



Budget Development Committee Agenda

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	▶	Use the raise hand feature every time you wish to make a public comment.
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	▶	This symbol shows you are muted , click this icon to unmute your microphone.
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Live Verbal Public Comments:

Use the 'Raise Hand' icon every time you wish to make a public comment on an item. Raise your hand once the agenda item you wish to comment on has been called. In person public comments will be taken first, virtual attendees will be taken in the order in which they raise their hand. Requests to speak will not be taken after the public comment period ends, unless under the Chair's discretion. General Public Comment, at the beginning of the Board of Directors meeting only, will be limited to five speakers. Additional speakers with general public comments will be heard at the end of the meeting. Three-minutes of time is allotted per speaker, unless otherwise directed by the Chair.

Public Comments Made Via Zoom

1. Click the link found at the top of this instruction page
2. Click the raise hand icon located in the bottom center of the platform
3. The Clerk will announce your name when it is your turn to speak
4. Unmute yourself to speak

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3. Dial *9 to raise your hand via phone
4. The Clerk will call out the last 4 digits of your phone number to announce you are next to speak
5. Dial *6 to unmute yourself



Written Public Comments (before the meeting): Written public comments will be recorded in the public record and will be provided to MTS Board Members in advance of the meeting. Comments must be emailed or mailed to the Clerk of the Committee* by 4:00pm the day prior to the meeting.



Translation Services: Requests for translation services can be made by contacting the Clerk of the Committee* at least four working days in advance of the meeting.



In-Person Participation: In-person public comments will be heard first. Following in-person public comments, virtual attendees will be heard in the order in which they raise their hand via the Zoom platform. Speaking time will be limited to three minutes per person, unless specified by the Chairperson. Requests to speak will not be taken after the public comment period ends, unless under the Chair's discretion.

Instructions for providing in-person public comments:

1. Fill out a speaker slip located at the entrance of the Board Room;
2. Submit speaker slip to MTS staff seated at the entrance of the Board Room;
3. When your name is announced, please approach the podium located on the right side of the dais to make your public comments.

Members of the public are permitted to make general public comment at the beginning of the agenda or specific comments referencing items on the agenda during the public comment period. General Public Comment, at the beginning of the Board of Directors meeting only, will be limited to five speakers. Additional speakers with general public comments will be heard at the end of the meeting.



Assistive Listening Devices (ALDs): ALDs are available from the Clerk of the Committee* prior to the meeting and are to be returned at the end of the meeting.



Reasonable Accommodations: As required by the Americans with Disabilities Act (ADA), requests for agenda information in an alternative format or to request reasonable accommodations to facilitate meeting participation, please contact the Clerk of the Committee* at least two working days prior to the meeting.



***Contact Information:** Contact the Clerk of the Committee via email at Lucia.Mansour@sdmts.com, phone at (619) 557-4521 or by mail at 1255 Imperial Ave. Suite 1000, San Diego CA 92101.



Agenda del Comité de Desarrollo Presupuestario

Haga clic en el enlace para acceder a la reunión:

<https://us02web.zoom.us/j/82907998675>

ID de la reunión
en Zoom

Formas de Participar



Computadora: Haga clic en el enlace más arriba. Recibirá instrucciones para operar el navegador de Zoom o la aplicación de Zoom. Una vez que haya iniciado sesión en la reunión, tendrá la opción de participar usando el sistema de audio de su computadora o teléfono.

Funciones del Seminario En Línea:

 Levantar la mano	▶	Use la herramienta de levantar la mano cada vez que desee hacer un comentario público.
	▶	Los participantes pueden habilitar el subtítulo haciendo clic en el ícono CC. También puede ver la transcripción completa y cambiar el tamaño de letra haciendo clic en “configuración de subtítulos”. Estas herramientas no están disponibles por teléfono.
	▶	Este símbolo indica que usted se encuentra en silencio , haga clic en este ícono para quitar el silenciador de su micrófono.
	▶	Este símbolo indica que su micrófono se encuentra encendido . Haga clic en este símbolo para silenciar su micrófono.
	▶	La herramienta de chat deben usarla los panelistas y asistentes únicamente para asuntos “pertinentes a la reunión”, ya que comentarios realizados a través de esta herramienta no se conservarán como parte del registro de la reunión. Consulte el Comentario público verbal en vivo para obtener instrucciones sobre cómo hacer un comentario público.



