.24
3	Task 3	Survey and Geotechnical Engineering	367	\$70,761.52
4	Task 4	Design, Specifications, and Estimate	3580	\$517,129.32
5	Task 5	Construction Procurement Support	157	\$24,362.39

Totals = **4,782.0** **\$749,706.49**

Table 3 - Consultant/Subconsultant Summary (Costs & Hours)

(If Applicable, Select One)				Consultant	Labor Hrs	Total Costs
DBE	DVBE	SBE	Other			
				MOTT MACDONALD GROUP	2,518	\$434,631.26
x				Estrada Land Planning	767	\$90,802.91
x				Aguirre & Associates	181	\$27,692.90
				Ninyo & Moore Geotechnical & Environmental Sciences Consultants	118	\$30,397.22
		x		STC Traffic	540	\$80,240.00
				Fehr & Peers	658	\$85,942.20

Totals = **4,782.0** **\$749,706.49**

Work Order Estimate
Summary

Att. A, AI 14, 2/11/2021

Total Hours =	2,518	Consultant/Subconsultant: MOTT MACDONALD GROUP	MTS Doc. No.: G1951.0-17
Total Costs =	\$434,631.26	Work Order Title: America Plaza/Santa Fe Depot Pedestrian Enhancements Final Design	Work Order No.: WOA1951-AE-63
			Attachment: B

			ODCs (See Attachment)	Contract Manager	Principal Engineer	Senior CAD	CAD	Engineer 3	Senior Project Engineer - Utilites/Civil	Principal Project Engineer - Rail and Transit/Civil	Engineer 4 - Structural	Principal Engineer - Structural	Principal Engineer - Geotechnical	Cost Estimator	Accounting / Admin	Total Hours	Totals	
Item	TASKS/WBS	TASKS/WBS Description		\$ 295.87	\$ 229.45	\$ 143.93	\$ 117.74	\$ 104.16	\$ 194.73	\$ 277.75	\$ 132.84	\$ 229.45	\$ 255.29	\$ 200.46	\$ 87.55			
1	Task 1	Project Management and Coordination																
	1.1	Project Management	\$575.00	24					64								88	\$19,563.60
	1.2	Project Coordination with MTS		24					64								88	\$19,563.60
	1.3	Quality Mangement and Control		6	32				40							80	158	\$23,910.82
	Subtotals (Hours) =				54	32			168							80	334	\$63,038.02
Subtotals (Costs) =			\$575.00	\$15,976.98	\$7,342.40			\$32,714.64							\$7,004.00	334	\$63,613.02	
2	Task 2	Outside Agency Coordination and Approvals																
	2.1	Agency and Stakeholder Coordination		40					120	60							220	\$51,867.40
	2.2	As-buils and Document Collection and Review					24		100								124	\$21,972.84
	Subtotals (Hours) =				40			24	220	60							344	\$73,840.24
	Subtotals (Costs) =				\$11,834.80			\$2,499.84	\$42,840.60	\$16,665.00							344	\$73,840.24
3	Task 3	Survey and Geotechnical Engineering																
	3.1	Survey (Review)		4		24		8	12								48	\$7,807.84
	3.2	Geotechnical (Review)							4				16				20	\$4,863.56
	Subtotals (Hours) =				4	24		8	16				16				68	\$12,671.40
	Subtotals (Costs) =				\$1,183.48	\$3,454.32		\$833.28	\$3,115.68				\$4,084.64				68	\$12,671.40
4	Task 4	Design, Specifications, and Estimate																
	4.1	Civil - Roadway+General	\$1,575.00	4		40	80	260	140	20							544	\$77,833.68
	4.2	Civil - Grading and Drainage				20	20	120	72	24							256	\$38,419.16
	4.3	Civil - Erosion						64		32							96	\$15,554.24
	4.4	Civil - Utilities				40	60	60	52	8							220	\$31,419.16
	4.5	Structural (sign posts/foundations)		4			60		8		120	24					216	\$31,253.32
	4.6	Specifications		4					120	16		16	16				172	\$36,750.92
	4.7	Cost Estimate		4					80					120			204	\$40,817.08
	Subtotals (Hours) =			N/A	16	100	220	504	472	100	120	40	16	120			1,708	\$272,047.56
	Subtotals (Costs) =			\$1,575.00	\$4,733.92	\$14,393.00	\$25,902.80	\$52,496.64	\$91,912.56	\$27,775.00	\$15,940.80	\$9,178.00	\$4,084.64	\$24,055.20			1,708	\$272,047.56
5	Task 5	Construction Procurement Support																
	5.1	Procurement Support		8		16			40								64	\$12,459.04
	Subtotals (Hours) =			N/A	8	16			40								64	\$12,459.04
	Subtotals (Costs) =				\$2,366.96	\$2,302.88			\$7,789.20								64	\$12,459.04
Totals (Summary) =																2,518	\$434,631.26	
Total (Hours) =				122	32	140	220	536	916	160	120	40	32	120	80	2518		
Total (Costs) =			\$2,150.00	\$36,096.14	\$7,342.40	\$20,150.20	\$25,902.80	\$55,829.76	\$178,372.68	\$44,440.00	\$15,940.80	\$9,178.00	\$8,169.28	\$24,055.20	\$7,004.00		\$434,631.26	
Percentage of Total (Hours) =			N/A	5%	1%	6%	9%	21%	36%	6%	5%	2%	1%	5%	3%	100%		
Percentage of Total (Costs) =			0%	8%	2%	5%	6%	13%	41%	10%	4%	2%	2%	6%	2%		100%	

Work Order Estimate Summary

Att. A, AI 14, 2/11/2021

Consultant/ Subconsultant: **MOTT MACDONALD GROUP**

Contract No: **G1951.0-17**

Task Order No. **WOA1951-AE-63**

Work Order Title: **America Plaza/Santa Fe Depot Pedestrian Enhancements Final Design**

Attachment: **B**

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Mileage	1	\$0.575	1,000	\$575.00					1,000	\$575.00		
2	Printing (Hard Copies to City)	1	\$1,000.00							1	\$1,000.00		
3													
4													
5													
6													
7													
8													
9													
10													
				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =	

TASKS/WBS (6-10)

ODC Item	Description	Task 6										Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	Mileage											2,000	\$1,150.00
2	Printing (Hard Copies to City)											1	\$1,000.00
3													
4													
5													
6													
7													
8													
9													
10													
		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Totals =	

Summary

Att. A, Al 14, 2/11/2021

Aguirre & Associates

MTS Doc. No.:	G1951.0-17
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Work Order No.: **WOA1951-AE-63**

181

\$27,692.90

America Plaza/Santa Fe Depot Pedestrian Enhancements Final Design

Attachment: B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Chainman (Prevailing Wage)	Party Chief (Prevailing Wage)	Principal Land Surveyor	Project Land Surveyor	Survey Technician	NA	NA	NA	NA	NA	Total Hours	Totals
				\$ 190.67	\$ 194.95	\$ 183.38	\$ 144.81	\$ 100.74	\$ -	\$ -	\$ -	\$ -	\$ -		
1	Task 3	Survey		40	40	4	40	57						181	\$27,692.90
		Subtotals (Hours) =	N/A	40	40	4	40	57						181	\$27,692.90
		Subtotals (Costs) =		\$7,626.80	\$7,798.00	\$733.52	\$5,792.40	\$5,742.18						181	\$27,692.90
2															
		Subtotals (Hours) =	N/A												
		Subtotals (Costs) =													
		Totals (Summary) =													
		Total (Hours) =	N/A	40	40	4	40	57						181	
		Total (Costs) =		\$7,626.80	\$7,798.00	\$733.52	\$5,792.40	\$5,742.18						Total (Labor)	\$27,692.90
		Percentage of Total (Hours) =	N/A	22%	22%	2%	22%	31%						Total (ODCs)	
		Percentage of Total (Costs) =		28%	28%	3%	21%	21%						100%	100%

Work Order Estimate
Summary

Att. A, AI 14, 2/11/2021

Total Hours =

767

Total Costs =

\$90,802.91

Consultant/Subconsultant: Estrada Land Planning

MTS Doc. No.: G1951.0-17

Work Order No.: WOA1951-AE-63

Work Order Title: America Plaza/Santa Fe Depot Pedestrian Enhancements Final Design

Attachment: B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Principal	Senior Landscape Architect	Senior Landscape Designer	Designer / CADD Specialist											Total Hours	Totals
				\$ 237.01	\$ 130.33	\$ 112.01	\$ 74.69												
1	Task 4	Design, Specifications, and Estimate																	
	4.1 Civil - Roadway (Review)			25	5	5												35	\$7,136.95
	4.2 Landscaping and Irrigation			20	35	80	90											225	\$24,984.65
	4.3 Hardscaping			30	68	84	95											277	\$32,477.13
	4.4 Specifications			2	44	40	5											91	\$11,062.39
	4.5 Cost Estimate			2	4	12	44											62	\$5,625.82
Subtotals (Hours) =				N/A	79	156	221	234										690	\$81,286.94
Subtotals (Costs) =					\$18,723.79	\$20,331.48	\$24,754.21	\$17,477.46										690	\$81,286.94
2	Task 5	Construction Procurement Bid Support																	
	5.1 Procurement Support			2	35	40												77	\$9,515.97
Subtotals (Hours) =				N/A	2	35	40											77	\$9,515.97
Subtotals (Costs) =					\$474.02	\$4,561.55	\$4,480.40											77	\$9,515.97
Totals (Summary) =																		767	\$90,802.91
Total (Hours) =				N/A	81	191	261	234										767	
Total (Costs) =					\$19,197.81	\$24,893.03	\$29,234.61	\$17,477.46										Total (Labor)	\$90,802.91
Percentage of Total (Hours) =				N/A	11%	25%	34%											Total (ODCs)	
Percentage of Total (Costs) =					21%	27%	32%											69%	81%

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At

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Work Order Estimate Summary

Att. A, AI 14, 2/11/2021

Consultant/ Subconsultant: **Ninyo & Moore Geotechnical & Environmental Sciences Consultants**

Contract No: **G1951.0-17**

Task Order No. **WOA1951-AE-63**

Work Order Title: **America Plaza/Santa Fe Depot Pedestrian Enhancements Final Design**

Attachment: **B**

Nin

TASKS/WBS (1-5)

ODC Item	Description	Unit	Unit Cost	Task 1		Task 2		Task 3		Task 4		Task 5	
				Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	ROW/TC Permit - City of SD	1	\$2,000.00					1	\$2,000.00				
2	Traffic Control Plans	2	\$250.00					2	\$500.00				
3	Traffic Control	1	\$2,000.00					1	\$2,000.00				
4	Laboratory Testing	1	\$1,125.00					1	\$1,125.00				
5	Repaving	1	\$10,000.00					1	\$10,000.00				
6	TPH	3	\$61.00					3	\$183.00				
7	VOC+ Oxys	3	\$77.00					3	\$231.00				
8	Title 22 Metals	3	\$83.00					3	\$249.00				
9													
10													
				Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =	
								\$16,288.00					

TASKS/WBS (6-10)

ODC Item	Description	Task 6										Totals	
		Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total	Quantity	Total
1	ROW/TC Permit - City of SD											1	\$2,000.00
2	Traffic Control Plans											2	\$500.00
3	Traffic Control											1	\$2,000.00
4	Laboratory Testing											1	\$1,125.00
5	Repaving											1	\$10,000.00
6	TPH											3	\$183.00
7	VOC+ Oxys											3	\$231.00
8	Title 22 Metals											3	\$249.00
9													
10													
		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Subtotal =		Totals =	
												\$16,288.00	

Work Order Estimate

Summary

Consultant/Subconsultant: STC Traffic

MTS Doc. No.: G1951.0-17

Total Hours =	540
Total Costs =	\$80,240.00

Work Order No.: WOA1951-AE-63

Work Order Title: America Plaza/Santa Fe Depot Pedestrian Enhancements
Final Design

Attachment: B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Principal / QAQC Manager			Project Manager	Project Engineer						Total Hours	Totals	
				\$	200.00	\$										160.00
1		Project Mangement														
Subtotals (Hours) =				N/A												
Subtotals (Costs) =																
2	Task 4	Design, Specifications, and Estimate														
	Task 4.1	Project Management, Meetings, and Coordination		6	28									34	\$5,680.00	
	Task 4.2	Traffic Signal Plans		3	10	40								53	\$7,800.00	
	Task 4.3	Traffic Signal Modification Plans		12	32	140								184	\$27,120.00	
	Task 4.4	Signing and Striping Plans		4	8	40								52	\$7,680.00	
	Task 4.5	Traffic Control		4	8	80								92	\$13,280.00	
	Task 4.6	Street Light Plans		4	8	80								92	\$13,280.00	
	Task 4.7	Special Provisions		3	30									33	\$5,400.00	
	Subtotals (Hours) =				N/A			36	124	380					540	\$80,240.00
Subtotals (Costs) =							\$7,200.00	\$19,840.00	\$53,200.00					540	\$80,240.00	
Totals (Summary) =														540	\$80,240.00	
Total (Hours) =			N/A			36	124	380					540			
Total (Costs) =						\$7,200.00	\$19,840.00	\$53,200.00					Total (Labor)	\$80,240.00		
														Total (ODCs)		
Percentage of Total (Hours) =			N/A			7%	23%	70%					100%			
Percentage of Total (Costs) =						9%	25%	66%						100%		

Work Order Estimate

Summary

Consultant/Subconsultant: Fehr & Peers

MTS Doc. No.: G1951.0-17

Total Hours =	658
Total Costs =	\$85,942.20

Work Order No.: WOA1951-AE-63

Work Order Title: America Plaza/Santa Fe Depot Pedestrian Enhancements Final Design

Attachment: B

Item	TASKS/WBS	TASKS/WBS Description	ODCs (See Attachment)	Contract Manager	Work Order Manager	Principal	Senior Planner III	Engineer II	Accounting/ Admin	Total Hours	Totals
					\$ 135.76	\$ 291.96	\$ 163.52	\$ 108.77	\$ 85.63		
1	Task 4	Designs, Specifications and Estimate									
	Task 4.1. Signage Location Layouts				48	6	30	96	12	192	\$24,643.32
	Task 4.2. Wayfinding Design Plans (60%, 90%, 100%)				60	8	96	210	14	388	\$50,219.72
	Task 4.3. Technical Specifications				8	2	8	10	2	30	\$4,237.12
	Task 4.4. Engineer's Opinion of Probable Construction Costs (EOPCC)				8	2	8	12	2	32	\$4,454.66
	Subtotals (Hours) =	N/A			124	18	142	328	30	642	\$83,554.82
	Subtotals (Costs) =				\$16,834.24	\$5,255.28	\$23,219.84	\$35,676.56	\$2,568.90	642	\$83,554.82
2	Task 5	Construction Procurement Bid Support									
					4	2	4	4	2	16	\$2,387.38
	Subtotals (Hours) =	N/A			4	2	4	4	2	16	\$2,387.38
	Subtotals (Costs) =				\$543.04	\$583.92	\$654.08	\$435.08	\$171.26	16	\$2,387.38



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

Agenda Item No. 15

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

INVESTMENT REPORT – QUARTER ENDING DECEMBER 31, 2020

INFORMATIONAL ONLY

Budget Impact

None.

DISCUSSION:

Attachment A comprises a report of the San Diego Metropolitan Transit System (MTS) investments as of December 31, 2020. The combined total of all investments has increased quarter to quarter from \$173.9 million to \$174.1 million. This slight increase is attributable to \$36.8 million in Federal Transit Administration (FTA) Coronavirus Aid, Relief, and Economic Security (CARES) Act revenue, \$13.4 million in FTA revenue for capital purchases, partially offset by \$41.1 million in capital expenditures, \$3.0 million in debt service payments pertaining to the Pension Obligation Bonds, 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/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, julia.tuer@sdmts.com

Attachment: A. Investment Report for the Quarter Ending December 31, 2020.



San Diego Metropolitan Transit System								
Investment Report								
December 31, 2020								
Institution / Issuer	Function	Investment Type	Restricted	Unrestricted	Total	Avg. Rate of Return	Benchmark	
J.P. Morgan Chase	Operating Funds	Depository Bank	-	31,627,644	31,627,644	0.02%	*	0.100% WSJ Money Market
U.S. Bank - Retention Trust Account	Restricted for Capital Support	Depository Bank	8,512,914	-	8,512,914	N/A	**	-
San Diego County Treasurer's Office	Prop 1B TSGP Grant Funds	Investment Pool	20,696,620	-	20,696,620	0.905%		0.418% S&P US T-Bill 0-3 Mth Index
Subtotal: Restricted for Capital Support			29,209,534	-	29,209,534			
Local Agency Investment Fund (LAIF)	Investment of Surplus Funds	Investment Pool	-	71,670,676	71,670,676	0.540%		0.418% S&P US T-Bill 0-3 Mth Index
San Diego County Treasurer's Office	Investment of Surplus Funds	Investment Pool	-	41,578,857	41,578,857	0.905%		0.418% S&P US T-Bill 0-3 Mth Index
Subtotal: Investment Surplus Funds			-	113,249,533	113,249,533			
Grand Total Cash and Investments			\$ 29,209,534	\$ 144,877,177	\$ 174,086,711			

*-The .02% is an annual percentage yield on the average daily balance that exceeds \$30 million

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



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

Agenda Item No. 25

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

TEMPORARY COVID-19 SERVICE ADJUSTMENTS PUBLIC HEARING (DENIS
DESMOND)

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Receive a Title VI Service Equity Report on major service changes related to COVID-19;
- 2) Receive public testimony;
- 3) Approve the extension of temporary service reductions beyond 12 months and until it is determined feasible and reasonable by staff to restore services; and
- 4) Waive the requirement for a major service change process to restore services when feasible.

Budget Impact

The subject services that are currently suspended would have an annualized cost of approximately \$3 million. That cost savings would be achieved until such time as the services are restored to pre-COVID-19 levels.

DISCUSSION:

Like agencies across the country, MTS made significant emergency service reductions in April 2020, due to a sharp drop-off in ridership and a pandemic-related shortage of drivers available to operate the service. At its lowest in mid-April 2020, MTS ridership was down nearly 80%. As ridership and drivers started returning, MTS responded in June 2020 by



restoring most services to pre-COVID-19 levels, especially necessary to allow distancing on-board for rider and employee safety.

Some exceptions to the service restoration included school-related trippers (most schools are still closed) and commuter-oriented services that remain sharply below normal ridership levels. Of these service reductions not yet restored, four would be considered “major service changes” under MTS Board Policy 42 and require a major service change process if extended beyond a 12-month pilot period:

- 1) Rapid Express service reductions: Ridership on Rapid Express Routes 280 and 290 dropped from an average of 1,103 per day to fewer than 100 in April 2020. Passengers on these routes are mostly Downtown office workers, many of whom were able to transition to work-from-home. Others took advantage of reduced congestion and started driving. In April 2020, MTS reduced the service from 47 to 20 daily trips. With ridership still below 100 per day in June, we did not restore any service. Since then, ridership has risen to nearly 200 on some days, and in late January 2021 a few trips were added to restore the regular span of service. However, the schedule is still reduced more than 25%, the threshold for a major service change in Policy 42.
- 2) Sorrento Valley Coaster Connection (SVCC) service reductions: The five shuttle routes on the Sorrento valley Coaster Connection typically carry over 400 passengers per day. When COVID-19 hit, ridership lowered to fewer than 20 per day. In conjunction with schedule reductions made to the COASTER by North County Transit District, MTS reduced the SVCC from 46 to 22 trips per day. Ridership has increased slightly back up to approximately 40 passengers per day, but MTS has not restored any additional trips and would not recommend doing so until the COASTER schedule is increased.
- 3) Route 854X suspension: Route 854X is the express variant of Route 854, serving Grossmont Transit Center – Grossmont College. The regular Route 854 uses Baltimore Drive and Lake Murray Blvd., while the Route 854X variant travels directly via State Route 125. Route 854X has not been operating since Grossmont College has been closed, although the regular Route 854 continues to service local stops in northern La Mesa and San Carlos. MTS intends to restore Route 854X when Grossmont College re-opens the campus.
- 4) Silver Line suspension: This San Diego Trolley route is the Downtown San Diego loop that operates on weekends only, using vintage rail cars. Its route is duplicative of service offered by the other three [regular] San Diego Trolley lines. The Silver Line has not operated since July 2020, due to lower overall ridership, plunging visitor levels, and the lack of driver protection barriers in the vintage cars. Since all its stations still receive service on other lines, the Silver Line will likely remain suspended until the pandemic is behind us.

MTS Board Policy 42 requirements for the implementation of a major service change include a Title VI equity analysis, public hearing, and approval by the Board of Directors. Generally, such changes can be made for up to 12 months as a pilot before requiring the full Policy 42 process.

The service equity analysis is a requirement for compliance with the Federal Transit Administration's (FTA) Title VI guidance. However, in Spring 2020 the FTA issued a temporary 12-month waiver for the service equity analysis for major changes responding to the urgent COVID-19 situation.

This 12-month waiver and the MTS Policy 42 twelve-month pilot period both expire in April 2021 since these major service changes were implemented in April 2020. Therefore, MTS is holding a public hearing to continue these major service adjustments temporarily, and is presenting a service equity analysis (Attachment A).

The Title VI service equity analysis is a statistical tool to determine any "disparate impacts" on the basis of race, color or national origin. FTA also requires an assessment of whether low-income populations will bear a "disproportionate burden" of the changes. In compliance with Title VI guidance, that analysis for the four major changes above is include in Attachment A. Based on Policy 42, these changes *do not* have any disparate impacts based on race, color or national origin, nor do low-income populations bear a disproportionate burden of the changes.

Policy 42 also requires a publicly-noticed public hearing for major service changes (Section 42.5b). Practice for the past several years has been that the public hearing is followed by Board direction to consider to make adjustments, then return to the Board for final approval at a later date. However, given that these reductions are already in place, are temporary due to COVID-19, and will be restored when feasible, staff recommends that the Board approve this action today. The recommendation also includes the waiver of a further public hearing and major service change process when these services are restored.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Title VI Service Equity Analysis

MEMORANDUM

DATE: January 26, 2021

TO: Samantha Leslie, Staff Attorney - Regulatory Compliance

FROM: Denis Desmond, Director of Planning

SUBJECT: Title VI Equity Analysis of COVID-19 Major Service Changes

Please find below the results of the Federal Transit Administration (FTA)-required Title VI equity analysis on the Spring 2020 major service changes, instituted as a result of the COVID-19 pandemic and related public health emergency orders and policies. In April 2020, MTS substantially reduced services due to the COVID-19 pandemic. Ridership levels hit nearly 75% below normal, and staffing shortages resulted from infections, fear of infection, and dependent care situations. By June 2020, ridership had rebounded somewhat, MTS had taken measures to protect front-line employees, and most staff was back at work. Most service was restored at that time.

FTA issued a 12-month waiver of the requirement to conduct a service equity analysis for reductions related to COVID-19. While most MTS services were restored within this 12-month period anyway, a few reductions that would be considered major reductions are still in place, and are expected to remain so after the 12-month waiver expires. (FTA indicated that it will not be issuing an extension of the waiver.) Therefore, an analysis was completed for the major service changes summarized below.

Summary of Changes

- **Rapid Express 280 & 290** – This premium express service, operating only in peak directions during peak periods prior to the onset of COVID-19, has seen service reduced as a result of greatly diminished demand, owing in large part to many downtown San Diego public and private sector employers encouraging or mandating emergency work-from-home policies. In addition to remaining *Rapid Express* 280 and 290 trips, service along the Interstate 15 corridor remains available on *Rapid* 235, serving all corridor transit stations and operating similar service within downtown San Diego.
- **Sorrento Valley COASTER Connection (Routes 972 through 979)** – This commuter rail *Coaster* connector service also saw reactive reductions in service levels associated with reductions in the *Coaster* schedule, as well as precursor reductions in passenger demand due to area employer emergency work-from-home policies. Past surveys have indicated an overwhelming majority of ridership in this heavily commercial service area is inbound from other regions of San Diego County, and as such the local residential population in the area served by these routes is unlikely to bear impacts.
- **Route 854X** – This route offers a direct express connection between the Grossmont Transit Center and Grossmont College. Because Grossmont College has suspended all in-person classes and

activities and closed the campus, the population traditionally served by this route has no reason to make this trip, and would bear no impacts by the suspension of express transit service alone.

- **Silver Line** – The Silver Line is a heritage streetcar service that operates along a loop through downtown San Diego on weekends only. Every station served by the Silver Line continues to receive more frequent all-week service by MTS's three core Trolley lines, limiting the impact to passengers making intra-downtown trips.

Equity Analysis

In October 2012, the FTA issued Circular 4702.1B, which prescribed Title VI compliance requirements for transit agencies receiving federal funding. This guidance requires major service changes to undergo a statistical equity analysis to determine if there are disparate impacts to minority populations or any disproportionate burdens for low-income populations. Major service changes and the thresholds for impacts and burdens are defined locally; MTS did this with an update to Board Policy 42, following public input, after the FTA guidance was issued.

The FTA circular provides the definitions for minority populations, minority areas, and low-income populations:

Predominantly minority area means a geographic area, such as a neighborhood, Census tract, block or block group, or traffic analysis zone, where the proportion of minority persons residing in that area exceeds the average proportion of minority persons in the recipient's service area.

Minority persons include the following:

- American Indian and Alaska Native, which refers to people having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
- Asian, which refers to people having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- Black or African American, which refers to people having origins in any of the Black racial groups of Africa.
- Hispanic or Latino, which includes persons of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.
- Native Hawaiian or Other Pacific Islander, which refers to people having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

Low-income person means a person whose median household income is at or below the U.S. Department of Health and Human Services (HHS) poverty guidelines.

Circular 4702.1B defines a disparate impact as a facially neutral policy or practice that disproportionately affects members of a group identified by race, color, or national origin, where the recipient's policy or practice lacks a substantial legitimate justification and where there exists one or more alternatives that would serve the same legitimate objectives but with less disproportionate effect on the basis of race, color, or national origin. It defines a disproportionate burden as a neutral policy or practice that disproportionately affects low-income populations more than non-low-income populations.

MTS Board Policy 42 incorporates the guidance from FTA Circular 4702.1B with the following language:

- A disparate impact is found when there is a difference in adverse effects between minority and non-minority populations such that: the adversely affected population is 10 percent or greater minority by percentage of total population than the total MTS service area average; or, the benefitting population is 10 percent or more non-minority (by percentage of total MTS service area population) than the total MTS service area average. If MTS chooses to implement a proposed major service change despite a finding of a disparate impact, MTS may only do so if there is a substantial justification for the change, and there are no alternatives that would have a less disparate impact and still accomplish the goals of the change.
- A disproportionate burden is found when there is a difference in adverse effects between low-income and non-low-income populations such that: the adversely affected population is 10 percent or more “low-income” (by percentage of total MTS service area population) than the total MTS service area average; or, the benefitting population is 10 percent or greater “non-low-income” by percentage of total population than the total MTS service area average. If MTS chooses to implement a proposed change despite a finding of disproportionate burden, MTS may only do so if steps are taken to avoid or minimize impacts where practicable, and MTS provides a description of alternatives available to affected low-income populations.

Summary of Findings

Overall, the portions of the MTS service area impacted by major service changes, defined as residents of a block group within ¼ mile of any impacted route or line, are not considered to be more heavily populated by racial and ethnic minority groups (defined as all racial and ethnic identifications other than non-Hispanic/Latino white) compared to the MTS service area as a whole, and are not more heavily populated by lower-income individuals (SANDAG and MTS use 200 percent of the federal poverty line and below) compared to the MTS service area as a whole.

Population Statistics

	MTS Service Area	Major Service Change Impacted Area
Total Population (Race & Ethnicity Surveys)	2,356,657	253,137
Minority Population	1,350,366	124,867
Percent Minority Population	57.3%	49.3%
Total Block Groups	1,321	126
Minority Block Groups (>10% above System Average)	465	18
Percent Minority Block Groups	35.2%	14.3%
Total Population (Income Surveys)	2,298,741	246,327
Low-Income Population	657,817	57,662
Percent Low-Income	28.6%	23.4%
Total Block Groups	1,321	126
Low-Income Block Groups (>10% above System Average)	358	20
Percent Low-Income Block Groups	27.1%	15.9%

Block Group data is sourced from 2019 American Community Survey 5-year estimates.

Measured block group populations vary between low-income and minority surveys due to ACS survey methodology.

Conclusion

The statistical analysis prescribed by the FTA was completed by MTS staff in advance of the public hearing on these changes, scheduled for February 2021. The analysis determined that, as defined by FTA Circular 4702.1B, the major service changes here are not considered to have a disparate impact on minority communities, or to be a disproportionate burden to low-income populations more than non-low-income populations. In addition, MTS believes that the nature of these service reductions also limits community impacts, as these services either have continuing coverage from other routes, or serve markets that are facing restrictions on activities as a result of the COVID-19 pandemic and its associated public health response. Therefore, no additional action is needed to satisfy FTA Circular 4702.1B, and the changes can be implemented if approved by the MTS Board of Directors, as prescribed in Policy 42.

Attachments:

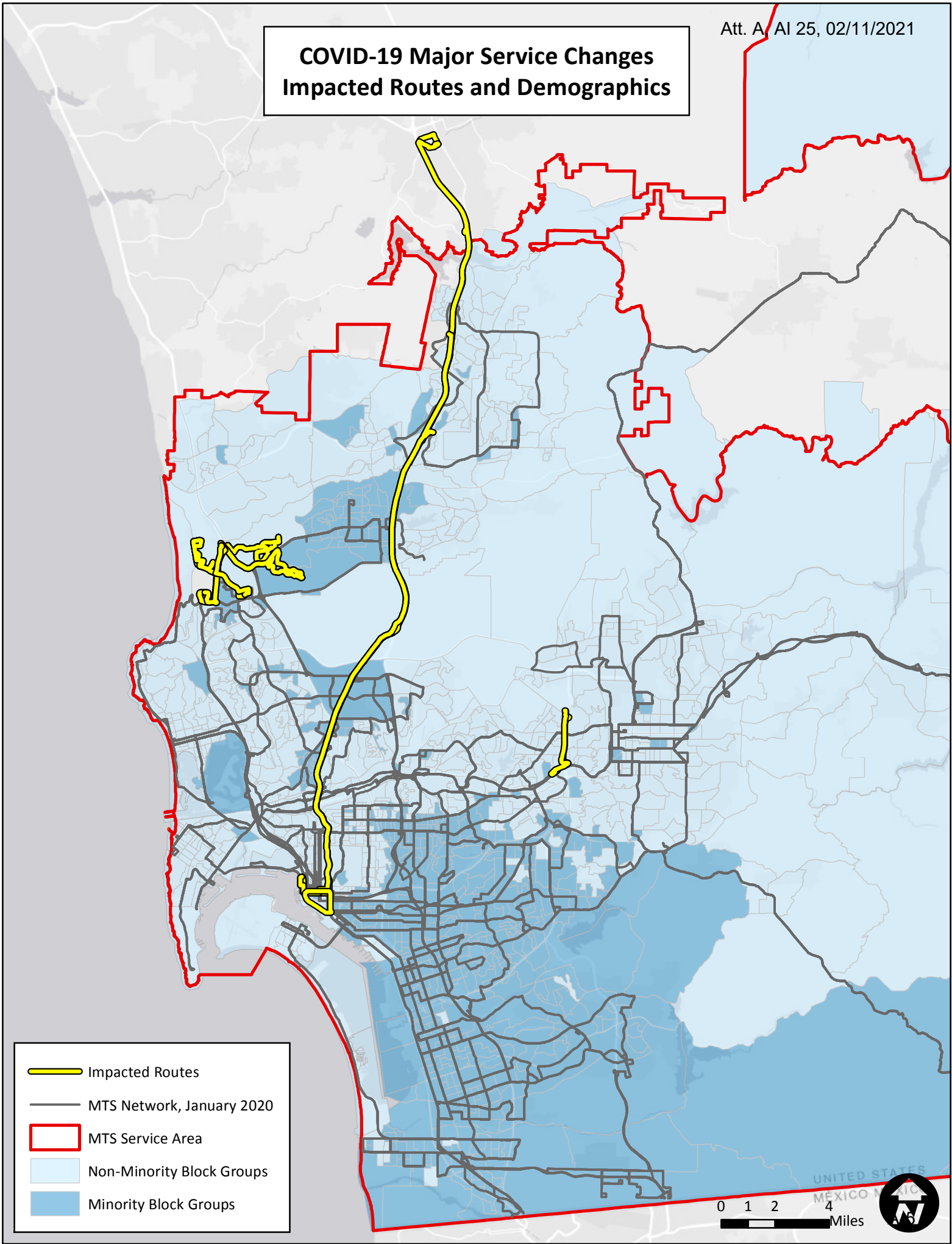
Map of COVID-19 Major Changes, Impacted Routes and Demographics (Minority Populations)

Map of COVID-19 Major Changes Impacted Routes and Demographics (Low-Income Populations)

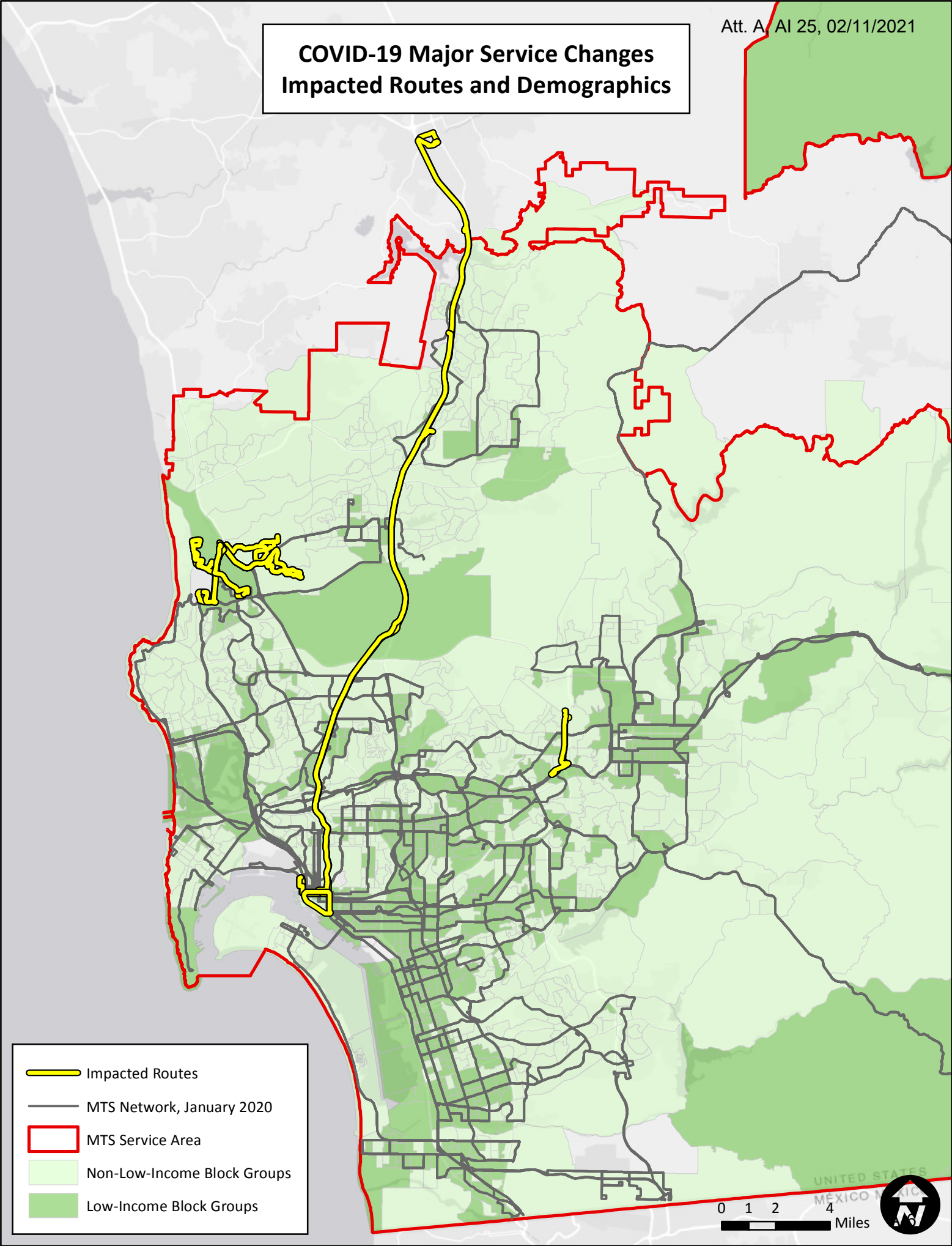
Cc: Sharon Cooney, Chief Executive Officer
Karen Landers, General Counsel

M-COVID TITLE VI ANALYSIS_FEB 2021

**COVID-19 Major Service Changes
Impacted Routes and Demographics**



**COVID-19 Major Service Changes
Impacted Routes and Demographics**



COVID-19 Related Major Service Adjustments Public Hearing

February 11, 2021

April 2020

- MTS Ridership drops 74% in first week of April 2020
- Driver shortages due to family needs, child care, etc.
- Emergency service reduction to Saturday frequencies
- FTA issues 12-month waiver of Title VI requirements for major reductions

June 2020

- Ridership back up to over 100K/weekday (*285K baseline*)
- PPE available, driver barriers being installed, rear-door boarding, front-of-bus blocked to protect drivers
- **Most services restored to full weekday levels**
- School trippers and other selected services still suspended

January 2021

Four Major Service Changes

- Four services remain below 75% of normal level, constituting a “major service change” per MTS Board Policy 42
 - Policy 42 12-month pilot period to expire in April 2021
 - FTA declines to extend COVID-19 waiver beyond 12 months, therefore also expiring in April 2021
-
- Route 854/854X – *Route 854X suspended*
 - *Rapid Express* Routes 280 & 290 – *Service reduced below 75%*
 - Sorrento Valley Coaster Connection – *Service reduced below 75%*
 - Silver Line (Vintage Trolley) – *Service suspended*

Route 854

- Service between Grossmont Transit Center and Grossmont College, via SR-125
- Route 854 provides local service along Baltimore Dr., Lake Murray Blvd. – currently operating at full service
- Route 854X is *express* variant between transit center and college – currently suspended
 - Grossmont College campus is closed, gates locked
 - No way to operate service onto campus and there's no demand
- Routes 854X will resume when campus re-opens and in-person classes resume – possibly August 2021 but college will determine timeline

Rapid Express Routes 280 & 290

- Interstate 15 premium express services, two routes
- Ridership is down approx. 90% from baseline
 - Work from home, many offices closed
 - Little traffic congestion
- Resource-intensive services to operate
- Some additional service restored in January 2021 for courts and other offices re-opening in Spring 2021 – *but still below 75% of normal schedule*
- Service would be incrementally increased back to full schedule as warranted by returning ridership

Sorrento Valley Coaster Connection

- Five shuttle routes that connect the Coaster Station with business parks and UCSD during weekday peaks
- Funded 50% by NCTD (UCSD route funded by NCTD, UCSD)
- Scheduled to connect directly with Coaster trains
- Coaster service reduced due to low ridership; SVCC schedule changes accordingly
- As Coaster schedule is adjusted, service would be increased (or otherwise change) to continue to meet Coaster services as designed

Silver Line (Vintage Trolley)

- Trolley loop around Downtown using historic cars, operating weekends only
- Vintage PCC cars don't have protective driver barriers
- No demand – tourism and leisure activity way down
- Route and stations completely covered by other lines (B, O, G)
- Low priority compared to other needs like essential workers and trips
- Schedule for resuming service will be based on demand and resources

Public Hearing and Title VI

- FTA requires a service equity analysis for major service changes as part of Title VI compliance
 - Service equity analysis attached
- MTS Board Policy 42 requires a Public Hearing to make major service changes permanent (beyond 12 month pilot period)
 - Today's hearing publicly noticed per requirements.
 - Board will hear testimony regarding proposal to extend service reductions beyond 12 months.

Recommendation

That the Board:

- Open a public hearing and receive testimony from the public regarding proposed major service changes.
- Receive the Title VI service equity analysis.
- Approve the extension of the four listed reductions beyond 12 months (make “permanent”).
- Waive Policy 42 major service change requirements for the restoration of these services to pre-COVID-19 levels when practicable for each service.



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

Agenda Item No. 30

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

SAN DIEGO TRANSIT CORPORATION (SDTC) PENSION INVESTMENT STATUS
(JEREMY MILLER, REPRESENTATIVE WITH RVK INC. AND LARRY MARINESI)

INFORMATIONAL ONLY

Budget Impact

None at this time.

DISCUSSION:

The SDTC Employee Retirement Plan's (Plan) investment advisor, Jeremy Miller from RVK, will provide the Board of Directors with an update as to the performance of the Plan as well as general capital market performance. RVK's pension investment performance analysis (Attachment A) for the Plan as of June 30, 2020 includes assets with a market value of \$166.6 million. During fiscal year 2020, the Plan's assets decreased by approximately \$4.3 million, primarily due to the market performance post COVID-19. This resulted from a net investment gain of \$0.9 million, partially offset by a net payout of benefits and expenses less contributions of \$5.2 million.

Through February 2020, MTS was on pace to achieve targeted returns of 6.75% for the Plan, as returns exceeded 4.0% through February 2020. Given the market downturn beginning in March 2020 due to the COVID-19 pandemic, the MTS Board of Directors approved the use of one-time Coronavirus Aid, Relief, and Economic Security (CARES) Act funds to fund the difference of the February returns and the ending market performance of 0.5% (approximately 3.5%) to the Plan which has been calculated at \$7.8 million. These funds will be added to the Plan in February 2021.

The Plan's eleven products achieved a combined investment return of 0.5% for the year. The Plan's returns over the past three, five and ten years were 4.1%, 4.2% and 6.0% respectively. Since inception (10/1/1982), the Plan's investments have returned 8.7%.