Teléfono Inteligente o Tableta: Descargue la aplicación de Zoom y participe en la reunión haciendo clic en el enlace o usando el ID del seminario web (que se encuentra en el enlace).



Teléfono:

1. Si está participando en la reunión mediante audio de su teléfono y viendo la reunión en un dispositivo, marque el número indicado en la pestaña de llamada telefónica “unirse por audio” en la ventana emergente inicial e ingrese el ID de la reunión (que se encuentra en el enlace).
2. Si está participando solo por teléfono, marque: **+1-669-900-9128** o **+1-253-215-8782** e ingrese el ID de la reunión que se encuentra en el enlace, pulse #. Tendrá acceso al audio de la reunión, **pero NO podrá ver las presentaciones en PowerPoint.**



Comentarios Públicos Verbales en Vivo: Use la herramienta “levantar la mano” cada vez que desee hacer un comentario público sobre alguno de los artículos. Levante la mano una vez que el artículo de la agenda sobre el que desea comentar haya sido convocado. Los comentarios públicos en persona se escucharán primero, se escuchará a los asistentes virtuales en el orden en el que levanten la mano. No se aceptarán solicitudes para hablar después de que termine el periodo para hacer comentarios públicos, a menos de que el presidente determine de otra forma a su discreción. Comentarios públicos generales, únicamente al inicio de la reunión de la Junta de Directores, se limitarán a cinco personas que deseen hablar. Las personas adicionales que deseen aportar comentarios públicos generales podrán hacerlo al final de la reunión. Se otorga tres minutos de tiempo por persona que desee hablar, a menos de que el presidente instruya de otra forma. (Consulte la página 2 para obtener instrucciones sobre cómo hacer un comentario público.)

Comentarios Públicos a Través de Zoom

1. Haga clic en el enlace que se encuentra en la parte superior de esta página de instrucciones
2. Haga clic en el ícono de levantar la mano en el centro inferior de la plataforma
3. El secretario anunciará su nombre cuando sea su turno de hablar
4. Desactive el silenciador para que pueda hablar

Comentarios Públicos Realizados Únicamente por Teléfono

1. Marque el **+1-669-900-9128**
2. Ingrese el ID de la reunión en Zoom que se encuentra en el enlace y pulse #
3. Marque *9 para levantar la mano por teléfono
4. El secretario indicará los últimos 4 dígitos de su número de teléfono para anunciar que usted será el siguiente en hablar
5. Marque *6 para desactivar el silenciador



Comentarios Públicos por Escrito (Antes de la Reunión): Los comentarios públicos por escrito se registrarán en el registro público y se entregarán a los miembros de la Junta de MTS antes de la reunión. Los comentarios deben enviarse por correo electrónico o postal al secretario del Comité* antes de las 4:00 p.m. el día anterior a la reunión.



Servicios de Traducción: Pueden solicitarse servicios de traducción comunicándose con el secretario del Comité* por lo menos cuatro días hábiles antes de la reunión.



Participación en Persona: Los comentarios públicos en persona se escucharán primero. Después de los comentarios públicos en persona, se escuchará a los asistentes virtuales en el orden en el que levanten la mano a través de la plataforma de Zoom. El tiempo para hablar se limitará a tres minutos por persona, a menos de que el presidente especifique de otra forma. No se recibirán solicitudes para hablar después de que termine el periodo para hacer comentarios públicos, a menos de que el presidente determine de otra forma a su discreción.

Instrucciones para brindar comentarios públicos en persona:

1. Llene la boleta para personas que desean hablar que se encuentran en la entrada de la Sala de la Junta.
2. Entregue la boleta para personas que desean hablar al personal de MTS que se encuentra sentado en la entrada de la Sala de la Junta.
3. Cuando anuncien su nombre, por favor, acérquese al podio ubicado en el lado derecho de la tarima para hacer sus comentarios públicos.