A significant rebound in market performance has taken place since the end of the fiscal year, and RVK will also provide an update to performance for the subsequent six months following fiscal year 2020 (July 2020 – December 2020) which has produced a combined investment return of 13.6% for the year to date.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. RVK Pension Investment Performance Analysis



Monthly Investment Performance Analysis

San Diego Transit Corporation

Employees Retirement Plan

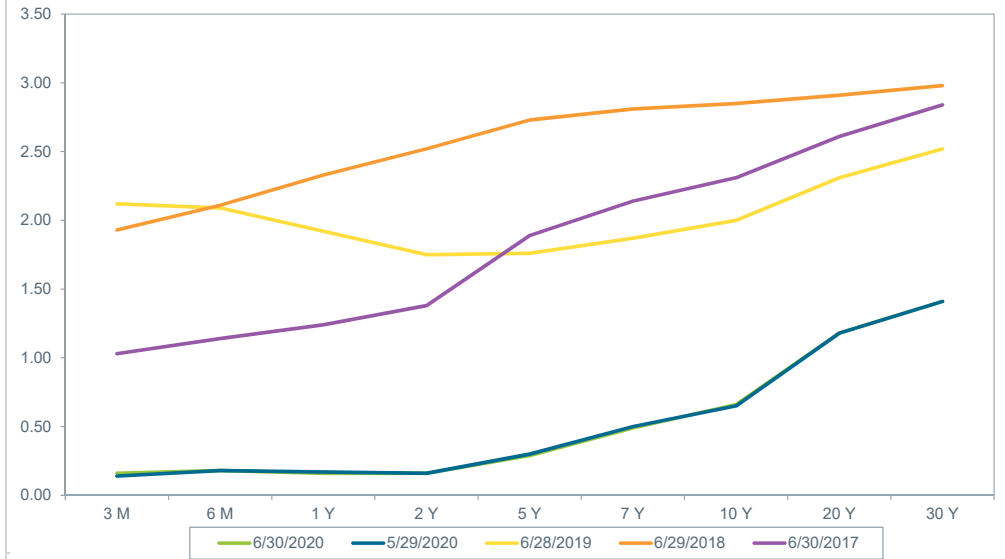
Period Ended: June 30, 2020



General Market Commentary

- US equity markets started the month off strong, but pulled back sharply as COVID-19 case numbers began to spike in many parts of the United States. The increase in cases threaten to pause states' reopening plans, potentially stunting economic growth. Despite the increase in cases, most US and developed international markets returned low-single digits for the month, while emerging markets outperformed their developed counterparts, returning over 7%.
- At the June FOMC meeting, the Federal Reserve indicated its intention to keep interest rates low through at least 2022. By keeping the Federal funds rate at 0% - 0.25% for the foreseeable future, the Fed hopes to spur economic growth until the US economy is able to fully recover from the fallout of the coronavirus pandemic.
- Additionally, the Federal Reserve stated it would begin to buy new issuances of corporate debt directly from corporate issuers in order to help keep credit flowing freely amid the coronavirus pandemic. This program will allow many corporations to continue to borrow money at a time of increased financial stress.
- Equity markets posted positive returns in June as the S&P 500 (Cap Wtd) Index returned 1.99% and the MSCI EAFE (Net) Index returned 3.41%. Emerging markets returned 7.35% as measured by the MSCI EM (Net) Index.
- The Bloomberg US Aggregate Bond Index returned 0.63% in June, outperforming the 0.08% return by the Bloomberg US Treasury Intermediate Term Index. International fixed income markets returned 0.96%, as measured by the FTSE Non-US World Gov't Bond Index.
- Public real estate, as measured by the FTSE NAREIT Eq REITs Index (TR), returned 3.06% in June and 4.06% over the trailing five-year period.
- The Cambridge US Private Equity Index returned 13.94% for the trailing one-year period and 12.12% for the trailing five-year period ending December 2019.
- Absolute return strategies, as measured by the HFRI FOF Comp Index, returned 1.98% for the month and 0.48% over the trailing one-year period.
- Crude oil's price increased by 10.65% during the month, but has decreased by 32.84% YoY.

Treasury Yield Curve (%)



Economic Indicators	Jun-20		May-20	Jun-19	10 Yr	20 Yr
Federal Funds Rate (%)	0.08	▲	0.05	2.40	0.64	1.65
Breakeven Inflation - 5 Year (%)	1.17	▲	0.84	1.54	1.72	1.82
Breakeven Inflation - 10 Year (%)	1.34	▲	1.14	1.70	1.95	2.01
Breakeven Inflation - 30 Year (%)	1.56	▲	1.48	1.76	2.08	2.24
Bloomberg US Agg Bond Index - Yield (%)	1.25	▼	1.34	2.49	2.43	3.65
Bloomberg US Agg Bond Index - OAS (%)	0.68	▼	0.76	0.46	0.53	0.63
Bloomberg US Agg Credit Index - OAS (%)	1.42	▼	1.64	1.09	1.32	1.46
Bloomberg US Corp: HY Index - OAS (%)	6.26	▼	6.37	3.77	4.80	5.48
Capacity Utilization (%)	68.63	▲	65.09	77.69	76.63	76.82
Unemployment Rate (%)	11.1	▼	13.3	3.7	6.2	6.0
PMI - Manufacturing (%)	52.6	▲	43.1	51.6	53.8	52.5
Baltic Dry Index - Shipping	1,799	▲	504	1,354	1,155	2,305
Consumer Conf (Conf Board)	98.30	▲	85.90	124.30	94.00	91.75
CPI YoY (Headline) (%)	0.6	▲	0.1	1.6	1.7	2.1
CPI YoY (Core) (%)	1.2	—	1.2	2.1	1.9	2.0
PPI YoY (%)	-2.2	▲	-2.8	0.5	1.5	2.1
M2 YoY (%)	22.9	▲	21.9	4.7	6.5	6.4
US Dollar Total Weighted Index	120.86	▼	121.28	114.56	103.66	103.13
WTI Crude Oil per Barrel (\$)	39	▲	35	58	70	62
Gold Spot per Oz (\$)	1,781	▲	1,730	1,410	1,372	969

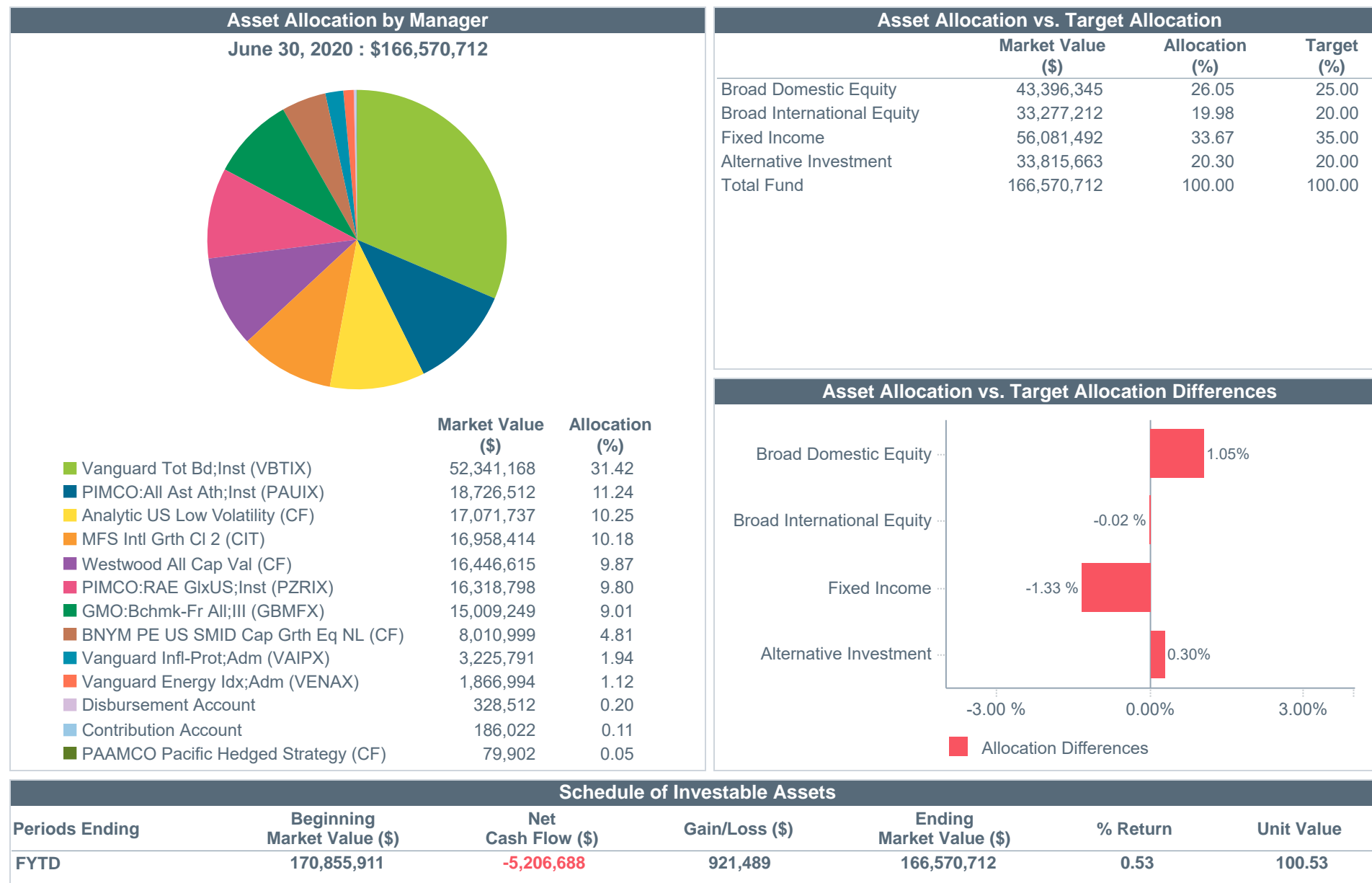
Treasury Yield Curve (%)	Jun-20	May-20	Jun-19	Jun-18	Jun-17
3 Month	0.16	0.14	2.12	1.93	1.03
6 Month	0.18	0.18	2.09	2.11	1.14
1 Year	0.16	0.17	1.92	2.33	1.24
2 Year	0.16	0.16	1.75	2.52	1.38
5 Year	0.29	0.30	1.76	2.73	1.89
7 Year	0.49	0.50	1.87	2.81	2.14
10 Year	0.66	0.65	2.00	2.85	2.31
20 Year	1.18	1.18	2.31	2.91	2.61
30 Year	1.41	1.41	2.52	2.98	2.84

Market Performance (%)	MTD	QTD	CYTD	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr
S&P 500 (Cap Wtd)	1.99	20.54	-3.08	7.51	10.73	10.73	12.13	13.99
Russell 2000	3.53	25.42	-12.98	-6.63	2.01	4.29	7.17	10.50
MSCI EAFE (Net)	3.41	14.88	-11.34	-5.13	0.81	2.05	3.93	5.73
MSCI EAFE SC (Net)	1.37	19.88	-13.11	-3.52	0.53	3.81	6.41	8.02
MSCI EM (Net)	7.35	18.08	-9.78	-3.39	1.90	2.86	3.22	3.27
Bloomberg US Agg Bond	0.63	2.90	6.14	8.74	5.32	4.30	3.96	3.82
ICE BofAML 3 Mo US T-Bill	0.01	0.02	0.60	1.63	1.77	1.19	0.86	0.64
NCREIF ODCE (Gross)	-1.56	-1.56	-0.60	2.22	5.66	7.31	9.07	10.80
FTSE NAREIT Eq REITs Index (TR)	3.06	11.82	-18.71	-13.04	0.03	4.06	5.36	9.05
HFRI FOF Comp Index	1.98	7.89	-1.59	0.48	2.25	1.49	2.70	2.79
Bloomberg Cmtty Index (TR)	2.28	5.08	-19.40	-17.38	-6.14	-7.69	-8.11	-5.82

Treasury data courtesy of the US Department of the Treasury. Economic data courtesy of Bloomberg Professional Service.

San Diego Transit Corporation Employees Retirement Plan
AA by Manager, AA vs. Target, and Schedule of Investable Assets

Att. A, AI 30, 2/11/2021
As of June 30, 2020



Performance shown is gross of fees. Market values and performance are preliminary and subject to change. Allocations shown may not sum up to 100% exactly due to rounding. Fiscal year ends 06/30. Market value shown for PAAMCO represents a 5% holdback amount, and will be paid out when the financial audit has been completed.

San Diego Transit Corporation Employees Retirement Plan
Asset Allocation & Performance

Att. A, AI 30, 2/11/2021
As of June 30, 2020

	Allocation		Performance (%)												
	Market Value (\$)	%	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	10 Years	2019	2018	2017	Since Incep.	Inception Date
San Diego Transit Total Fund	166,570,712	100.00	1.70	11.35	0.53	-4.15	0.53	4.05	4.16	6.00	16.17	-4.93	13.21	8.70	10/01/1982
Policy Index			2.15	12.29	4.57	-1.46	4.57	5.74	5.12	6.69	19.02	-5.00	11.91	8.98	
Difference			-0.45	-0.94	-4.04	-2.69	-4.04	-1.69	-0.96	-0.69	-2.85	0.07	1.30	-0.28	
Domestic Equity	43,396,345	26.05	0.49	20.43	-0.58	-7.71	-0.58	6.14	7.02	11.77	28.24	-7.70	17.26	7.17	03/01/2005
Russell 3000 Index			2.29	22.03	6.53	-3.48	6.53	10.04	10.03	13.72	31.02	-5.24	21.13	8.61	
Difference			-1.80	-1.60	-7.11	-4.23	-7.11	-3.90	-3.01	-1.95	-2.78	-2.46	-3.87	-1.44	
International Equity	33,277,212	19.98	4.23	15.92	-5.52	-11.93	-5.52	2.20	4.26	6.12	22.67	-11.76	30.60	3.40	03/01/2005
MSCI ACW Ex US Index (USD) (Net)			4.52	16.12	-4.80	-11.00	-4.80	1.13	2.26	4.97	21.51	-14.20	27.19	4.13	
Difference			-0.29	-0.20	-0.72	-0.93	-0.72	1.07	2.00	1.15	1.16	2.44	3.41	-0.73	
Fixed Income	56,081,492	33.67	0.72	3.01	8.73	6.13	8.73	5.29	3.79	4.22	8.66	0.07	3.57	5.21	03/01/2005
Bloomberg US Agg Bond Index			0.63	2.90	8.74	6.14	8.74	5.32	4.30	3.82	8.72	0.01	3.54	4.46	
Difference			0.09	0.11	-0.01	-0.01	-0.01	-0.03	-0.51	0.40	-0.06	0.06	0.03	0.75	
Alternative Investment	33,815,663	20.30	2.51	10.85	-5.97	-8.79	-5.97	0.23	0.90	2.96	9.71	-3.90	7.90	1.67	05/01/2007
Alternative Investment Custom Index			2.27	12.70	3.42	-2.28	3.42	4.57	3.06	3.36	18.55	-3.69	4.12	1.79	
Difference			0.24	-1.85	-9.39	-6.51	-9.39	-4.34	-2.16	-0.40	-8.84	-0.21	3.78	-0.12	

Performance shown is gross of fees. Market values and performance are preliminary and subject to change. Fiscal year ends 06/30. Inception dates shown represent the first full month following initial funding. The Alternative Investment performance shown is a blend of gross and net of fees, due to gross of fees performance for PAAMCO Pacific Hedged Strategy (CF) being unavailable.

**San Diego Transit Corporation Employees Retirement Plan
Comparative Performance**

	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	10 Years	2019	2018	2017	Since Incep.	Inception Date
San Diego Transit Total Fund	1.70	11.35	0.53	-4.15	0.53	4.05	4.16	6.00	16.17	-4.93	13.21	8.70	10/01/1982
Policy Index	2.15	12.29	4.57	-1.46	4.57	5.74	5.12	6.69	19.02	-5.00	11.91	8.98	
Difference	-0.45	-0.94	-4.04	-2.69	-4.04	-1.69	-0.96	-0.69	-2.85	0.07	1.30	-0.28	
Westwood All Cap Val (CF) (1)	-1.52	13.64	-6.11	-14.11	-6.11	3.71	5.00	10.69	28.56	-9.63	19.12	10.13	07/01/1986
Russell 3000 Val Index (2)	-0.46	14.55	-9.42	-16.74	-9.42	1.41	4.41	10.30	26.26	-8.58	13.19	9.27	
Difference	-1.06	-0.91	3.31	2.63	3.31	2.30	0.59	0.39	2.30	-1.05	5.93	0.86	
Vanguard Energy Idx;Adm (VENAX)	-0.81	33.38	-37.98	-36.48	-37.98	-14.08	N/A	N/A	9.45	-19.82	-2.29	-11.57	08/01/2016
MSCI US IM Energy 25/50 Index (Gross)	-0.84	33.32	-38.06	-36.55	-38.06	-14.11	-10.80	-0.95	9.42	-19.80	-2.33	-11.60	
Difference	0.03	0.06	0.08	0.07	0.08	0.03	N/A	N/A	0.03	-0.02	0.04	0.03	
Analytic US Low Volatility (CF)	0.21	16.11	1.27	-6.50	1.27	6.94	8.09	N/A	28.79	-4.85	13.37	10.52	10/01/2012
MSCI US Min Vol Index (USD) (Net)	-1.12	12.67	-0.17	-6.81	-0.17	9.06	10.20	13.12	27.09	0.87	18.41	11.37	
Difference	1.33	3.44	1.44	0.31	1.44	-2.12	-2.11	N/A	1.70	-5.72	-5.04	-0.85	
Russell 1000 Index	2.21	21.82	7.48	-2.81	7.48	10.64	10.47	13.97	31.43	-4.78	21.69	12.70	
Difference	-2.00	-5.71	-6.21	-3.69	-6.21	-3.70	-2.38	N/A	-2.64	-0.07	-8.32	-2.18	
BNYM PE US SMID Cap Grth Eq NL (CF)	5.84	46.05	34.09	24.97	34.09	24.87	17.48	18.97	40.61	-0.86	27.31	19.65	04/01/2009
Russell 2500 Grth Index	3.68	32.87	9.21	2.02	9.21	12.10	9.57	14.45	32.65	-7.47	24.46	16.74	
Difference	2.16	13.18	24.88	22.95	24.88	12.77	7.91	4.52	7.96	6.61	2.85	2.91	
PIMCO:RAE GlxUS;Inst (PZRIX)	3.84	14.51	-14.25	-19.30	-14.25	-3.27	0.21	N/A	16.57	-14.44	26.66	3.13	03/01/2012
FTSE RAFI Dvl'd Ex US 1000 Index	3.83	14.01	-11.68	-17.31	-11.68	-2.15	0.65	4.83	18.85	-14.55	25.72	3.52	
Difference	0.01	0.50	-2.57	-1.99	-2.57	-1.12	-0.44	N/A	-2.28	0.11	0.94	-0.39	
MSCI ACW Ex US Index (USD) (Net)	4.52	16.12	-4.80	-11.00	-4.80	1.13	2.26	4.97	21.51	-14.20	27.19	3.54	
Difference	-0.68	-1.61	-9.45	-8.30	-9.45	-4.40	-2.05	N/A	-4.94	-0.24	-0.53	-0.41	
MFS Intl Grth CI 2 (CIT)	4.60	17.30	3.31	-4.55	3.31	8.00	8.36	N/A	28.56	-7.99	33.94	7.40	03/01/2013
MSCI ACW Ex US Grth Index (USD) (Net)	5.08	19.11	5.80	-2.62	5.80	6.07	5.61	7.04	27.34	-14.43	32.01	5.69	
Difference	-0.48	-1.81	-2.49	-1.93	-2.49	1.93	2.75	N/A	1.22	6.44	1.93	1.71	
Vanguard Tot Bd;Inst (VBTIX)	0.71	2.99	9.02	6.38	9.02	5.40	N/A	N/A	8.77	0.04	3.61	3.92	07/01/2016
Vanguard Spl B US Agg Flt Adj Index	0.68	3.03	8.92	6.30	8.92	5.40	4.37	3.87	8.87	-0.08	3.63	3.93	
Difference	0.03	-0.04	0.10	0.08	0.10	0.00	N/A	N/A	-0.10	0.12	-0.02	-0.01	
Vanguard Infl-Prot;Adm (VAIPX)	1.04	4.17	8.20	6.04	8.20	4.98	3.78	N/A	8.32	-1.31	3.04	3.56	08/01/2010
Bloomberg US Trsy US TIPS Index	1.12	4.24	8.28	6.01	8.28	5.05	3.75	3.52	8.43	-1.26	3.01	3.53	
Difference	-0.08	-0.07	-0.08	0.03	-0.08	-0.07	0.03	N/A	-0.11	-0.05	0.03	0.03	

Performance shown is gross of fees, preliminary and subject to change. Manager inception dates shown represent the first full month following initial funding. Fiscal year ends 06/30. Please see Addendum for more information regarding custom hybrids denoted with a number in parentheses.

**San Diego Transit Corporation Employees Retirement Plan
Comparative Performance**

	MTD	QTD	FYTD	CYTD	1 Year	3 Years	5 Years	10 Years	2019	2018	2017	Since Incep.	Inception Date
PIMCO:All Ast Ath;Inst (PAUIX)	3.43	13.39	-6.29	-8.32	-6.29	-0.05	1.78	3.24	8.62	-5.25	13.09	3.48	06/01/2008
All Asset Custom Index (EqI Wtd) (3)	1.20	7.77	4.77	0.60	4.77	5.22	4.93	5.72	12.97	-1.62	8.94	4.65	
Difference	2.23	5.62	-11.06	-8.92	-11.06	-5.27	-3.15	-2.48	-4.35	-3.63	4.15	-1.17	
HFRI FOF: Cnsvt Index	1.73	5.57	-0.48	-2.03	-0.48	1.90	1.47	2.56	6.30	-0.87	4.12	1.13	
Difference	1.70	7.82	-5.81	-6.29	-5.81	-1.95	0.31	0.68	2.32	-4.38	8.97	2.35	
Consumer Price Index+5%	0.96	1.10	5.68	2.80	5.68	6.80	6.63	6.78	7.40	7.01	7.21	6.52	
Difference	2.47	12.29	-11.97	-11.12	-11.97	-6.85	-4.85	-3.54	1.22	-12.26	5.88	-3.04	
GMO:Bchmk-Fr All;III (GBMFX)	1.40	8.08	-4.88	-9.04	-4.88	1.05	2.07	N/A	12.53	-4.49	14.10	1.98	04/01/2014
60% MSCI ACW (Net)/40% Bbrg US Agg Idx	2.17	12.52	5.29	-1.01	5.29	6.16	5.87	7.27	19.41	-5.52	15.41	5.52	
Difference	-0.77	-4.44	-10.17	-8.03	-10.17	-5.11	-3.80	N/A	-6.88	1.03	-1.31	-3.54	
HFRI FOF: Cnsvt Index	1.73	5.57	-0.48	-2.03	-0.48	1.90	1.47	2.56	6.30	-0.87	4.12	1.82	
Difference	-0.33	2.51	-4.40	-7.01	-4.40	-0.85	0.60	N/A	6.23	-3.62	9.98	0.16	
Consumer Price Index+5%	0.96	1.10	5.68	2.80	5.68	6.80	6.63	6.78	7.40	7.01	7.21	6.47	
Difference	0.44	6.98	-10.56	-11.84	-10.56	-5.75	-4.56	N/A	5.13	-11.50	6.89	-4.49	

Performance shown is gross of fees, preliminary and subject to change. Manager inception dates shown represent the first full month following initial funding. Fiscal year ends 06/30. Please see Addendum for more information regarding custom hybrids denoted with a number in parentheses.

**San Diego Transit Corporation Employees Retirement Plan
Fee Schedule**

	Fee Schedule	Market Value As of 06/30/2020 (\$)	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Westwood All Cap Val (CF)	0.75 % of Assets	16,446,615	123,350	0.75
Vanguard Energy Idx;Adm (VENAX)	0.10 % of Assets	1,866,994	1,867	0.10
Analytic US Low Volatility (CF)	0.40 % of First \$20 M 0.30 % of Next \$80 M 0.20 % Thereafter	17,071,737	68,287	0.40
BNYM PE US SMID Cap Grth Eq NL (CF)	0.90 % of First \$25 M 0.75 % Thereafter	8,010,999	72,099	0.90
PIMCO:RAE GlxUS;Inst (PZRIX)	0.55 % of Assets	16,318,798	89,753	0.55
MFS Intl Grth CI 2 (CIT)	0.75 % of Assets	16,958,414	127,188	0.75
Vanguard Tot Bd;Inst (VBTIX)	0.04 % of Assets	52,341,168	18,319	0.04
Vanguard Infl-Prot;Adm (VAIPX)	0.10 % of Assets	3,225,791	3,226	0.10
PIMCO:All Ast Ath;Inst (PAUIX)	0.94 % of Assets	18,726,512	176,029	0.94
GMO:Bchmk-Fr All;III (GBMFX)	0.88 % of Assets	15,009,249	132,081	0.88
Contribution Account	0.18 % of Assets	186,022	335	0.18
Disbursement Account	0.18 % of Assets	328,512	591	0.18
San Diego Transit Total Fund		166,570,712	813,925	0.49

Mutual fund fees are sourced from Morningstar and/or the investment manager. The expense ratio for Vanguard Tot Bd;Inst (VBTIX) is 0.035%.

San Diego Transit Corporation Employees Retirement Plan Addendum

Performance Related and Miscellaneous Comments

- Performance is gross of fees.
- Performance is annualized for periods greater than one year.
- Manager inception dates shown represent the first full month following initial funding.
- Fiscal year ends 06/30.
- The Alternative Investment performance shown is a blend of gross and net of fees, due to gross of fees performance for PAAMCO Pacific Hedged Strategy (CF) being unavailable.
- PIMCO:All Ast Ath;Inst (PAUIX) performance prior to 08/2011 is represented by PIMCO:All Asset;Inst (PAAIX).
- PIMCO:RAE GlxUS;Inst (PZRIX) performance prior to 06/2015 is represented by Research Affiliates Global AC Ex-US, LP (CF).
- Effective 01/02/2019, The Boston Company was rebranded under the Mellon Corporation.
- Vanguard Infl-Prot;Adm (VAIPX) performance prior to 05/2019 is represented by Vanguard Infl-Prot;Inst (VIPIX). Prior to 06/2012, performance is represented by Vanguard Infl-Prot;Adm (VAIPX).

Custom Hybrid Comments

- The Policy Index is calculated monthly and currently consists of 25% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 35% Bloomberg US Agg Bond Index and 20% of the 60% MSCI ACW (Net)/40% Bbrg Gbl Agg Idx. Prior to 05/2020, consisted of 25% Russell 3000 Index, 20% MSCI ACW Ex US Index (USD) (Net), 32.50% Bloomberg US Agg Bond Index and 22.50% of the 60% MSCI ACW (Net)/40% Bbrg Gbl Agg Idx.
- Performance shown for Alternative Investment Custom Index represents 60% MSCI ACW (Net)/40% Bbrg Gbl Agg Idx from 07/2018 through present; and prior to 07/2018, consists of the HFRI FOF: Cnsvt Index.
- Performance shown for Westwood All Cap Val (CF) (1) represents Westwood All Cap Val (CF) from 08/2011 through present; beginning of month market value weighted average of Westwood LargeCap Value (CF) and Westwood SMidCap Equity (CF) from 07/2008 through 07/2011; Westwood LargeCap Value (CF) from 10/2004 through 06/2008; beginning of month market value weighted average of Westwood LargeCap Value (CF) and Westwood SmallCap Growth (CF) from 01/1997 through 09/2004; and Westwood LargeCap Value (CF) from 07/1986 through 12/1996.
- Performance shown for Russell 3000 Val Index (2) represents Russell 3000 Val Index from 08/2011 through present; beginning of month market value weighted average of Westwood LargeCap Value (CF) and Westwood SMidCap Equity (CF) applied to the Russell 1000 Val Index and Russell 2500 Val Index, respectively, from 07/2008 through 07/2011; Russell 1000 Val Index from 10/2004 through 06/2008; beginning of month market value weighted average of Westwood LargeCap Value (CF) and Westwood SmallCap Growth (CF) applied to the Russell 1000 Val Index and Russell 2000 Grth Index, respectively, from 01/1997 through 09/2004; and Russell 1000 Val Index from 01/1986 through 12/1996.
- Performance shown for All Asset Custom Index (EqI Wtd) (3) represents All Asset Custom Index (EqI Wtd) from 01/2014 through present; and All Asset Composite Index from 10/1997 through 12/2013.
- The All Asset Custom Index (EqI Wtd) is an equal-weighted hybrid created independently by RVK specifically for PIMCO's All Asset strategies, and it consists of the following benchmarks:

1. *Short Term Strategies*: ICE BofAML 1 Yr T-Bill Index
2. *US Core and Long Maturity Bond Strategies*: Bloomberg US Agg Bond Index
3. *EM and Gbl Bond Strategies*: PIMCO GLADI Index*
4. *Crdt Strategies*: ICE BofAML US Hi Yld Master II Index
5. *Inflation Related Strategies*: Bloomberg US Trsy US TIPS Index
6. *US Equity Strategies*: Russell 3000 Index
7. *Global Equity Strategies*: MSCI ACW Index (USD) (Net)
8. *Alternative Strategies*: ICE BofAML 3 Mo US T-Bill Index+3%

* Performance for the PIMCO Gbl Advantage Bond Index (London Close) prior to 01/01/2004 consists of the JPM EMBI Gbl Dvf'd Index (USD) (TR).

PORTLAND

BOISE

CHICAGO

NEW YORK

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SDTC Pension Investment Status

Board of Directors
February 11, 2021

MTS Pension Plans

- CalPERS Plans (Total Active/Retired):
 - San Diego Trolley Employees (SMART, IBEW, TEOA) (951)
 - San Diego Trolley Management (PARS Supplement) (95)
 - Discontinued in December 2012
 - MTS Administration & Management (372)
- SDTC Employee Retirement Plan (1,634)
 - Closed Plan for non-contract employees
 - Newly hired employees in Defined Contribution with SDTC match
 - ATU: 5% contribution with additional 2% match
 - IBEW: 5% contribution with additional 2% match (effective 7/2021)



San Diego Transit Corporation

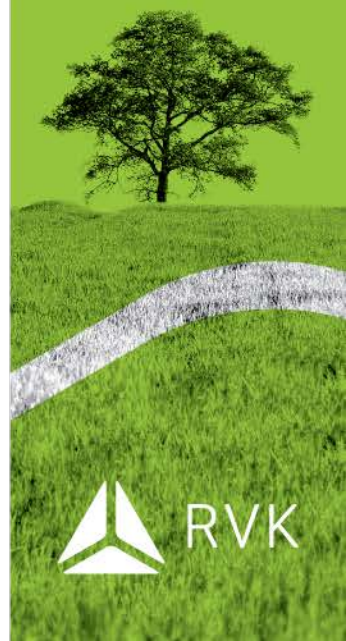
Investment Manager Fiscal Year 2020 Update



Investment Structure as of 6/30/2020

Asset Allocation vs. Target Allocation			
	Market Value (\$)	Allocation (%)	Target (%)
Broad Domestic Equity	43,396,345	26.05	25.00
Broad International Equity	33,277,212	19.98	20.00
Fixed Income	56,081,492	33.67	35.00
Alternatives (Multi-Asset)	33,815,663	20.30	20.00
Total Fund	166,570,712	100.00	100.00

- Plan is diversified across four broad asset classes
- Goal is to maximize return, while assuming a prudent risk level
 - Closed Plan to non-management participants (2011/2012)
 - Risk Profile as measured by Volatility (higher % = riskier portfolio)
 - 6/30/2011: 3-Year Plan Risk = 16% (Percentile Rank: 31st of 100)
 - 6/30/2020: 3-Year Plan Risk = 9% (Percentile Rank: 76th of 100)
- Liability structure (mature plan, with net outflows) would suggest an Asset structure that is more conservative, diversified and liquid
 - Assets exist to satisfy the Liabilities, as capital preservation is necessary in mature plan. Less emphasis on equity allocation
 - Management fees reduced significantly through passive investing



Investment Details as of 6/30/2020

Asset Allocation Detail					
Fund	Asset Class	Strategy	Market Value (\$)	Allocation (%)	Target (%)
Westwood All Cap Value	US Equity	Active	16,446,615	9.87	
Vanguard Energy Index	US Equity	Passive	1,866,994	1.12	
Analytic US Low Volatility	US Equity	Active	17,071,737	10.25	
BNYM US SMID Growth	US Equity	Active	8,010,999	4.81	
Total US Equity			43,396,345	26.05	25.00
PIMCO RAE	Int'l Equity	Active	16,318,798	9.80	
MFS Int'l Growth	Int'l Equity	Active	16,958,414	10.18	
Total International Equity			33,277,212	19.98	20.00
Vanguard Total Bond	Fixed Income	Passive	52,341,168	31.42	
Vanguard Inflation-Protection	Fixed Income	Active	3,225,791	1.94	
Contribution Account	Fixed Income	NA	186,022	0.11	
Disbursement Account	Fixed Income	NA	328,512	0.20	
Total Fixed Income			56,081,492	33.67	35.00
PIMCO All Asset All Auth	GTAA	Active	18,726,512	11.24	
GMO Benchmark-Free	GTAA	Active	15,009,249	9.01	
PAAMCO Pacific Hedge*	Hedge Funds	Cash	79,902	0.05	
Total Alternatives			33,815,663	20.30	20.00
TOTAL FUND			166,570,712	100.00	100.00


* PAAMCO market value is residual cash post termination.

- Assets are allocated across 10 different products
- Product diversification reduces overall portfolio risks
- Allocation sizes for active managers are controlled, reducing concentration risks



FY 2020 Performance

- January 2020 FY return at 4.43%
 - On track for meeting Actuarial target of 6.75%
- COVID-19 Market Impacts:
 - Significant market downturn due to uncertainty in marketplace
 - Plan's FY return dropped to -9.7% at the end of Q1 2020
 - Good performance in Q2 2020 to get in positive territory
 - Impact of investment drop from Jan – June = \$7.8M and funded with CARES Act funds (actuarially calculated)
 - Contribution of \$7.8M in February 2021

Schedule of Investable Assets					
Period Ending	Beginning Market Value (\$)	Net  Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	Return (%)
FYTD	170,855,911	-5,206,688	921,489	166,570,712	0.53

- Plan returned 0.53% over the 2020 fiscal year
- Assumed Actuarial annual rate of return is 6.75%
- Underperformed the actuarial rate by 6.22% in fiscal year 2020

FYTD 2021 Performance

- Plan has returned 13.60% so far in the 2021 fiscal year
- Assumed Actuarial annual rate of return is 6.75%
- Outperformed the actuarial rate by 6.85% in the first six months of fiscal year 2021

Schedule of Investable Assets					
Period Ending	Beginning Market Value (\$)	Net [□] Cash Flow (\$)	Gain/Loss (\$)	Ending Market Value (\$)	Return (%)
FYTD	166,570,712	-1,224,576	22,549,771	187,895,907	13.60



Long Term Performance Details

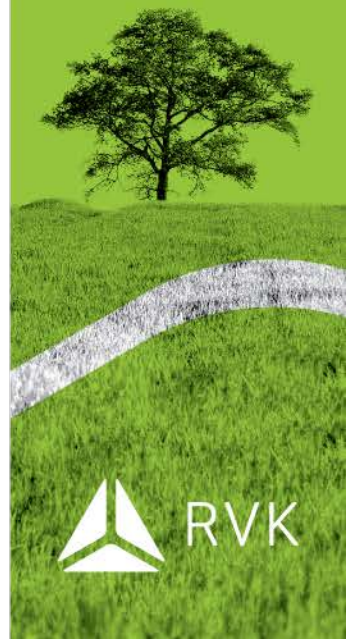
As of 6/30/2020

	Allocation		Performance (%)				
	Market		1	5	10	38	Inception
	Value (\$)	%	Year	Years	Years	Year	Date
San Diego Transit Total Fund	166,570,712	100.00	0.53	4.16	6.00	8.70	10/01/1982
Domestic Equity	43,396,345	26.05	-0.58	7.02	11.77		
International Equity	33,277,212	19.98	-5.52	4.26	6.12		
Fixed Income	56,081,492	33.67	8.73	3.79	4.22		
Alternative Investment	33,815,663	20.30	-5.97	0.90	2.96		

As of 12/31/2020

	Allocation		Performance (%)				
	Market		1	5	10	38	Inception
	Value (\$)	%	Year	Years	Years	Year	Date
San Diego Transit Total Fund	187,895,907	100.00	8.88	7.85	5.72	8.94	10/01/1982
Domestic Equity	50,939,163	27.11	13.11	11.94	11.44		
International Equity	39,680,679	21.12	9.68	10.89	6.04		
Fixed Income	59,906,207	31.88	7.74	4.14	3.96		
Alternative Investment	37,369,858	19.89	2.13	4.75	2.71		

- Year to year returns will fluctuate significantly, some years above and some years below the Actuarial rate of return, but over the long-run the SDTC portfolio has consistently outperformed the 6.75% Actuarial return hurdle



Investment Structure Summary

- Plan is well diversified across a variety of managers and broad asset classes
- Asset Allocation is intentionally designed to be more conservative given that the Plan is closed
 - Focus is on satisfying liabilities
 - Balance capital appreciation vs. capital preservation
- Management fees are kept low with the use of passive investments
- Portfolio is well positioned for the future given the liability structure of the Plan





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

Agenda Item No. 31

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

SAN DIEGO TRANSIT CORPORATION (SDTC) EMPLOYEE RETIREMENT PLAN'S
ACTUARIAL VALUATION AS OF JULY 1, 2020 (ANNE HARPER AND ALICE
ALSBERGHE WITH CHEIRON INC. AND LARRY MARINESI)

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors receive the SDTC Employee Retirement Plan's (Plan) actuarial valuation as of July 1, 2020 (Attachment A), and adopt the pension contribution amount of \$17,585,592 for fiscal year 2022.

Executive Committee Recommendation

At its February 4, 2021 meeting, the Executive Committee voted 5 to 0 (Board Members Aguirre, Elo-Rivera, Fletcher, Gastil, and Sandke in favor, with Board Members Salas and Sotelo-Solis absent) to recommend that the Board approve the staff recommendation.

Budget Impact

Board adoption would result in the annual pension contribution of \$17,585,592 for fiscal year 2022, consisting of both employer and employee contributions.

DISCUSSION:

The actuarial valuation of the Plan as of July 1, 2020 was completed in December 2020 by Cheiron, Inc., and the entire report is included as Attachment A. The purpose of the actuarial valuation is to measure, describe, and identify the following as of the valuation date:

- The financial condition of the Plan,
- Past and expected trends in the financial progress of the Plan, and
- Compute the total annual pension contribution amount.



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

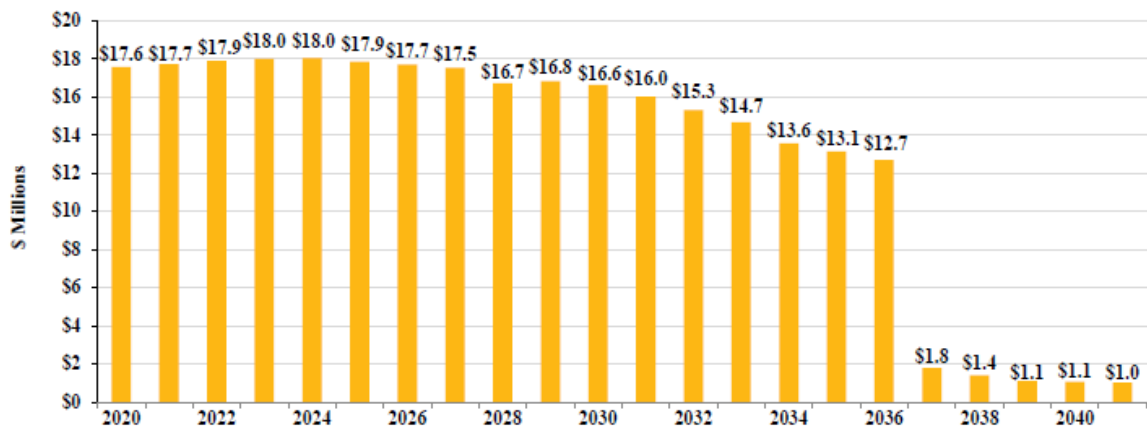
- The normal cost,
- Expected administrative expenses, and
- Amortization of the unfunded actuarial liability.

This valuation has calculated a total contribution of \$17,585,592, an increase of 0.7% from fiscal year 2021, which would be used for the fiscal year 2022 budget.

As reflected in the following table, contributions are increasing year over year by approximately \$120,000.

Total Contribution Reconciliation	
Fiscal Year 2020-2021, middle of the year	17,465,703
Change due to actuarial investment experience	612,716
Change due to liability experience	(411,331)
Changed due to effect of closed plan on benefits earned	(165,591)
Change due to other miscellaneous factors	84,095
Fiscal Year 2020-2021, middle of the year	17,585,592

Given the updated projected rates of return and the closed nature of the plan, the plan contributions are projected to level off over the next few years (excluding the one-time CARES Act amount of \$7.8 million in 2021), and the Unfunded Actuarial Liability will be fully paid off by fiscal year 2036.



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

/s/ Sharon Cooney
 Sharon Cooney
 Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Actuarial Report



Retirement Plans of San Diego Transit Corporation

Actuarial Valuation Report as of July 1, 2020

Produced by Cheiron

December 2020

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December 11, 2020

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

Dear Mr. Marinesi:

At your request, we have conducted an actuarial valuation of the Retirement Plans of San Diego Transit Corporation (“Plan,” “SDTC”) as of July 1, 2020. This report contains information on the Plan’s assets, liabilities, and contribution levels. It also contains an assessment and disclosures of the Plan’s risks. In the Foreword, we refer to the general approach employed in the preparation of this report.

The purpose of this report is to present the results of the annual actuarial valuation of the Plans. This report is for the use of the Retirement Board and the San Diego Metropolitan Transit System (“MTS”) Board and its auditors in preparing financial reports in accordance with applicable law and accounting requirements.

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

The assumptions used in calculating the liabilities found in this report reflect the results of an Experience Study approved by the Budget Development Committee in April 2016, with the exception of the expected rate of return assumption which was adopted by the MTS Board in April 2019.

Future results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

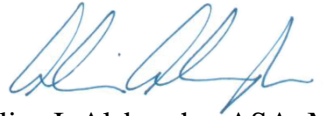
This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable law and regulations.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

This report was prepared exclusively for the Retirement Board and MTS Board for the purposes described herein. Other uses of this valuation report are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

Sincerely,
Cheiron

A handwritten signature in blue ink that reads "Anne Harper".