Los miembros del público pueden hacer comentarios públicos generales al inicio de la agenda o comentarios específicos que hagan referencia a los puntos de la agenda durante el periodo de comentarios públicos. Los comentarios públicos generales únicamente al inicio de la reunión de la Junta de Directores, se limitarán a cinco personas que deseen hablar. Las personas adicionales que deseen aportar comentarios públicos generales podrán hacerlo al final de la reunión.



Dispositivos de Asistencia Auditiva (ALD, por sus siglas en inglés): Los ALD están disponibles con el secretario del Comité* antes de la reunión y estos deberán ser devueltos al final de la reunión.



Facilidades Razonables: Según lo requerido por la Ley de Estadounidenses con Discapacidades (ADA, por sus siglas en inglés), para presentar solicitudes de información de la agenda en un formato alternativo o solicitar facilidades razonables para facilitar su participación en la reunión, por favor, comuníquese con el secretario del Comité* por lo menos dos días hábiles antes de la reunión.



***Información de Contacto:** Comuníquese con el secretario del Comité por correo electrónico en Lucia.Mansour@sdmts.com, por teléfono al **(619) 557-4521** o por correo postal en **1255 Imperial Ave. Suite 1000, San Diego CA 92101.**



**Metropolitan
Transit
System**

Budget Development Committee

Agenda

April 6, 2023 at 9:30 a.m.

In-Person Participation: James R. Mills Building, 1255 Imperial Avenue, 10th Floor, San Diego CA 92101

Teleconference Participation: (669) 444-9171; Webinar ID: 829 0799 8675, <https://us02web.zoom.us/j/82907998675>

NO.	ITEM SUBJECT AND DESCRIPTION	ACTION
1.	Roll Call	
2.	Public Comments	
3.	Approval of Minutes Approval of the March 2, 2023 Budget Development Committee Meeting Minutes.	Approve
DISCUSSION ITEMS		
4.	Report From California Transit Association (Michael Pimentel of California Association)	Informational
5.	Fiscal Year (FY) 2024 Operating Budget Discussion (Mike Thompson)	Informational
6.	Fiscal Year (FY) 2024 Capital Improvement Program (CIP) (Mike Thompson) Action would forward a recommendation that the Board of Directors: 1) Approve the FY 2024 CIP with the estimated federal and nonfederal funding levels (Attachments A and B). As the federal appropriation figures are finalized and/or other project funding sources become available, allow the Chief Executive Officer (CEO) to identify and adjust projects for the adjusted funding levels; 2) Recommend that the San Diego Association of Governments (SANDAG) Board of Directors approve the submittal of Federal Section 5307, 5337, and 5339 applications for the MTS FY 2024 CIP (shown in Attachment A); and 3) Recommend that the SANDAG Board of Directors approve amendment number 3 of the 2023 Regional Transportation Improvement Program (RTIP) in accordance with the FY 2024 CIP recommendations.	Approve

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

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.



OTHER ITEMS

7. **Next Meeting Date: April 27, 2023 and 2:00pm**
8. **Adjournment**

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BUDGET DEVELOPMENT COMMITTEE (BDC)

03/02/2023

[Clerk's note: Except where noted, public, staff and board member comments are paraphrased. The full comment can be heard by reviewing the recording at the [MTS website](#).]

1. Roll Call

Ms. Moreno called the Budget Development Committee (BDC) meeting to order at 09:00 a.m. A roll call sheet listing BDC member attendance is attached.

2. Public Comments

Corrina Contreras Transportation Policy Advocate for Climate Action Campaign – Minutes of the June 9, 2022 Meeting

Ms. Contreras asked if there will be an increase in the amount of PRONTO validators to help increase tapping of the PRONTO cards, an increase revenue.

Corrina Contreras Transportation Policy Advocate for Climate Action Campaign – FY 2023 Operating Budget Midyear Amendment

Ms. Contreras mentioned that there is a concern with the ongoing staff shortage and it is very important for the public to know, what is the target amount of bus operators that are needed to increase frequency and how is the agency going to pay for it.

Corrina Contreras Transportation Policy Advocate for Climate Action Campaign – FY 2024 Operating Budget

Ms. Contreras asked how is MTS planning to increase retention of bus operators and how many bus operators is MTS planning for. Ms. Contreras also asked what is the methodology for restoring bus routes.

3. Approval of Minutes

Mr. Fletcher moved to approve the minutes of the June 9, 2022, San Diego Metropolitan Transit System (MTS) BDC meeting. Mr. Elo-Rivera seconded the motion, and the vote was 5 to 0 in favor with Mr. McCann absent.

DISCUSSION ITEMS

4. Fiscal Year (FY) 2023 Operating Budget Midyear Amendment (Mike Thompson)

Mike Thompson, Director of Financial Planning and Analysis gave an overview of the FY 2023 Operating Budget Midyear Amendment and presented a PowerPoint explaining the Revenue and Expense Assumptions.

Mr. Thompson discussed the revenue assumptions. In the subsidy revenues there will be a slight reduction of about \$255k in Federal revenues due to service levels. Mr. Thompson provided an update on the funding from TransNet and Transportation Development Act (TDA). TDA does not have any changes, as it is claim based and the claim will not be amended. For TransNet, the San Diego Association of Governments (SANDAG) has revised the regional target and has increased it by 5%, which will result in MTS receiving additional TransNet formula funding of \$1.0M. MTS also receives TransNet Operating Reimbursement in the form of BRT and Mid-Coast services, which is expected to increase by \$0.9M. In total, an increase of \$1.7M is expected in Subsidy Revenues.

Mr. Thompson went over the Passenger Fare Revenue. He stated that FY23 revenue has been trending very close to the actual budget so far this year. He mentioned ridership is much stronger than initially planned; with the first full year of Mid-Coast complete and the youth opportunity pass ridership, passenger levels have increased 9.8%, but are not generating enough revenue per rider as initially thought.

Mr. Thompson gave a Revenue Summary for FY 2023. Operating Revenues are projected to increase \$582k, 0.6%, and total Subsidy Revenues are projected to increase 0.7% resulting in total revenue increases of \$2.1M, 0.6% for amended FY 2023.

Mr. Thompson reviewed the Expense Assumptions. Service levels have been reduced across all modes. (Trolley has a 0.9% decrease, Bus-Fixed Route has an 8.3% decrease, Paratransit has a 20.2% decrease). He mentioned wages have decreased by \$1.6M due to staffing shortages with operator staffing across the agency but there has been an increase in overtime wages of \$1.7M. Fringe benefits are increasing by \$1M, 1.5%, with Pension and Healthcare decreasing and Workers Comp increasing. Purchased Transportation will decrease by \$5.6M, 5.8%. This is due to reduced service levels. Within Other Outside Services, Security is increasing by \$1M, Repair and Maintenance are decreasing by \$3.1M, Engines and Transmissions is decreasing by \$300k and Other Outside Services are decreasing by \$269k. Energy costs are increasing by \$8.3M primarily due to the commodity cost of natural gas. Mr. Thompson stated that Other Expense Assumptions are increasing by \$1M, 3.2% this includes Materials and Supplies costs increasing, partially offset by reduced Risk Management costs. In total, expenses are projected to increase by \$2.1M, 0.6%.

Mr. Thompson went over the Consolidated Revenues less Expenses. He stated the increase of revenue and expenses are overall the same at \$2.1M, which leaves the same structural deficit as the original budget. The deficit of \$37.3M will be covered by federal stimulus funding.

Mr. Thompson went over the stimulus funding balance. He went over a new strategy that will allow us to draw the stimulus funding sooner as there is concern of having to return unspent funding. He mentioned the new strategy will allow for increased interest income and any excess local funds can be put into a reserve for future operating deficits.

Action Taken

Goble moved to recommendation to the MTS Board of Directors To:

1. Enact resolution No. 23-02 (attachment B) amending the FY 2023 operating budget for the MTS, San Diego Transit Corporation (SDTC), San Diego Trolley, Inc. (SDTI), MTS Contract Services and the Coronado Ferry
2. Direct Staff to accelerate the draws of Federal Stimulus funding and create an Operating Deficit Reserve with those proceeds for use in future fiscal years.