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

A handwritten signature in blue ink that reads "Alice I. Alsberghe".

Alice I. Alsberghe, ASA, MAAA, EA
Consulting Actuary

Cheiron has performed the actuarial valuation of the Retirement Plans of San Diego Transit Corporation as of July 1, 2020. The valuation report is organized as follows:

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

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech), to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have reviewed ProVal and have a basic understanding of it and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this report. The deterministic and stochastic projections shown in this report were developed using R-scan, our proprietary stochastic projection tool for assessing probabilities of different outcomes. We have relied on Cheiron colleagues who developed the tool, and we have used the tool in accordance with its purpose.

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

- The financial condition of the Plan,
- Past and expected trends in the financial progress of the Plan, and
- The total contribution amount (employer and employee) to be made during Fiscal Year 2021-2022.

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

A. Valuation Basis

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

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

- The normal cost under the Entry Age Normal Cost Method,
- Expected administrative expenses, and
- Amortization of the Unfunded Actuarial Liability (UAL) based on level dollar payments.

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

- IBEW members contributed 3% of compensation to the Plan in April 2013 and 4% of compensation in April 2014. The contribution rate increased to 6% of compensation in April 2015 and increased to 8% of compensation in April 2016.
- ATU drivers and clerical members contributed 3% of compensation to the Plan in July 2013. The contribution rate increased to 5% of compensation in July 2014, to 6% in July 2015, and to 7% of compensation in July 2016. As of December 2017, the member contribution rate increased to 8% of compensation.
- Non-contract members hired before July 1, 2013 contributed 2% of compensation to the Plan prior to January 2014. The Non-contract member contributions increased to 4% of compensation in January 2014, to 6% in January 2015, and to 7% of compensation on January 1, 2016. As of January 1, 2017, the member contribution rate increased to 8% of compensation.

- PEPRA: New Members must contribute half of the normal cost of the Plan, rounded to the nearest 0.25%. Currently, PEPRA members are contributing 6.25% of pay and the employer pays the remaining cost of the Plan. For the July 1, 2020 valuation, the PEPRA member rate remains at 6.25% of pay. The development of the PEPRA member rate can be found in Section V in the body of this report.

The SDTC Plans are closed to new entrants, except for Non-Contract members. A closed plan has very different dynamics as active plan membership declines and grows older and a larger portion of the Plan's liability shifts to payees. This dynamic shortens the investment horizon thus mitigating investment risk becomes more important. If the asset mix changes to reflect the expected pattern of benefit payments, it will become more conservative and the expected return on plan assets will decrease. Thus, adjusting the Plan's investment rate of return to be consistent with the expected trending decrease of future asset returns should continue to be monitored.

The true cost of the Plan is a function of actual Plan experience, not the actuarial assumptions. It is important to set realistic assumptions to mitigate the risk of Plan contribution volatility. In Section II of this report, we provide a detailed assessment and disclosure of the Plan's risks.

This valuation was prepared based on the Plan provisions as summarized in Appendix C. There have been no changes in plan provisions since the prior valuation. The results of this valuation do not include members participating in the defined contribution plans.

B. Key Results of this Valuation

The key results of the July 1, 2020 actuarial valuation are as follows:

- The actuarial contribution shown in this report is the total contribution required from both the employer and the employees. The total contribution increased from \$17,465,703 to \$17,585,592, an increase of about \$120,000 from the July 1, 2019 valuation. This increase is primarily due to the recognition of the current year's asset loss and prior years' deferred asset losses in the Actuarial Value of Assets partially offset by favorable liability experience. See Table I-2 for a reconciliation of the contribution cost from last year to this year that includes all components of the change.
- During the plan year ending June 30, 2020, the return on Plan assets was 0.01% based on the Market Value of Assets (MVA) compared to the 6.75% assumed rate of return. A return over 6.75% would result in an actuarial gain, and a return lower than 6.75% would result in an actuarial loss. The actual market rate of return was lower than expected, resulting in unexpected earnings of (\$11,318,912) which is an actuarial loss.
- The Actuarial Value of Assets (AVA) recognizes 20% of the difference between the expected and actual return, referred to as "Unexpected Earnings", on the Market Value of Assets (MVA) for each of the prior five years. The AVA experienced a return of 3.38%. See Table III-3 and III-4 for the detailed calculations.
- The Actuarial Liability of the Plan was less than expected by \$3,159,945. The liability experience gain was primarily driven by salary increases that were lower than expected and changes to monthly benefit amounts for certain payees due to MTS' recalculation of retiree benefits.
- The Plan's funded ratio, the ratio of actuarial (smoothed) assets over the Actuarial Liability, slightly increased from 55.8% last year to 56.3% as of July 1, 2020. However, the funded ratio based on the Market Value of Assets decreased from 54.0% to 52.6%.
- The Unfunded Actuarial Liability (UAL) is the excess of the Plan's Actuarial Liability over the Actuarial Value of Assets. The Plan's UAL decreased from \$139,105,186 to \$137,726,531 as of July 1, 2020.

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

Table I-1
Summary of Principal Plan Results

<u>Participant Counts</u>	July 1, 2019	July 1, 2020	% Change
Active Participants	424	389	-8.3%
Participants Receiving a Benefit	1,011	1,028	1.7%
Inactive Participants	<u>218</u>	<u>217</u>	-0.5%
Total	1,653	1,634	-1.1%
Projected Plan Member Payroll ¹ for Fiscal Year 2020 and 2021	\$ 25,519,608	\$ 23,766,459	-6.9%
<u>Assets and Liabilities</u>			
Actuarial Liability (AL)	\$ 314,919,978	\$ 315,167,505	0.1%
Actuarial Value of Assets (AVA)	<u>175,814,792</u>	<u>177,440,974</u>	0.9%
Unfunded Actuarial Liability (UAL)	\$ 139,105,186	\$ 137,726,531	-1.0%
Market Value of Assets (MVA)	\$ 170,139,617	\$ 165,921,800	-2.5%
Funded Ratio (AVA)	55.8%	56.3%	0.5%
Funded Ratio (MVA)	54.0%	52.6%	-1.4%
<u>Contributions</u>	FY 2020-2021	FY 2021-2022	
Total Normal Cost ²	\$ 3,728,085	\$ 3,489,689	-6.4%
Total UAL Contribution	<u>13,737,618</u>	<u>14,095,903</u>	2.6%
Total Contribution (middle of year)	\$ 17,465,703	\$ 17,585,592	0.7%

¹ Based on valuation data projected using half-year of salary increases but excludes payroll for members expected to leave employment or retire during the year.

² Includes assumed administrative expenses of \$282,045 payable during FY 2020-2021 and \$289,801 payable during FY 2021-2022.

C. Changes in Plan Cost

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

Table I-2	
Total Contribution Reconciliation	
Fiscal Year 2020-2021, middle of year	\$ 17,465,703
Change due to actuarial investment experience	612,716
Change due to liability experience	(411,331)
Change due to effect of closed plan on benefits earned	(165,591)
Change due to other miscellaneous factors	84,095
Fiscal Year 2021-2022, middle of year	\$ 17,585,592

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

- The actual return on the Actuarial Value Assets (AVA) was 3.38% compared to the expected return of 6.75%, resulting in a negative variance (actuarial loss) of \$5,857,988 and an increase to the total contribution of \$612,716. The average annual return for the last five years on the Market Value of Assets (MVA) was 3.7%, below the 6.75% target. As a result, there are net deferred actuarial losses of approximately \$11.5 million, the difference between the AVA and MVA.
- Actual demographic experience will always differ from the actuarial assumptions. Salary experience, Cost-of-Living Adjustment (COLA) experience, and demographic experience of the Plan – rates of retirement, death, disability, and termination –were different than expected based on the actuarial assumptions, causing a decrease in the contribution of \$411,331. The liability experience gain was primarily driven by salary increases that were lower than expected and changes to monthly benefit amounts for certain payees due to MTS' recalculation of retiree benefits.
- Closing the Plan to most new entrants decreases the total amount of benefits that are being earned as members continue to leave employment through retirements, terminations, disabilities, and death, and thus cease to earn additional benefits. This decreased the Plan contribution by \$165,591.
- The net effect of other miscellaneous factors, including actual administrative expenses being different than expected and a contribution timing adjustment, increased the Plan contributions by \$84,095.

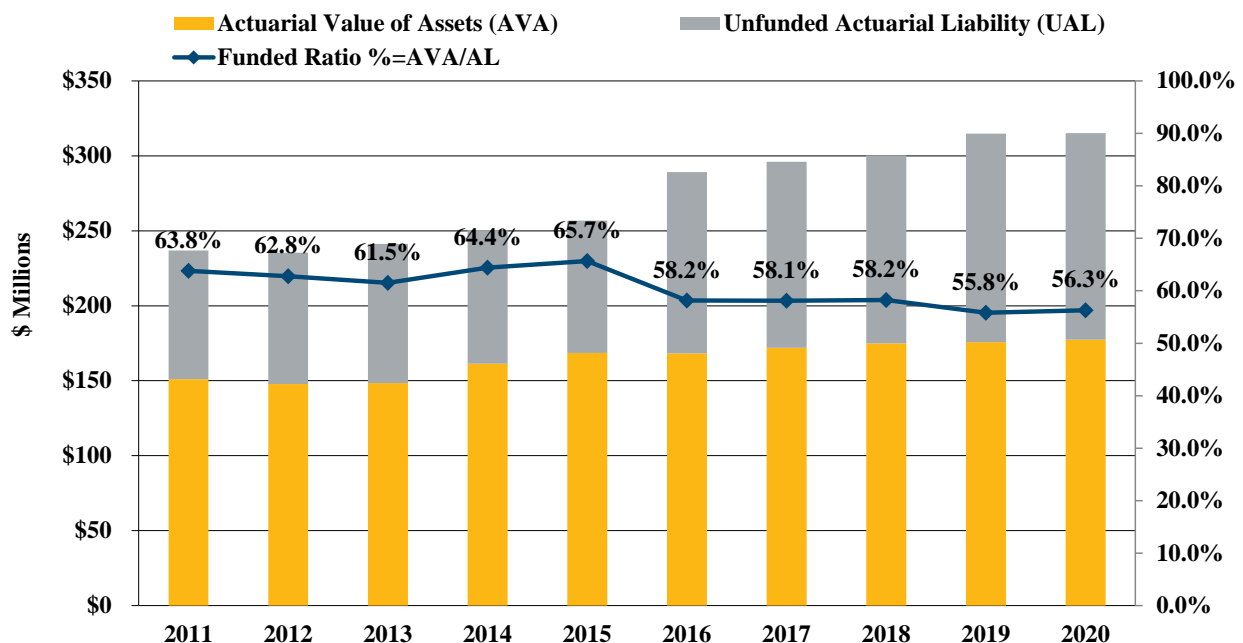
D. Historical Trends

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

Assets and Liabilities

The chart below presents the Actuarial Value of Assets (gold bars), Unfunded Actuarial Liability (gray bars), and Funded Ratio (navy line). The top of the bars (sum of gold and gray bars) depicts the total Actuarial Liability. Over the ten-year period shown, the Actuarial Liability has been increasing, however, the Actuarial Value of Assets are relatively level. This in turn leads to a decreasing funded ratio.

Following the severe market downturn in 2008, the funded ratio decreased year over year until 2013 given the phase-in recognition of deferred investment losses in the Actuarial Value of Assets. The funded ratio decreased again in 2016 to 58.2% following an actuarial experience study which significantly increased the Actuarial Liability. From 2016 to 2018, the funded ratio remained stable. In 2019, the funded ratio decreased primarily due to a reduction in the discount rate assumption from 7.00% to 6.75%. The funded ratio of 56.3% in 2020 increased slightly by 0.5% from 2019. Although the Plan experienced a net actuarial loss, the UAL decreased by \$1.4 million since the Actuarial Value of Asset increased by more than the increase in the Actuarial Liability.

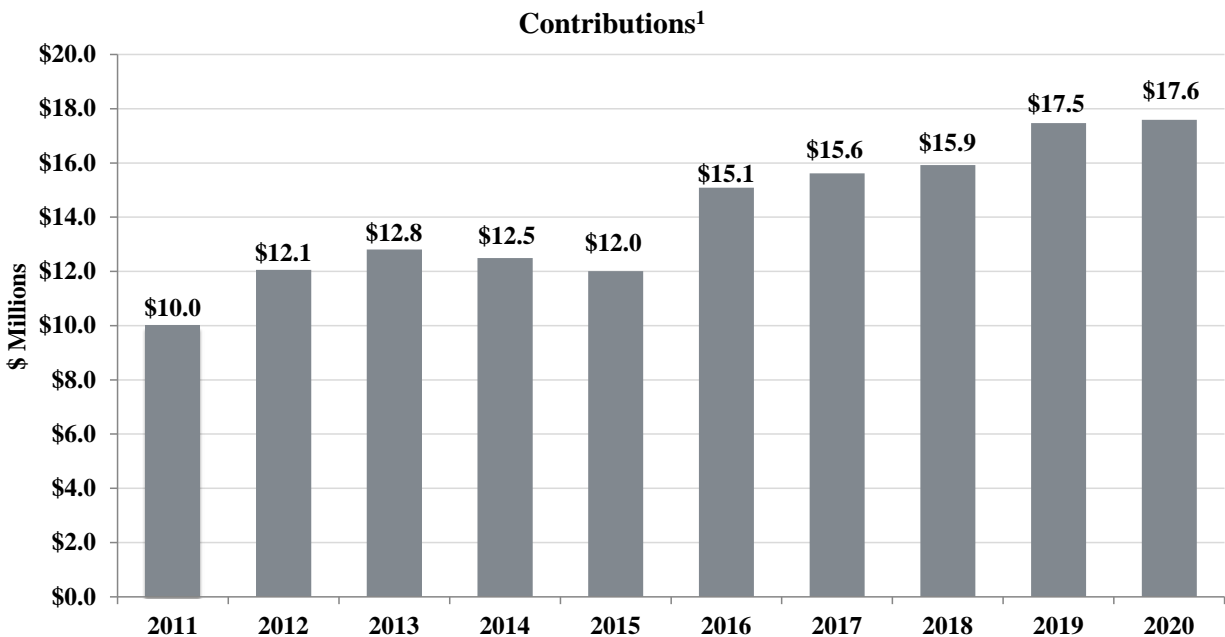


Contributions

The chart below shows a history of the Plan's actuarially determined total contribution. The Plan's actuarially determined contributions increased from 2011 to 2012 primarily due to the phasing in over five years of the 2009 asset loss, along with assumption changes in 2010, and actuarial funding policy changes in 2012. The contributions leveled off between \$12-\$13 million from 2012 to 2015.

In 2016, the Board approved actuarial assumption changes based on the recommendations in the Actuarial Experience Study for July 1, 2010 through June 30, 2015. Most notably were the new mortality assumptions and the assumed investment rate of return decreasing from 7.50% to 7.00%. After 2016, investment experience on the AVA has been the primary source of the contribution increases. In 2019, the further reduction of the discount rate assumption to 6.75% also increased the contribution level to \$17.5 million. Offsetting actuarial liability gains and actuarial asset losses kept the contributions steady in 2020 compared to 2019.

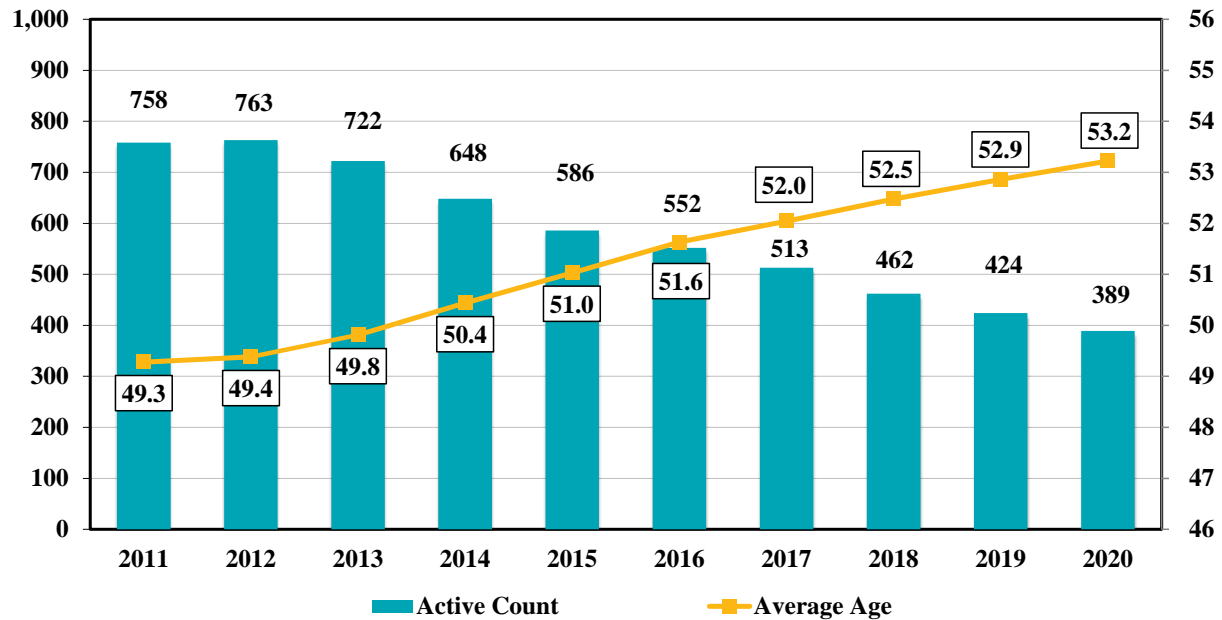
A reconciliation of the contributions from the 2019 to 2020 valuations can be found in Table I-2 of this report.



¹ Beginning with 2015, contribution amounts are mid-year values for the upcoming fiscal year.

Active Participant Trends

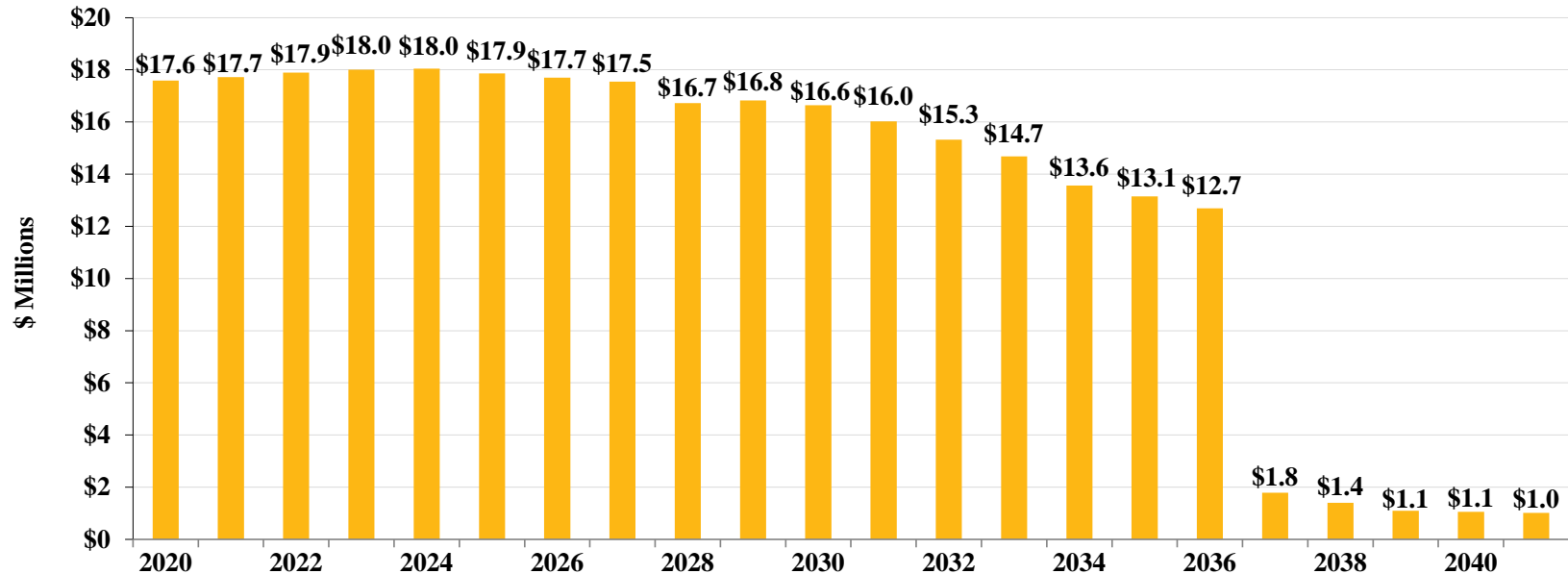
The number and average age of active Plan members for the last 10 years is shown in the chart below. We can see that membership has declined from 758 actives on July 1, 2011 to 389 actives on July 1, 2020, a decrease of 49%. In addition, the average age of an active member has increased by almost four years during the period shown. These trends are expected to continue, as most new employees participate instead in the defined contribution plan.



E. Future Expected Financial Trends

The analysis of projected financial trends is perhaps the most important component of this valuation. In this section, we present our assessment of the implications of the July 1, 2020 valuation results in terms of benefit security (assets over liabilities) and contributions over the next 20 years. All the projections in this section assume that the Plan will exactly achieve the 6.75% investment return assumption and all other actuarial assumptions will be met each year, which is clearly an impossibility. We assume the current funding method and amortization policy adopted in 2012, will remain in place throughout the projection period.

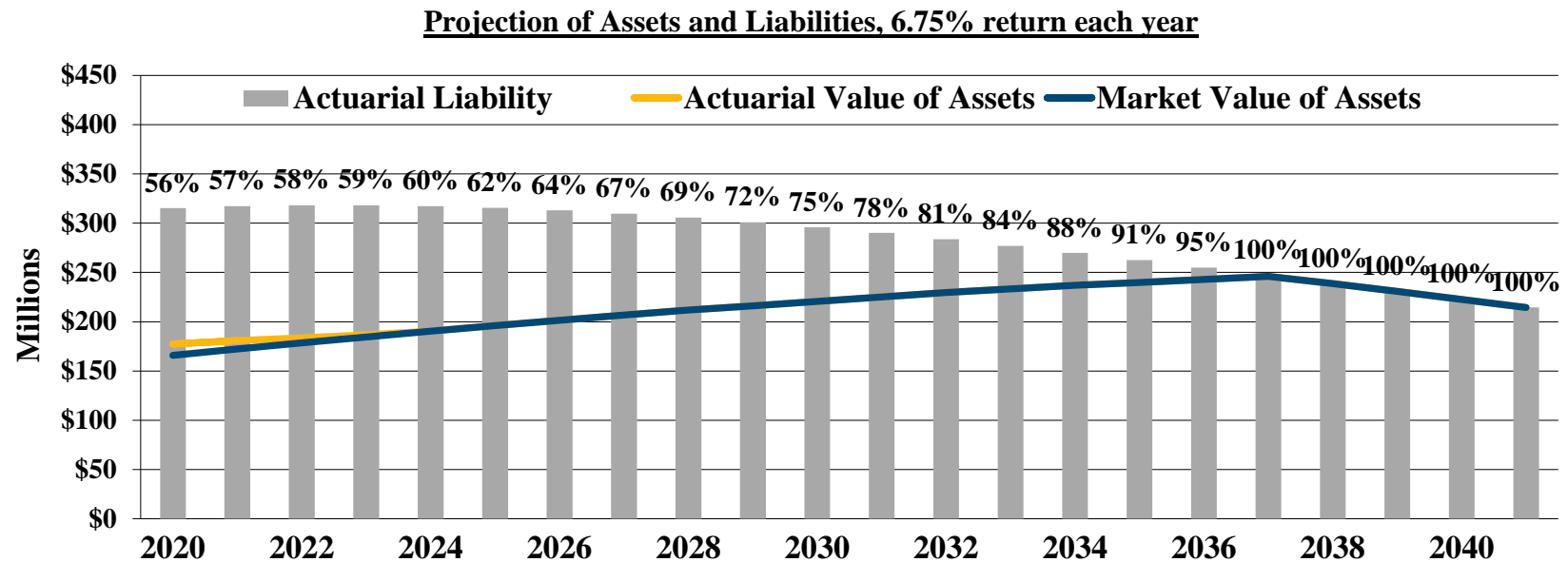
Projection of Total Plan Contributions, 6.75% return each year



The graph shows that the Plan's contribution is expected to increase for the next four years to \$18.0 million as previous years' investment losses are fully recognized. Currently, there are \$11.5 million in deferred losses. Then the Plan's contributions are expected to steadily decline to \$12.7 million in 2036. The gradual decline in the contribution is due to the decrease in the annual benefits that are earned as the number of active members decline since the Plan is closed to most new entrants. During Fiscal Year 2036-37, the last payment for the majority of the Plan's expected UAL will be made.

Asset and Liability Projections:

The following graph shows the projection of assets and liabilities assuming that assets will earn the 6.75% assumption each year during the projection period.



The funded status is expected to gradually increase over the projection period. The Plan is projected to be fully funded by 2037 assuming the actuarial assumptions are achieved. However, it is the actual return on Plan assets that will determine the future funding status and contribution to the Plan.

Actuarial valuations are based on a set of assumptions about future economic and demographic experience. These assumptions represent a reasonable estimate of future experience, but actual future experience will undoubtedly be different and may be significantly different. This section of the report is intended to identify the primary risks to the plan, provide some background information about those risks, and provide an assessment of those risks.

Identification of Risks

The fundamental risk to a pension plan is that the contributions needed to pay the benefits become unaffordable. While we believe it is unlikely that the Plan by itself would become unaffordable, the contributions needed to support the Plan may differ significantly from expectations. While there are a number of factors that could lead to contribution amounts deviating from expectations, we believe the primary sources are:

- Investment risk,
- Inflation risk, and
- Contribution risk.

Other risks that we have not identified may also turn out to be important.

Investment Risk is the potential for investment returns to be different than expected. Lower investment returns than anticipated will increase the Unfunded Actuarial Liability (UAL) necessitating higher contributions in the future unless there are other gains that offset these investment losses. In contrast, higher investment returns than anticipated may create a potentially significant surplus that could be difficult to use until all benefits have been paid. Expected future investment returns and their potential volatility are determined by the Plan's asset allocation.

Inflation risk is the potential for actual inflation to be different than expected. Retirement benefits under the plan for the Non-Contract retirees who retired on or after June 30, 1999 are potentially increased annually for inflation with certain caps. Higher inflation than expected could result in the payment of greater benefits, and lower inflation than expected could result in the payment of lower benefits.

Contribution risk is the potential for actual future actuarially determined contributions to deviate from expected future contributions to an extent that they become unaffordable. The Plan's funding policy is to determine an Actuarially Determined Contribution (ADC) equal to the sum of the normal cost, amortization of the UAL, and the Plan's expected administrative expenses. The UAL is amortized in level dollar payments with several layers with differing amortization periods. The UAL is currently expected to be fully paid for as of 2037. However, as 2037 gets closer and the Plan's remaining amortization period shortens, a significant loss or change in assumption may cause a large increase in the ADC. While the funding policy can be changed when such a situation occurs, any reduction in the ADC will result in a slower recovery in funded status.

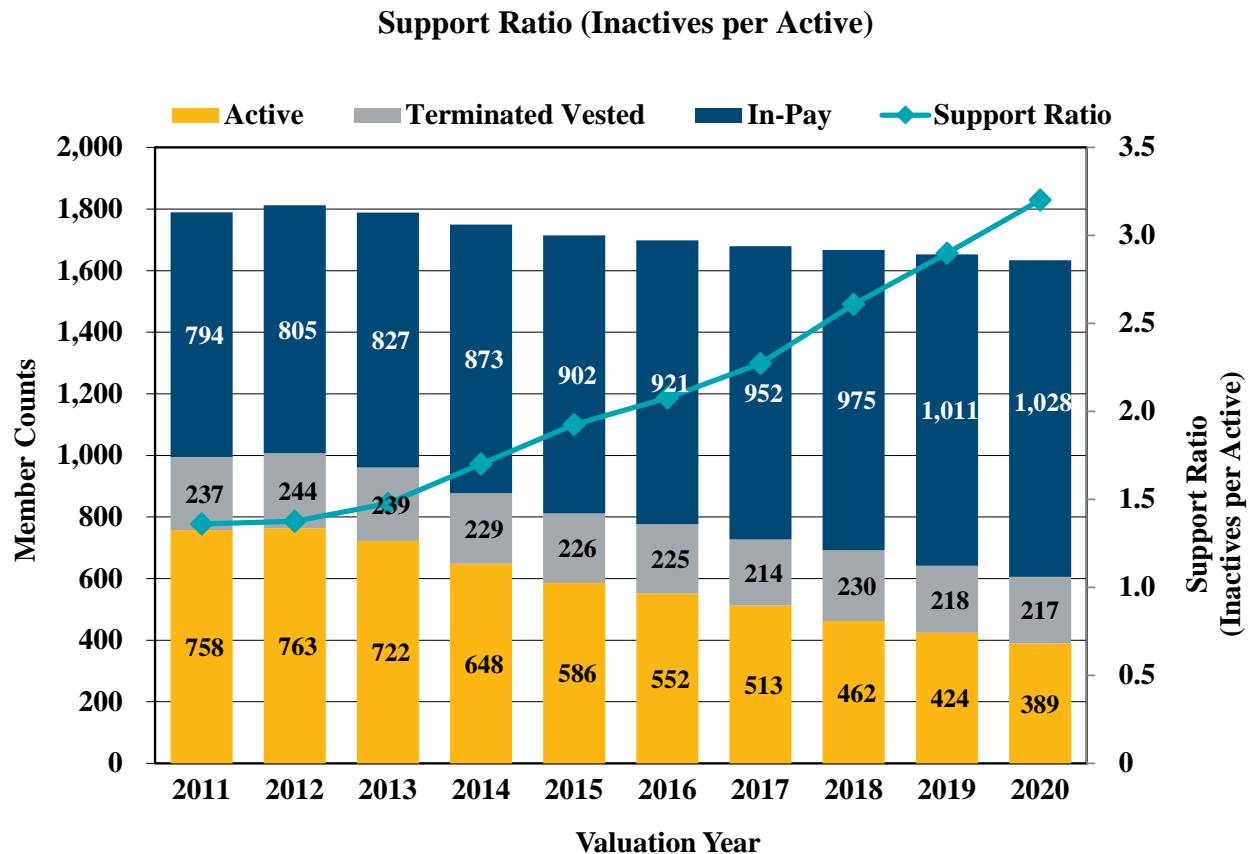
Plan Maturity Measures

The future financial condition of a mature pension plan is more sensitive to each of the risks identified above than a less mature plan. Before assessing each of these risks, it is important to understand the maturity of the plan.

Plan maturity can be measured in a variety of ways, but they all get at one basic dynamic – the larger the plan is compared to the contribution or revenue base that supports it; the more sensitive the plan will be to risk. Given that the Plan has been closed to most new entrants since 2012, measures specific to the Plan show significant increases in maturity while maturity measures in context of Metropolitan Transit System as a whole show declining maturity.

Support Ratio (Inactives per Active)

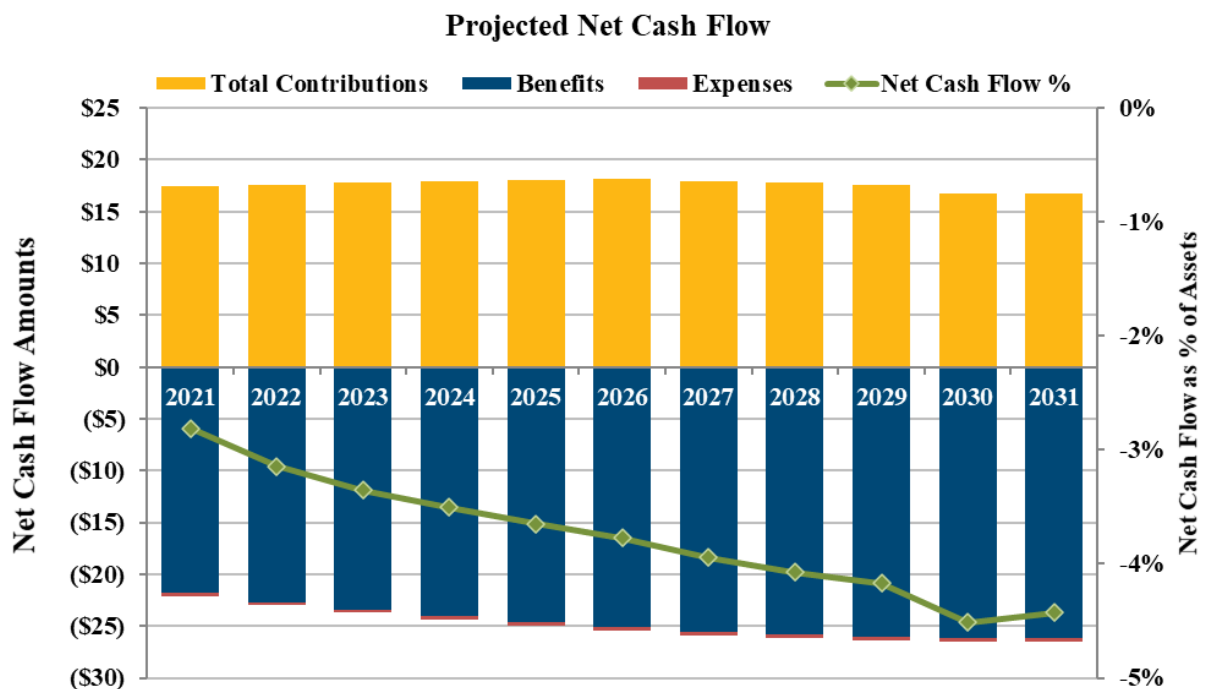
One simple measure of plan maturity is the ratio of the number of inactive members (those receiving benefits or entitled to a deferred benefit) to the number of active members. For a closed plan, the Support Ratio is expected to increase significantly as the active members retire or terminate and there are no new entrants replacing them. The chart below shows the growth in the Support Ratio for the Plan for the past 10 years.



Net Cash Flow

The net cash flow of the plan as a percentage of the beginning of year assets indicates the sensitivity of the plan to short-term investment returns. Net cash flow is equal to contributions less benefit payments and administrative expenses. Mature plans can have large amounts of benefit payments compared to contributions, particularly if they are well funded.

The chart below shows the projected net cash flow for the next 10 fiscal years. The bars represent the dollar amounts of the different components of the projected net cash flow, and the line represents the net cash flow as a percentage of the assets as of the beginning of the fiscal year.



The net cash flow has been negative since at least 2013. The net cash flow is expected to become increasingly negative as benefit payments grow, the Plan becomes better funded and contributions are reduced.

The first issue the negative cash flow presents to the Plan is a need for liquidity in the investments so that benefits can be paid. When the cash flow was positive or close to neutral, benefits could be paid out of contributions without liquidating investments. As net cash flow becomes increasingly negative, the benefit payments will require liquidation of some investments (at least to the extent the bond portfolio doesn't generate sufficient cash income).

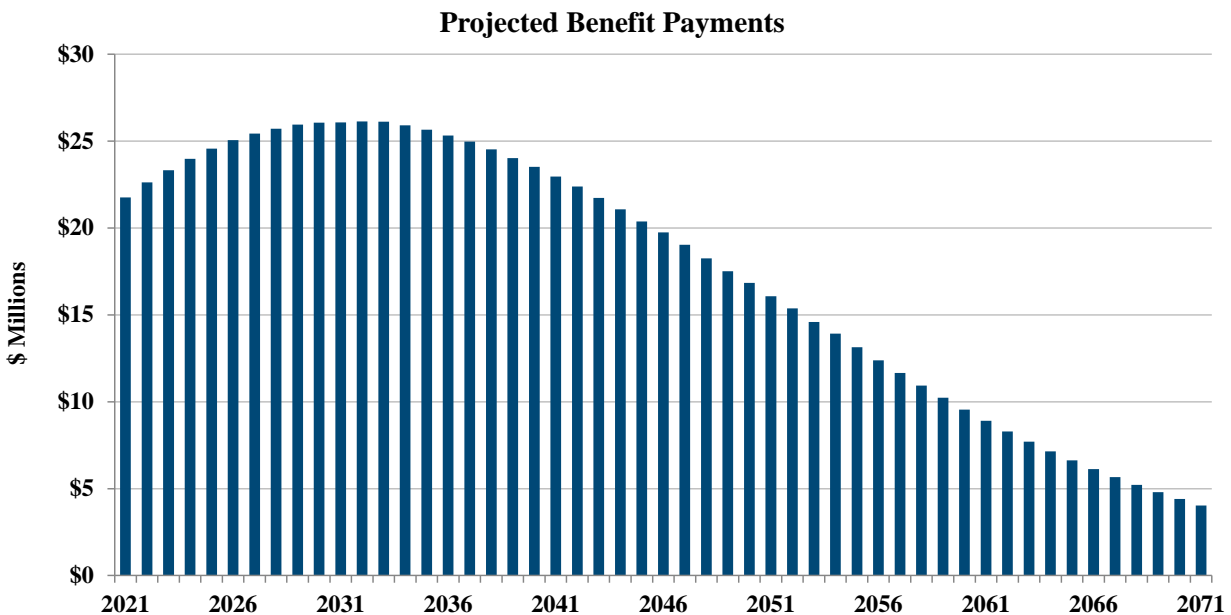
The other change of note is the sensitivity to short-term investment returns. Investment losses in the short term are compounded by the net withdrawal from the plan leaving a smaller asset base to try to recover from the investment losses. On the other hand, large investment gains in the

short term also tend to have a longer beneficial effect as any future losses are relative to a smaller liability base due to the negative cash flow.

Assessing Costs and Risks

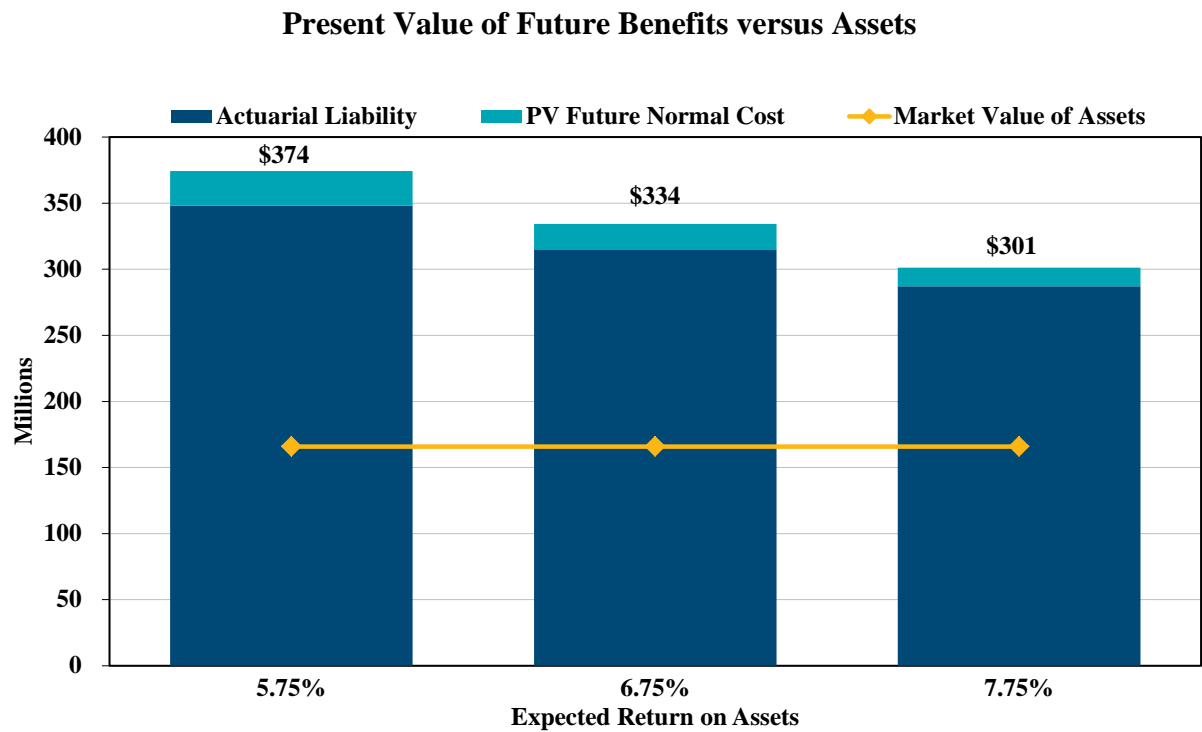
A closed pension plan will ultimately either end up with excess assets after all benefits have been paid or run out of assets before all benefits have been paid. If the Plan develops surplus assets, it may be able to reduce the risk in its investment portfolio, immunize investments, or purchase annuities to settle the remaining obligation. However, such an approach may not be the objective for MTS, and if the surplus assets exceed the additional amounts needed to purchase annuities or immunize the portfolio, it is not clear how they could be used until all benefits have been paid.

If the Plan, on the other hand, were to run out of assets, MTS would be forced to pay benefits directly on a pay-as-you-go basis. As long as MTS can afford the pay-as-you-go costs, benefits would remain secure. The chart below shows a projection of expected benefit payments for the closed plan.



Sensitivity to Investment Returns

The chart below compares assets to the present value of all projected future benefits discounted at the current expected rate of return and at investment return 100 basis points above and below the expected rate of return. The present value of future benefits is shown as a bar with the portion attributable to past service in dark blue (Actuarial Liability) and the portion attributable to future service in teal (Present Value of Future Normal Costs). The Market Value of Assets is shown by the gold line.