McCann seconded the motion, and the vote was 6 to 0 in favor.

5. Fiscal Year (FY) 2024 Operating Budget Mike Thompson

Mr. Thompson presented high-level projections and assumptions for the FY 2024 Operating Budget. Mr. Thompson went over the Revenue Assumptions. He stated SANDAG is projecting subsidy revenue growth of 1.0% for TransNet, and TDA is projected growth 3.3%. TDA funding is also used in the capital budget to match the federal funds, as a result the operating budget is

estimated to decrease by \$4M. Federal operating revenues are projected to increase by \$1.5M, for preventive maintenance and other operating reimbursement.

Mr. Thompson went over Passenger revenue. He mentioned that we have experienced steady growth over the last 18 months in passenger revenue. Based on that same steady growth rate for the next 18 months, it will result in an increase of \$8M for FY24, 11% year over year in passenger revenue. The increase will continue to be monitored in February and March before the budget is finalized. Mr. Thompson went over the service levels for FY 2024. On the Bus-Fixed Route is projected to increase by 5.4%, and Bus-Paratransit is projected to increase 30% as the demand for service increases. Mr. Thompson did mention that even with the 30% projected increase in Paratransit, we are only at 58% of peak service levels in FY 2019.

On the expense side, personnel costs will have an increase in operator hours, headcount will be increasing with potentially 5 additional construction safety flag persons. Collective Bargaining agreements are in place for all bargaining units and an increase of 3.25% - 4.25% is expected for ATU, IBEW, SMART and TEOA, for non-bargaining unit employees a merit pool of 4% and a performance incentive program of 1% is assumed. Mr. Thompson also mentioned they want to discuss the possibility of a Cost of Living Adjustment (COLA) for all internal employees across the board or to certain group of employees to help deal with the turnover in the agency. For Fringe Benefits, an increase of 10% is projected for health care in Calendar Year (CY) 2024, Pension costs will increase by \$1M, 5.8% on the San Diego Transit self-funded plan and the CalPERS Pension plan costs will increase by \$1.2M, 9.5%. The contracted rates for Purchased Transportation are known. Transdev contract fixed costs are increasing by 3.4% and variable rate increase by 3.1%, the First Transit contract will increase fixed costs by 4.1%, ADA Paratransit service per hour rate costs increasing by 2.1% and Minibus fixed rate increasing by 4.6%. Other outside services will have some increases as Rail Operations has major rehabilitation projects, and MTS will have a full year of PRONTO Operations and Maintenance costs. Mr. Thompson went over the energy assumptions, mentioning there are some volume increases but are expecting savings on the energy side.

In summary, the preliminary projection reflects a combined revenue of \$354.0M (an increase of \$10.8M, 3.2%), combined expenses of \$407M (an increase of \$26.6M, 7.0%), projecting a deficit of \$53.0M compared to the \$37.2M deficit in FY 2023. Ms. Cooney addressed the \$50M structural deficit and presented the board with available options, which include, freeze current service levels, cut service, enforce current fare policies, raise the cost of fares, defer capital investments, seek relief from innovative clean transit requirements ballot measure and seek state and federal assistance along with open ideas from the board.

Chair Moreno, mentioned some of the key items that need continued discussion later in the year; addressing the structural deficit, which positions are experiencing a high volume of vacancies, new services, and other revenue opportunities. She also mentioned she would also like to bring the State and Federal Lobbyist to a future BDC meeting to address the deficit given our State of California environmental ICT requirements.

Action Taken

Informational item only. No action taken.

6. San Diego Transit Defined Benefit Plan (Larry Marinesi)

Larry Marinesi, Chief Financial Officer (CFO) gave an overview of the presentation.

Mr. Thompson gave an overview of the current pension plan, mentioning that the plan was closed to newly hired Contract employees: IBEW in 2011 and 2012 for ATU. He went over how the

contribution and match process is structured for the Defined Contribution (DC) Plan, mentioning the total contribution could be up to 10% when the employee contributes 2%. The number of employees in the DC Plan is 328 ATU employees, 121 IBEW employee for a total of 449 employees. The Defined Benefit (DB) Plan has a total of 1,573 employees, of which 331 are active employees.