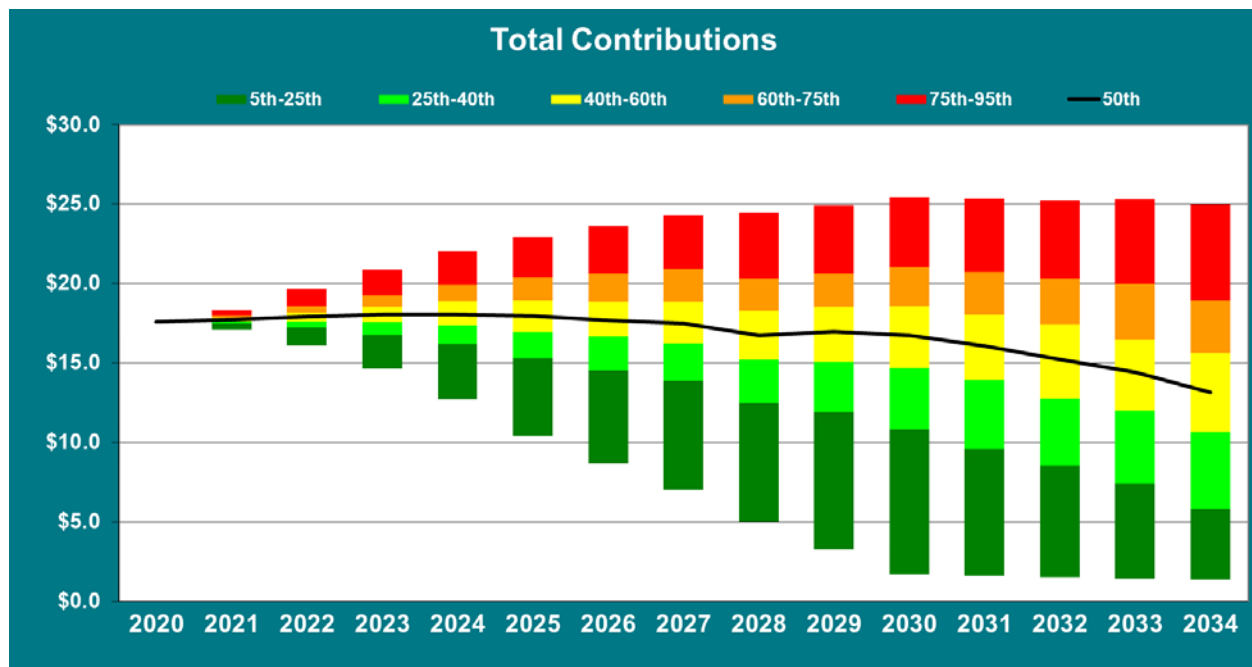
If investments return 6.75% annually, the Plan would need approximately \$334 million in assets today to pay all projected benefits compared to current assets of \$166 million. If investment returns are only 5.75%, the Plan would need approximately \$374 million in assets today, and if investment returns are 7.75%, the Plan would need approximately \$301 million in assets today.

Stochastic Projections

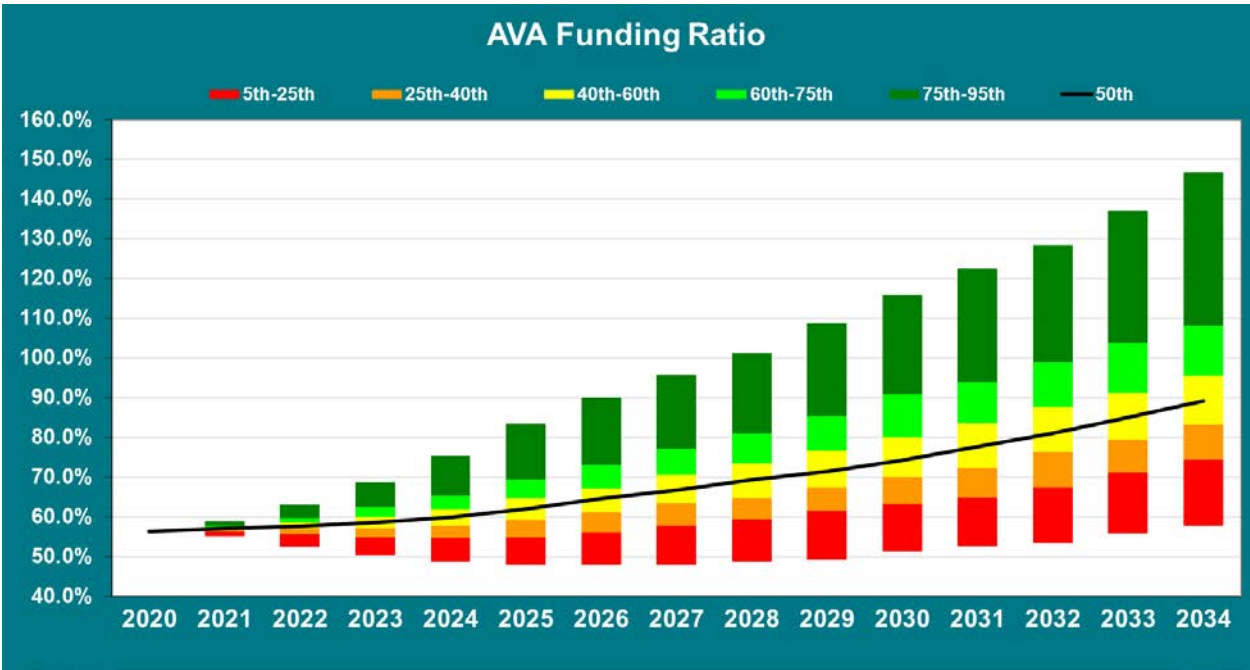
Stochastic projections serve to show the range of probable outcomes of various measurements. The charts on the following pages show the projected range of the total contributions and of the funded ratio on an actuarial value of assets basis. The range in both scenarios is driven by the volatility of investment returns (a 10.9% standard deviation of annual returns from RVK's Asset Allocation Study dated February 2019). The stochastic projections of investment returns are based on an assumption that each future year's investment return is independent from all other years and is identically distributed according to a lognormal distribution. This assumption may result in an unrealistically wide range of compound investment returns over longer periods of time.

The stochastic projection of contributions shows the probable range of future contributions. The baseline contributions (black line), which is based on the median simulations using an average return of 6.75%, aligns with the projections discussed in Subsection E. of the Executive Summary of this report. In the most pessimistic scenario shown, the 95th percentile, the projected contributions are about \$25 million in 2034. Conversely, in the most optimistic scenario shown, the 5th percentile, the projected contribution amount declines to about \$1.4 million in 2034.

Stochastic Projection of Total Contributions
(in millions)



Stochastic Projection of Funded Ratio on an Actuarial Value of Assets Basis



While the baseline funded ratio (black line) is projected to be around 90% at the end of the 15-year period shown here, there is a wide range of potential outcomes. Good investment returns have the likelihood of bringing the funded ratio well over 100%. Due to the sound funding policy of the Plan, even in scenarios with unfavorable investment returns, the Plan is projected to remain around 50% funded, as long as actuarially determined contributions continue to be made.

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

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

- **Disclosure** of Plan assets as of June 30, 2019 and June 30, 2020,
- Statement of the **changes** in market values during the year,
- Development of the **Actuarial Value of Assets**.

Disclosure

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

Table III-1 discloses and compares each component of the Market Value of Assets as of June 30, 2019 and June 30, 2020.

Table III-1		
Statement of Assets at Market Value		
Investments	June 30, 2019	June 30, 2020
Common Stock	\$ 74,267,853	\$ 74,754,591
Mutual Funds	41,983,514	35,576,950
Corporate Debt / Bond Funds	50,739,381	52,340,391
Closely Held Instruments	185,954	79,902
US Treasury Obligations	2,984,267	3,225,688
Short-Term Investments	693,394	593,192
Total Investments	\$ 170,854,363	\$ 166,570,714
Receivables		
Dividends and Interest	\$ 1,480	\$ 44
Other Receivables	0	0
Total Receivables	\$ 1,480	\$ 44
Payables		
Due to Plan Sponsor	\$ 549,303	\$ 496,232
Other Payables	166,923	152,726
Total Payables	\$ 716,226	\$ 648,958
Market Value of Assets	\$ 170,139,617	\$ 165,921,800

Changes in Market Value

The components of asset change are:

- Contributions (employer and employee)
- Investment income (realized and unrealized), net of investment expenses
- Benefit payments
- Administrative Expenses

Table III-2 shows the components of a change in the Market Value of Assets during FYE 2019 and FYE 2020.

Table III-2		
Changes in Market Values		
	June 30, 2019	June 30, 2020
Contributions		
Employer's Contribution	13,633,181	14,709,528
Members' Contributions	<u>2,074,025</u>	<u>2,017,164</u>
Total Contributions	15,707,206	16,726,692
Investment Income		
Interest	21,852	9,374
Dividends	3,818,826	3,514,044
Miscellaneous	0	25,247
Realized & Unrealized Gain/(Loss)	4,900,584	(3,182,117)
Investment Expenses	<u>(325,462)</u>	<u>(341,882)</u>
Net Investment Income	8,415,800	24,666
Disbursements		
Benefit Payments	(19,969,862)	(20,712,755)
Administrative Expenses	<u>(252,584)</u>	<u>(256,420)</u>
Total Disbursements	(20,222,446)	(20,969,175)
Net Increase (Decrease)	3,900,560	(4,217,817)
Net Assets Held in Trust for Benefits		
Beginning of Year	<u>166,239,057</u>	<u>170,139,617</u>
End of Year	<u>170,139,617</u>	<u>165,921,800</u>
Approximate Return	5.13%	0.01%

Actuarial Value of Assets (AVA)

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

Table III-3
Development of Actuarial Value of Assets
as of June 30, 2020

	(a)	(b)	(c) = (b) – (a)	(d)	(c) x (d)
	Expected	Actual	Unexpected	Phase-In	Phase-In
<u>Plan Year</u>	<u>Earnings</u>	<u>Earnings</u>	<u>Earnings</u>	<u>Factor</u>	<u>Adjustment</u>
2015 -16	11,704,510	(540,093)	(12,244,603)	0%	0
2016 -17	10,584,363	12,216,936	1,632,573	20%	326,515
2017 -18	11,170,341	8,792,300	(2,378,041)	40%	(951,216)
2018 -19	11,481,373	8,415,801	(3,065,572)	60%	(1,839,343)
2019 -20	11,343,578	24,666	(11,318,912)	80%	(9,055,130)
1. Total Unrecognized Asset Gains/(Losses)					(11,519,174)
2. Market Value of Assets as of June 30, 2020					165,921,800
3. Actuarial Value of Assets as of June 30, 2020: [(2) - (1)]					177,440,974
4. Ratio of Actuarial Value to Market Value [(3) ÷ (2)]					106.9%

Investment Performance

The following table calculates the investment related gain/loss for the plan year on both a market value and an actuarial value basis. The market value gain/loss is an appropriate measure for comparing the actual asset performance to the valuation's long-term assumption. Effective with the July 1, 2019 actuarial valuation, the rate of return assumption is 6.75%.

Table III-4		
Asset Gain/(Loss)		
	Market Value	Actuarial Value
As of June 30, 2019	\$ 170,139,617	\$ 175,814,792
Employer Contributions	14,709,528	14,709,528
Employee Contributions	2,017,164	2,017,164
Benefit Payments	(20,712,755)	(20,712,755)
Administrative Expenses	(256,420)	(256,420)
Expected Investment Earnings at 6.75%	<u>11,343,578</u>	<u>11,726,653</u>
Expected Value as of July 1, 2020	\$ 177,240,712	\$ 183,298,962
Actuarial (Loss)/Gain on Assets	<u>(11,318,912)</u>	<u>(5,857,988)</u>
Actual Value as of June 30, 2020	\$ 165,921,800	\$ 177,440,974
Return	0.01%	3.38%
Variance from Expected Return of 6.75%	-6.74%	-3.37%

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

- **Disclosure** of Plan liabilities at July 1, 2019 and July 1, 2020,
- Statement of **changes** in these liabilities during the year.

Disclosure

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

- **Present Value of Future Benefits:** Used for measuring all future Plan obligations; the obligations of the Plan earned as of the valuation date and those to be earned in the future by current Plan participants, under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations, this liability is calculated taking the total Projected Value of Future Benefits and subtracting all future normal costs. The method used for this Plan is called the Entry Age Normal (EAN) funding method.
- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Actuarial Value of Assets.

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

Table IV-1		
Liabilities and Unfunded Actuarial Liability		
	July 1, 2019	July 1, 2020
1. Present Value of Future Benefits		
Active Participant Benefits		
ATU/Drivers	\$ 60,359,725	\$ 55,153,993
IBEW/Mechanics	28,096,965	27,063,653
ATU/Clerical	2,096,051	2,220,396
Non-Contract/Admin ¹	<u>22,876,251</u>	<u>23,474,231</u>
Total	\$ 113,428,992	\$ 107,912,273
2. Inactive Actuarial Liability		
ATU/Drivers	\$ 120,824,212	\$ 122,833,980
IBEW/Mechanics	29,891,297	30,516,899
ATU/Clerical	4,953,197	4,833,198
Non-Contract/Admin	<u>66,868,890</u>	<u>68,168,114</u>
Total	\$ 222,537,596	\$ 226,352,191
3. Active Actuarial Liability		
ATU/Drivers	\$ 49,064,420	\$ 45,350,009
IBEW/Mechanics	22,816,691	22,225,926
ATU/Clerical	1,843,014	1,975,305
Non-Contract/Admin ¹	<u>18,658,257</u>	<u>19,264,074</u>
Total	\$ 92,382,382	\$ 88,815,314
4. Total Actuarial Liability, [(2) + (3)]	\$ 314,919,978	\$ 315,167,505
5. Plan Assets (Actuarial Value)	<u>175,814,792</u>	<u>177,440,974</u>
6. Unfunded Actuarial Liability (UAL), [(4) - (5)]	\$ 139,105,186	\$ 137,726,531

¹ Includes PEPRAs members.

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

Changes in Liabilities

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

- Benefits accrued since the last valuation
- Plan amendments changing benefits (none for the 2020 Valuation)
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial assumptions
- A change in the actuarial funding method or software

Table IV-2		
Changes in Actuarial Liability		
Actuarial Liability at July 1, 2020	\$	315,167,505
Actuarial Liability at July 1, 2019	\$	<u>314,919,978</u>
Liability Increase (Decrease)	\$	247,527
Change due to:		
Assumption Changes		0
Accrual of Benefits		3,326,248
Actual Benefit Payments		(20,712,755)
Interest		20,793,979
Actuarial (Gain)/Loss		<u>(3,159,945)</u>
Liability Increase (Decrease)	\$	247,527

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

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

Table IV-3
Development of Actuarial Gain / (Loss)

1. Unfunded Actuarial Liability (UAL) at Start of Year (not less than zero)	\$ 139,105,186
2. Expected UAL Payment	(13,296,199)
3. Interest on (1) and (2) to End of Year	8,492,107
4. Increase in UAL due to Assumption Change	<u>0</u>
5. Expected Unfunded Actuarial Liability at End of Year, [(1) + (2) + (3) + (4)]	\$ 134,301,094
6. Actual Unfunded Actuarial Liability at End of Year (not less than zero)	\$ 137,726,531
7. Actuarial Gain/(Loss), [(5) – (6)]	\$ (3,425,437)
(a) Liability Gain/(Loss)	3,159,945
(b) Asset Gain/(Loss) on Actuarial Value	(5,857,988)
(c) Contribution Timing Gain/(Loss)	(763,544)
(d) Administrative Expenses Less than Expected	36,150

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

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

The normal cost represents the cost of the additional benefits earned during the plan year by active Plan members. The amortization of the unfunded liability represents a payment designed to bring the Plan's assets up to the target level set by the actuarial cost method. Currently, the amortization of UAL represents about three-fourths of the total contribution.

As the UAL is paid over time, the Plan contribution is expected to decrease to a level near the normal cost plus administrative expenses. The normal cost itself will be changing since the Plan is closed to new members other than non-contract employees.

The table below presents the total Plan contributions (both employer and employee) for the current and prior valuations.

Table V-1		
Development of Annual Contribution		
	July 1, 2019	July 1, 2020
1. Total Actuarial Liability	\$ 314,919,978	\$ 315,167,505
2. Plan Assets (Actuarial Value)	<u>175,814,792</u>	<u>177,440,974</u>
3. Unfunded Actuarial Liability (UAL), [(1) - (2)]	\$ 139,105,186	\$ 137,726,531
4. UAL Amortization Payment (BOY)	\$ 13,296,199	\$ 13,642,971
5. Total Plan Normal Cost	\$ 3,326,248	\$ 3,087,757
6. Expected Administrative Expenses	\$ 282,045	\$ 289,801
7. Total Cost, [(4) + (5) + (6)]	\$ 16,904,492	\$ 17,020,529
8. Total Cost (interest adjusted to middle of year)	\$ 17,465,703	\$ 17,585,592

Table V-2 presents the calculation of the UAL payments for the Plan under the amortization policy adopted in 2012.

Table V-2 Development of the Amortization Payment (BOY) as of July 1, 2020						
Type of Base	Date Established	Initial Balance	Initial Amortization	Outstanding Balance	Remaining Amortization	Amortization Amount
Initial Unfunded						
1. Actuarial Liability	7/1/2012	\$ 87,613,245	25	\$ 73,694,233	17	\$ 6,948,912
2. Actuarial Loss	7/1/2013	6,555,553	15	4,314,735	8	670,346
3. Actuarial Gain	7/1/2014	(2,132,368)	15	(1,528,815)	9	(217,483)
4. Actuarial Loss	7/1/2015	740,624	15	571,515	10	75,347
5. Assumption Changes	7/1/2016	29,699,872	21	26,741,039	17	2,521,515
6. Actuarial Loss	7/1/2016	4,978,340	15	4,095,145	11	505,232
7. Actuarial Loss	7/1/2017	5,880,935	15	5,124,183	12	596,324
8. Method Changes	7/1/2018	(640,322)	19	(604,417)	17	(56,993)
9. Actuarial Loss	7/1/2018	5,453,907	15	5,000,497	13	552,566
10. Assumption Changes	7/1/2019	7,536,766	18	7,309,712	17	689,261
11. Actuarial Loss	7/1/2019	9,988,472	15	9,583,267	14	1,011,173
12. Actuarial Loss	7/1/2020	3,425,437	15	<u>3,425,437</u>	15	<u>346,771</u>
TOTAL				\$ 137,726,531		\$ 13,642,971
				Total UAL Payment, Middle of Year		\$ 14,095,903

Table V-3 presents the development of the PEPRA Member Contribution Rate. PEPRA Members must contribute half of the total normal cost rate of the Plan, rounded to the nearest 0.25%, as shown in the table below.

Table V-3 Development of the PEPRA Member Contribution Rate		
Valuation Date	July 1, 2019	July 1, 2020
Effective Date	FY 2020-2021	FY 2021-2022
Assumed Rate of Return	6.75%	6.75%
Total Normal Cost Rate	12.55%	12.59%
50/50 Cost Sharing Rate for Members	6.28%	6.30%
Member Contribution Rate (rounded to nearest quarter %)	6.25%	6.25%
Active PEPRA Membership Statistics		
Number	19	19
Average Age	46.2	45.8
Average Service	5.9	5.2
Average Age at Hire Date	40.4	40.6

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

Summary of Participant Data

Active Participants

Non-Contract/Admin	July 1, 2019	July 1, 2020
Number	52	52
Average Age	51.7	52.5
Average Service	17.5	18.2
Average Pay	\$ 75,551	\$ 77,409
Non-Contract/PEPRA	July 1, 2019	July 1, 2020
Number	19	19
Average Age	46.2	45.8
Average Service	5.9	5.2
Average Pay	\$ 64,493	\$ 64,895
ATU/Clerical	July 1, 2019	July 1, 2020
Number	11	11
Average Age	52.6	53.6
Average Service	15.9	16.9
Average Pay	\$ 51,045	\$ 51,783
ATU/Drivers	July 1, 2019	July 1, 2020
Number	237	208
Average Age	54.3	54.7
Average Service	16.3	16.9
Average Pay	\$ 61,004	\$ 62,312
IBEW/Mechanics	July 1, 2019	July 1, 2020
Number	105	99
Average Age	51.4	51.9
Average Service	19.9	20.5
Average Pay	\$ 64,373	\$ 64,980
Total	July 1, 2019	July 1, 2020
Number	424	389
Average Age	52.9	53.2
Average Service	16.8	17.4
Average Pay	\$ 63,520	\$ 64,838

Summary of Participant Data

Deferred Participants

Terminated Vested	July 1, 2019	July 1, 2020
Number	218	217
Average Age	54.3	54.8
Average Annual Benefit	\$ 8,405	\$ 8,753

In-Pay Participants

Service Retired	July 1, 2019	July 1, 2020
Number	778	789
Average Age	70.4	70.8
Average Annual Benefit	\$ 23,172	\$ 23,357
Beneficiaries	July 1, 2019	July 1, 2020
Number	154	163
Average Age	71.1	71.4
Average Annual Benefit	\$ 10,572	\$ 11,030
Disabled	July 1, 2019	July 1, 2020
Number	79	76
Average Age	70.3	71.1
Average Annual Benefit	\$ 10,075	\$ 9,837
Total	July 1, 2019	July 1, 2020
Number	1,011	1,028
Average Age	70.5	70.9
Average Annual Benefit	\$ 20,229	\$ 20,403

Data Summary as of July 1, 2020

Active Participants	<u>Non-Contract/Administrative</u>			ATU/ Clerical	ATU/ Drivers	IBEW/ Mechanics	Total
	Non-PEPRA	PEPRA	Sub-Total				
Number	52	19	71	11	208	99	389
Average Age	52.5	45.8	50.7	53.6	54.7	51.9	53.2
Average Service	18.2	5.2	14.7	16.9	16.9	20.5	17.4
Average Pay	\$77,409	\$64,895	\$74,060	\$51,783	\$62,312	\$64,980	\$64,838

Inactive Participants	Non-Contract/Administrative			ATU/ Clerical	ATU/ Drivers	IBEW/ Mechanics	Total
	Non-PEPRA	PEPRA	Sub-Total				
Service Retired							
Number	129	n/a	129	32	514	114	789
Average Age	69.5	n/a	69.5	73.1	71.0	70.4	70.8
Average Annual Benefit	\$39,077	n/a	\$39,077	\$14,093	\$20,189	\$22,451	\$23,357
Beneficiaries							
Number	32	n/a	32	3	98	30	163
Average Age	68.8	n/a	68.8	74.2	72.8	69.3	71.4
Average Annual Benefit	\$19,965	n/a	\$19,965	\$3,146	\$9,321	\$7,873	\$11,030
Disabled							
Number	2	n/a	2	3	62	9	76
Average Age	70.7	n/a	70.7	81.9	70.7	70.2	71.1
Average Annual Benefit	\$9,416	n/a	\$9,416	\$6,102	\$9,608	\$12,754	\$9,837
Terminated Vested							
Number	22	n/a	22	12	137	46	217
Average Age	51.5	n/a	51.5	53.8	55.3	55.5	54.8
Average Annual Benefit	\$18,711	n/a	\$18,711	\$5,121	\$8,208	\$6,563	\$8,753

Status Reconciliation - All Divisions
Changes in Plan Membership as of July 1, 2020

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2019	424	218	79	778	154	1,653
New Entrants	2					2
Rehires						0
Disabilities		(2)	2			0
Retirements/ Domestic Relations Order (DRO)	(28)	(9)		37	1	1
Vested Terminations	(9)	11	(2)			0
Died, with Beneficiaries' Benefit Payable			(1)	(10)	11	0
Transfers						0
Died, without Beneficiary, and Other Terminations		(1)	(2)	(16)	(1)	(20)
Beneficiary Deaths					(2)	(2)
Data Corrections						0
Total Change	(35)	(1)	(3)	11	9	(19)
Participant count as of July 1, 2020	389	217	76	789	163	1,634

Status Reconciliation - Non-Contract/Administrative¹
Changes in Plan Membership as of July 1, 2020

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2019	71	22	2	126	32	253
New Entrants	2					2
Rehires						0
Disabilities						0
Retirements/ Domestic Relations Order (DRO)	(2)	(1)		3		0
Vested Terminations	(1)	1				0
Died, with Beneficiaries' Benefit Payable						0
Transfers	1					1
Died, without Beneficiary, and Other Terminations						0
Beneficiary Deaths						0
Data Corrections						0
Total Change	0	0	0	3	0	3
Participant count as of July 1, 2020	71	22	2	129	32	256

¹ Includes 19 active individuals participating in PEPRAs.

Status Reconciliation - Clerical
Changes in Plan Membership as of July 1, 2020

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2019	11	13	3	32	3	62
New Entrants						0
Rehires						0
Disabilities						0
Retirements/ Domestic Relations Order (DRO)		(1)		1		0
Vested Terminations						0
Died, with Beneficiaries' Benefit Payable						0
Transfers						0
Died, without Beneficiary, and Other Terminations				(1)		(1)
Beneficiary Deaths						0
Data Corrections						0
Total Change	0	(1)	0	0	0	(1)
Participant count as of July 1, 2020	11	12	3	32	3	61

Status Reconciliation - ATU/Drivers
Changes in Plan Membership as of July 1, 2020

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2019	237	138	64	504	90	1,033
New Entrants						0
Rehires						0
Disabilities		(2)	2			0
Retirements/ Domestic Relations Order (DRO)	(22)	(6)		28	1	1
Vested Terminations	(7)	8	(1)			0
Died, with Beneficiaries' Benefit Payable			(1)	(8)	9	0
Transfers						0
Died, without Beneficiary, and Other Terminations		(1)	(2)	(10)	(1)	(14)
Beneficiary Deaths					(1)	(1)
Data Corrections				0		0
Total Change	(29)	(1)	(2)	10	8	(14)
Participant count as of July 1, 2020	208	137	62	514	98	1,019

Status Reconciliation - IBEW/Mechanics
Changes in Plan Membership as of July 1, 2020

	Active	Terminated Vested	Disabled	Retired	Beneficiaries	Total
Participant count as of July 1, 2019	105	45	10	116	29	305
New Entrants						0
Rehires						0
Disabilities						0
Retirements/ Domestic Relations Order (DRO)	(4)	(1)		5		0
Vested Terminations	(1)	2	(1)			0
Died, with Beneficiaries' Benefit Payable				(2)	2	0
Transfers	(1)					(1)
Died, without Beneficiary, and Other Terminations				(5)		(5)
Beneficiary Deaths					(1)	(1)
Data Corrections						0
Total Change	(6)	1	(1)	(2)	1	(7)
Participant count as of July 1, 2020	99	46	9	114	30	298

Age / Service Distribution Of Active Participants - Non-Contract/Administrative¹ (Counts)
As of July 1, 2020

Age	Service												Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	1	0	0	3	1	0	0	0	0	0	5
35 to 39	0	1	1	0	0	4	3	2	0	0	0	0	11
40 to 44	0	0	0	0	0	4	2	0	1	0	0	0	7
45 to 49	0	0	0	0	0	4	1	1	3	0	0	0	9
50 to 54	1	0	0	0	0	2	1	2	2	0	0	0	8
55 to 59	0	0	0	0	0	4	4	1	1	0	3	1	14
60 to 64	0	0	0	1	0	3	0	3	2	2	0	3	14
65 to 69	0	0	0	0	0	0	2	1	0	0	0	0	3
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1	1	2	1	0	24	14	10	9	2	3	4	71

¹ Includes 19 active individuals participating in PEPR.

Age / Service Distribution Of Active Participants - Non-Contract/Administrative¹ (Average Salary)
As of July 1, 2020

Age	Service												Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	\$0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	\$0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	\$0
30 to 34	0	0	64,334	0	0	66,437	78,000	0	0	0	0	0	\$68,329
35 to 39	0	49,462	56,680	0	0	72,186	76,227	73,341	0	0	0	0	\$70,023
40 to 44	0	0	0	0	0	74,542	71,300	0	86,653	0	0	0	\$75,346
45 to 49	0	0	0	0	0	65,213	94,723	69,368	83,430	0	0	0	\$75,026
50 to 54	39,000	0	0	0	0	69,534	68,078	66,319	58,438	0	0	0	\$61,958
55 to 59	0	0	0	0	0	66,773	70,275	65,641	90,930	0	72,155	81,598	\$71,630
60 to 64	0	0	0	81,598	0	62,089	0	91,986	83,343	99,147	0	107,438	\$87,937
65 to 69	0	0	0	0	0	0	75,150	63,835	0	0	0	0	\$71,379
70 & up	0	0	0	0	0	0	0	0	0	0	0	0	\$0
Total	\$39,000	\$49,462	\$60,507	\$81,598	\$0	\$68,313	\$74,535	\$75,412	\$79,048	\$99,147	\$72,155	\$100,978	\$74,060

¹ Includes 19 active individuals participating in PEPR.

Age / Service Distribution Of Active Participants - ATU/Clerical (Counts)**As of July 1, 2020**

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

Age / Service Distribution Of Active Participants - ATU/Clerical (Average Salary)**As of July 1, 2020**

Age	Service												Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	\$0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	\$0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	\$0
30 to 34	0	0	0	0	0	0	49,350	0	0	0	0	0	\$49,350
35 to 39	0	0	0	0	0	0	0	0	0	0	0	0	\$0
40 to 44	0	0	0	0	0	61,439	0	45,087	0	0	0	0	\$53,263
45 to 49	0	0	0	0	0	0	0	0	0	0	0	0	\$0
50 to 54	0	0	0	0	0	45,087	45,087	45,099	0	0	0	0	\$45,091
55 to 59	0	0	0	0	0	0	0	62,751	60,058	61,790	0	0	\$61,533
60 to 64	0	0	0	0	0	0	0	0	0	0	0	46,710	\$46,710
65 to 69	0	0	0	0	0	0	0	0	0	0	0	0	\$0
70 & up	0	0	0	0	0	0	47,156	0	0	0	0	0	\$47,156
Total	\$0	\$0	\$0	\$0	\$0	\$53,263	\$47,198	\$50,979	\$60,058	\$61,790	\$0	\$46,710	\$51,783

Age / Service Distribution Of Active Participants - ATU/Drivers (Counts)**As of July 1, 2020**

Age	Service												Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 34	0	0	0	0	0	2	2	0	0	0	0	0	4
35 to 39	0	0	0	0	0	7	6	1	0	0	0	0	14
40 to 44	0	0	0	0	0	1	7	4	1	0	0	0	13
45 to 49	0	0	0	0	0	3	10	7	2	0	0	0	22
50 to 54	0	0	0	0	0	6	18	8	5	1	2	0	40
55 to 59	0	0	0	0	0	6	17	9	12	9	2	0	55
60 to 64	0	0	0	0	0	8	10	5	6	6	5	0	40
65 to 69	0	0	0	0	0	0	5	2	3	3	2	1	16
70 & up	0	0	0	0	0	0	2	1	0	0	0	1	4
Total	0	0	0	0	0	33	77	37	29	19	11	2	208

Age / Service Distribution Of Active Participants - ATU/Drivers (Average Salary)**As of July 1, 2020**

Age	Service												Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	\$0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	\$0
25 to 29	0	0	0	0	0	0	0	0	0	0	0	0	\$0
30 to 34	0	0	0	0	0	59,817	52,664	0	0	0	0	0	\$56,241
35 to 39	0	0	0	0	0	52,795	59,788	60,346	0	0	0	0	\$56,331
40 to 44	0	0	0	0	0	50,598	60,475	67,928	65,771	0	0	0	\$62,416
45 to 49	0	0	0	0	0	53,032	58,441	67,888	55,061	0	0	0	\$60,402
50 to 54	0	0	0	0	0	55,791	63,332	59,899	64,401	79,431	54,913	0	\$61,629
55 to 59	0	0	0	0	0	55,344	66,173	63,171	66,348	70,883	61,883	0	\$65,153
60 to 64	0	0	0	0	0	60,004	60,837	66,946	63,947	60,318	68,126	0	\$62,734
65 to 69	0	0	0	0	0	0	57,944	68,037	72,570	62,099	67,377	52,658	\$63,576
70 & up	0	0	0	0	0	0	57,250	57,324	0	0	0	60,038	\$57,966
Total	\$0	\$0	\$0	\$0	\$0	\$55,931	\$61,679	\$64,409	\$65,361	\$66,609	\$64,453	\$56,348	\$62,312

Age / Service Distribution Of Active Participants - IBEW/Mechanics (Counts)**As of July 1, 2020**

Age	Service												Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	0
25 to 29	0	0	0	0	0	1	0	0	0	0	0	0	1
30 to 34	0	0	0	0	0	2	11	0	0	0	0	0	13
35 to 39	0	0	0	0	0	2	2	2	1	0	0	0	7
40 to 44	0	0	0	0	0	0	1	1	3	0	0	0	5
45 to 49	0	0	0	0	0	0	2	1	5	3	0	0	11
50 to 54	0	0	0	0	0	1	2	0	6	1	3	0	13
55 to 59	0	0	0	0	0	0	4	5	4	6	4	2	25
60 to 64	0	0	0	0	0	0	4	3	1	1	1	4	14
65 to 69	0	0	0	0	0	0	2	1	2	0	2	0	7
70 & up	0	0	0	0	0	0	1	1	1	0	0	0	3
Total	0	0	0	0	0	6	29	14	23	11	10	6	99

Age / Service Distribution Of Active Participants - IBEW/Mechanics (Average Salary)**As of July 1, 2020**

Age	Service												Total
	Under 1	1 to 2	2 to 3	3 to 4	4 to 5	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 & up	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	\$0
20 to 24	0	0	0	0	0	0	0	0	0	0	0	0	\$0
25 to 29	0	0	0	0	0	53,578	0	0	0	0	0	0	\$53,578
30 to 34	0	0	0	0	0	55,975	74,412	0	0	0	0	0	\$71,575
35 to 39	0	0	0	0	0	34,852	56,653	74,412	74,412	0	0	0	\$58,035
40 to 44	0	0	0	0	0	0	74,412	74,412	66,242	0	0	0	\$69,510
45 to 49	0	0	0	0	0	0	70,477	42,613	64,904	69,166	0	0	\$65,053
50 to 54	0	0	0	0	0	34,852	50,697	0	69,040	66,543	71,789	0	\$64,030
55 to 59	0	0	0	0	0	0	54,352	72,838	70,477	71,789	64,387	74,412	\$68,024
60 to 64	0	0	0	0	0	0	66,354	55,549	50,052	74,412	74,412	72,444	\$65,765
65 to 69	0	0	0	0	0	0	49,106	42,613	58,297	0	70,477	0	\$56,911
70 & up	0	0	0	0	0	0	42,613	34,852	50,052	0	0	0	\$42,506
Total	\$0	\$0	\$0	\$0	\$0	\$45,014	\$64,560	\$62,439	\$65,674	\$70,835	\$68,828	\$73,100	\$64,980

Actuarial Method

For the Retirement Plans of San Diego Transit Corporation (the Plan), the actuarial funding method used to determine the normal cost and the Unfunded Actuarial Liability is the individual entry age to final decrement cost method. This method is consistent with the method required under the GASB accounting statements.

Under this cost method, the normal cost is calculated as the amount necessary to fund Members' benefits as a level percentage of total payroll over their projected working lives. At each valuation date, the Actuarial Liability is equal to the difference between the liability for the Members' total projected benefit and the present value of future normal cost contributions. The total normal cost is calculated as the sum of the individual normal costs for each active member (individual entry age method).

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

Changes in the Unfunded Actuarial Liability due to Plan amendments, changes in actuarial assumptions or methods will be amortized in level dollar payments over a separate period that ends on June 30, 2037, consistent with the amortization of the remaining June 30, 2012 UAL.

Changes in the Unfunded Actuarial Liability due to actuarial gains and losses are amortized over closed separate 15-year periods in level dollar payments.

Though, the Retirement Board may make exceptions, in general, the intent is to follow the guidelines published by the California Actuarial Advisory Panel and the Government Finance Officers' Association.

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

Actuarial Value of Plan Assets

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

Actuarial Assumptions

The economic and demographic assumptions are based on the experience study covering the period from July 1, 2010 through June 30, 2015 that was adopted at the Budget Development Meeting in April 2016, with the exception of the rate of return assumption. The rationale for all the assumptions can also be found in the experience study report dated April 2016. The MTS Board voted to decrease the expected rate of return at its April 2019 meeting from 7.00% to 6.75%. All assets and liabilities are computed as of the valuation date, July 1, 2020.

1. Rate of Return

The annual rate of return on all Plan assets is assumed to be 6.75% net of investment expenses.

2. Cost of Living

The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 2.75% per year.

3. Post Retirement COLA

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

4. Pay for Benefits

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

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

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

5. Merit Pay (Longevity and Promotion) Increases

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

Longevity and Promotion Increases				
Service	ATU Drivers	IBEW Mechanics	Clerical	Non-Contract
0	6.00%	7.50%	10.00%	3.50%
1	6.00%	7.50%	10.00%	3.50%
2	6.00%	7.50%	0.25%	3.50%
3	6.00%	7.50%	0.25%	3.50%
4	6.00%	7.50%	0.25%	3.50%
5	6.00%	7.50%	0.25%	3.50%
6	6.00%	7.50%	0.25%	3.50%
7	6.00%	7.50%	0.25%	3.50%
8	0.50%	7.50%	0.25%	3.50%
9	0.50%	7.50%	0.25%	3.50%
10+	0.50%	0.50%	0.25%	0.25%

In addition, annual adjustments in pay due to inflation will equal the CPI, for an additional annual increase of 2.75%. The combination of rates is compounded rather than using an additive method.

6. Active Participant Mortality

Rates of mortality for all active Participants are given by the Combined Healthy Retired Pensioners (RP) 2000 Tables published by the Society of Actuaries using male's rates for both male and female members with generational improvements from the base year 2010 using Scale MP-2015.

7. Healthy Inactive Participant and Beneficiary Mortality

Rates of mortality for healthy inactive Participants, spouses, and surviving spouses are given by the Combined Healthy Retired Pensioners (RP) 2000 Tables with Blue Collar Adjustments for males and no collar adjustments for females published by the Society of Actuaries with generational improvements from the base year 2010 using Scale MP-2015.

8. Disabled Participant Mortality

Rates of mortality for male disabled members are given by the Retired Pensioners (RP) 2014 Tables for Disabled Annuitants. Rates of mortality for female disabled members are given by Retired Pensioners (RP) 2000 Combined Healthy Table published by the Society of Actuaries, with future mortality improvements to 2010, the midpoint of the experience used for the mortality study, using projection scale MP-2015.

9. Mortality Improvement

For active and healthy inactive Participants, mortality is assumed to improve in future years in accordance with the MP-2015 generational improvement tables. For disabled Participants no explicit provision for mortality improvement is used.

10. Disability

Among ATU Drivers and IBEW Mechanics, 0.50% of Participants eligible for a disability benefit are assumed to become disabled each year. Disabled Participants are assumed not to return to active service. No disability is assumed for Clerical and Non-Contract Participants.

11. Plan Expenses

Plan administrative expenses of \$289,801 are included in the annual cost calculated, increasing each year with the assumed rate of inflation.

12. Family Composition

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

13. Service Retirement

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

Age	ATU Drivers	IBEW Mechanics	Clerical/Non Contract
52 ¹	0%	0%	10%
53-54	0%	0%	10%
55-56	10%	5%	10%
57-59	10%	5%	15%
60-61	15%	10%	15%
62	25%	20%	40%
63-64	25%	20%	30%
65	40%	40%	30%
66-69	30%	30%	30%
70 and older	100%	100%	100%

¹Non-Contract retirement assumption at age 52 is for PEPRAs participants only, 0% otherwise.

14. Termination

Service-based or age-based termination rates are shown below by group. For all participants, termination rates are assumed zero once a participant is eligible for retirement.

Termination for ATU Driver, IBEW Mechanic, and Non-Contract Participants are assumed to occur in accordance with the service-based rates shown in the following table:

Service	ATU Driver	IBEW Mechanic	Non- Contract
0	25.0%	25.0%	10.0%
1	25.0%	25.0%	10.0%
2	12.0%	12.0%	10.0%
3	12.0%	12.0%	10.0%
4 – 9	5.0%	5.0%	10.0%
10 +	2.0%	2.0%	3.0%

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

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

15. Employment Status

No future transfers among Participant groups are assumed.

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

None.

A. Definitions

Average Monthly

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

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

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

PEPRA: For Participants joining the Plan on or after July 1, 2013, only base compensation up to the Social Security-integrated PEPRA compensation limit (\$126,291 for 2020 and \$124,180 for 2019) will count for computing Plan benefits and employee and employer contributions; in particular, all or most overtime will be excluded.

**Compensation
Earnable:**

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

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

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

**Credited Years
Of Service:**

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

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

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

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

B. Membership

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

All full-time and certain part-time ATU employees hired prior to November 1, 2012 will become Participants on their date of hire. ATU

employees hired on and after November 1, 2012 will become Participants of a separate defined contribution plan and will not be Participants of this Plan.

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

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

C. Retirement Benefit

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

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

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

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

- For ATU and Clerical Participants terminating prior to October 1, 2005, ATU/Clerical Table A-1 is used; for ATU and Clerical Participants terminating on and after October 1, 2005, ATU/Clerical Table A-2 is used. Prior to July 1, 2006, the benefit from the table is limited to 60%.
- For IBEW Participants terminating prior to January 1, 2007, IBEW Table A-1 is used; for IBEW Participants terminating on and after January 1, 2007, IBEW Table A-2 is used.
- For Non-Contract participants terminating prior to July 1, 2000, Non-Contract Table A-1 is used; for Non-Contract participants terminating on and after July 1, 2000, Non-Contract Table A-2 is used.

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

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

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

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

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

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

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

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

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

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

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

D. Disability Retirement Benefit

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

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

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

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

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

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

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

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

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

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

E. Pre-Retirement Death Benefit

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

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

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

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

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

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

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

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

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

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

F. Termination Benefit

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

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

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

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

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

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

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

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

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

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

G. Cost-of-Living Adjustments

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

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

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

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

H. Voluntary Early Retirement Program

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

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

I. DROP Program

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

J. Funding

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

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

K. Changes in Plan Provisions since the Prior Valuation

None

ATU/Clerical Table A-1: Retirement Benefit Multipliers

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

ATU/Clerical Table A-2: Retirement Benefit Multipliers

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

IBEW Table A-1: Retirement Benefit Multipliers

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

IBEW Table A-2: Retirement Benefit Multipliers

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

Non-Contract Table A-1: Retirement Benefit Multipliers

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

Non-Contract Table A-2: Retirement Benefit Multipliers

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

Table B: Alternate Retirement Formula Multipliers

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

1. Actuarial Assumptions

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

2. Actuarial Cost Method

A procedure for determining the actuarial present value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a normal cost and an Actuarial Liability.

3. Actuarial Gain (Loss)

The difference between actual experience and that expected based upon a set of actuarial assumptions during the period between two actuarial valuation dates, as determined in accordance with a particular actuarial cost method.

4. Actuarial Liability

The portion of the actuarial present value of projected benefits, which will not be paid by future normal costs. It represents the value of the past normal costs with interest to the valuation date.

5. Actuarial Present Value (Present Value)

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

6. Actuarial Valuation

The determination, as of a specified date, of the normal cost, Actuarial Liability, Actuarial Value of Assets, and related actuarial present values for a pension plan.

7. Actuarial Value of Assets

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

8. Actuarially Equivalent

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

9. Amortization Payment

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

10. Entry Age Normal Actuarial Cost Method

A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages.

11. Funded Ratio

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

12. Normal Cost

That portion of the actuarial present value of pension plan benefits and expenses, which is allocated to a valuation year by the actuarial cost method.

13. Projected Benefits

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

14. Unfunded Actuarial Liability

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

Actuarial Valuation Results as of July 1, 2020

February 11, 2021

Anne D. Harper, FSA, MAAA, EA
Alice I. Alsberghe, ASA, MAAA, EA

- Plan Cost for Fiscal Year 2021-2022 based on 2020 Actuarial Valuation
- Plan History
- Plan Projections with CARES Relief
- Next Steps

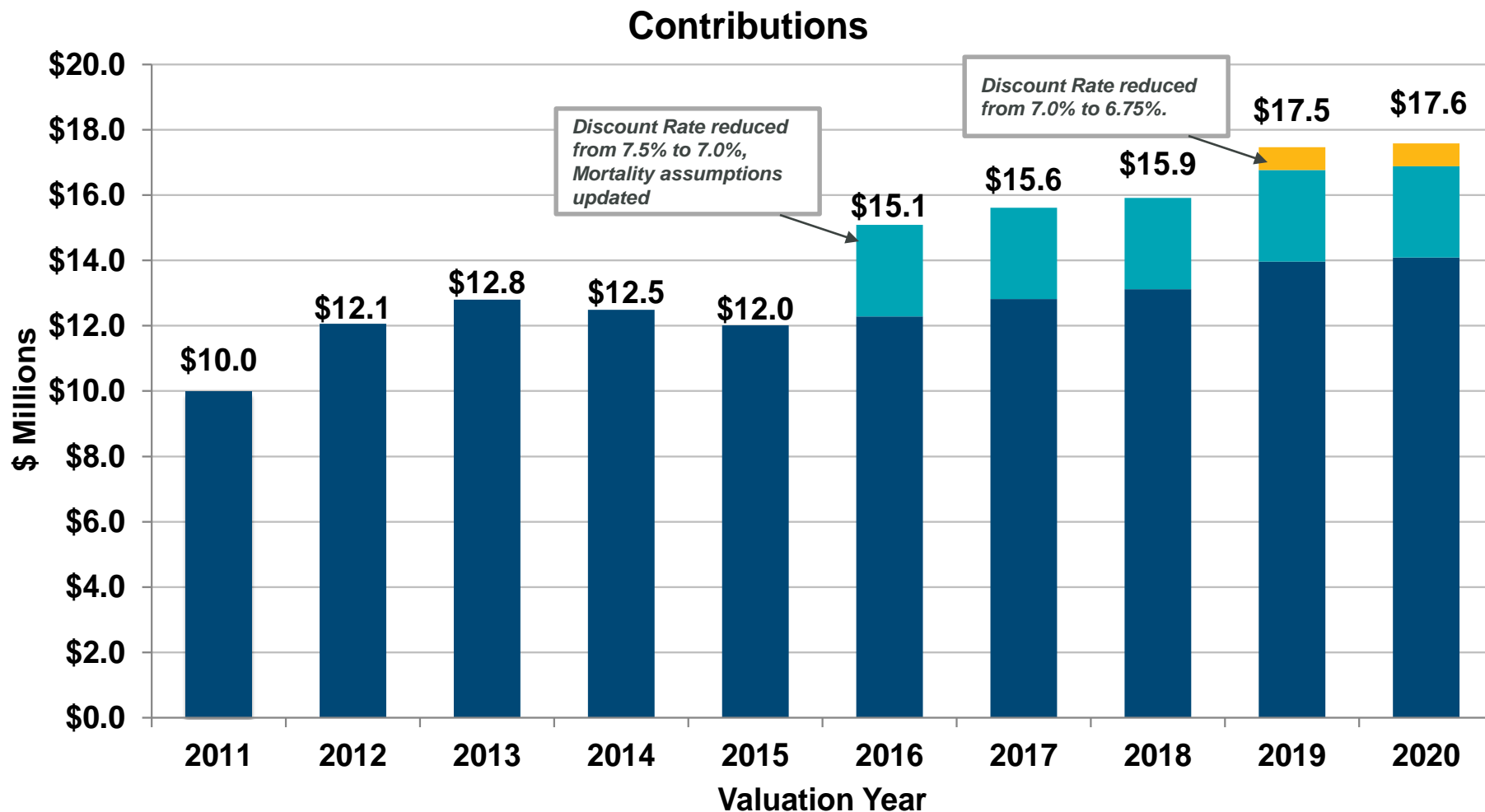
Plan Cost – Changes



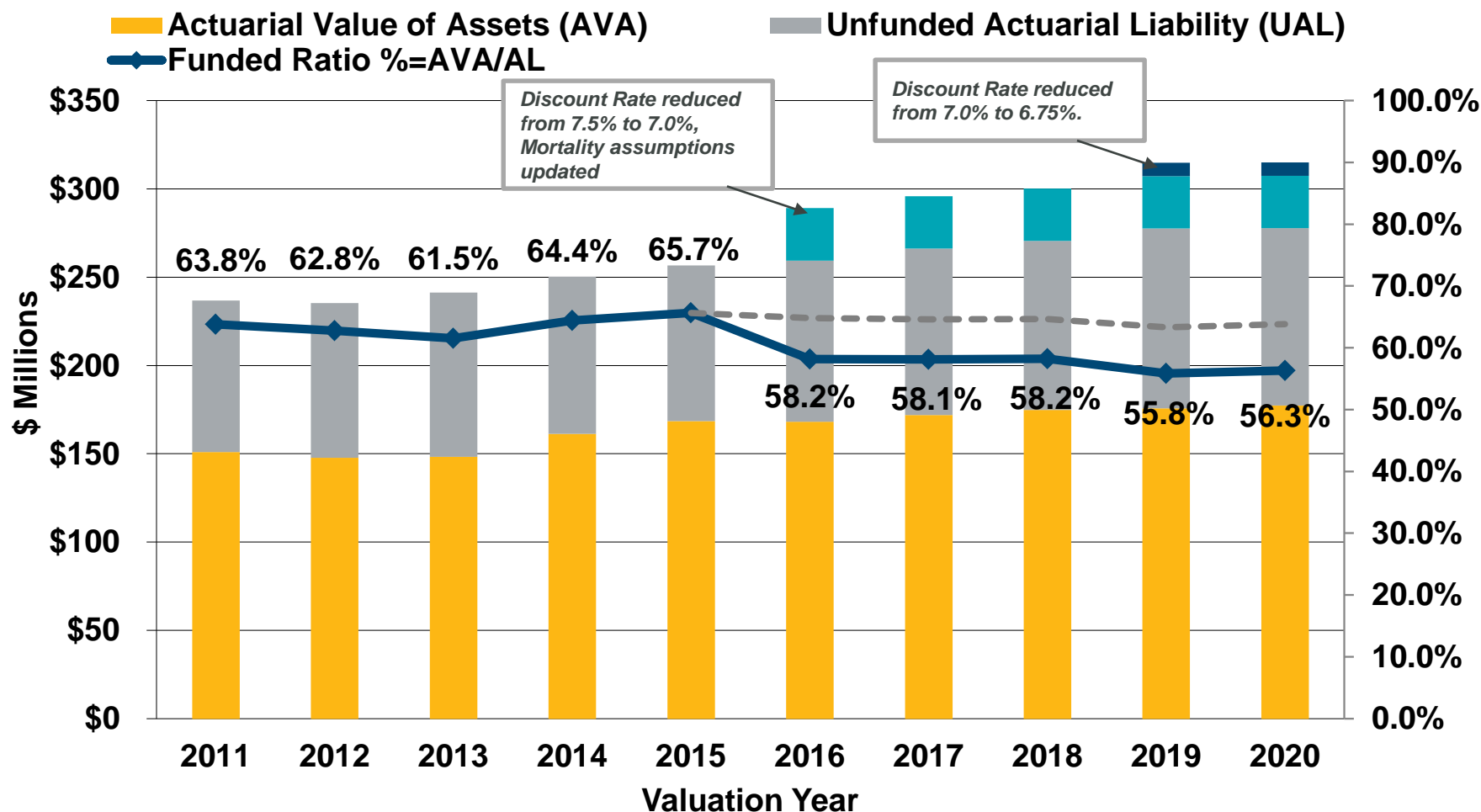
Total Contribution Reconciliation

Fiscal Year 2020-2021	\$ 17,466,000
Actuarial investment experience	613,000
Demographic, salary and COLA experience, and other miscellaneous factors	(327,000)
Fewer benefits earned by active membership due to closed plan	(166,000)
Fiscal Year 2021-2022	\$ 17,586,000

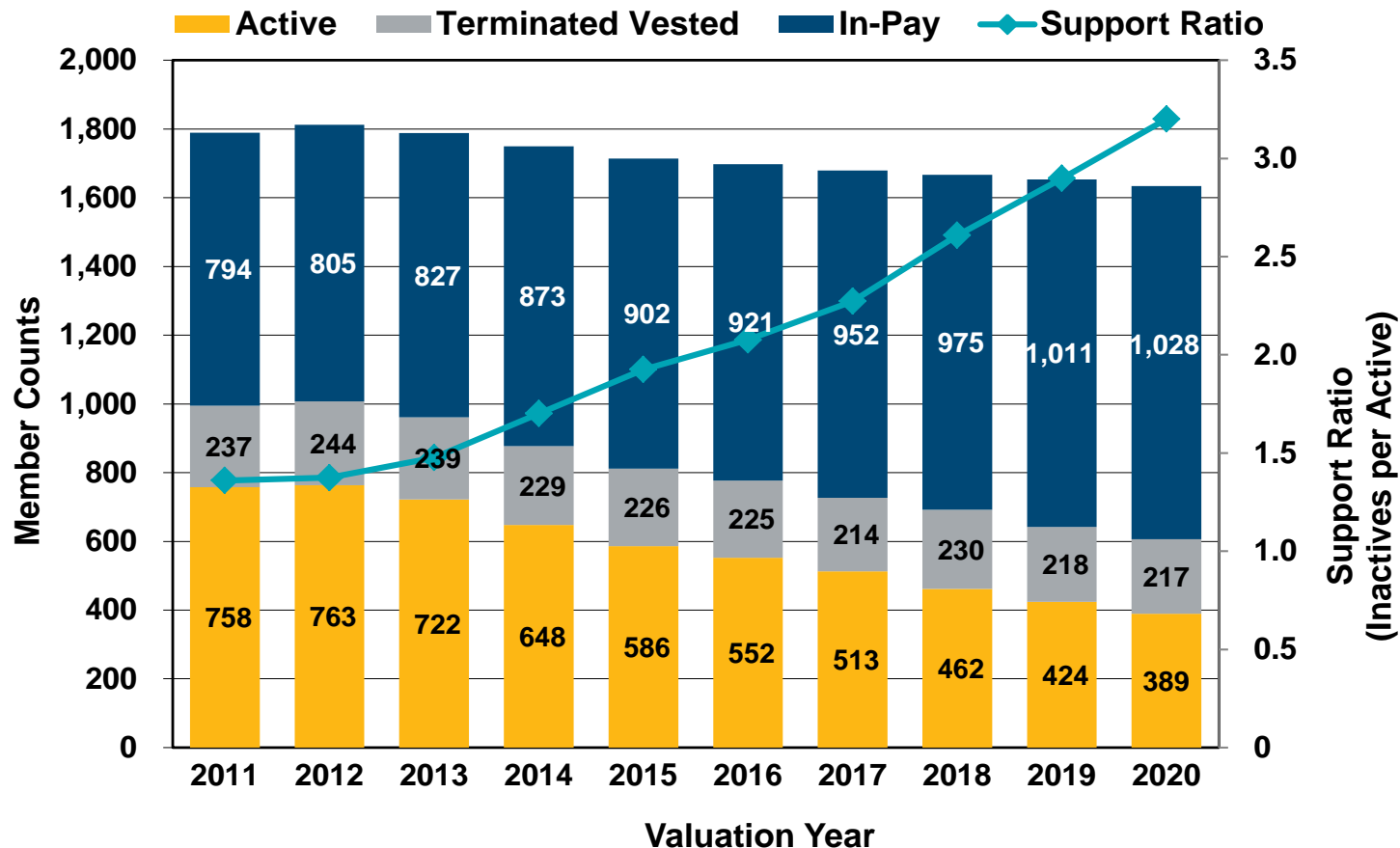
Plan History – Contributions



Plan History – Funding



Membership & Support Ratio



Active	758	763	722	648	586	552	513	462	424	389
Term Vested	237	244	239	229	226	225	214	230	218	217
In-Pay	794	805	827	873	902	921	952	975	1,011	1,028
Total	1,789	1,812	1,788	1,750	1,714	1,698	1,679	1,667	1,653	1,634

Total membership has decreased by 8.7% over the past decade.

COVID-19 Impact on Plan Assets

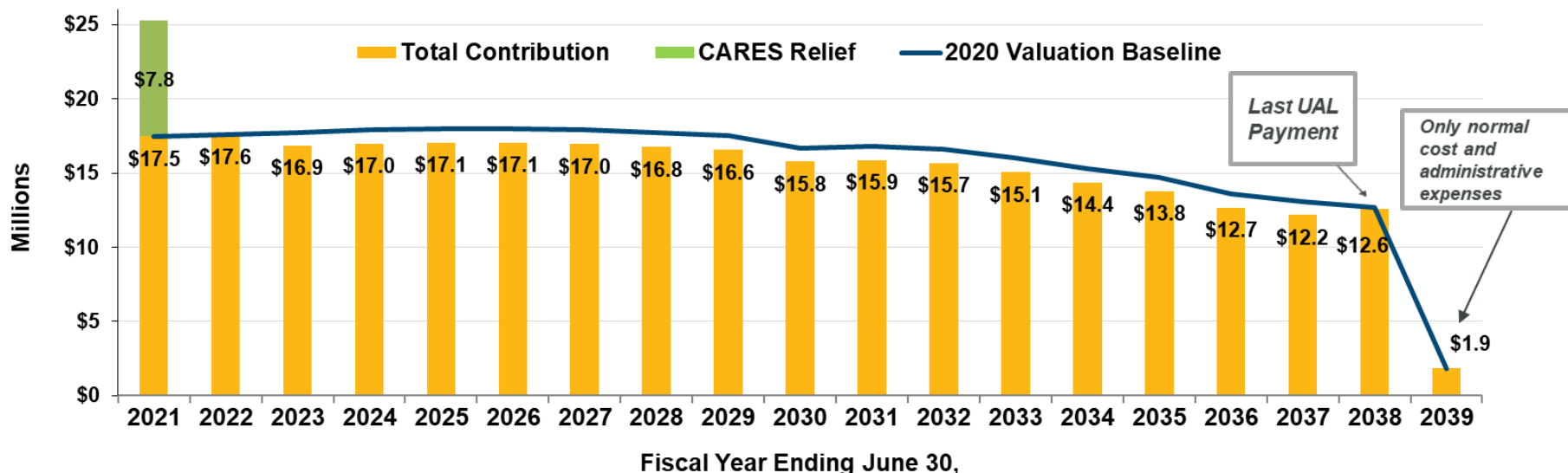


- Estimated asset returns at end of January 2020 were approximately 4.4%
- COVID-19 hit, markets crashed, and then rebounded
- However, asset return as of June 30, 2020 was 0.0% (net of all investment expenses), below the pre-COVID-19 level
- Board approved \$7.8 million in CARES Relief to fund the estimated asset loss due to COVID-19
- The following projections assume \$7.8 million CARES Relief will be made before June 30, 2021

Projected Total Contributions

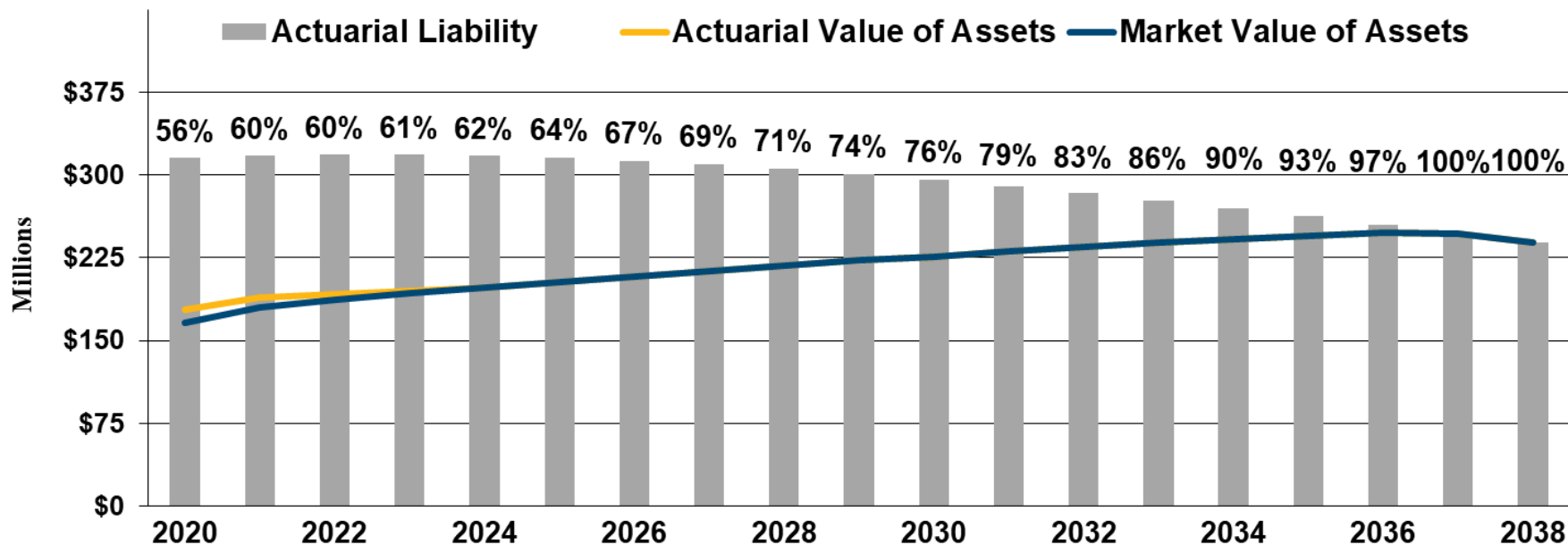


Total Projected \$ Contributions After CARES Relief



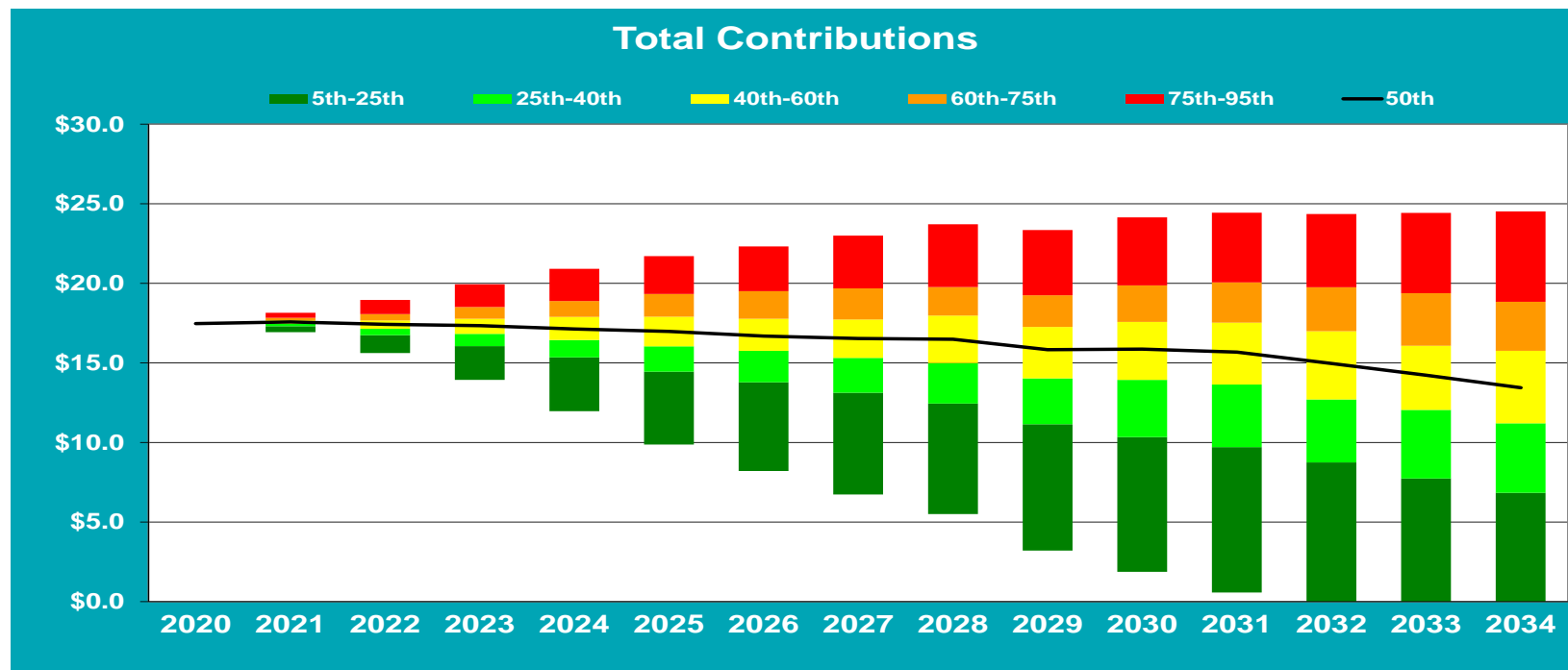
- Contributions of \$17.5 million (from the 2019 valuation) and \$7.8 million in CARES relief are expected to be made by June 30, 2021
- FYE 2022 contribution requirement is determined by the 2020 valuation, snapshot of plan assets and demographics as of June 30, 2020
- Additional CARES contribution will be recognized as an actuarial gain in the 2021 valuation, ultimately lowering the contribution by about \$900,000 for 15 years starting with FYE 2023

Projected Funded Ratio



- CARES Relief immediately recognized in the assets for the July 1, 2021 valuation
- Funded ratio expected to increase to 60% in 2021 (only 57% without the additional CARES Relief contribution)
- Projected funded ratios are 2%-3% higher with CARES Relief
- Plan is projected to be fully funded by 2037 valuation

Stochastic Projection of Contributions



Based on current SDTC funding and amortization policies; future actuarial investment gains or losses are amortized over a 15-year period

Valuation	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2031	2033	2034
Actives	389	359	317	281	248	219	194	172	152	135	120	107	95	84	75
Inactives	1,245	1,225	1,203	1,181	1,157	1,132	1,106	1,079	1,051	1,022	991	960	927	894	860
Total Members	1,634	1,584	1,520	1,462	1,405	1,351	1,300	1,251	1,203	1,157	1,111	1,067	1,022	978	935



- Perform actuarial experience study to analyze the economic and demographic assumptions used in valuations and projections
 - Last full experience study done in 2016, typically performed for SDTC every 5 years
 - Focus is generally on mortality assumptions and assumed rate of investment return
- Cheiron performed an independent mortality study based on our ATU clients (including SDTC) and developed sets of mortality rates for ATU active, disabled, and retired members
 - These mortality tables may be used to more accurately reflect the mortality experience of your members



The purpose of this presentation is to discuss the July 1, 2020 actuarial valuation results for the Retirement Plans of San Diego Transit Corporation.

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

Cheiron utilizes ProVal, an actuarial valuation application leased from Winklevoss Technologies (WinTech) to calculate liabilities and project benefit payments. We have relied on WinTech as the developer of ProVal. We have a basic understanding of ProVal and have used ProVal in accordance with its original intended purpose. We have not identified any material inconsistencies in assumptions or output of ProVal that would affect this valuation.

Deterministic projections in this presentation were developed using P-scan, a proprietary tool used to illustrate the impact of changes in assumptions, methods, plan provisions, or actual experience (particularly investment experience) on the future financial status of the System. P-scan uses standard roll-forward techniques that implicitly assume a stable active population.

Future results may differ significantly from the current results presented herein due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in Plan provisions or applicable law. The future outcomes become increasingly uncertain over time, and therefore the general trends and not the absolute values should be considered in the review of these projections.

This presentation has been prepared in accordance with generally recognized and accepted actuarial principles and practices and our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable law and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this presentation. This presentation does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This presentation was prepared exclusively for the Retirement Board and MTS Board for the purposes described herein. Other users of this presentation are not intended users as defined in the Actuarial Standards of Practice, and Cheiron assumes no duty or liability to any other user.

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

Alice I. Alsberghe, ASA, MAAA, EA
Consulting Actuary

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

Agenda Item No. 32

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

MTS EXCESS LIABILITY AND WORKERS' COMPENSATION INSURANCE
RENEWALS (BRIAN WHITE AND DENNIS MULQUEENEY WITH ALLIANT
INSURANCE SERVICES, INC. AND KAREN LANDERS)

RECOMMENDATION:

That the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Authorize the Chief Executive Officer (CEO) to purchase an Excess Liability Program, effective March 1, 2021, that results in the lowest Total Cost of Risk based on final quotes received for a \$3M, \$4M, or \$5M Self Insured Retention (SIR) structure and a limit of \$75M for rail operations and \$50M for non-rail operations (final negotiated cost to be determined) (See Discussion);
- 2) Approve the increase of the MTS Liability Reserve by up to \$3 million in FY 2021 (from the existing \$2M reserve to up to \$5M) funded with Transportation Development Act (TDA) funds to align total reserves with new insurance SIR structure; and
- 3) Approve the second year of MTS's two-year Excess Workers' Compensation insurance, effective March 1, 2021 for a premium of \$214,531.

Budget Impact

The approximate annual breakdown of insurance cost between MTS agencies for both options is as noted within the table below:

COMBINED TOTAL EXCESS LIABILITY COST ALLOCATION					
AGENCY	MTS	SDTC	SDTI	SD&AE	TOTAL
Option 1 - \$3M SIR	407,997	1,512,987	1,444,989	34,000	\$3,399,973
Option 2 - \$5M SIR	271,206	1,005,722	960,522	22,601	\$2,260,050



The one-time funding of the additional SIR reserve (up to \$3M) will come from unprogrammed TDA funds.

DISCUSSION:

Each year, MTS purchases insurance to protect against various risks. Today's proposed action addresses our insurance policies for general liability and workers' compensation. These policies renew each year on March 1st. The nature of the insurance market and negotiations for new policies is such that insurance companies and their underwriters generally will not provide a policy quote to MTS's brokers until shortly before the renewal date. Often, this process takes place in the final two weeks before a new policy commences.

Given the MTS Board meeting schedule and the requirement that the Board approve any purchases over \$100,000, MTS's brokers were able to obtain *some* quotes before the deadline to finalize this agenda item, and they are hoping to have more complete information from the various insurance carriers at the time of the Board meeting on February 11, 2021. Depending on any subsequent quotes and other information provided to MTS staff during the February 5th to 10th time period, the recommendation above and the information contained in this agenda item may be updated and presented to the Board during the staff presentation on February 11, 2021.

General Liability Insurance (Excess Liability)

MTS's general liability insurance policy covers various areas of potential risk to MTS and its wholly owned entities (San Diego Transit Corp (SDTC), San Diego Trolley, Inc. (SDTI), and San Diego & Arizona Eastern Railway (SD&AE)). Primarily, this includes bodily injury, property damage and other damage claims that are inherent in the operation of our bus and rail transit services. Historically, MTS's insurance coverage has been structured so that MTS is directly responsible for the first \$2M for any individual incident. This is referred to as MTS's self-insured retention or "SIR". The \$2M SIR covers both claims payments and litigation/defense costs. Only if a lawsuit or claim exceeds, or is reasonably expected to exceed this \$2M SIR does MTS's excess liability coverage step in. The MTS Risk Department internally manages and resolves liability claims, either directly or by overseeing litigation handled by outside counsel.

Historically, MTS has carried excess insurance for potential liability starting at \$2,000,001 (the point when MTS has exhausted its SIR) up to \$75M. This \$73M in coverage is placed in several tiers of individual insurance policies that add up to \$73M. The \$75M upper limit is set by MTS's Shared Use Agreement with North County Transit District (NCTD) and Burlington Northern Santa Fe Railroad (BNSF), which governs the shared light and heavy rail operations on the railroad right-of-way between Santa Fe Depot and Oceanside. Under that agreement, MTS is required to maintain \$75M, NCTD is required to maintain \$295M, and BNSF is required to maintain \$200M in coverage. The difference in limits is based on the difference in risk between MTS's light rail operations and the heavy rail operations of NCTD, Amtrak (Amtrak operates under NCTD's rights), and BNSF.

While MTS is under no obligation to carry a specific limit of coverage for its bus (or other) operational activities, historically it has carried the same limits of coverage as rail, as it has been financially efficient to do so.

Changes in the Excess Insurance Market

Rates for the excess liability coverage are generally based on a combination of passenger counts, revenue miles, operating revenue, construction costs, loss history, self-insured retention, and current market conditions.

Until MTS's renewal in 2020, our insurance program (SIR limit and excess layers up to \$75M) was fairly steady in design and overall premium cost (1% cumulative increases from 2011 through 2018).

MTS saw the first signs of the hardening insurance market with our renewal last year, which included a 28.85% (\$421,162) increase over the 2019 premium cost. As will be explained below, and during the staff presentation on February 11, 2021, this year's insurance market has significantly worsened.

Extreme insurance market conditions are causing wide disruptions in the availability of excess liability insurance for MTS, other public agencies, and private industry. Insurers are not granting significant credit for reduced exposures such as ridership, since demand for coverage far outstrips supply relative to past market cycles. MTS's lead insurer in our current policy, Princeton/Munich, informed MTS that it would be reducing their first layer limit from \$10M to \$5M. Since the first \$10M of excess insurance coverage is the most likely to be used, it is a riskier layer for insurers to assume. This decision by Princeton/Munich required MTS to find another insurer to cover the next \$5M in excess coverage. Princeton/Munich's reduction in capacity was not an anomaly this year. A review of key insurance carriers over the past 12 months revealed a collective withdrawal of \$435M in coverage capacity. This impacts all buyers of excess liability insurance across the industry and represents a massive reduction in the global supply of insurance coverage. This is the core reason for the increase in excess liability renewal costs MTS is experiencing this year.

With respect to the excess liability program, MTS is not alone in feeling the difficulty of the current insurance market. An informal survey of other public transit risk managers involved in renewals over the past several months revealed that the hardening of the insurance market and increase in pricing is not unique to MTS.

This has caused MTS staff and its insurance broker, Alliant Insurance Services, Inc. (Alliant), to revisit the design of our insurance program in an effort to place coverage and control both risk and costs for the 2021 renewal that must be placed by March 1, 2021. Significant effort was made to secure a program identical in structure to the expiring program; however, the projected total cost on an "as expiring" basis was deemed to be financially impractical to pursue.

The program re-designs proposed include:

A. Increase in MTS's SIR limit. Despite efforts to develop a 2021 excess liability program that retained MTS's \$2M SIR level, MTS staff and Alliant have determined this is not a feasible option. Therefore, Alliant is endeavoring to obtain quotes that include an increase in the SIR coverage for all operations from \$2M to \$3M (Option 1), and has completed a program with an SIR at \$5M (Option 2). We are also evaluating the potential of a \$4M SIR option, but as of this writing, more specific cost estimates are not available under this option.

B. Reduction in limits of coverage for bus and non-rail operations from \$75M to \$50M. MTS would maintain the contractually required \$75M limit for rail operations.

The following tables depict the current best estimate of the total insurance cost amount under each Option relative to the expiring program:

2020-2021 Expiring Program				
Component Part of Program	MTS Retention	Limits	Total Program Limits	Total Cost
Rail	2,000,000	73,000,000	75,000,000	Incl Below
Bus, All Other Operations	2,000,000	73,000,000	75,000,000	<u>Incl Below</u>
Total:				\$1,865,336

2021-2022 Option 1 - \$3M Retention				
Component Part of Program	MTS Retention	Limits	Total Program Limits	Total Est Cost
Rail	3,000,000	72,000,000	75,000,000	Incl Below
Bus, All Other Operations	3,000,000	47,000,000	50,000,000	<u>Incl Below</u>
Total Cost				\$3,399,973
Increased Cost from 2020-21 Program:			\$1,534,637	82%

2021-2022 Option 2 - \$5M Retention				
Component Part of Program	MTS Retention	Limits	Total Program Limits	Total Cost
Rail Retention	5,000,000	70,000,000	75,000,000	Incl Below
Bus, All Other Retention	5,000,000	45,000,000	50,000,000	<u>Incl Below</u>
Total Cost				\$2,260,050
Increased Cost from 2020-21 Program:			\$394,714	21%

Note that Option 1 (\$3M SIR) most closely matches the expiring retention in the program (relative to what is available in the market currently).

Option 2 (\$5M SIR) requires a substantially higher retention, which increases MTS's exposure in the event of a catastrophic loss. However, when evaluated based on a "Total Cost of Risk" estimate, Option 2 results in the most favorable overall cost estimate for MTS. A Total Cost of Risk estimate was prepared in coordination with MTS's actuaries, who prepared their best estimate of MTS's ultimate cost of the program on an actuarial basis. MTS's actuary reviewed MTS's claims history and arrived at a best estimate of the funding needed at the higher retention levels. When this funding is added to the insurance costs at each SIR level, Option 2 has a lower overall cost estimate:

TOTAL COST OF RISK ANALYSIS				
Cost Element	2020 Final Program	2021 Option 1	2021 Option 2	Difference Between Options 1 and 2
Retained (at "Expected")	3,081,000	3,559,275	3,809,840	250,565
Total Insurance Cost:	<u>1,865,336</u>	<u>3,399,973</u>	<u>2,260,050</u>	<u>(1,139,923)</u>
Total Cost of Risk:	\$4,946,336	\$6,959,248	\$6,069,890	\$(889,358)

Under the above analysis, the increased funding needed to support a higher SIR is offset by the reduction in premium cost. On this basis, staff recommends proceeding with Option 2 unless an analysis of a potential \$4M SIR results in a more favorable Total Cost of Risk. Further analysis will be done once the \$4M SIR option becomes available.

The proposed Excess Liability Program are described in more detail below. Red text indicates we were waiting for final quotes at the time this agenda item was drafted.

OPTION 1 - \$3M SIR					
COVERAGE LAYER	INSURER	Cover Basis	Limit	Total Coverage (up to this layer, including SIR)	EST. TOTAL COST
MTS Funded \$3M SIR					
1	Princeton Excess & Surplus Lines	Public Entity Form	\$5M	\$8M	625,798
2	TBD Prior to Renewal Date	XS Liability	\$2M	\$10M	255,854
3	Allied World Assurance Company	XS Liability	\$5M	\$15M	473,329
4	Lloyds of London	XS Liability	\$10M	\$25M	700,526
5	Allied World Assurance Company	XS Liability	\$5M	\$30M	245,185
6	Great American Assurance Company	XS Liability	\$10M	\$40M	357,271
7	Lloyds of London	XS Liability	\$10M	\$50M	246,410
8	Lloyds of London	XL004 Form Rail Only	\$25M	\$75M	495,600
TOTAL INSURANCE PROGRAM COST					\$3,399,973

OPTION 2 - \$5M SIR					
COVERAGE LAYER	INSURER	Cover Basis	Limit	Total Coverage (up to this layer, including SIR)	TOTAL COST
MTS Funded \$5M SIR					
1	Princeton Excess & Surplus Lines	Public Entity Form	\$5M	\$10M	447,176
2	Allied World Assurance Company	XS Liability	\$5M	\$15M	303,090
3	Lloyds of London	XS Liability	\$10M	\$25M	438,813
4	Allied World Assurance Company	XS Liability	\$5M	\$30M	159,521
5	Great American Assurance Company	XS Liability	\$10M	\$40M	230,000
6	Lloyds of London	XS Liability	\$10M	\$50M	206,500
7	Lloyds of London	XL004 Form Rail Only	\$25M	\$75M	474,950
TOTAL INSURANCE PROGRAM COST					\$2,260,050

Workers' Compensation

There is currently more stability in the workers' compensation insurance market. Additionally, MTS currently has a 2-year policy in place with its longtime insurer, Arch. The following is a snapshot of the 2020 – 2022 policy term details:

Excess Workers' Compensation	2020-21	2021-22	\$ Change	% Change
Payroll	96,116,211	96,116,211	-	0%
Limit	Statutory	Statutory	-	0%
Rate Per \$100	0.2232	0.2232	-	0%
Self-Insured Retention	1,000,000	1,000,000	-	0%
Premium				
*Final Premium subject to payroll audit conducted at end of policy term.				

Therefore, staff recommends that the MTS Board of Directors:

- 1) Authorize the Chief Executive Officer (CEO) to purchase an Excess Liability Program, effective March 1, 2021, that results in the lowest Total Cost of Risk based on final quotes received for a \$3M, \$4M, or \$5M Self Insured Retention (SIR) structure and a limit of \$75M for rail operations and \$50M for non-rail operations (final negotiated cost to be determined) (See Discussion);
- 2) Approve the increase of the MTS Liability Reserve by up to \$3 million in FY 2021 (from the existing \$2M reserve to up to \$5M) funded with Transportation Development Act (TDA) funds to align total reserves with new insurance SIR structure; and
- 3) Approve the second year of MTS's two-year Excess Workers' Compensation insurance, effective March 1, 2021 for a premium of \$214,531.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

San Diego Metropolitan Transit System

March 1, 2021 Insurance Program Renewals

▶▶ ALLIANT INSURANCE SERVICES, INC.
February 11, 2021

Alliant

Presentation Topics

- Rationale of MTS Insurance Program
- State of the Insurance Market
- MTS Large Loss History Review
- Impact on Program, and Cover Tower Overview
- Renewal Program Options
 - Retention and Limits
 - Path to Program Completion

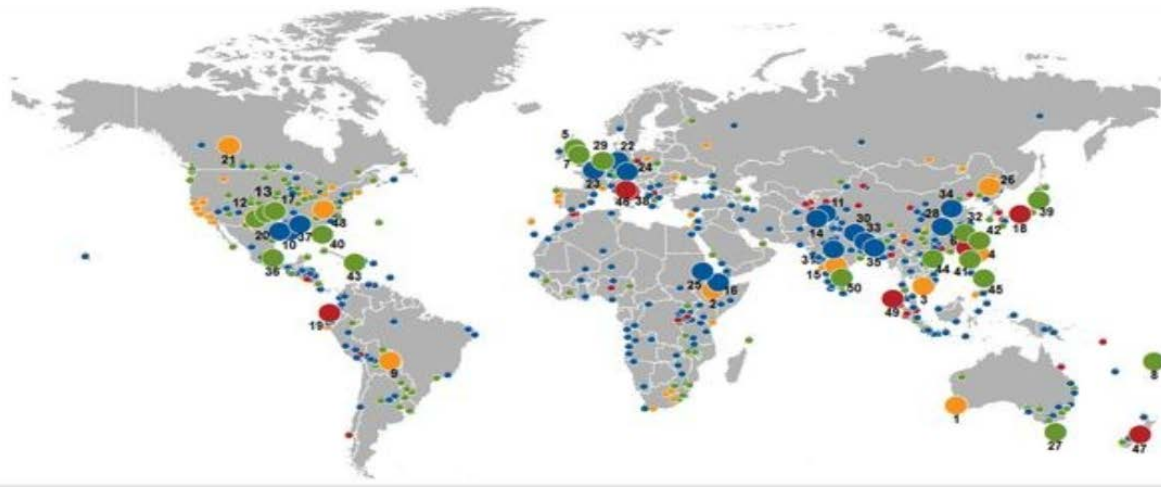
Rationale of MTS Program

- Ownership and operation of public transit facilities poses unique risk of ***bodily injury and property damage*** to third parties...
- Further, MTS is exposed to claims of “***wrongful acts***” by either the MTS Board, or MTS Staff
- Insurance Program is designed to protect MTS budget from ***catastrophic*** loss, which are by definition, ***infrequent***.



State of the Insurance Market

- Insurance is a **global industry** tied to the world's **physical**, **social** and **economic** trends.
- Historically, the market for insurance coverage has been characterized as being either “hard or soft”, or transitioning between these poles.
- Currently, and for the recent past and expected future, the market is **very hard**, meaning **demand** for coverage outstrips **supply**, causing prices **not only to rise**, but to become **unavailable, or unfeasible to purchase**.



Why is the insurance market so hard?

Simply put, recent market losses, and expectations of future losses have caused the market to contract

■ Catastrophes – Physical and Social

- Hurricane
- Extreme Weather (Flood Wind, Hail, Tornado, etc.)
- Wildfire
- Earthquake (past and potential)
- Pandemic

■ Economic

- Low Interest Rates
- Regulatory Pressure
- ***Social Unrest - Uncertainty***
- ***Social Inflation***



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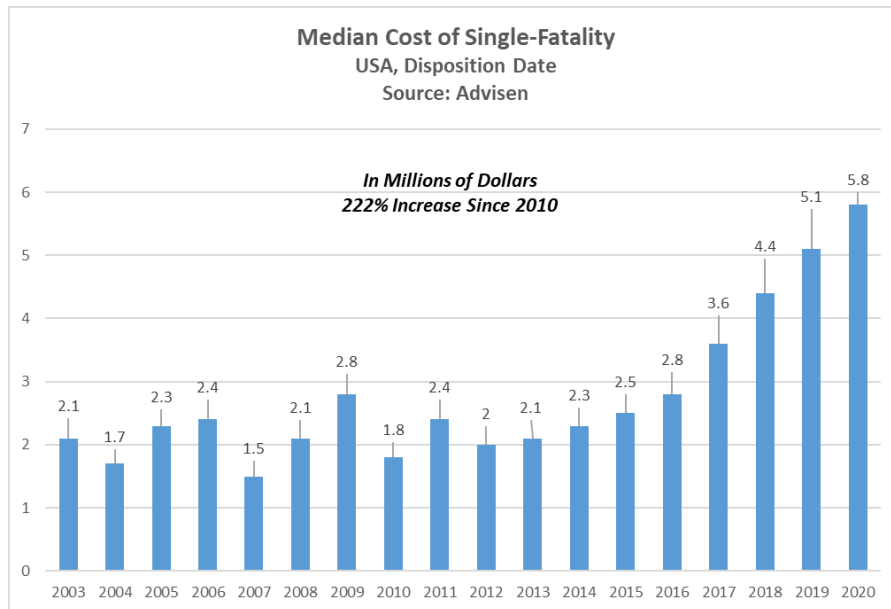
Key Issue for 3rd Party Liability

“Social inflation” refers to the alarming increase in the frequency of severe claims due to:

- Defendant **mistrust** of business and institutions
- Litigation financing
- Ubiquity of Social Media – News of large verdicts travels, resetting the expectation of what a reasonable verdict might be

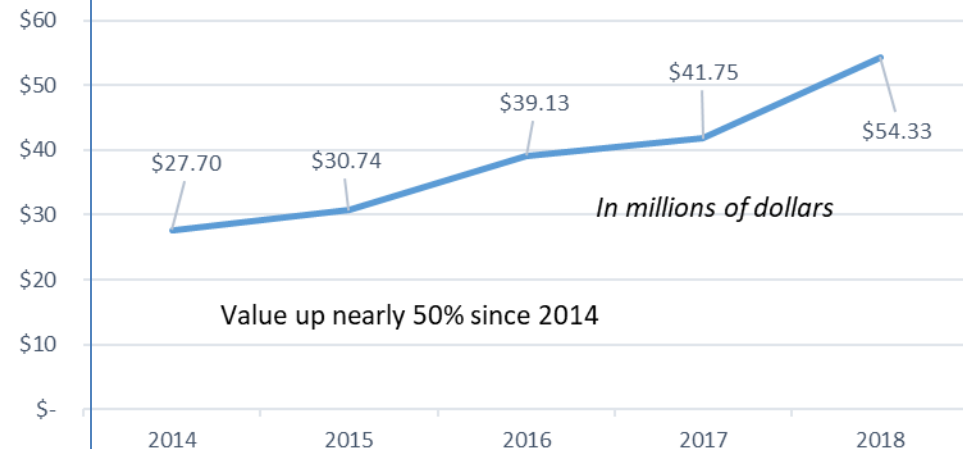
Median Cost of Single-Fatality
USA, Disposition Date
Source: Advisen

In Millions of Dollars
222% Increase Since 2010



Median Average - Top 50 U.S. Verdicts

Source: Schaub, Ahmuty, Citrin & Spratt

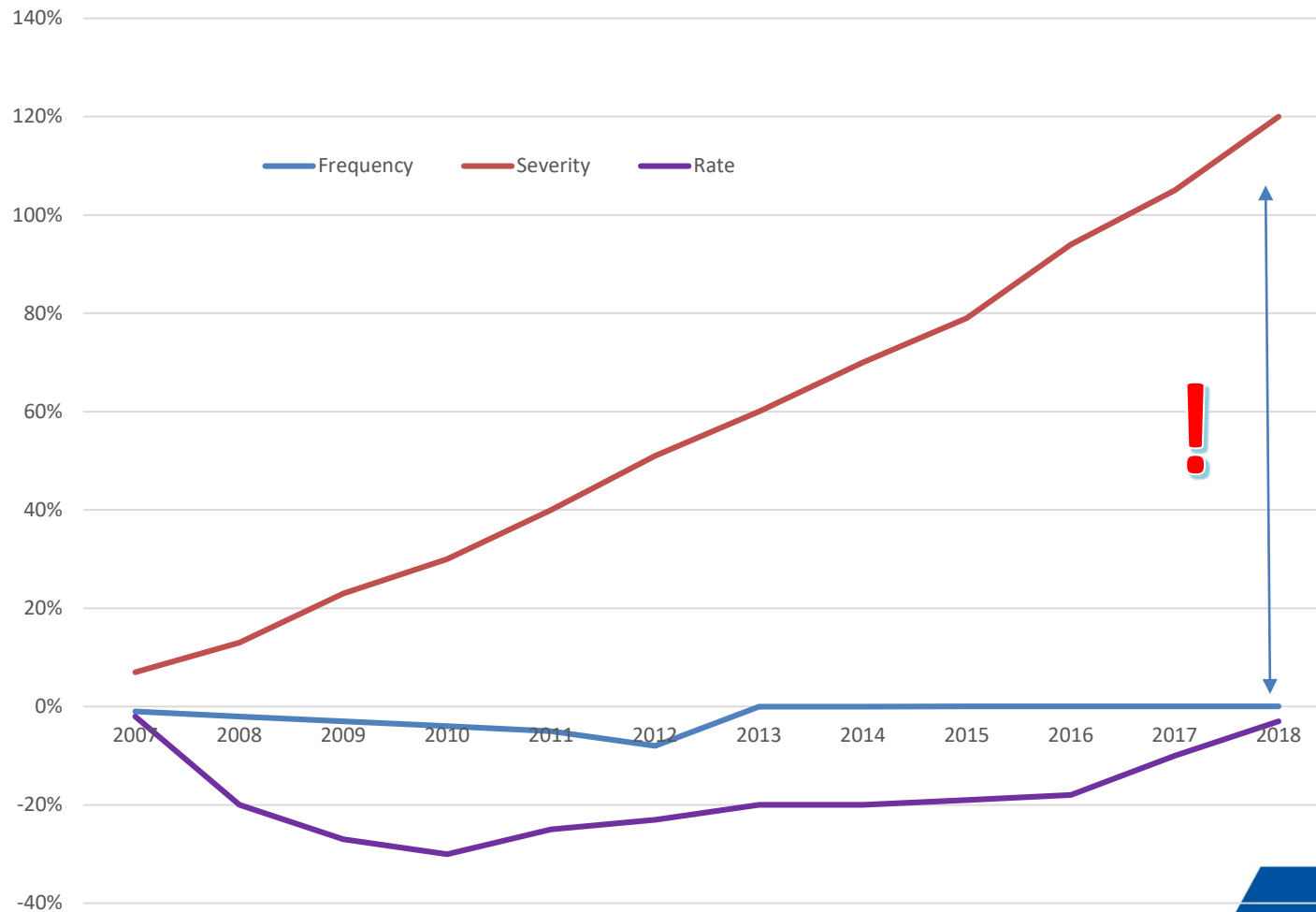


Value up nearly 50% since 2014

Result...

Excess Casualty Cumulative Severity v. Rate

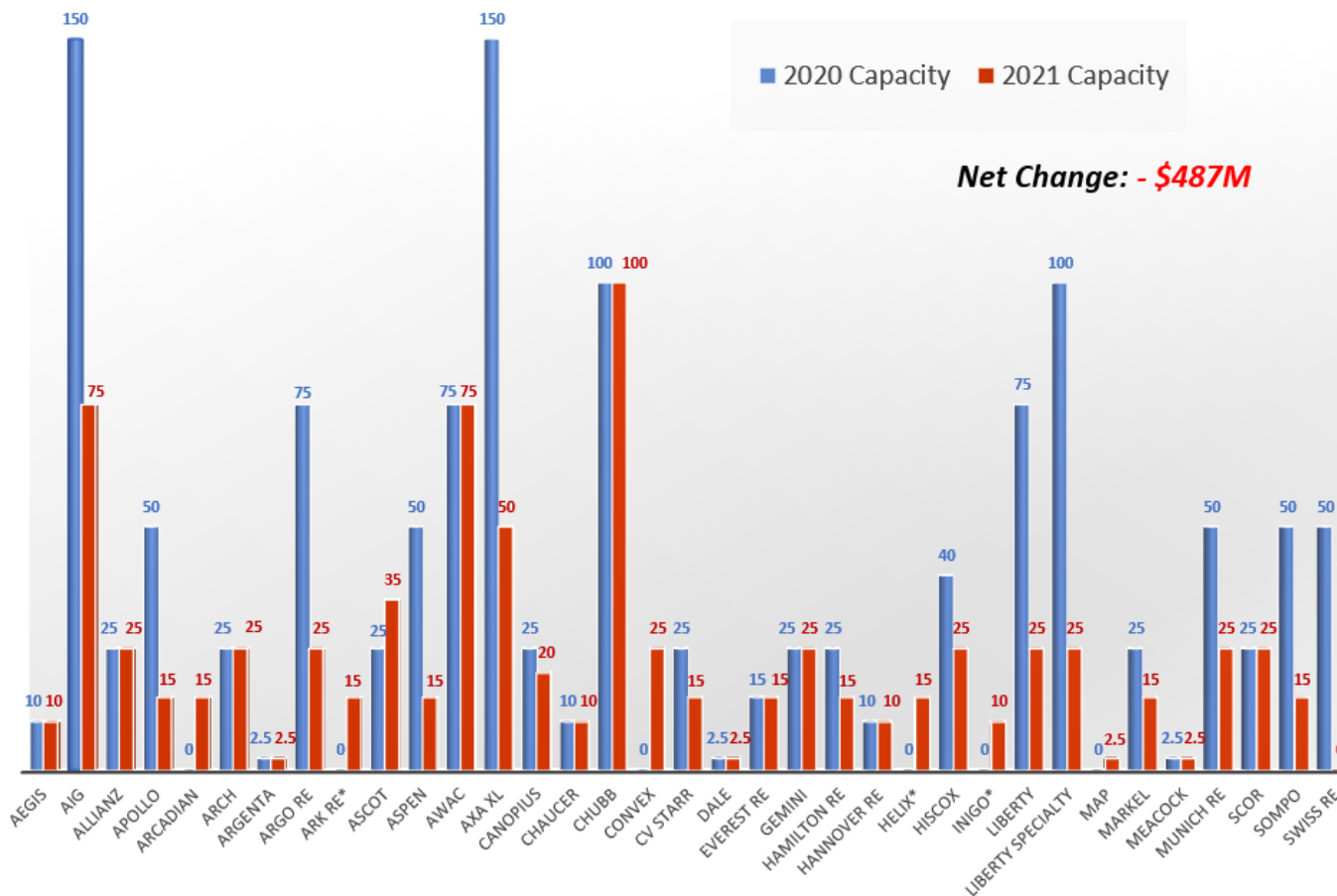
Source: Chubb Insurance



Reaction...



Capacity Change By Market



Significant reduction in market capacity through individual efforts by insurers to "de-risk" their portfolios

How MTS's Own Losses Matter...



The vast majority of MTS losses by pure count are “small” in value, and therefore primarily impact the annual funding amount of MTS self-insured retention.

However, since 2011, MTS has had three losses in excess of \$1MM, and two of these required payment by the Program's excess insurers. Further, there are a few matters that are not yet settled that may also penetrate the current excess tower.

While there is generally a strong interaction between an organization's losses and insurance premium, given MTS's relatively large retention amount, except for the primary layer, the costs of the insured layers are driven primarily by market forces outside of MTS control.

Market Impact on MTS Program

Expiring Program

\$75M	\$8M X \$65M X \$2M SIR Lloyd's of London (Aspen - 100%)
\$67M	\$10M X \$55M X \$2M SIR (Convex - 100%) Lloyd's of London
\$57M	\$5M X \$50M X \$2M SIR Great American Assurance Company
\$52M	\$10M X \$40M X \$2M SIR Allied World Assurance Company
\$42M	\$15M X \$25M X \$2M SIR Great American Assurance Company
\$27M	\$15M X \$10M X \$2M SIR Lloyd's of London (Hiscox - 40%, Canopus - 15%, Aegis - 45%)
\$12M	\$10M X \$2M SIR Princeton Excess & Surplus Lines Insurance Company
\$2M	\$2M Self Insured Retention

Market Impact To Program

\$75M	\$8M X \$65M X \$2M SIR Lloyd's of London (Aspen - 100%)	
\$67M	\$10M X \$55M X \$2M SIR (Convex - 100%) Lloyd's of London	
\$57M		
\$52M	\$10M X \$40M X \$2M SIR Allied World Assurance Company	
\$42M	\$15M X \$25M X \$2M SIR Great American Assurance Company	
\$27M	\$15M X \$10M X \$2M SIR Hiscox (40%) Canopus (15%) Aegis (45%)	
\$12M	\$10M X \$2M SIR Princeton Excess & Surplus Lines Insurance Company	
\$2M	\$2M Self Insured Retention	

Renewal Options

Option 1 - \$3M Retention

\$75M	Various XS Insurers - XL004 Form (GL, AL Only)
\$50M	Various XS Insurers
\$25M	Various XS Insurers, Bus, PE Liability
	PRISM
	Princeton (Munich)
\$3M	MTS SIR

Cost of Retained Layer* (SIR): \$3,559,275
 Total Cost of Insurance: \$2,856,835
 Grand Total Cost of Risk (COR): \$6,416,110

Δ from Exp.

53%

Option 2 - \$4M Retention

\$75M	Various XS Insurers - XL004 Form (GL, AL Only)
\$50M	Various XS Insurers
\$25M	Various XS Insurers, Bus, PE Liability
	PRISM
	Princeton (Munich)
\$4M	MTS SIR

Cost of Retained Layer* (SIR): \$3,684,558
 Total Cost of Insurance: \$2,557,131
 Grand Total Cost of Risk (COR): \$6,241,689

Δ from Exp.

37%

Option 3 - \$5M Retention

\$75M	Various XS Insurers - XL004 Form (GL, AL Only)
\$50M	Various XS Insurers, Bus
\$25M	Various XS Insurers, Bus, PE Liability
	Princeton (Munich)
\$5M	MTS SIR

Cost of Retained Layer* (SIR): \$3,809,840
 Total Cost of Insurance: \$2,260,050
 Grand Total Cost of Risk (COR): \$6,069,890

10

* At Expected Confidence Level

Has Coverage Changed?

- Introduction of Communicable Disease Exclusion;
- Introduction of Cyber Exclusion;
- Additional annual aggregate limitations have been introduced into the placement.
- Introduction of a more conservative XL004 Form in top \$35MM of cover
 - Occurrence Reported Trigger (requires reporting of all known incidents)
 - General Liability (Premises and Rail) and Auto Liability Cover Only (Cover not follow form to underlying)

Path to Program Completion...



2021-2022 Option 5 - \$5M Retention		
2021 Layer Limit	2021 Carriers	Total Net Cost to SDMTS
5,000,000	Retained (Expected)	\$ 3,809,840
5,000,000	Munich	\$ 447,176
5,000,000	AWAC	\$ 303,090
10,000,000	Lloyds - 50% Hiscox / 50% Inigo	\$ 438,813
5,000,000	AWAC	\$ 159,521
10,000,000	Great American	\$ 230,000
10,000,000	Lloyds (XL004) - 50% Ascott / 50% Canopus	\$ 206,500
25,000,000	Lloyds (XL004) - 40% Convex / 20% Aspen / 20% Ascot / 20% Hiscox	\$ 474,950
75,000,000	Premium Total	2,260,050
	Total w/ SIR Funding	6,069,890

***\$5M
Retention
Option
Completed
per table at
left...***

- *\$3M and \$4M Options require completion of terms and conditions between PRISM and Everest Re, and PRISM and MTS.*

Recommendation

MTS staff recommends that the MTS Board of Directors:

1. Authorize the CEO to purchase an Excess Liability Program, effective March 1, 2021, with a \$5M Self Insured Retention (SIR) structure and a limit of \$75M for all operations;
2. Approve the increase of the MTS Liability Reserve by up to \$3 million in FY 2021 (from the existing \$2M reserve to up to \$5M) funded with Transportation Development Act (TDA) funds to align total reserves with new insurance SIR structure; and
3. Approve the second year of MTS's two-year Excess Workers' Compensation insurance, effective March 1, 2021 for a premium of \$214,531.

State of the Market – 2020 Q3 On

Selected Articles

- https://www.businessinsurance.com/article/20210126/NEWS06/912339363/No-relief-in-property-rate-hikes-expected-in-2021-catastrophes-wildfires-hurrica?utm_campaign=BI20210126DailyBriefing
- [Insurers impose new restrictions to stem COVID-19 payouts](#)
- https://www.insurancebusinessmag.com/us/news/breaking-news/climateinfluenced-weather-key-driver-of-catastrophe-damage--aon-244544.aspx?utm_source=GA&utm_medium=20210126&utm_campaign=IBAW-MorningBriefing-20210126&utm_content=6755F707-1EF8-4CC9-9E9A-0AA3AC7B0899&tu=6755F707-1EF8-4CC9-9E9A-0AA3AC7B0899
- ['Connected extremes' of natural disasters demand better climate risk mitigation: Aon](#)
- [A record 22 billion-dollar disasters struck the U.S. in 2020](#)
- [U.S. P/C rates keep rising in fourth quarter: MarketScout](#)
- ['Most challenging and sustained' hard market since 1980s to persist well into 2021: USI](#)
- [Despite industry's 'resilience' in 2020, Best maintains negative outlook for U.S. commercial lines sector](#)
- <https://www.willistowerswatson.com/en-US/Insights/2020/11/insurance-marketplace-realities-2021>
- [U.S. commercial insurance prices again increase significantly during Q3](#)
- https://www.advisen.com/tools/fpnproc/fpns/articles_new_1/P/384386705.html?rid=384386705&list_id=1
- [Record hurricane season tallies more than \\$60 billion in damage: report](#)
- [US P/C industry's net underwriting income drops by 86% in first nine months of 2020](#)
- [More rate increases and tightening up policy terms predicted for property market: Panel](#)
- [P/C hard market conditions will continue into 2021: Willis](#)
- [Global insurance prices rise for 12th consecutive quarter: Marsh](#)
- [Underwriting discipline driving property insurance market changes](#)
- [Q3 catastrophe losses, largest since 2017, likely to drag on earnings: Fitch](#)
- [Iowa derecho in August was most costly thunderstorm disaster in U.S. history](#)
- [Insurers face 'multi-billion-dollar bill' from US wildfires, while hurricane recovery goes on](#)
- [Rates up 'on every line of coverage' for US commercial insurance buyers in third quarter](#)
- [Q2 commercial insurance prices 'underscore the uncertainty of the day': Willis](#)
- [P/C insurers have 'balancing act' in 2020 with strong rate trends and 'wild card' pandemic losses](#)
- <https://www.amwins.com/insights/article/the-ripple-effect-of-social-inflation-and-nuclear-verdicts-on-the-insurance-industry>

QUESTIONS?

THANK YOU,

Dennis Mulqueeney

dmulqueeney@alliant.com

Brian White

bwhite@alliant.com





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

Agenda Item No. 45

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION (APTA) SECURITY PEER
REVIEW REPORT (SHARON COONEY)

INFORMATIONAL ONLY

Budget Impact

No budget impact.

DISCUSSION:

In an effort to continue to improve the delivery of services to our patrons and the overall agency, MTS commissioned APTA to conduct an organizational review of the Transit Enforcement Department. The purpose of this study was to identify areas where the Department can improve its core business practices. This was an ideal time to perform the review, because of the Mid-Coast Extension of the light rail system and because MTS is currently seeking proposals for a new Security contract. The purpose of this study was to identify areas where the Transit Enforcement Department can improve its core business practices, and to help incorporate any recommendations as needed in the final security contract.

MTS utilized APTA in conducting this review, because MTS's unique transit enforcement model requires very specific transit industry and law enforcement knowledge. APTA conducts public safety and enforcement peer reviews for public transportation agencies throughout the United States. The APTA Peer Review Panel convened at MTS from October 27-30, 2020 to observe operations, conduct interviews and review pertinent documents (training, discipline, policies, etc.). At the conclusion of the review, APTA provided an overall evaluation of the Transit Enforcement Department as well as a report with their overall findings and recommendations (Attachment A).



Staff met with the Ad Hoc Steering Committee on February 3, 2021 to review the report and discuss potential timeline options for the provided suggestions and recommendations included within the report. Staff will provide a presentation to the Board summarizing the report findings. Next steps will include meeting with the MTS Public Security Committee to further refine and discuss the implementation of the report recommendations.

/s/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. APTA Security Peer Review Report



AMERICAN PUBLIC TRANSPORTATION ASSOCIATION

PEER REVIEW REPORT

1300 I Street, NW, Suite 1200 East, Washington, DC 20005
Paul P. Skoutelas, president and CEO

FINDINGS OF THE APTA PEER REVIEW PANEL ON

SECURITY AND ENFORCEMENT SYSTEM AND PRACTICES

PROVIDED AT

THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OCTOBER 2020
SAN DIEGO

Executive Summary: The APTA Peer Review Panel was convened at the request of Sharon Cooney, CEO, San Diego Metropolitan Transit System (MTS), to assist the organization in evaluating the MTS security and enforcement system. To advise MTS, the Public Security Committee created a Steering Committee on Sept. 24. The APTA peer reviewers met with the Steering Committee prior to their site visit Oct. 27–30. The observations and recommendations provided through this peer review are offered as an industry resource to be considered by MTS in support of strengthening the organization’s security and enforcement practices.



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Introduction

The APTA peer review process is well-established as a valuable resource to the public transit industry. Highly experienced and respected professionals voluntarily provide their time and expertise to address the scope required by the requesting transit system.

An APTA Peer Review Panel was convened at the request of Sharon Cooney, CEO of San Diego Metropolitan Transit System. This panel of industry experts, composed of senior executive professionals from within the public transit industry, was assembled to provide advice, guidance, benchmarking and best practices to assist MTS in reviewing its security and enforcement system and practices. The peer review panel visited the site Oct. 27–30, 2020.

The panel consisted of the following individuals:



BILLIE “BJ” JOHNSON

Director of Safety and Emergency Management
RTA, New Orleans



MARLA BLAGG

Executive Director of Safety and Security
Tri-County Metropolitan Transportation, Portland, Oregon



STEVE BERRY

General Manager of System Safety, Security & Emergency Management
Metro, St. Louis



POLLY HANSON

Senior Director of Security, Risk, and Emergency Management
American Public Transportation Association

Peer review panel biographies

Billie “BJ” Johnson

BJ Johnson, MPA, ACE, WSO-CSSD, TSSP, PTSCTP, is the director of Safety and Emergency Management for Regional Transit Authority in New Orleans. Johnson began her tenure with RTA in March 2020. She works alongside the director of System Security and Emergency Preparedness and often works across various departments within RTA. Prior to joining RTA, Johnson was security manager for Charlotte Area Transit System in North Carolina. She began her tenure with CATS in December 2014 and led all transit security operations, which includes the daily security of the transit system’s LYNX Blue Line light rail service; bus network; City LYNX Gold Line streetcar service; and various transit centers, park-and-rides and other facilities. Johnson also oversaw parking, lease spaces, credentialing, CCTV, locks and keyways, the CATS Company police contract, and CATS’s partnerships with the Charlotte Mecklenburg Police Department, Mecklenburg County Sheriff’s Office and University of North Carolina Charlotte Police Department. Johnson holds several law enforcement and safety certifications and is a certified emergency medical technician. She holds a bachelor of science from Western Carolina University.

Marla L. Blagg

Marla Blagg is executive director of Safety and Security at Tri-County Metropolitan Transportation District of Oregon (TriMet). TriMet provides bus, light rail, paratransit and commuter rail transit services in the three-county metropolitan region. Blagg leads the safety, security, drug and alcohol, environmental health, and emergency management programs. Her most recent accomplishments include developing, rebranding and expanding TriMet’s fare and code compliance programs; creating an unarmed security and familiarization training program for new and existing contract employees; and restructuring an established police department to include developing and implementing innovative programs to reimagine public safety. Blagg came to TriMet from the Bay Area Rapid Transit, where she was the emergency manager. Blagg is a seasoned emergency manager and responder who has created and directed emergency management, operations and training programs across law enforcement, fire, public health and transit for nearly 20 years in Alameda County, California. She is a member of APTA’s Security Emergency Management Standards Working Group and Security Affairs Committee, and for the past eight years has served as an adjunct professor for the Infrastructure Training & Safety Institute at Texas A&M University’s Texas Engineering Extension Service.

Steve Berry

Steve Berry, general manager of System Safety, Security & Emergency Management at Metro in St. Louis, is responsible for the strategic direction of the agency’s system safety, security, emergency management, training, drug and alcohol, and operational intelligence management programs. Berry is responsible for agency compliance with the FTA and Department of Transportation State Safety Oversight for Missouri and Illinois. He directs systems effort for all modes: rail, bus, paratransit, trolley, fleet, riverboat, National Park Service and the St. Louis Arch; transportation networks; contracted transit services; CCTV; dispatch; infrastructure; special events; simulation training; real-time crime center; unmanned aerial vehicles; passenger/staff screening; and operational safety. Berry reports to the Bi-State Metro president and executive officer and provides technical expertise on performance and trend analytics, performs compliance assurance audits, and provides detailed options for key operational safety and security metrics. Berry manages public safety budget development and strengthens the 285 members of the safety, security, and compliance transit team. Berry builds rapport within agency stakeholders, labor, administration and outside public safety professionals (TSA, DHS, Fusion Center, local law enforcement). He has built service contracts and deployment approaches for contracted law enforcement, security, fare compliance and federal resources.

Polly Hanson

Polly Hanson is senior director of Security, Risk and Emergency Management for the American Public Transportation Association. Hanson coordinates with stakeholders to develop transit security, risk and emergency management standards and policies. She performs peer reviews and assists with safety audits and serves as an advocate for transportation security, as well as a source matter expert on transit security, risk and emergency management issues and concerns. Previously Hanson was chief of police for AMTRAK, where she led a department responsible for protecting over 30 million passengers and 20,000 employees. Prior to Amtrak, Hanson was a career SES 1811 serving as director of the Office of Law Enforcement and Security for the Department of the Interior. At the Metropolitan Police Department in Washington D.C., she was executive director, Strategic Services Bureau, whereas a civilian assistant chief she oversaw the development of policy and procedures, tactical crime analysis and research, strategic planning, and applicant and promotional testing. Hanson began her career at the Washington Metropolitan Area Transit Authority, where she progressed through the ranks. As the chief of the Metro Transit Police, she led a tri-state department covering 1,500 square miles and oversaw a budget of \$50 million, with 553 personnel. Hanson led the response to the terrorist attacks in Madrid and London, helped create public awareness campaigns, and was an original member of the Peer Advisory Group for the TSA administrator. Hanson received her master's degree in applied behavioral science from Johns Hopkins and her bachelor's degree in communications from Temple University. She is a member of the Operation Lifesaver board of directors and the vice chair of the TSA Surface Transportation Security Advisory Committee.

FINDINGS OF THE APTA PEER REVIEW PANEL

Security and Enforcement System and Practices Provided at the San Diego Metropolitan Transit System

1. Methodology

The APTA peer review process is well-established as a valuable resource to the public transit industry. The process includes highly experienced and respected professionals who voluntarily provide their time and support to address the scope required to help the transit system and the industry as a whole.

The panel conducts its peer review through documentation review, field observations and a series of briefings, listening sessions and interviews of the requesting transit agency's staff.

The peer review concludes with a caucus among the peer review team to draw out the opinions of the team members and define a consensus summation of observations taken and their professional judgment as to where areas of improvement could be attained. This information is then presented to the requesting agency in an exit conference and followed by a report, if so desired by the requesting agency. There are no expectations expressed or implied that the requesting agency take any action to satisfy the opinions of the peer review team or to engage any members of the team in any follow-up activities that the requesting agency may want to undertake as a result of the review. The information provided by the peer review team is consensus-based and transferred to the requesting agency as a work product that the transit agency holds all rights to under the terms of the peer review agreement.

2. Scope of the report

The APTA Peer Review Panel was convened at the request of Sharon Cooney, CEO, San Diego Metropolitan Transit System, to assist the organization in evaluating the MTS security and enforcement system. In its request letter (see Appendix A), MTS indicated an interest in the following areas. These served as a guide to the review, but additional and related areas were covered as the panel went through the peer review. MTS requested that the peer review evaluate the MTS security and enforcement system and practices compared with other similar-sized public transportation systems. This review would analyze the following:

- Effectiveness of MTS code compliance inspectors (CCIs) and contract security structure to accomplish the goals of the department, and whether there is a need for a sworn law enforcement contingent
- Fare inspection practices
- CCI training
- The overall “organizational climate” of the Transit Enforcement Department, with an emphasis on identifying any biases
- The handling of personnel issues and employee discipline practices
- Standard operating procedures to include:
 - use of force
 - supervision

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- staffing
- training
- enforcement tactics and procedures
- rules of conduct
- MTS transit enforcement video retention policies

2.1 Interviews and field visits

The MTS staff gave the peer review panel access to several locations to observe processes, which are included in Appendix B.

The APTA peer review panel also met extensively with MTS staff, including the following:

- CEO Sharon Cooney
- Deputy director Tim Curran
- Director of marketing Rob Schupp
- Field operations manager Scott Ybarrondo
- General counsel Karen Landers
- Staff attorney Samantha Leslie
- Records manager Rachelle Dziubczynski
- Training sergeant Yohaney Adiboye
- Systems security manager Jeremiah Johnson

2.2 Primary area of focus

Based on the panel's observations and assessments from these interviews and field visits, this report focuses on the following areas:

- video retention
- diversion program
- records retention
- use of force
- training
- fare inspection practices
- enforcement tactics and procedures
- interactions with homeless people

3. Opening comments

MTS is the public transit service provider for central, south, northeast and southeast San Diego County. Average daily ridership among all public transit services provided by MTS was 282,300 in the fourth quarter of 2019, and it saw an annual ridership of 86,554,400 in 2019.

The Metropolitan Transit Development Board (MTDB) was created in 1975 by the passage of California Senate Bill 101 and came into existence on Jan. 1, 1976. In 1984, Senate Bill 1736 expanded the MTD board of directors from eight to 15 members. In 2002, Senate Bill 1703 merged MTDB's long-range planning, financial programming, project development and construction functions into the regional metropolitan planning organization the San Diego Association of Governments (SANDAG). In 2005, MTDB changed its name to the Metropolitan Transit System.

MTS owns the San Diego Trolley Inc., San Diego Transit Corporation, and the San Diego & Arizona Eastern Railway Company, which owns 108 miles of track and right-of-way.

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MTS provides bus and rail services directly or by contract with private operators. It coordinates all its services and determines the routing, stops, frequencies and hours of operation.

The MTS security performance goals for FY 2020 were to achieve a favorable transit expense budget variance, maintain a fare evasion rate below 3% of local trolley ridership, increase public awareness of security contacts, partner with Marketing to inform the public through community outreach, increase signage and public awareness campaigns, and reduce the number of non-complaint arrests through de-escalation training.

In the past three years, the Transit Enforcement Department has added nearly 30 CCI positions, increasing MTS security and enforcement capabilities significantly throughout the system, while reducing the contracted security officer positions by 50 personnel. The department also formed a beat system, dividing the trolley system into four sectors with each containing three to five beats.

4. Observations and recommendations

4.1 Effectiveness of CCIs and security contract structure

Observations:

1. The panel commends how CCIs and contract guard staff represent the community they serve in terms of demographics and geography. Sixty-seven percent of the MTS security staff, both code compliance inspectors and contracted security officers combined, live in ZIP codes 91911, 92173, 92113, 91977, 92114, 92154, 91910, 92115, 91932, 92105, 91950, 91913 and 92101, which reflects trolley ridership. Racial diversity among code compliance inspectors was 57% Hispanic, 18% White, 13% Black, 11% Asian and 1% other. Twelve percent of the CCIs are female and 88% male. Fifty-five percent of the CCIs are bilingual, with 30 speaking Spanish, two speaking Tagalog and one speaking Vietnamese. The contracted security staff is 59% Hispanic, 20% Black, 14% White, 5% Asian, 1% Native American and 1% other. The contract security guards are 17% female and 83% male. Fifty-six percent of the contracted security staff are bilingual; 76 speak Spanish and one speaks French.
2. The panel commends the CCIs for their contributions to a fare evasion rate of 2.86% for FY 2020. In the March 29, 2019, Trolley Safety and Security Survey, 87.6% of respondents said they felt comfortable when transit security does fare checks.
3. The panel commends the CCIs for their contributions to safety and security. In the MTS 2019 Customer Satisfaction Survey, the satisfaction rate for security onboard the trolley was 76% to 80%, with the exception of respondents over 50, who scored them 69%. Safety at bus stops had a satisfaction score of 86% for respondents 35–49, and for those 19–24 it was 81%. Satisfaction with safety while riding a bus was 89%. Over 82% of respondents indicated that the presence of security made them feel safer, and 53% said there was enough security onboard the trolley. Nearly one in four riders wanted to see more transit security on the system. According to the March 2019 Trolley Safety and Security Survey, Public Safety Committee report, 60% of MTS riders indicated that safety and security was a concern for them.
4. The panel commends the CCIs for their professional demeanor in dealing with customers. Data from the March 29, 2019, Trolley Safety and Security Survey indicated that 77% of respondents said transit security is courteous and professional. Overall, MTS Trolley passengers indicate that they experience MTS security personnel as professional. In the Support Service Fiscal Year 2020 June report, only 5% of all CRM customer cases concerned security.
5. The panel commends the CCIs for their knowledge, skills and abilities. When observed in the field by the APTA Peer Review Panel, the CCIs displayed a quality performance, a proficiency as they rode trolleys and inspected fares, and an aptitude at customer service in a transit environment.
6. The panel commends the CCIs for their bus liaison and engagement role. The panel was told that a CCI works closely with bus managers to resolve bus shelter cleanliness and other disorder issues. The

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bus manager and operator interviewed expressed satisfaction with this engagement. However, CCIs in plainclothes riding buses for fare evasion and disorderly passengers was requested.

7. While many of the contract security guards join the ranks of the CCIs, the contract security guard turnover was reported to be high. Staff turnover is costly, can impact morale, and could impact customer service and knowledge skills and abilities. Interestingly, the panel was advised that many contract security guards have joined the ranks of the CCIs, which has been seen by MTS security management staff as a benefit due to the caliber of contract security guards who make that transition.
8. The panel commends the MTS Transit Enforcement Division for their strong relationship with local law enforcement agencies. Two of the MTS Enforcement Division managers have prior law enforcement experience, as does the records manager.

Recommendations:

1. MTS should consider enhancing the Transit Enforcement Division's ability to collect crime-related data, on all modes of transportation and on all MTS property, so resources can be efficiently deployed and passengers and employees can be educated on crime prevention.
2. The panel suggests that consideration be given to having access to a sworn law enforcement liaison officer within the MTS Transit Enforcement Division, which would aid with gaps in access to restricted criminal justice information.
3. If MTS were to determine the need for dedicated law enforcement, the panel suggests that MTS consider personnel within the CCI ranks for conversion to a dedicated law enforcement team, considering their training and professionalism, knowledge of the transit environment and customer service skills.
4. The panel suggests that any contract security guard onboarding within MTS interface with the CCIs and focus on MTS transit functions rather than just enforcement functions. This would enhance team-building between CCIs and the contract guards, and encourage buy-in to the MTS organization and a transit-oriented customer focus.
5. The panel recommends that MTS consider piloting an expanded ambassador program to deploy personnel not just for special events, but to provide increased MTS staff visibility and customer service. The ambassadors could be outfitted in a distinct uniform, different from the CCIs and contract security guards; respond to customers' requests for information; address concerns and answer questions; address safety and security issues; be trained in de-escalation; and observe, report and call for a contract guard or CCI when enforcement is needed.
6. The panel encourages the active engagement of a riders advisory committee who are informed on issues so they may give advice to MTS on all topics, not just bond/ballot issues. It is suggested that the committee have a charter with clear expectations and membership outlined.
7. The panel suggests that consideration be given to the development of verbiage in the upcoming security contract RFP to allow flexibility of staffing for unknown events or incidents. The panel also urges MTS to examine the contract guard vacancy rate and develop retention strategies when developing the RFP for the new contract.
8. The panel recommends, in consideration of the CCI uniform change, that MTS should consider evaluating the titles of CCI civilian managers/supervisors to ensure that they align with the shift from a paramilitary, law enforcement appearance and structure.
9. The panel recommends that the MTS Transit Enforcement Department look to enhance crime data collection on trolleys, buses and facilities so information can be "heat-mapped" and shared with the CCIs, contract guards, employees and the public.
10. The panel suggests that consideration be given to piloting a new deployment strategy of pairing two CCIs for fare enforcement activities and deploying the contract guards at highly visible locations—e.g., trolley platforms, transfer points stations and multimodal facilities. The deployment of the contract guards would be based on crime data, customer and employee complaints, biohazards, and maintenance and cleaning data.

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4.2 Fare inspection practices

Observations:

1. The panel observed the effectiveness of the electronic fare media device in real time when the APTA Peer Review Panel was out on the trolley system with the CCIs and observed the use of the device during fare inspections.
2. The MTS Security Performance Goals for FY 2020 were to achieve a favorable transit expense budget variance and to maintain a fare evasion rate below 3% of local trolley ridership. The panel was advised that the fare evasion rate was below 3% of trolley ridership.

Recommendations:

1. The panel suggests that MTS reconsider the use of 100% fare inspection of a trolley car consist to ensure that all passengers are contacted, inspecting proof of payment in a standardized method designed to prevent and reduce the appearance of bias.
2. The panel recommends that fare zone markings be evaluated for enhancement to ensure that all riders are aware of the need to pay the fare, the consequences of nonpayment and exactly where the fare-paid area is. Fare zone striping could be installed at each trolley, with additional signs and clearly marked “fare zones” helping to raise passenger awareness of the rules of riding as well as more strongly delineating the enforcement area.



3. The panel urges MTS to engage with local law enforcement to address overall response time to requests for police service and to continue to encourage those enduring partnerships, which should be maintained, as Part I crimes are best resolved through partnered efforts with law enforcement.
4. The panel suggests that MTS consider a community education program about fare compliance so the community understands how and why they might get checked on one ride but not another, and to ensure customers understand that the inspection of proof of payment is a standardized process designed to prevent bias.
5. The panel suggests that MTS examine a fare media sales program through social service agencies or other partnerships intended to enable low-income residents to use public transit without fear of being criminally penalized because of their level of resources.
6. The panel suggests that giving warnings and allowing passengers to step off and buy a fare may have an adverse effect on those who pay. The “risk-takers” may take the risk because they simply suffer an

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inconvenience when they have to go to a machine and purchase a fare. This dimension of the new program may see an unintended consequence of rising fare evasion rates.

Bus fare inspection practices

Recommendations:

1. The panel suggests that bus operations designate a farebox key for fare evasion and ensure that bus operators are encouraged to use it for data collection in order to deploy CCIs to fare-inspect and relieve operators from having to state the fare or becoming involved in fare disputes.
2. While trolley fare evasion had been relatively low pre-COVID, the panel heard conflicting information regarding bus fare evasion data. The utilization of the bus farebox could be addressed with a simple campaign that focuses on the MTS fare payment policies. The panel was advised that operators had access to a short fare button. Data on bus fare evasion could be obtained through the use of a selected button on the farebox and the CCIs deployed to bus routes experiencing fare evasion, increasing safety, security and revenue.

Diversion program and other alternative options

Recommendations:

1. The panel suggests that MTS examine the return on investment of recovery funds from the citation program. While the program is new, from recent data and reports, it appears that few fare evaders take advantage of the program and that CCIs are reporting that individuals are learning that they won't be cited and have not been complying with requests for compliance.
2. The panel urges MTS to reexamine the design of the diversion program, as outcomes may not meet the intended goals. It was articulated that one of the goals was to reduce adverse impacts of fare evasion enforcement on the homeless population. From interviews it was anecdotally shared that many of the homeless community stopped for fare evasion are electing to receive citations that go unpaid and then result in the adding of additional fines when they don't appear in court or pay the fine. It appears that a goal is to secure and protect a rider's access to transit and increase opportunities for valid payment of fares, turning riders who cannot pay fares into paying riders, while acknowledging and addressing the barriers that affordability and enforcement actions can present to some, especially individuals experiencing poverty and housing instability.
3. The panel suggests that MTS consider an administrative citation process with no court involvement, as that is where the fines are imposed. Another alternative could be based on efforts taken by the New Jersey Transit Police Department, which works with the courts to vacate fines so homeless people can receive services when they have outstanding fines.
4. The panel suggests that giving warnings and allowing passengers to step off and buy a fare may have an adverse effect on those who pay. The "risk-takers" may take the risk because they simply suffer an inconvenience when they have to go to a machine and purchase a fare. This dimension of the new program may see an unintended consequence of rising fare evasion rates.
5. The panel observed that the diversion program is helpful to first-time offenders, but chronic offenders may take advantage of the program.
6. The panel suggest that MTS explore other options for the diversion program, such as providers of community service that provide jobs or soft skills. The option of the food bank or homeless court provider may not appeal to everyone. Another consideration for the program is an opportunity to engage with MTS staff to learn about the agency and why it is important for people to pay their fares.
7. The panel suggests that the appeal request process be beta tested—i.e., have a staff member go through from beginning to end so MTS can be assured that there are no unintended consequences to impacted members of the community. Additionally, MTS may want to ensure that an employee participates in the community service options to determine ease and value.

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8. The panel suggests that MTS follow up on citation disposition to understand how many citations are successfully paid versus continue accruing fines.
9. The panel was not sure what metrics have been developed to measure the success of the diversion program and recommends that those are fully defined for all stakeholders.
10. The existing MTS Exclusion Policy should be formalized and written to be compliant with California trespassing laws or other statutes. The panel suggests that MTS staff meet with district attorneys and local law enforcement agency partners to discuss such an initiative and to gain buy-in for such a policy, which should include an appeal process to an official outside of the Traffic Enforcement Division. The Southwest Ohio Regional Transit Authority (SORTA) Metro took such an approach to improving security. SORTA's security staff worked with the Hamilton County (Ohio) court system to use legal means to ban passengers when their behavior progresses from unruly to dangerous or threatening. The initial decision to ban problem passengers was made to improve employee security, enhance the customer experience and increase overall efficiency. Unlike many security enhancements, SORTA found that the cost to ban passengers was low but the benefits to safety and security were immeasurable.

Technology enhancements

Recommendations:

1. The panel did observe dispatchers at work. The panel suggests that consideration be given to creating a dashboard that would allow dispatchers to advise CCIs if/when TVM machines are inoperative and their locations.
2. The use of a technology solution for fare enforcement including electronic citations and a records management system was suggested for examination by the panel. The panel recommends that MTS conduct a staffing assessment or audit of program roles and functions, as it may be on the high side administratively, and labor resources could be realigned if a technology solution is developed. The technology solution could also permit CCIs to determine if an individual is a frequent fare evader and how to progress him or her through a citation or exclusion process. It appeared to the panel that the citation and code of conduct databases do not communicate, and the panel suggests that MTS consider this as another option for an enterprise solution.
3. The panel urges MTS to use technology to enable CCIs to track how many times people step off a trolley to purchase fares and develop guidance on the eligibility for the diversion program based on recurring fare evasion.

4.3 Code compliance inspectors training

Observations:

1. The Transit Enforcement Division managers and training staff were proud of the training they conduct and the enhancements they plan to undertake to the training curriculum.

Recommendations:

1. The CCIs and contract security officers should train together more. This joint training would serve to promote esprit de corps, respect, strong regard and morale to ensure that the two groups continue to successfully work together.
2. The panel suggest many topics for consideration: enhanced customer service, de-escalation, mental health first aid, cultural competency, unconscious bias, ADA, OSHA and blood-borne pathogens.
3. The panel suggests that the Transit Enforcement Division consider continued partnership with TSA for First Observer Plus, I-STEP and EXIS training opportunities.
4. Additional training for the training staff is also recommended. This training could be obtained through POST, DOT/TSI or FEMA. Also, consideration should be given to ensure that all trainers are familiar with other operational training staff and how to develop training for adult learners.

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5. The panel suggests that the current ROW training be refreshed in partnership with the Safety Department and that CCI's partner with Operation Lifesaver for the safety awareness campaigns it provides to discourage trespassing on trolley tracks.

4.4 Organizational climate of Transit Enforcement Department

Observations:

1. Due to the length of the review and the number of interviews of MTS staff performed, the panel had time to meet with only a small representation of the MTS security program.
2. The panel observed the workforce to be professional, collaborative, structured and mission oriented.
3. When directly asked about bias by the panel, personnel stated that they did not believe bias occurred and that they thought there was equity and parity; however, perception by the larger workforce may be different.

Recommendations:

1. The panel suggests that MTS consider conducting an attitude and awareness survey. Understanding bias in the workplace is the first step to managing it, exploring unconscious bias, learning about its impacts in the workplace, and using that knowledge to reduce the negative effects of bias.
2. The panel suggests that the Transit Enforcement Division staff should have a policy/procedure that provides the mechanism for a formal "open door" policy encouraging openness and transparency with all employees.
3. The panel suggests that an informal mechanism be created that encourages employees to share how they feel and ask questions, offer suggestions, and surface problems or concerns with management.
4. Information sharing can also be enhanced through the dashboard screen found in the "bullpen" or a newsletter.

4.5 Handling of personnel issues and employee discipline practices

Observations:

1. The discussion regarding disciplinary practices with the Transit Enforcement Division staff and the panel focused primarily on the use of force.
2. It appears that disciplinary practices follow a standard paramilitary chain-of-command structure.

Recommendations:

1. During an attitude and awareness survey, the panel suggests that the handling of personnel issues and employee discipline be covered as one of the many questions, which would allow employees an anonymous opportunity to express their experiences with personnel issues and the employee discipline process.

4.6 Standard operating procedures

Observations:

1. General orders are designed to ensure that personnel are informed of all department policies and procedures. Standard operating procedures are written guidelines that establish a standard course of action for a specific situation. The panel did a random sample audit review of the SOPs, which were reasonably current and based on law enforcement SOPs.

Recommendations:

1. The panel suggests that the SOPs be reviewed and edited based on the current processes and procedures in place.

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2. The panel suggests that MTS reevaluate its current effort and develop a formal policy regarding a rider exclusion program.
3. The panel suggests that, since the SOPs are written like law enforcement procedures, consideration be given to the utilization of plain language to align with the new structure the Transit Enforcement Division is seeking.
4. The panel suggests that a policy be developed or revised to reflect the formal expanded written video retention policy.

4.7 MTS transit enforcement video retention policies

Observations:

1. Currently MTS has no written or formalized video retention policy.
2. MTS currently utilizes reliable video technology (Apollo, Mobileye, IP based). The panel believes the software and hardware utilized is appropriate and delivering the desired outcome with independent servers, updated cameras, and links into a robust camera/dispatch center.

Recommendations:

1. The panel recommends that a formal video policy should be written and implemented.
2. The panel suggest that MTS consider a chain-of-custody and Security Sensitive Information policy and program that focuses on increasing the security of footage, its use and dissemination process. The SSI information should follow TSA recommended practices. The policy should also include procedures for body-cam video.
3. An email address such as MTSVideorequest@ mtsd.com could be created to document all received requests.
4. The panel suggests that consideration be given to the use of watermarks for the images being shared.
5. The panel recommends language for the request form such as “This video may contain SSI and is to be utilized for investigative purposes only. It cannot be shared or posted on social media. Your signature acknowledges that you understand and agree.”
6. The panel suggest that all requests that originate from an attorney be submitted to MTS Legal staff to ensure that MTS be kept abreast of such requests and its impacts should the video be released.
7. The panel recommends that all approvals and permissions for access to CCTVs and videos be outlined in the policy and that annual audits be performed to ensure compliance with the policy.
8. The panel suggests that the policy outline retention procedures, who may view and share videos, and the process for periodically reviewing that list to ensure that it remains up-to-date and valid.
9. The panel suggests that the policy include recommended practices regarding an audit of the video retention program, including successful adherence of policies and procedures and access to video by appropriate staff.
10. The panel recommends that MTS Legal staff survey other transit agencies for their best practices on retention time for CCTV storage and body-cam footage. The APTA Legal Affairs Committee would be a resource for this survey.
11. The panel urges MTS to conduct an inventory of the servers located on or near trolley platforms to ensure that these servers are adequately secured. The panel observed cabinets that were easily accessible to the public by climbing over a fence and by cutting locks on cabinet doors.

5. Other observations and recommendation

1. Effects of homelessness have an increasing impact on MTS’s services, rider perception of safety and the overall customer experience. In an effort to continue to improve the delivery of services to patrons and the overall agency, MTS is exploring new ways to partner to assist in addressing homelessness in San Diego County. Staff will provide a report on the impacts of people experiencing homelessness on

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the MTS system, research from other agencies on how to be part of a regional solution, current strategies and data, and potential next steps.

2. MTS staff and the APTA Peer Review Panel had a detailed discussion regarding interactions with the homeless, as well as customers who are experiencing mental health and drug addiction challenges. As MTS examines the impacts of the homeless services, perceptions of safety and the overall customer experience, the panel suggests that MTS consider public/private partnerships to assist with some of the impacts taking place in the transit system. The following agencies have been recommended as strong partners with transit agencies in other communities: Safe Place, Goodwill and The Salvation Army.
3. An assessment/review of mental health training (mental health first aid) or a look into taking advantage of free mental health training offered by the County of San Diego would be beneficial. The panel suggests that MTS consider partnering or engaging a social worker or clinician to evaluate any training developed and the effectiveness of any programs created to address the homeless population and those with mental health and addiction challenges. This evaluation also should examine alignment to industry best practices, as well as their application to MTS and the county.
4. The panel suggests that the MTS Transit Enforcement Division consider dedicating a member to coordinate the efforts to clean up bus shelters and other facilities and to partner with social service agencies, business improvement districts, and other public/private stakeholders and agencies to address the homeless population and those passengers with mental health and drug addiction challenges and to focus on other quality-of-life issues.
5. The panel suggests that MTS consider the use of general employees to enhance safety and security. The Sacramento Regional Transit District made great strides in reducing the level of crime, particularly violent crime, occurring within its transit system. A multifaceted approach was used to achieve these results. The plan consisted of increasing the level of SacRT staff participation in station ownership with the implementation of an Adopt-a-Station program. Most Adopt-a-Station programs involve volunteers from the community; however, the program implemented at SacRT focused on the involvement of the managers. Managers worked in conjunction with security and maintenance personnel to enhance the appearance of stations and improve safety and security for the ridership. Adopt-a-Station personnel were provided with a safety vest identifying them as a “SacRT Station Ambassador” with the tagline of “clean-safe-convenient” across the back and the SacRT logo on the front.

6. Concluding remarks

The observations and recommendations in this report are intended to assist the San Diego MTS in following industry best practices for reimagining its fare enforcement and security program. The Transit Enforcement Department is seeking ways to improve the delivery of services to its patrons and the MTS organization.

The peer review team thanks MTS for its candor and sincerity, its desire to be equitable in its delivery of public transportation, and to study and identify areas where the Transit Enforcement Department can improve its core business practices. The panel hopes the recommendations presented contribute positively to that success.

The panel sincerely appreciates the support and assistance extended throughout the entire peer review process by all MTS personnel. The panel stands available to assist with any clarification or subsequent support that may be needed and to support the new security director when he or she is appointed.

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Appendix A: Letter of request

1255 Imperial Avenue, Suite 1000
 San Diego, CA 92101
 Tel 619.231.1466 Fax 619.234.3407

Mr. Jeff Hiott, Vice President
 American Public Transportation Association
 1300 I Street, NW, Suite 1200 East Washington, DC 20005

RE: Peer Review Request - Analysis of the San Diego Metropolitan Transit System,
 Transit Enforcement Department's Core Business Practices

Dear Mr. Hiott:

To continue to improve the delivery of services to our patrons and the overall agency, the San Diego Metropolitan Transit System (MTS) would like to commission an organizational review of the Transit Enforcement Department. The MTS, Transit Enforcement Department would like to request the American Public Transportation Association (APTA) convene a review panel to perform a peer review of its core business practices.

The purpose of this review will be to identify areas where the Transit Enforcement Department can improve its core business practices. This is an ideal time to perform a review because of the Mid Coast Extension of the light rail system and because MTS is currently seeking proposals for a new Security contract. Additionally, it is anticipated this study would identify areas where the Transit Enforcement Department can improve its core business practices, and to help incorporate any recommendations as needed in the final security contract.

We would like the scope of the study to evaluate the MTS security and enforcement system and practices compared to other similar sized public transportation systems. This review would analyze:

- Effectiveness of MTS Code Compliance Inspectors (CCIs) and Contract Security structure to accomplish goals of the Department, and whether there is a need for a sworn law enforcement contingent
- The overall "organizational climate" of the Transit Enforcement Department, with an emphasis on identifying any biases.
- Fare inspection practices.
- The handling of personnel issues and employee discipline practices.
- MTS Transit Enforcement video retention policies
- Standard Operating Procedures to include, but not limited to:
 - Use of force
 - Supervision
 - Staffing
 - Training

FINDINGS OF THE APTA PEER REVIEW PANEL

- Enforcement tactics and procedures
- Rules of conduct
- CCI training

Proposed Review Process

The proposed review process would be to enter into contract with the APTA for its Transit Enforcement Department review because MTS's unique transit enforcement model requires very specific transit industry and law enforcement knowledge. Through discussions with yourself and your colleague, Polly Hanson, it was learned the process would consist of APTA assembling a team of law enforcement and security professionals with public transportation backgrounds to conduct a detailed assessment of the overall organizational climate of the Transit Enforcement Department.

It is envisioned that the assessment would include a one-week site visit (or virtual visit) to observe operations, to conduct interviews and to review pertinent documents (training, discipline, policies, etc.). Additionally, we would request the review team meet/ interview an ad-hoc committee made up of community stakeholders and transit users and collect their perceptions of MTS Transit Enforcement procedures and actions.

At the conclusion of the review, APTA would provide an overall evaluation of the Transit Enforcement Department and would provide a draft report with their overall findings and recommendations. Our expectation would be that the review would be within three months from award of the contract.

The point of contact for the review will be Tim Curran, Deputy Director of Transit Enforcement. He can be reached at (619) 595-4940 or Timothy.curran@sdmts.com.

Please feel free to contact me at (619) 557-4513.



Sincerely,
Sharon
Cooney,
Chief Executive Officer

Attachment: SDMTS Scope of Work

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



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.

FINDINGS OF THE APTA PEER REVIEW PANEL**Appendix B: Peer review agenda****APTA Review**

With the approval of the contract between APTA and the San Diego Metropolitan Transit System (SDMTS), copies of SDMTS Transit Enforcement Standard Operating Procedures, Memorandum of Agreement between the TEOA and SDMTS, Rules and Instructions for Employees, Code Compliance Inspector Training Manual and any other documents relating to the daily operations of the Transit Enforcement Department will be sent to the APTA Review Committee members.

Prior to their travel to San Diego, the APTA Review Committee will meet virtually with members of the Steering Committee as identified by the SDMTS Board of Directors. The meeting will be coordinated by a representative from the MTS Marketing Department, Deputy Director of Transit Enforcement, Tim Curran, and the SDMTS IT Department. The meeting will be scheduled to last approximately 90 minutes. This will give the Steering Committee an opportunity to advise the APTA Review Committee of their concerns, perceptions, and opinions of SDMTS Transit Enforcement/ Security's procedures, tactics, and capabilities.

Monday, October 26, 2020	<p>APTA Review Committee will travel to San Diego</p> <p>5:00pm Informal meet with panel at hotel or location in Gaslamp (Tim C, Scott Y)</p>
Tuesday, October 27, 2020	<p>Health Check (Sergeant Zambrano)</p> <p>8:00-9:00am Mills Building, 9th floor training room (intro and interviews)</p> <p>Introductions/ ID Cards (Tim, Jeremiah-IDs) CEO Sharon Cooney Deputy Director Tim Curran</p> <p>9:00-9:45am Director of Marketing Rob Schupp (Public Perception)</p> <p>9:45-10:00am Break</p> <p>10:00- 11:00am Deputy Director Tim Curran (overview of Transit Enforcement)</p> <p>1100am-12:00pm Field Operations Manager Scott Ybarrondo (field operations)</p> <p>12:00-1:15pm Lunch</p>

FINDINGS OF THE APTA PEER REVIEW PANEL

	<p>1:15-2:15pm General Counsel Karen Landers (MTS Legal Issues) (Video Retention)</p> <p>2:15-2:30pm Break</p> <p>2:30-3:30pm Samantha Leslie (MTS Legal) (Diversion Program)</p>
Wednesday, October 28, 2020	<p>Health Check (Sergeant Zambrano)</p> <p>8:00-9:00am Transit Enforcement Office (Interviews) Records Manager Rachelle Dziubczynski (records retention, eForce, etc.)</p> <p>9:00-10:00am Field Operations Manager Scott Ybarrondo Training Sergeant Yohaney Adiboye (training program)</p> <p>10:00-10:15am Break</p> <p>10:15am-12:00pm Field Operations Manager Scott Ybarrondo Systems Security Manager Jeremiah Johnson (use of force) (significant events videos)</p> <p>12:00-1:15pm Lunch</p> <p>1:15-3:30pm Field Trip (ride-along) (CCI Supervisors and FTOs) Fare Inspections Practices Enforcement Tactics and Procedures</p> <p>Homeless Interactions Mental Illness Under the Influence of Drugs and Alcohol Developmental Disabilities Medical Conditions Fear Anxiety Language Barriers Physical Limitations</p>

FINDINGS OF THE APTA PEER REVIEW PANEL

Thursday, October 29, 2020	<p>Health Check (Sergeant Zambrano)</p> <p>8:00-9:00am Mills Building, 9th floor training room (Interviews) Bus Driver (TBD), Train Operator (TBD) (Security Concerns and Observations)</p> <p>9:00-9:45am Amanda Denham (Director of Support Services) (Customer Relationship Management (complaints))</p> <p>9:45-10:00am Break</p> <p>10:00-11:00am Wayne Terry (COO Rail), security concerns for rail Mike Wygant (COO Bus), security concerns for bus</p> <p>12:00-1:15pm Lunch</p> <p>1:15-3:30pm APTA Review Committee meeting work time</p>
<u>Friday, October 30, 2020</u>	<p>Health Check (Sergeant Zambrano)</p> <p>8:00-10:00am APTA Review Debrief</p> <p>Sharon Cooney, CEO Tim Curran, Dep Director Scott Ybarrondo, Field Operations Manager Karen Landers, General Counsel (?)</p> <p>Samantha Leslie, SDMTS Lawyer (?) Rob Schupp</p> <p>10:00am Transportation to hotel/ airport</p>

FINDINGS OF THE APTA PEER REVIEW PANEL**Appendix C: Document list**

The following documents were made available to the peer review team:

1. SDMTS Transit Enforcement Standard Operating Procedures
2. Bi-Annual Customer Service Satisfaction Survey Final Report, June 2020
3. Transit Enforcement Sector Beat Map
4. Transit System Security Probationary Officer Dispatch Training Certification
5. MTS Security Performance Incentive Goals, Fiscal Year 2020
6. Transit System Security Basic Training Program
7. Trolley Safety & Security Survey, March 29, 2019
8. San Diego Metropolitan Transit System Daily Deployment, 10/26/2020
9. Schedule November 1, 2020 to March 6, 2021
10. CCI Monthly Performance Report, August 2020
11. Transit Enforcement 2020 Semi-Annual Security Report, January 1, 2020, through June 30, 2020
12. FY20 Customer Service Calls by Department
13. Transit Systems Security Probationary Officer Field Training Certification
14. Support Services Monthly Report, Fiscal Year 2020 June
15. Customer Service Case example Case ID 384372
16. San Diego Metropolitan Transit System Investigation Report, April 13, 2020
17. MTS Pilot Fare Evasion Diversion Program, SOP Sept. 1–Aug. 31, 2021
18. MTS Org Chart
19. Field Training Program Code Compliance Transit Enforcement Department San Diego Trolley, Inc. Training Outline, Revised 11/2019

APTA Peer Review Report



Board of Directors
February 11, 2021

Purpose of Peer Review

- Conduct an independent and objective review to identify areas where the Transit Enforcement Department can improve its core business practices
- Identify strengths and weaknesses of the Transit Enforcement Department
- Make recommendations to improve/correct deficiencies and to build on its strengths

Scope of Review

- Effectiveness of MTS CCIs and Contract Security structure
- Overall “organizational climate” of Department
- Fare inspection practices
- Handling of personnel issues/employee discipline practices
- Standard Operating Procedures
- Training

Review Process

- Contracted with the American Public Transportation Association (APTA)
 - Knowledge of transit industry and law enforcement
 - Experience conducting public safety and enforcement peer reviews
- APTA Peer Review Panel convened at MTS between October 27-30, 2020
 - Observed operations
 - Conducted interviews
 - Reviewed pertinent documents (training, discipline, policies, etc.)
 - Issued final Report
- Held 3 Ad Hoc Steering Committee Meetings
- Held 1 Community Advisory Committee Meeting

APTA Peer Review Panel

- Marla Blagg (TriMet, Portland)
 - Executive Director of Safety and Security
- Steve Berry (Metro, St. Louis)
 - General Manager of System Safety, Security & Emergency Management
- BJ Johnson (RTA, New Orleans)
 - Director of Safety and Emergency Management
- Polly Hanson (APTA)
 - Senior Director of Security, Risk, and Emergency Management



*APTA Peer Review Panelists on-site at MTS.
(Left to Right): Marla Blagg, Steve Berry,
BJ Johnson, Polly Hanson.*

Report Observations and Recommendations

- 4.1 - Effectiveness of Code Compliance Inspectors (CCIs) and security contract structure
- 4.2 - Fare inspection practices
- 4.3 - CCIs training
- 4.4 - Organizational climate of Transit Enforcement Department
- 4.5 - Handling of personnel issues and employee discipline practices
- 4.6 - Standard operating procedures
- 4.7 - MTS transit enforcement video retention policies
- 5 - Other observations and recommendations

4.1 Effectiveness of CCIs and Security Contract Structure

- Data-related Recommendations
- Resources-related Recommendations
- Operations-related Recommendations
- Community Participation Recommendations

4.1 Effectiveness of CCI and Security Contract Structure

- ***Data Recommendations – Ongoing***

- Currently using FBI data / internal crime data for tracking purposes
- Continue researching additional data collection methods to become more data driven

- ***Resources Recommendations – Ongoing***

- Continue exploring additional options for coordinating with law enforcement and other agencies

4.1 Effectiveness of CCIs and Security Contract Structure

- ***Operations Recommendations – Near-term***
 - Additional contract security training related to MTS transit functions
 - Evaluate titles of CCI managers/supervisors
 - Adjustments to deployment of CCIs and contracted security
- ***Community Participation Recommendations – Near-term***
 - Implementation of a rider advisory committee

4.2 Fare Inspection Practices

- Operations-related Recommendations
- Marketing-related Recommendations
- Partnership-related Recommendations
- Bus Fare Inspection Recommendations
- Diversion Program & Other Alternative Options Recommendations
- Technology Enhancement-related Recommendations

4.2 Fare Inspection Practices

- ***Operations Recommendations – Ongoing***

- All passengers on a trolley are fare checked to prevent bias
- Passengers are allowed to step off and buy a fare

- ***Partnership Recommendations – Ongoing***

- Evaluating partnerships with local law enforcement
- Evaluating fare media sales programs with social service agencies

4.2 Fare Inspection Practices

- ***Diversion Program Recommendations – Ongoing***
 - Evaluating feasibility of an administrative citation process
 - Evaluating if additional appeal request testing is required
 - Collecting data and further evaluating the diversion program
- ***Technology Enhancement Recommendations – Ongoing***
 - Current process in place for sharing data with Security dispatchers; evaluating process for any changes

4.2 Fare Inspection Practices

- ***Marketing Recommendations – Near-term / Mid-term***
 - Enhancement of fare zone markings
 - Community education program on fare compliance
- ***Bus Fare Inspection Recommendations – Mid-term***
 - Designating a farebox key for fare evasion to assist with data collection
- ***Technology Enhancement Recommendations – Long-term***
 - Use of electronic citations and records management system

4.3 Code Compliance Inspectors Training

- Training-related Recommendations

4.3 Code Compliance Inspectors Training

- ***Training Recommendations – Ongoing***
 - Continued joint training of CCIs and contracted security officers
 - Researching other recommended training opportunities
 - CCIs and contracted security officers are trained in Safety Department and Right-of-Way training courses

4.4 Organizational Climate of Transit Enforcement Department

- Organizational Climate-related Recommendations

4.4 Organizational Climate of Transit Enforcement Department

- ***Organizational Climate Recommendations – Ongoing***
 - Evaluating process adjustments for employee suggestions and feedback
- ***Organizational Climate Recommendations – Near-term***
 - Employee attitudes and awareness survey
 - Creation of a formal “open door” policy

4.5 Handling of Personnel Issues and Employee Discipline Practices

- Personnel Issues-related Recommendations

4.5 Handling of Personnel Issues and Employee Discipline Practices

- ***Personnel Issues Recommendations – Ongoing***
 - Employees ability to anonymously provide feedback on discipline process

4.6 Standard Operating Procedures

- SOP-related Recommendations

4.6 Standard Operating Procedures

- ***SOP Recommendations – Ongoing***
 - Reviewing and editing SOPs
 - Incorporating use of plain language in SOP review process
- ***SOP Recommendations – Near-term***
 - Development of a formal policy regarding a rider exclusion program

4.7 MTS Transit Enforcement Video Retention Policies

- SOP-related Recommendations
- Peer Research-related Recommendations
- Inventory-related Recommendations

4.7 MTS Transit Enforcement Video Retention Policies

- ***SOP Recommendations – Ongoing***

- Requests are submitted to MTS Legal staff for processing
- Developing a Video Retention Policy

- ***Peer Research Recommendations – Ongoing***

- Surveying other transit agencies for best practices related to video retention

- ***Inventory Recommendations – Ongoing***

- Evaluating current practices related to inventory and inspection of server cabinets

5. Other Observations and Recommendations

- ***Other Recommendations – Ongoing***

- Evaluating partnership with social worker or clinician to evaluate trainings created to address homeless, mental health and addiction challenges
- Evaluating option for a dedicated staff member to address quality-of-life issues

Next Steps

- Receive feedback from MTS Board of Directors
- Meet with Public Security Committee for further refinement of recommendations (3/11/2021)
- Continue work towards implementing recommendations

IN - MEETING PUBLIC COMMENT

Michelle Krug a member of the MTS Steering Committee, provided a live public comment for agenda item #45. Krug's statement will be reflected in the minutes.



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

Agenda Item No. 46

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

FREE TRANSFER CONSIDERATION (ROB SCHUPP)

INFORMATIONAL ONLY

Budget Impact

No budget impact.

DISCUSSION:

The San Diego Metropolitan Transit System (MTS), San Diego Association of Governments (SANDAG) and North County Transit District (NCTD) Board Members have received a letter from Circulate San Diego, a local mobility advocacy group, to consider reinstituting a free transfer policy for public transportation riders throughout the San Diego County region. At the January 21, 2021 meeting of the MTS Board of Directors, staff was directed to conduct a fare revenue impact study of a free transfer policy and provide a report to the board at its February 11, 2021 meeting. The results of the study will allow the Board of Directors to provide more guidance regarding potential fare policy changes needed for the implementation of PRONTO, the new regional fare collection system.

MTS has hired Hatch/LTK to conduct the revenue impact study. The results of that study will not be available until the week of February 8. In addition to reporting the results of the study, staff will present an analysis of transfer policies at peer agencies, a history of transfer policy in the region, and an overview of how free transfers would work in the PRONTO system.

/s/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com



Free Transfers Consideration

Presentation Pending

Board of Directors
February 11, 2021



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

Agenda Item No. 47

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BOARD OF DIRECTORS

February 11, 2021

SUBJECT:

OPERATIONS BUDGET STATUS REPORT FOR DECEMBER 2020 (GORDON MEYER)

INFORMATIONAL ONLY

Budget Impact

None at this time.

DISCUSSION:

This report summarizes the year-to-date operating results for December 2020 compared to the fiscal year (FY) 2021 budget for the San Diego Metropolitan Transit System (MTS). The FY21 budget includes the projected impacts from the COVID-19 pandemic; therefore, variances are between actuals and the FY21 budget, inclusive of projected impacts from the pandemic. Attachment A-1 combines the operations', administrations' and other activities' results for December 2020. Attachment A-2 details the December 2020 combined operations' results and Attachments A-3 to A-7 present budget comparisons for each MTS operation. Attachment A-8 details budget comparisons for MTS Administration, and Attachment A-9 provides December 2020 results for MTS's other activities (Taxicab/San Diego and Arizona Eastern Railway Company).

MTS NET-OPERATING SUBSIDY RESULTS

As indicated within Attachment A-1, for the year-to-date period ending December 2020, MTS's net-operating income favorable variance totaled \$16,366,000 (11.6%). Operations produced a \$13,409,000 (9.5%) favorable variance and the administrative/other activities areas were favorable by \$2,957,000.



MTS COMBINED RESULTS

Operating Revenues. Year-to-date combined revenues through December 2020 were \$31,366,000 compared to the year-to-date budget of \$29,710,000, representing a \$1,656,000 (5.6%) favorable variance. Year-to-date passenger revenue is favorable \$619,000 (2.8%) through December. Passenger revenue was down \$25,389,000 (-52.9%) versus last year. The FY21 budget assumes steady growth every month through the end of the fiscal year and passenger revenue has remained at approximately 47% of baseline levels in the first six months of the fiscal year. Given recent trends, staff are forecasting passenger levels to remain at their current levels through the remainder of the fiscal year, which would result in an increasing unfavorable variance in future months where the budget assumes steady growth.

Other operating revenue was favorable by \$1,037,000 (13.4%), primarily due to higher than projected energy credit revenue and rental income. These favorable variances were partially offset by unfavorable advertising revenues which have been negatively impacted by the pandemic.

Operating Expenses. Year-to-date combined expenses through December 2020 were \$155,533,000 compared to the budget of \$170,243,000, resulting in a \$14,710,000 (8.6%) favorable variance.

Personnel Costs. Year-to-date personnel-related costs totaled \$76,812,000, compared to a budgetary figure of \$83,706,000, producing a favorable variance of \$6,894,000 (8.2%). This is primarily due to favorable bus and trolley operator wages as well as favorable pension costs for San Diego Transit Corporation (SDTC). Operator wages are favorable due to service levels being lower than planned in the original budget. SDTC pension costs are favorable because the original budget included \$15,000,000 in additional pension contributions to account for decreased investment returns as a result of the COVID pandemic in the SDTC self-funded pension plan. However, MTS received an actuarial evaluation that estimated the additional contribution at \$7,800,000, resulting in a significantly favorable variance versus the budget.

Outside Services and Purchased Transportation. Total outside services through six months of the fiscal year totaled \$50,585,000, compared to a budget of \$56,703,000, resulting in a favorable variance of \$6,118,000 (10.8%). This is primarily due to favorable purchased transportation costs for paratransit and fixed route services. The FY21 budget assumed a return to original service levels, and paratransit service levels are currently down 68% from baseline, resulting in favorable expenses. Fixed route purchased transportation costs are favorable due to lower service levels compared to the original budget.

Materials and Supplies. Total year-to-date materials and supplies expenses were \$6,921,000, compared to a budgetary figure of \$6,755,000, resulting in an unfavorable variance of \$166,000 (-2.5%). This is primarily due to unfavorable revenue vehicle parts within the directly operated bus division.

Energy. Total year-to-date energy costs were \$16,479,000, compared to the budget of \$17,331,000, resulting in a favorable variance of \$853,000 (4.9%). This is primarily due to favorable CNG, propane, diesel, and gasoline expenses; partially offset by unfavorable electricity costs due to higher consumption than budgeted. Risk

Management. Total year-to-date expenses for risk management were \$2,170,000 compared to the budget of \$2,281,000, resulting in a favorable variance totaling \$110,000 (4.8%).

General and Administrative. The year-to-date general and administrative costs were \$1,993,000 through December 2020, compared to a budget of \$2,815,000, resulting in a favorable variance of \$822,000 (29.2%). This is primarily due to favorable credit card fees, fare system materials, and travel expenses.

Vehicle and Facility Leases. The year-to-date vehicle and facilities leases costs were \$572,000 compared to the budget of \$652,000, resulting in an \$80,000 (12.3%) favorable variance.

YEAR-TO-DATE SUMMARY

The December 2020, year-to-date net-operating income totaled a favorable variance of \$16,366,000 (11.6%). These factors include favorable variances in passenger revenue, other operating revenue, personnel, outside services, energy, risk management, general and administrative, and vehicle and facility leases; partially offset by unfavorable variances in materials and supplies.

The FY21 original budget incorporates \$102 million in Coronavirus Aid, Relief, and Economic Security (CARES) Act funding for lost revenue and increased expenses. Updated forecasts reflect an approximately \$68 million need for these one-time funds in FY21. This one-time funding need change is reflected in this report as favorable net-operating income on a year to date basis. These reduced needs of CARES Act funds in FY21 will be available in FY22 and beyond.

/s/ Sharon Cooney
Sharon Cooney
Chief Executive Officer

Key Staff Contact: Julia Tuer, 619.557.4515, Julia.Tuer@sdmts.com

Attachment: A. Comparison to Budget

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

MTS

Att. A, AI 47, 02/11/2021

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2021

DECEMBER 31, 2020

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 22,601	\$ 21,982	\$ 619	2.8%
Other Revenue	8,765	7,728	1,037	13.4%
Total Operating Revenue	\$ 31,366	\$ 29,710	\$ 1,656	5.6%
Personnel costs	\$ 76,812	\$ 83,706	\$ 6,894	8.2%
Outside services	50,585	56,703	6,118	10.8%
Materials and supplies	6,921	6,755	(166)	-2.5%
Energy	16,479	17,331	853	4.9%
Risk management	2,170	2,281	110	4.8%
General & administrative	1,993	2,815	822	29.2%
Vehicle/facility leases	572	652	80	12.3%
Administrative Allocation	0	(0)	(0)	0.0%
Total Operating Expenses	\$ 155,533	\$ 170,243	\$ 14,710	8.6%
Operating Income (Loss)	\$ (124,166)	\$ (140,533)	\$ 16,366	11.6%
Total Non-Operating Activities	(131)	261	(393)	-150.3%
Income (Loss) before Capital Contributions	\$ (124,298)	\$ (140,271)	\$ 15,973	-11.4%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**OPERATIONS
CONSOLIDATED**

Att. A, AI 47, 02/11/2021

**COMPARISON TO BUDGET - FISCAL YEAR 2021
DECEMBER 31, 2020
(in \$000's)**

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 22,601	\$ 21,982	\$ 619	2.8%
Other Revenue	145	140	4	3.1%
Total Operating Revenue	\$ 22,745	\$ 22,123	\$ 623	2.8%
Personnel costs	\$ 64,880	\$ 71,251	\$ 6,371	8.9%
Outside services	42,674	48,203	5,529	11.5%
Materials and supplies	6,899	6,746	(153)	-2.3%
Energy	16,037	16,878	841	5.0%
Risk management	1,785	1,937	151	7.8%
General & administrative	465	417	(48)	-11.4%
Vehicle/facility leases	449	544	95	17.5%
Administrative Allocation	17,039	17,039	0	0.0%
Total Operating Expenses	\$ 150,228	\$ 163,014	\$ 12,786	7.8%
Operating Income (Loss)	\$ (127,483)	\$ (140,892)	\$ 13,409	9.5%
Total Non-Operating Activities	(131)	186	(317)	-170.8%
Income (Loss) before Capital Contributions	\$ (127,614)	\$ (140,706)	\$ 13,092	-9.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS Att. A, AI 47, 02/11/2021
BUS - DIRECTLY OPERATED (SAN DIEGO TRANSIT CORP.)
COMPARISON TO BUDGET - FISCAL YEAR 2021
DECEMBER 31, 2020
(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 6,421	\$ 4,756	\$ 1,665	35.0%
Other Revenue	-	4	(4)	-
Total Operating Revenue	\$ 6,421	\$ 4,759	\$ 1,662	34.9%
Personnel costs	\$ 43,964	\$ 49,303	\$ 5,340	10.8%
Outside services	837	882	45	5.1%
Materials and supplies	3,327	3,106	(221)	-7.1%
Energy	3,234	3,430	197	5.7%
Risk management	792	873	81	9.3%
General & administrative	231	193	(38)	-19.5%
Vehicle/facility leases	180	188	8	4.3%
Administrative Allocation	5,531	5,531	0	0.0%
Total Operating Expenses	\$ 58,095	\$ 63,507	\$ 5,412	8.5%
Operating Income (Loss)	\$ (51,674)	\$ (58,748)	\$ 7,073	12.0%
Total Non-Operating Activities	(236)	81	(317)	-390.3%
Income (Loss) before Capital Contributions	\$ (51,910)	\$ (58,666)	\$ 6,756	-11.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 47, 02/11/2021

RAIL (SAN DIEGO TROLLEY INC.)

COMPARISON TO BUDGET - FISCAL YEAR 2021

DECEMBER 31, 2020

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 9,570	\$ 10,920	\$ (1,350)	-12.4%
Other Revenue	145	136	8	5.9%
Total Operating Revenue	\$ 9,715	\$ 11,057	\$ (1,342)	-12.1%
Personnel costs	\$ 20,544	\$ 21,561	\$ 1,017	4.7%
Outside services	3,153	2,602	(551)	-21.2%
Materials and supplies	3,541	3,604	63	1.8%
Energy	9,239	8,895	(344)	-3.9%
Risk management	986	1,056	70	6.6%
General & administrative	231	216	(15)	-7.0%
Vehicle/facility leases	105	189	84	44.5%
Administrative Allocation	10,093	10,093	(0)	0.0%
Total Operating Expenses	\$ 47,892	\$ 48,217	\$ 325	0.7%
Operating Income (Loss)	\$ (38,177)	\$ (37,160)	\$ (1,017)	-2.7%
Total Non-Operating Activities	-	-	-	-
Income (Loss) before Capital Contributions	\$ (38,177)	\$ (37,160)	\$ (1,017)	2.7%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 47, 02/11/2021

BUS - CONTRACTED SERVICES (FIXED ROUTE)

COMPARISON TO BUDGET - FISCAL YEAR 2021

DECEMBER 31, 2020

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 6,398	\$ 5,673	\$ 724	12.8%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 6,398	\$ 5,673	\$ 724	12.8%
Personnel costs	\$ 322	\$ 302	\$ (20)	-6.7%
Outside services	34,136	36,367	2,231	6.1%
Materials and supplies	21	35	14	39.8%
Energy	3,351	3,732	381	10.2%
Risk management	-	-	-	-
General & administrative	2	2	1	33.1%
Vehicle/facility leases	26	27	1	4.6%
Administrative Allocation	1,192	1,192	0	0.0%
Total Operating Expenses	\$ 39,050	\$ 41,658	\$ 2,608	6.3%
Operating Income (Loss)	\$ (32,653)	\$ (35,985)	\$ 3,332	9.3%
Total Non-Operating Activities	-	-	-	-
Income (Loss) before Capital Contributions	\$ (32,653)	\$ (35,985)	\$ 3,332	-9.3%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 47, 02/11/2021

BUS - CONTRACTED SERVICES (PARATRANSIT)

COMPARISON TO BUDGET - FISCAL YEAR 2021

DECEMBER 31, 2020

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ 212	\$ 633	\$ (421)	-66.5%
Other Revenue	-	-	-	-
Total Operating Revenue	\$ 212	\$ 633	\$ (421)	-66.5%
Personnel costs	\$ 50	\$ 85	\$ 35	40.8%
Outside services	4,444	8,247	3,804	46.1%
Materials and supplies	10	-	(10)	-
Energy	213	820	606	74.0%
Risk management	7	8	0	2.8%
General & administrative	1	5	4	79.0%
Vehicle/facility leases	138	140	2	1.4%
Administrative Allocation	223	223	0	0.0%
Total Operating Expenses	\$ 5,086	\$ 9,528	\$ 4,442	46.6%
Operating Income (Loss)	\$ (4,874)	\$ (8,895)	\$ 4,020	45.2%
Total Non-Operating Activities	-	-	-	-
Income (Loss) before Capital Contributions	\$ (4,874)	\$ (8,895)	\$ 4,020	-45.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OPERATIONS

Att. A, AI 47, 02/11/2021

CORONADO FERRY

COMPARISON TO BUDGET - FISCAL YEAR 2021

DECEMBER 31, 2020

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	-	-	-	-
Total Operating Revenue	\$ -	\$ -	\$ -	-
Personnel costs	\$ -	\$ -	\$ -	-
Outside services	104	104	-	0.0%
Materials and supplies	-	-	-	-
Energy	-	-	-	-
Risk management	-	-	-	-
General & administrative	-	-	-	-
Vehicle/facility leases	-	-	-	-
Administrative Allocation	-	-	-	0.0%
Total Operating Expenses	\$ 104	\$ 104	\$ -	0.0%
Operating Income (Loss)	\$ (104)	\$ (104)	\$ -	0.0%
Total Non-Operating Activities	104	104	-	0.0%
Income (Loss) before Capital Contributions	\$ -	\$ -	\$ -	-

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

ADMINISTRATION

Att. A, AI 47, 02/11/2021

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2021

DECEMBER 31, 2020

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	8,520	7,419	1,102	14.8%
Total Operating Revenue	\$ 8,520	\$ 7,419	\$ 1,102	14.8%
Personnel costs	\$ 11,619	\$ 12,075	\$ 456	3.8%
Outside services	7,877	8,412	534	6.4%
Materials and supplies	22	9	(14)	-156.3%
Energy	434	445	11	2.5%
Risk management	358	314	(45)	-14.2%
General & administrative	1,486	2,331	845	36.2%
Vehicle/facility leases	119	95	(24)	-24.8%
Administrative Allocation	(17,077)	(17,077)	(0)	0.0%
Total Operating Expenses	\$ 4,839	\$ 6,603	\$ 1,765	26.7%
Operating Income (Loss)	\$ 3,682	\$ 815	\$ 2,866	-351.5%
Total Non-Operating Activities	-	76	(76)	-
Income (Loss) before Capital Contributions	\$ 3,682	\$ 891	\$ 2,791	313.2%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

OTHER ACTIVITIES

Att. A, AI 47, 02/11/2021

CONSOLIDATED

COMPARISON TO BUDGET - FISCAL YEAR 2021

DECEMBER 31, 2020

(in \$000's)

	YEAR TO DATE			
	ACTUAL	BUDGET	VARIANCE	VAR. %
Passenger Revenue	\$ -	\$ -	\$ -	-
Other Revenue	100	169	(69)	-40.6%
Total Operating Revenue	\$ 100	\$ 169	\$ (69)	-40.6%
Personnel costs	\$ 314	\$ 380	\$ 66	17.4%
Outside services	33	88	55	62.1%
Materials and supplies	0	1	0	76.2%
Energy	8	8	1	10.9%
Risk management	27	30	4	11.6%
General & administrative	42	67	25	37.3%
Vehicle/facility leases	4	13	8	65.2%
Administrative Allocation	38	38	(0)	0.0%
Total Operating Expenses	\$ 466	\$ 625	\$ 159	25.5%
Operating Income (Loss)	\$ (366)	\$ (456)	\$ 91	19.9%
Total Non-Operating Activities	-	-	-	-
Income (Loss) before Capital Contributions	\$ (366)	\$ (456)	\$ 91	-19.9%

Metropolitan Transit System FY21 Operating Budget - December 2020 Financial Review

MTS Board of Directors
February 11, 2021

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – DECEMBER 31, 2020 - FY 2021

FTA CARES ACT FUNDING

- COVID-19 Budget Impact:
 - FY21 Budget included projected revenue losses and increased expenses
 - Structural deficit of \$101.6M
- Federal CARES Act:
 - \$25B federal stimulus package in response to pandemic
 - MTS share is \$220M
 - FY21 Budget included \$101.6M of projected CARES Act (~46%)
- Favorable budget results in FY21 means less CARES Act needs
 - CARES Act funding available for FY22 and out years
 - Structural deficits are expected to be significant

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – DECEMBER 31, 2020 - FY 2021

TOTAL OPERATING REVENUES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Fare Revenue	\$ 22,601	\$ 21,982	\$ 619	2.8%
Other Operating Revenue	<u>\$ 8,765</u>	<u>\$ 7,728</u>	<u>\$ 1,037</u>	<u>13.4%</u>
Operating Revenue	\$ 31,366	\$ 29,710	\$ 1,656	5.6%

- Fare Revenue
 - Revenue unfavorable to prior year by \$25.4M (-52.9%)
 - Ridership unfavorable to the prior year by 25.3M passengers (-57.0%)
- Other Operating Revenue
 - Favorable energy credit revenue and rental income

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – DECEMBER 31, 2020 - FY 2021

TOTAL OPERATING EXPENSES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
Personnel Costs	\$ 76,812	\$ 83,706	\$ 6,894	8.2%
Purchased Transportation	\$ 36,812	\$ 42,620	\$ 5,809	13.6%
Other Outside Services	\$ 13,773	\$ 14,082	\$ 309	2.2%
Energy	\$ 16,479	\$ 17,331	\$ 853	4.9%
Other Expenses	\$ 11,657	\$ 12,503	\$ 846	6.8%
Operating Expenses	\$ 155,533	\$170,243	\$ 14,710	8.6%

- Personnel – favorable bus/trolley operator wages and SDTC pension contribution costs
- Purchased Transportation – favorable paratransit expenses due to lower passenger volumes
- Other Outside Services – favorable security costs within Administration
- Energy – favorable CNG, propane, diesel, and gasoline consumption; unfavorable electricity consumption
- Other Expenses – favorable credit card fees, fare system materials, and travel expenses

CONSOLIDATED MTS OPERATIONS

COMPARISON TO BUDGET – DECEMBER 31, 2020 - FY 2021

TOTAL OPERATING ACTIVITIES (\$000's)

	<u>ACTUAL</u>	<u>BUDGET</u>	<u>VARIANCE</u>	<u>VAR %</u>
MTS Operating Revenue	\$ 31,366	\$ 29,710	\$ 1,656	5.6%
MTS Operating Expenses	\$ 155,533	\$ 170,243	\$ 14,710	8.6%
Total Net Operating Variance	\$ (124,166)	\$ (140,533)	\$ 16,366	11.6%

- Operating Revenue not expected to remain favorable through end of fiscal year
 - Expenses expected to remain favorable through end of fiscal year
- Original budget included \$101.6M in CARES Act funding to balance deficit
- Based on current forecast, now projecting \$70.0M in CARES Act funding in FY21 (~32% of total)



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

Agenda Item No. 61

Chief Executive Officer's Report

February 11, 2021

In accordance with Board Policy No. 52, "Procurement of Goods and Services", attached are listings of contracts, purchase orders, and work orders that have been approved within the CEO's authority (up to and including \$100,000) for the period January 13, 2021 through January 28, 2021.

*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)

N/A

Board Member Travel Report (since last Board meeting)

N/A



EXPENSE CONTRACTS

Doc #	Organization	Subject	Amount	Day
PWL262.1-19	MCTC	GUY ANCHORS	\$39,981.61	1/13/2021
B0513.6-09	NAVAL FACILITIES	UPDATING MAILING ADDRESS	\$0.00	1/14/2021
B0682.1-18	HARBOR DIESEL	NO COST TIME EXTENSION	\$0.00	1/18/2021
G1844.5-16	PRUDENTIAL	REMOVE TAXI GARAGE SERVICES	\$0.00	1/21/2021
G20251-18	DAKTRONICS	EXERCISE OPTION YEARS & ADDT'L VMS WARRANTY	\$66,112.00	1/24/2021
G2204.3-19	DEAN GAZZO ROISTACHER	NO COST - NAME CHANGE	\$0.00	1/27/2021
G1923.8-16	CH2M	ADD SUB NO ADDITIONAL COST	\$0.00	1/27/2021

REVENUE CONTRACTS & MOUs

Doc #	Organization	Subject	Amount	Day
G2261.2-19	MTM	DISCLOSURE OF OWNERSHIP & CONTROL INTEREST	\$0.00	1/14/2021
G2448.0-21	ESCONDIDIO UNIFIED SCHOOL DISTRICT	COMPASS CARD SALES	\$0.00	1/19/2021
L5272.0-21	CITY OF SANTEE	ROE - RACE OF WALK EVENT	\$750.00	1/20/2021
G2439.0-21	LYFT	MTS MARKETING PARTNERSHIP WITH LYFT	\$0.00	1/20/2021
S200-20-712.1	URBAN CORPS OF SAN DIEGO	ROE - EL CAJON	\$0.00	1/21/2021
S200-20-729.1	HAL HAYS CONSTRUCTION	TIME EXTENSION	\$750.00	1/21/2021
L1566.0-21	LYFT BIKES & SCOOTERS	ROE-14420 VARIOUS	\$0.00	1/27/2021

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4400001300	44209	Office Depot		G200-OFFICE SUPPLIES	\$571.03	-	-
4400001301	44209	Mcmaster-Carr Supply Co		G150-FASTENERS	\$89.88	-	-
4400001302	44210	Office Depot		G200-OFFICE SUPPLIES	\$78.13	-	-
4400001303	44210	W.W. Grainger Inc		G170-LUBRICANTS	\$104.82	-	-
4400001304	44216	Office Depot		G200-OFFICE SUPPLIES	\$16.30	-	-
4400001305	44217	Office Depot		G200-OFFICE SUPPLIES	\$11.10	-	-
4400001306	44217	Office Depot		G200-OFFICE SUPPLIES	\$245.95	-	-
4400001307	44217	Office Depot		G200-OFFICE SUPPLIES	\$44.57	-	-
4400001308	44217	Office Depot		G200-OFFICE SUPPLIES	\$162.24	-	-
4400001309	44218	W.W. Grainger Inc		M140-WAYSIDE SIGNALS	\$454.62	-	-
4400001310	44218	W.W. Grainger Inc		G130-SHOP TOOLS	\$30.92	-	-
4400001311	44221	Office Depot		G200-OFFICE SUPPLIES	\$684.86	-	-
4400001312	44221	Mcmaster-Carr Supply Co		G130-SHOP TOOLS	\$1,047.26	-	-
4400001313	44221	Office Depot		G200-OFFICE SUPPLIES	\$135.71	-	-
4400001314	44221	Office Depot		G200-OFFICE SUPPLIES	\$10.87	-	-
4400001315	44222	Office Depot		G200-OFFICE SUPPLIES	\$81.20	-	-
4400001316	44222	Office Depot		G200-OFFICE SUPPLIES	\$195.38	-	-
4400001317	44222	Office Depot		G200-OFFICE SUPPLIES	\$311.14	-	-
4400001318	44223	W.W. Grainger Inc		M180-STATION ELECTRICAL	\$2,930.53	-	-
4400001319	44223	W.W. Grainger Inc		B250-BUS REPAIR PARTS	\$101.80	-	-
4400001320	44223	Office Depot		G200-OFFICE SUPPLIES	\$157.75	-	-
4500036682	44209	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$1,343.97	-	-
4500036683	44209	Cubic Transportation Systems		G290-FARE REVENUE EQUIP	\$1,706.06	-	-
4500036684	44209	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$26.84	-	-
4500036685	44209	Cummins Pacific LLC		P190-REV VEHICLE REPAIRS	\$270.00	-	-
4500036686	44209	Staples Contract & Commercial Inc		G220-OFFICE EQUIPMENT	\$212.07	-	-
4500036687	44209	Dimensional Silk Screen Inc		G230-PRINTED MATERIALS	\$1,800.00	-	-
4500036688	44209	Uline		G200-OFFICE SUPPLIES	\$569.16	-	-
4500036689	44209	Transit Holdings Inc		B140-BUS CHASSIS	\$1,962.62	-	-
4500036690	44209	Transit Holdings Inc		B130-BUS BODY	\$1,815.13	-	-
4500036691	44209	Transit Holdings Inc		B190-BUS FARE EQUIP	\$5,969.46	-	-
4500036692	44209	Transit Holdings Inc		B120-BUS MECHANICAL PARTS	\$2,855.18	-	-
4500036693	44209	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$5,557.73	-	-
4500036694	44209	Powertech Converter Corp		R160-RAIL/LRV ELECTRICAL	\$47,810.20	-	-
4500036695	44209	Home Depot USA Inc		F180-BUILDING MATERIALS	\$306.76	-	-
4500036696	44209	Westair Gases & Equipment Inc	Small Business	G190-SAFETY/MED SUPPLIES	\$206.08	-	-
4500036697	44209	Siemens Mobility, Inc.		M130-CROSSING MECHANISM	\$160.82	-	-
4500036698	44209	The Carpenter Group Inc		M120-OVRHEAD CATENARY SYS	\$1,228.35	-	-
4500036699	44209	Dimensional Silk Screen Inc		G230-PRINTED MATERIALS	\$13,345.92	-	-
4500036700	44209	Fastenal Company		G170-LUBRICANTS	\$2,601.91	-	-
4500036701	44209	Mcmaster-Carr Supply Co		R120-RAIL/LRV CAR BODY	\$271.02	-	-
4500036702	44209	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	\$32.78	-	-
4500036703	44209	Jeyco Products Inc		G150-FASTENERS	\$48.18	-	-
4500036704	44209	Steven Timme		G230-PRINTED MATERIALS	\$2,600.00	-	-
4500036705	44209	Kaman Industrial Technologies		G190-SAFETY/MED SUPPLIES	\$609.43	-	-
4500036706	44209	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	\$41.94	-	-
4500036707	44209	Gillig LLC		B160-BUS ELECTRICAL	\$1,463.43	-	-
4500036708	44209	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$28.85	-	-
4500036709	44209	W.W. Grainger Inc		B250-BUS REPAIR PARTS	\$113.89	-	-
4500036710	44209	Charter Industrial Supply Inc	Small Business	B200-BUS PWR TRAIN EQUIP	\$71.82	-	-
4500036711	44209	Waxie's Enterprises Inc.		G140-SHOP SUPPLIES	\$116.05	-	-
4500036712	44209	Kantola Training Solutions, LLC		P490-MANAGEMENT TRAINING	\$4,406.00	-	-
4500036713	44209	Ace Uniforms & Accessories	Small Business	G120-SECURITY	\$58.18	-	-
4500036714	44209	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$2,455.77	-	-
4500036715	44209	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$206.71	-	-
4500036716	44210	Transit Holdings Inc		B140-BUS CHASSIS	\$6,019.69	-	-
4500036717	44210	Victor Stanley Inc		G180-JANITORIAL SUPPLIES	\$3,191.00	-	-
4500036718	44210	Shilpark Paint Corp.		F180-BUILDING MATERIALS	\$1,909.60	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500036719	44210	W.W. Grainger Inc		M180-STATION ELECTRICAL	\$222.45	-	-
4500036720	44210	Home Depot USA Inc		G140-SHOP SUPPLIES	\$210.50	-	-
4500036721	44210	Transit Holdings Inc		B140-BUS CHASSIS	\$2,663.45	-	-
4500036722	44210	Graybar Electric Co Inc		M110-SUB STATION	\$4,755.59	-	-
4500036723	44210	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	\$453.85	-	-
4500036724	44210	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$3,333.44	-	-
4500036725	44210	W.W. Grainger Inc		B250-BUS REPAIR PARTS	\$94.16	-	-
4500036726	44210	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$323.86	-	-
4500036727	44210	Gillig LLC		G140-SHOP SUPPLIES	\$403.54	-	-
4500036728	44210	Kurt Morgan		G200-OFFICE SUPPLIES	\$148.05	-	-
4500036729	44210	Jeyco Products Inc		G150-FASTENERS	\$76.32	-	-
4500036730	44210	Inland Kenworth (US) Inc		B200-BUS PWR TRAIN EQUIP	\$2,794.80	-	-
4500036731	44210	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$253.37	-	-
4500036732	44210	Genuine Parts Co		B250-BUS REPAIR PARTS	\$27.99	-	-
4500036733	44210	Mohawk Mfg & Supply Co		B160-BUS ELECTRICAL	\$25.13	-	-
4500036734	44210	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	\$156.86	-	-
4500036735	44210	Kiel NA LLC		B250-BUS REPAIR PARTS	\$31.17	-	-
4500036736	44210	Industrial Maintenance Supply LLC	DBE	G130-SHOP TOOLS	\$79.57	-	-
4500036737	44210	Western Lift Inc		F180-BUILDING MATERIALS	\$151.12	-	-
4500036738	44210	Freeby Signs		B250-BUS REPAIR PARTS	\$222.74	-	-
4500036739	44210	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$614.38	-	-
4500036740	44210	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$65.31	-	-
4500036741	44210	Ace Uniforms & Accessories	Small Business	G240-UNIFORM PROCUREMENT	\$82,470.56	-	-
4500036742	44211	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$1,355.53	-	-
4500036743	44211	3rd Generation Embroidery, Inc.		G240-UNIFORM PROCUREMENT	\$1,205.16	-	-
4500036744	44211	Transit Holdings Inc		B140-BUS CHASSIS	\$94.32	-	-
4500036745	44211	Siemens Mobility, Inc.		R120-RAIL/LRV CAR BODY	\$2,208.98	-	-
4500036746	44211	Romaine Electric Corporation	Small Business	M130-CROSSING MECHANISM	\$2,216.07	-	-
4500036747	44211	Fastenal Company		G130-SHOP TOOLS	\$392.14	-	-
4500036748	44211	W.W. Grainger Inc		R160-RAIL/LRV ELECTRICAL	\$240.00	-	-
4500036749	44211	Home Depot USA Inc		F180-BUILDING MATERIALS	\$571.95	-	-
4500036750	44211	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	\$1,258.94	-	-
4500036751	44211	W.W. Grainger Inc		F110-SHOP/BLDG MACHINERY	\$129.79	-	-
4500036752	44211	Charter Industrial Supply Inc	Small Business	B250-BUS REPAIR PARTS	\$114.75	-	-
4500036753	44211	Laird Plastics, Inc		B250-BUS REPAIR PARTS	\$398.37	-	-
4500036754	44211	Uline		G140-SHOP SUPPLIES	\$368.51	-	-
4500036755	44211	Professional Contractors Supplies		G140-SHOP SUPPLIES	\$147.96	-	-
4500036756	44211	OneSource Distributors, LLC		G190-SAFETY/MED SUPPLIES	\$181.34	-	-
4500036757	44211	CDW LLC		I110-INFORMATION TECH	\$508.91	-	-
4500036758	44211	R.S. Hughes Co Inc		G160-PAINTS & CHEMICALS	\$392.49	-	-
4500036759	44211	Kaman Industrial Technologies		B120-BUS MECHANICAL PARTS	\$563.35	-	-
4500036760	44211	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	\$429.90	-	-
4500036761	44211	Knorr Brake Holding Corporation		R160-RAIL/LRV ELECTRICAL	\$31,707.41	-	-
4500036762	44211	Carlos Guzman Inc		R120-RAIL/LRV CAR BODY	\$1,991.22	-	-
4500036763	44211	Transit Holdings Inc		B160-BUS ELECTRICAL	\$280.66	-	-
4500036764	44211	Chromate Industrial Corporation		G150-FASTENERS	\$203.35	-	-
4500036765	44211	Mohawk Mfg & Supply Co		B120-BUS MECHANICAL PARTS	\$158.46	-	-
4500036766	44211	Supreme Oil Company		B180-BUS DIESEL	\$3,604.73	-	-
4500036767	44211	Inland Kenworth (US) Inc		B200-BUS PWR TRAIN EQUIP	\$5,346.00	-	-
4500036768	44214	Home Depot USA Inc		G130-SHOP TOOLS	\$224.13	-	-
4500036769	44215	Shilpark Paint Corp.		F180-BUILDING MATERIALS	\$24.79	-	-
4500036770	44215	Siemens Mobility, Inc.		R220-RAIL/LRV TRUCKS	\$2,047.25	-	-
4500036771	44215	JKL Cleaning Systems	Small Business	P130-EQUIP MAINT REPR SVC	\$2,372.32	-	-
4500036772	44215	Annex Automotive and		F120-BUS/LRV PAINT BOOTHS	\$7,146.49	-	-
4500036773	44215	Siemens Mobility, Inc.		R190-RAIL/LRV PANTOGRAPH	\$619.57	-	-
4500036774	44215	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	\$7,422.68	-	-
4500036775	44215	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	\$2,262.56	-	-
4500036776	44215	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$3,240.66	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500036777	44215	MGM Plastics, Inc.		B250-BUS REPAIR PARTS	\$364.20	-	-
4500036778	44215	Transit Holdings Inc		B160-BUS ELECTRICAL	\$3,117.87	-	-
4500036779	44215	Transit Holdings Inc		B140-BUS CHASSIS	\$548.22	-	-
4500036780	44215	American Battery Corporation	Small Business	G290-FARE REVENUE EQUIP	\$382.05	-	-
4500036781	44215	Muncie Transit Supply		B160-BUS ELECTRICAL	\$356.44	-	-
4500036782	44215	Transit Holdings Inc		B160-BUS ELECTRICAL	\$1,782.79	-	-
4500036783	44215	Allied Electronics Inc		G170-LUBRICANTS	\$842.34	-	-
4500036784	44215	W.W. Grainger Inc		B250-BUS REPAIR PARTS	\$188.30	-	-
4500036785	44215	Jeyco Products Inc		G140-SHOP SUPPLIES	\$144.11	-	-
4500036786	44215	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	\$214.50	-	-
4500036787	44215	Muncie Transit Supply		B130-BUS BODY	\$37.27	-	-
4500036788	44215	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	\$259.33	-	-
4500036789	44215	Sherwin Williams Company		F120-BUS/LRV PAINT BOOTHS	\$364.54	-	-
4500036790	44215	Vern Rose Inc		G160-PAINTS & CHEMICALS	\$271.96	-	-
4500036791	44215	Kaman Industrial Technologies		G140-SHOP SUPPLIES	\$282.54	-	-
4500036792	44215	Inland Kenworth (US) Inc		B200-BUS PWR TRAIN EQUIP	\$2,794.80	-	-
4500036793	44215	Professional Contractors Supplies		G140-SHOP SUPPLIES	\$880.70	-	-
4500036794	44215	Waxie's Enterprises Inc.		G140-SHOP SUPPLIES	\$96.71	-	-
4500036795	44215	Transit Holdings Inc		B160-BUS ELECTRICAL	\$782.90	-	-
4500036796	44215	W.W. Grainger Inc		G180-JANITORIAL SUPPLIES	\$382.73	-	-
4500036797	44215	Fastenal Company		G170-LUBRICANTS	\$943.63	-	-
4500036798	44215	CDW LLC		G200-OFFICE SUPPLIES	\$416.96	-	-
4500036799	44215	M Power Truck & Diesel Repair		P210-NON-REV VEH REPAIRS	\$1,420.88	-	-
4500036800	44215	Mission Janitorial Supplies		G180-JANITORIAL SUPPLIES	\$181.27	-	-
4500036801	44215	No-Spill Systems Inc		B120-BUS MECHANICAL PARTS	\$103.18	-	-
4500036802	44215	Gillig LLC		B250-BUS REPAIR PARTS	\$409.50	-	-
4500036803	44215	Western Lift Inc		F180-BUILDING MATERIALS	\$29.90	-	-
4500036804	44215	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$107.56	-	-
4500036805	44215	Cummins Pacific LLC		B250-BUS REPAIR PARTS	\$719.41	-	-
4500036806	44215	CentralSquare Technologies, LLC		I120-INFO TECH, SVCS	\$53,246.95	-	-
4500036807	44215	Transit Products and Services		B130-BUS BODY	\$5,710.75	-	-
4500036808	44215	W.W. Grainger Inc		G180-JANITORIAL SUPPLIES	\$315.38	-	-
4500036809	44216	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$107.75	-	-
4500036810	44216	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$427.50	-	-
4500036811	44216	Waxie's Enterprises Inc.		G190-SAFETY/MED SUPPLIES	\$1,137.84	-	-
4500036812	44216	Transit Holdings Inc		B130-BUS BODY	\$8.41	-	-
4500036813	44216	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$2,524.70	-	-
4500036814	44216	Uline		G200-OFFICE SUPPLIES	\$3,300.41	-	-
4500036815	44216	West-Lite Supply Co Inc	Small Business	M140-WAYSIDE SIGNALS	\$371.75	-	-
4500036816	44216	Home Depot USA Inc		G130-SHOP TOOLS	\$73.20	-	-
4500036817	44216	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$61.43	-	-
4500036818	44216	TK Services Inc		G170-LUBRICANTS	\$65.80	-	-
4500036819	44216	American Scissor Lift, Inc.		P130-EQUIP MAINT REPR SVC	\$250.00	-	-
4500036820	44216	Knorr Brake Holding Corporation		R220-RAIL/LRV TRUCKS	\$33,740.29	-	-
4500036821	44216	Vern Rose Inc		G160-PAINTS & CHEMICALS	\$76.81	-	-
4500036822	44216	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$149.02	-	-
4500036823	44216	Transit Holdings Inc		B130-BUS BODY	\$50.95	-	-
4500036824	44216	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$1,204.43	-	-
4500036825	44217	Siemens Mobility, Inc.		R120-RAIL/LRV CAR BODY	\$64.65	-	-
4500036826	44217	Uline		G180-JANITORIAL SUPPLIES	\$3,323.33	-	-
4500036827	44217	Transit Holdings Inc		B130-BUS BODY	\$6,740.35	-	-
4500036828	44217	Siemens Mobility, Inc.		R170-RAIL/LRV HVAC	\$364.20	-	-
4500036829	44217	Team One Repair Inc		G290-FARE REVENUE EQUIP	\$12,085.41	-	-
4500036830	44217	Sid Tool Co		G180-JANITORIAL SUPPLIES	\$472.20	-	-
4500036831	44217	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$693.37	-	-
4500036832	44217	Fastenal Company		G140-SHOP SUPPLIES	\$2,040.87	-	-
4500036833	44217	Westair Gases & Equipment Inc	Small Business	G190-SAFETY/MED SUPPLIES	\$315.28	-	-
4500036834	44217	Transit Holdings Inc		B160-BUS ELECTRICAL	\$2,537.99	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500036835	44217	Knorr Brake Holding Corporation		R140-RAIL/LRV DOORS/RAMP	\$6,667.03	-	-
4500036836	44217	Chromate Industrial Corporation		G150-FASTENERS	\$311.50	-	-
4500036837	44217	Hitachi Rail STS USA, Inc.		M130-CROSSING MECHANISM	\$755.44	-	-
4500036838	44217	Jeyco Products Inc		G130-SHOP TOOLS	\$158.44	-	-
4500036839	44217	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	\$167.95	-	-
4500036840	44217	Kaman Industrial Technologies		G130-SHOP TOOLS	\$8.52	-	-
4500036841	44217	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	\$1,078.72	-	-
4500036842	44217	Schunk Carbon Technology LLC		R190-RAIL/LRV PANTOGRAPH	\$328.71	-	-
4500036843	44217	Datex Instruments, Inc.	Minority Owned Business	R150-RAIL/LRV COMM EQUIP	\$1,077.50	-	-
4500036844	44217	Western-Cullen-Hayes Inc		M130-CROSSING MECHANISM	\$518.82	-	-
4500036845	44217	Professional Contractors Supplies		G140-SHOP SUPPLIES	\$481.00	-	-
4500036846	44217	Annex Automotive and		F120-BUS/LRV PAINT BOOTHS	\$444.36	-	-
4500036847	44217	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	\$725.18	-	-
4500036848	44217	Muncie Transit Supply		B130-BUS BODY	\$73.36	-	-
4500036849	44217	Maintex Inc		G170-LUBRICANTS	\$628.83	-	-
4500036850	44217	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$589.19	-	-
4500036851	44217	Gillig LLC		B130-BUS BODY	\$337.33	-	-
4500036852	44217	Harbor Diesel & Equipment		G170-LUBRICANTS	\$4,954.35	-	-
4500036853	44217	Kiel NA LLC		B130-BUS BODY	\$1,041.43	-	-
4500036854	44217	Kurt Morgan		G200-OFFICE SUPPLIES	\$370.13	-	-
4500036855	44217	Transit Holdings Inc		B160-BUS ELECTRICAL	\$280.66	-	-
4500036856	44217	Waxie's Enterprises Inc.		G140-SHOP SUPPLIES	\$204.08	-	-
4500036858	44217	Muncie Transit Supply		B130-BUS BODY	\$68.32	-	-
4500036859	44217	Norman Industrial Materials		G140-SHOP SUPPLIES	\$106.75	-	-
4500036860	44217	Harbor Diesel & Equipment		B120-BUS MECHANICAL PARTS	\$294.43	-	-
4500036861	44217	Industrial Maintenance Supply LLC	DBE	G130-SHOP TOOLS	\$68.82	-	-
4500036862	44217	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$1,380.01	-	-
4500036863	44217	TK Services Inc		B110-BUS HVAC SYSTEMS	\$92.66	-	-
4500036864	44217	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$29.71	-	-
4500036865	44217	Ace Uniforms & Accessories	Small Business	G240-UNIFORM PROCUREMENT	\$5,854.10	-	-
4500036866	44217	JKL Cleaning Systems	Small Business	F130-VEH HOISTS, JACKS	\$537.17	-	-
4500036867	44218	Shilpark Paint Corp.		F180-BUILDING MATERIALS	\$40.64	-	-
4500036868	44218	Romaine Electric Corporation	Small Business	M130-CROSSING MECHANISM	\$738.68	-	-
4500036869	44218	OneSource Distributors, LLC		M130-CROSSING MECHANISM	\$689.28	-	-
4500036870	44218	Super Welding of Southern CA	Small Business	R160-RAIL/LRV ELECTRICAL	\$2,081.73	-	-
4500036871	44218	Transit Holdings Inc		B140-BUS CHASSIS	\$720.74	-	-
4500036872	44218	Marco's Canopies Inc	Small Business	P280-GENERAL SVC AGRMNTS	\$11,928.46	-	-
4500036873	44218	TK Services Inc		P190-REV VEHICLE REPAIRS	\$1,798.96	-	-
4500036874	44218	Allied Refrigeration Inc		F110-SHOP/BLDG MACHINERY	\$76.51	-	-
4500036875	44218	Transit Holdings Inc		B160-BUS ELECTRICAL	\$18.43	-	-
4500036876	44218	Trolley Support LLC		B250-BUS REPAIR PARTS	\$3,006.23	-	-
4500036877	44218	PinMart Inc		G250-NOVELTIES & AWARDS	\$252.14	-	-
4500036878	44218	Cummins Pacific LLC		P190-REV VEHICLE REPAIRS	\$1,266.23	-	-
4500036879	44218	Mohawk Mfg & Supply Co		B140-BUS CHASSIS	\$7.02	-	-
4500036880	44218	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$791.92	-	-
4500036881	44218	Jeyco Products Inc		G130-SHOP TOOLS	\$61.50	-	-
4500036882	44218	TK Services Inc		P190-REV VEHICLE REPAIRS	\$1,798.96	-	-
4500036883	44218	R.S. Hughes Co Inc		G140-SHOP SUPPLIES	\$294.38	-	-
4500036884	44218	Kaman Industrial Technologies		B130-BUS BODY	\$491.23	-	-
4500036885	44218	W.W. Grainger Inc		G160-PAINTS & CHEMICALS	\$45.36	-	-
4500036886	44218	Waxie's Enterprises Inc.		G130-SHOP TOOLS	\$13.75	-	-
4500036887	44218	Knorr Brake Holding Corporation		R220-RAIL/LRV TRUCKS	\$17,341.81	-	-
4500036888	44218	Airgas Inc		G190-SAFETY/MED SUPPLIES	\$90.51	-	-
4500036889	44218	Vern Rose Inc		G140-SHOP SUPPLIES	\$217.87	-	-
4500036890	44218	Hitachi Rail STS USA, Inc.		M130-CROSSING MECHANISM	\$1,510.87	-	-
4500036891	44218	Sherwin Williams Company		G160-PAINTS & CHEMICALS	\$116.98	-	-
4500036892	44218	W.W. Grainger Inc		G170-LUBRICANTS	\$241.79	-	-
4500036893	44218	HD Supply Construction Supply, LTD.		M180-STATION ELECTRICAL	\$2,777.37	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500036894	44218	Steven Timme		G230-PRINTED MATERIALS	\$1,220.07	-	-
4500036895	44218	Steven Timme		G230-PRINTED MATERIALS	\$52.33	-	-
4500036896	44218	Walk San Diego		P310-ADVERTISING SERVICES	\$2,500.00	-	-
4500036897	44218	Gillig LLC		B250-BUS REPAIR PARTS	\$36.89	-	-
4500036898	44218	Reid and Clark Screen Arts Co		G120-SECURITY	\$43.10	-	-
4500036899	44218	Transit Holdings Inc		B140-BUS CHASSIS	\$68.34	-	-
4500036900	44218	Taoglas USA Inc		I110-INFORMATION TECH	\$246.33	-	-
4500036901	44221	Knorr Brake Holding Corporation		R220-RAIL/LRV TRUCKS	\$20,758.89	-	-
4500036902	44221	Rayne - San Diego Inc		P280-GENERAL SVC AGRMNTS	\$108.50	-	-
4500036903	44221	Praxair Distribution Inc.		G140-SHOP SUPPLIES	\$2,061.20	-	-
4500036904	44221	Siemens Mobility, Inc.		R160-RAIL/LRV ELECTRICAL	\$825.47	-	-
4500036905	44221	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	\$4,901.50	-	-
4500036906	44221	General Signals Inc		M130-CROSSING MECHANISM	\$7,171.84	-	-
4500036907	44221	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$285.36	-	-
4500036908	44221	Golden State Supply LLC		A140-AUTO/TRUCK REPAIR	\$258.28	-	-
4500036909	44221	SC Commercial, LLC		B180-BUS DIESEL	\$3,620.97	-	-
4500036910	44221	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$43.20	-	-
4500036911	44221	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$1,838.64	-	-
4500036912	44221	Harbor Diesel & Equipment		B200-BUS PWR TRAIN EQUIP	\$11,431.06	-	-
4500036913	44221	Supreme Oil Company		A120-AUTO/TRUCK GASOLINE	\$9,309.15	-	-
4500036914	44221	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	\$2,262.56	-	-
4500036915	44221	Transit Holdings Inc		B140-BUS CHASSIS	\$3,136.40	-	-
4500036916	44221	Transit Holdings Inc		B130-BUS BODY	\$15.51	-	-
4500036917	44221	Transit Holdings Inc		B140-BUS CHASSIS	\$1,296.68	-	-
4500036918	44221	Romaine Electric Corporation	Small Business	B160-BUS ELECTRICAL	\$1,804.28	-	-
4500036919	44221	Jeyco Products Inc		G140-SHOP SUPPLIES	\$112.37	-	-
4500036920	44221	E-Z Spring & Stamping		R120-RAIL/LRV CAR BODY	\$156.24	-	-
4500036921	44221	Kaman Industrial Technologies		B120-BUS MECHANICAL PARTS	\$1,712.78	-	-
4500036922	44221	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$919.23	-	-
4500036923	44221	Mohawk Mfg & Supply Co		B160-BUS ELECTRICAL	\$25.13	-	-
4500036924	44221	Wesco Distribution Inc		G140-SHOP SUPPLIES	\$74.09	-	-
4500036925	44221	LotusUSA, Inc	DBE	G290-FARE REVENUE EQUIP	\$99,997.39	-	-
4500036926	44221	G & A Auto Air Conditioning		P210-NON-REV VEH REPAIRS	\$230.66	-	-
4500036927	44221	Gillig LLC		B140-BUS CHASSIS	\$173.32	-	-
4500036928	44221	Kiel NA LLC		B130-BUS BODY	\$851.84	-	-
4500036929	44221	Prochem Specialty Products Inc	Small Business	G180-JANITORIAL SUPPLIES	\$695.74	-	-
4500036930	44221	Harbor Diesel & Equipment		B200-BUS PWR TRAIN EQUIP	\$150.74	-	-
4500036931	44221	SC Commercial, LLC		G170-LUBRICANTS	\$1,874.85	-	-
4500036932	44221	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$42.22	-	-
4500036933	44221	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$1,688.90	-	-
4500036934	44221	Transit Holdings Inc		B140-BUS CHASSIS	\$2,499.37	-	-
4500036935	44221	R.S. Hughes Co Inc		G190-SAFETY/MED SUPPLIES	\$56.28	-	-
4500036936	44221	Staples Contract & Commercial Inc		G200-OFFICE SUPPLIES	\$51.16	-	-
4500036937	44222	Rayne - San Diego Inc		P280-GENERAL SVC AGRMNTS	\$2,604.00	-	-
4500036938	44222	HD Supply Construction Supply, LTD.		G130-SHOP TOOLS	\$640.37	-	-
4500036939	44222	Home Depot USA Inc		P540-MAINTENANCE TRAINING	\$748.86	-	-
4500036940	44222	Synco Chemical Corporation		G170-LUBRICANTS	\$260.28	-	-
4500036941	44222	Waxie's Enterprises Inc.		G180-JANITORIAL SUPPLIES	\$297.00	-	-
4500036942	44222	Southwest Lift & Equipment Inc.	Small Business	F130-VEH HOISTS, JACKS	\$900.00	-	-
4500036943	44222	Chromate Industrial Corporation		G150-FASTENERS	\$145.16	-	-
4500036944	44222	Fastenal Company		G130-SHOP TOOLS	\$162.49	-	-
4500036945	44222	Kurt Morgan		G140-SHOP SUPPLIES	\$803.70	-	-
4500036946	44222	Willy's Electronic Supply Co	Small Business	G270-ELECTRICAL/LIGHTING	\$54.73	-	-
4500036947	44222	Siemens Mobility, Inc.		R220-RAIL/LRV TRUCKS	\$1,762.21	-	-
4500036948	44222	Transit Holdings Inc		B140-BUS CHASSIS	\$1,808.79	-	-
4500036949	44222	TESSCO Technologies Incorporated		B250-BUS REPAIR PARTS	\$124.78	-	-
4500036950	44222	Smith, Watts & Company, LLC		P280-GENERAL SVC AGRMNTS	\$90,000.00	-	-
4500036952	44222	Muncie Transit Supply		B160-BUS ELECTRICAL	\$159.68	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500036953	44222	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$5,114.09	-	-
4500036954	44222	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$2,708.75	-	-
4500036955	44222	W.W. Grainger Inc		G130-SHOP TOOLS	\$933.00	-	-
4500036956	44222	Transit Holdings Inc		B140-BUS CHASSIS	\$1,584.41	-	-
4500036957	44222	Jeyco Products Inc		G150-FASTENERS	\$11.26	-	-
4500036958	44222	Gillig LLC		B250-BUS REPAIR PARTS	\$710.39	-	-
4500036959	44222	Kaman Industrial Technologies		G140-SHOP SUPPLIES	\$155.32	-	-
4500036960	44222	Charter Industrial Supply Inc	Small Business	G150-FASTENERS	\$53.88	-	-
4500036961	44222	Muncie Transit Supply		B160-BUS ELECTRICAL	\$44.80	-	-
4500036962	44222	Romaine Electric Corporation	Small Business	B160-BUS ELECTRICAL	\$1,804.28	-	-
4500036963	44222	Genuine Parts Co		G130-SHOP TOOLS	\$43.08	-	-
4500036964	44222	Prochem Specialty Products Inc	Small Business	G180-JANITORIAL SUPPLIES	\$695.74	-	-
4500036965	44222	Kiel NA LLC		B130-BUS BODY	\$851.84	-	-
4500036966	44222	Harbor Diesel & Equipment		B200-BUS PWR TRAIN EQUIP	\$90.72	-	-
4500036967	44222	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$2,118.53	-	-
4500036968	44222	Home Depot USA Inc		G130-SHOP TOOLS	\$47.39	-	-
4500036969	44222	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$50.87	-	-
4500036970	44223	Total Filtration Services Inc		R230-RAIL/LRV MECHANICAL	\$1,694.22	-	-
4500036971	44223	Home Depot USA Inc		G140-SHOP SUPPLIES	\$439.22	-	-
4500036972	44223	Transit Holdings Inc		B200-BUS PWR TRAIN EQUIP	\$62.82	-	-
4500036973	44223	Mohawk Mfg & Supply Co		B120-BUS MECHANICAL PARTS	\$424.27	-	-
4500036974	44223	Muncie Transit Supply		B140-BUS CHASSIS	\$7.59	-	-
4500036975	44223	Transit Holdings Inc		B110-BUS HVAC SYSTEMS	\$1,371.31	-	-
4500036976	44223	Gillig LLC		B250-BUS REPAIR PARTS	\$358.90	-	-
4500036977	44223	G & A Auto Air Conditioning		P210-NON-REV VEH REPAIRS	\$509.36	-	-
4500036978	44223	Cummins Pacific LLC		B250-BUS REPAIR PARTS	\$270.00	-	-
4500036979	44223	NS Corporation		F110-SHOP/BLDG MACHINERY	\$189.34	-	-
4500036980	44223	Cubic Transportation Systems		B190-BUS FARE EQUIP	\$7,273.13	-	-
4500036981	44223	SC Commercial, LLC		A120-AUTO/TRUCK GASOLINE	\$1,936.84	-	-
4500036982	44223	Muncie Transit Supply		B250-BUS REPAIR PARTS	\$13.68	-	-
4500036983	44223	Transit Holdings Inc		B130-BUS BODY	\$11,711.96	-	-
4500036984	44223	Transit Holdings Inc		B140-BUS CHASSIS	\$667.27	-	-
4500036985	44223	Muncie Transit Supply		B160-BUS ELECTRICAL	\$703.05	-	-
4500036986	44223	Genuine Parts Co		B250-BUS REPAIR PARTS	\$139.97	-	-
4500036987	44223	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$1,187.71	-	-
4500036988	44223	Kurt Morgan		G200-OFFICE SUPPLIES	\$287.64	-	-
4500036989	44223	TK Services Inc		B110-BUS HVAC SYSTEMS	\$39.97	-	-
4500036990	44223	Kiel NA LLC		B130-BUS BODY	\$3,400.76	-	-
4500036991	44223	R.S. Hughes Co Inc		B130-BUS BODY	\$75.93	-	-
4500036992	44223	Transit Holdings Inc		B130-BUS BODY	\$192.16	-	-
4500036993	44223	Harbor Diesel & Equipment		B120-BUS MECHANICAL PARTS	\$247.32	-	-
4500036994	44223	Industrial Maintenance Supply LLC	DBE	G150-FASTENERS	\$141.48	-	-
4500036995	44223	Vinyard Doors	Woman Owned Business	P120-BLDG/FACILITY REPRS	\$950.00	-	-
4500036996	44223	Warren Communications Inc		P310-ADVERTISING SERVICES	\$900.90	-	-
4500036997	44223	Eran Hason		P120-BLDG/FACILITY REPRS	\$445.62	-	-
4500036998	44223	Grah Safe & Lock Inc	Small Business	P130-EQUIP MAINT REPR SVC	\$254.00	-	-
4500036999	44224	Professional Contractors Supplies		G190-SAFETY/MED SUPPLIES	\$198.56	-	-
4500037000	44224	Mission Janitorial Supplies		G180-JANITORIAL SUPPLIES	\$158.28	-	-
4500037001	44224	Transit Holdings Inc		B250-BUS REPAIR PARTS	\$17.67	-	-
4500037002	44224	Transit Holdings Inc		B160-BUS ELECTRICAL	\$1,952.72	-	-
4500037003	44224	TVeyes, Inc.		P310-ADVERTISING SERVICES	\$2,400.00	-	-
4500037004	44224	Kelly Paper Co		G200-OFFICE SUPPLIES	\$161.77	-	-
4500037005	44224	Muncie Transit Supply		B160-BUS ELECTRICAL	\$159.68	-	-
4500037006	44224	Transit Holdings Inc		B140-BUS CHASSIS	\$2,874.86	-	-
4500037007	44224	Jeyco Products Inc		G130-SHOP TOOLS	\$237.22	-	-
4500037008	44224	Waxie's Enterprises Inc.		G140-SHOP SUPPLIES	\$34.89	-	-
4500037009	44224	Gillig LLC		B140-BUS CHASSIS	\$305.05	-	-
4500037010	44224	R.S. Hughes Co Inc		G190-SAFETY/MED SUPPLIES	\$40.73	-	-

Purchase Orders							
PO Number	PO Date	Name	Prime Business Certification	Material Group	PO Value	DBE Subcontracted Amount	Non DBE Subcontracted Amount
4500037011	44224	Cummins Pacific LLC		B120-BUS MECHANICAL PARTS	\$3,326.19	-	-
4500037012	44224	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$1,586.83	-	-
4500037013	44224	Vern Rose Inc		G160-PAINTS & CHEMICALS	\$66.33	-	-
4500037014	44224	W.W. Grainger Inc		G140-SHOP SUPPLIES	\$292.09	-	-
4500037015	44224	Transit Holdings Inc		B130-BUS BODY	\$61.33	-	-
4500037016	44224	W.W. Grainger Inc		G270-ELECTRICAL/LIGHTING	\$276.92	-	-
4500037017	44224	Airgas Inc		G140-SHOP SUPPLIES	\$56.34	-	-
4500037018	44224	Sunbelt Rentals, Inc		P160-EQUIPMENT RENTALS	\$608.84	-	-
4500037019	44224	La Mesa Glass, Inc.	Small Business	C120-SPECIALTY CONTRACTOR	\$1,848.00	-	-
4500037020	44224	B&H Photo & Electronics Corp		G200-OFFICE SUPPLIES	\$1,707.02	-	-
4500037021	44224	Cummins Pacific LLC		B200-BUS PWR TRAIN EQUIP	\$3,307.90	-	-
4500037022	44224	Airgas Inc		G140-SHOP SUPPLIES	\$3,007.58	-	-
4500037023	44224	Material Sales Inc	Small Business	T110-TRACK, RAIL	\$606.83	-	-
4500037024	44224	Siemens Mobility, Inc.		R220-RAIL/LRV TRUCKS	\$1,234.62	-	-
4500037025	44224	Robcar Corporation	Woman Owned Business	G110-BUS/TROLLEY SIGNAGE	\$228.95	-	-
4500037026	44224	Shilpark Paint Corp.		F180-BUILDING MATERIALS	\$28.22	-	-
4500037027	44224	Graceland College Ctr for Prof		P490-MANAGEMENT TRAINING	\$349.00	-	-

IN - MEETING PUBLIC COMMENT

Mitchel Beauchamp, provided a live public comment for agenda item #63. Beauchamp's statement will be reflected in the minutes.