In order to complete the study for DC to DB reinstatement that was directed by the MTS Board, Mr. Thompson reviewed the Public Employees' Reform Act (PEPRA) AB 340 and AB 197 legislation that was passed in January 1, 2013 and would impact this study. PEPRA limited the maximum pension formula to 2% at 62, but allows lesser formulas, requires employee to contribute 50% of the normal cost, currently being 7.75%, require employee share to be paid by the actual employee and not the employer, limited amount of compensation that can be applied to each pension, allowed for no retroactive benefit increases and many other restrictions. Mr. Thompson mentioned that there are limitations with CalPERS and labor relations considerations for this study. He also mentioned any change to the DC or DB benefits would need to collectively bargained with ATU and IBEW.

Mr. Thompson mentioned the next steps are to engage consultants and attorneys to analyze financial and legal considerations, develop range of pension formula option for actuarial analysis and bring those reports back to MTS BDC to see the budget impact of the various options and legal considerations.

Action Taken

Informational item only. No action taken.

OTHER ITEMS

7. Next Meeting Date

The next Budget Development Committee meeting is scheduled for April 6, 2022, at 9:00 a.m.

8. Adjournment

Chair Moreno adjourned the meeting at 10:18am.

/s/ Vivian Moreno
Chairperson
San Diego Metropolitan Transit System

/s/ Lucia Mansour
Committee Clerk
San Diego Metropolitan Transit System

Attachment: Roll Call Sheet


SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BUDGET DEVELOPMENT COMMITTEE MEETING

ROLL CALL

MEETING OF (DATE): 04/06/2023 CALL TO ORDER (TIME): 10:56 a.m.

ADJOURN: 12:00 p.m.

BOARD MEMBER		(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
MORENO (Chair)	<input checked="" type="checkbox"/>	(no alternate) <input type="checkbox"/>	10:56 a.m.	12:00 p.m.
ELO-RIVERA	<input checked="" type="checkbox"/>	(no alternate) <input type="checkbox"/>	10:56 a.m.	12:00 p.m.
GOBLE	<input checked="" type="checkbox"/>	(no alternate) <input type="checkbox"/>	10:56 a.m.	12:00 p.m.
MCCANN	<input type="checkbox"/>	(no alternate) <input type="checkbox"/>	Absent	Absent
WHITBURN	<input checked="" type="checkbox"/>	(no alternate) <input type="checkbox"/>	10:56 a.m.	12:00 p.m.

COMMITTEE CLERK: Lucia I Mansour  Digitally signed by Lucia I Mansour
Date: 2023.04.06 14:14:29 -07'00'



**Metropolitan
Transit
System**

Agenda Item No. 4

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BUDGET DEVELOPMENT COMMITTEE**

April 6, 2023

SUBJECT:

Report From California Transit Association (Michael Pimentel Of California Transit Association)

INFORMATIONAL ONLY

Budget Impact

None at this time.

DISCUSSION:

Michael Pimentel, Executive Director of the California Transit Association (CTA), will provide a report on the California budget outlook, transit operations funding, and other statewide transit efforts.

/s/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

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



California Transit
Association



Approach to Addressing Transit Operations Funding Shortfall

Prepared for San Diego MTS Board of Directors Meeting
April 6, 2023

CaliforniaTransit
Association



State Budget Development Timeline

Michael Pimentel

Executive Director

California Transit Association



Budget Development Timeline

- **January 10:** Governor releases proposed FY 2023-24 state budget
- **February – May:** Budget subcommittees hold hearings on proposed FY 2023-24 state budget
- **May 15:** Governor releases “May Revise” of proposed FY 2023-24 state budget / may not matter from a revenue projection standpoint
- **May - July:** Budget subcommittees/budget committees hold hearings on “May Revise,” budget adjustments, approve FY 2023-24 state budget
- **July 1:** Start of FY 2023-24
- **July – September:** Continued action on main budget bill and trailer bills

CaliforniaTransit
Association



Budget Advocacy – Phased Approach

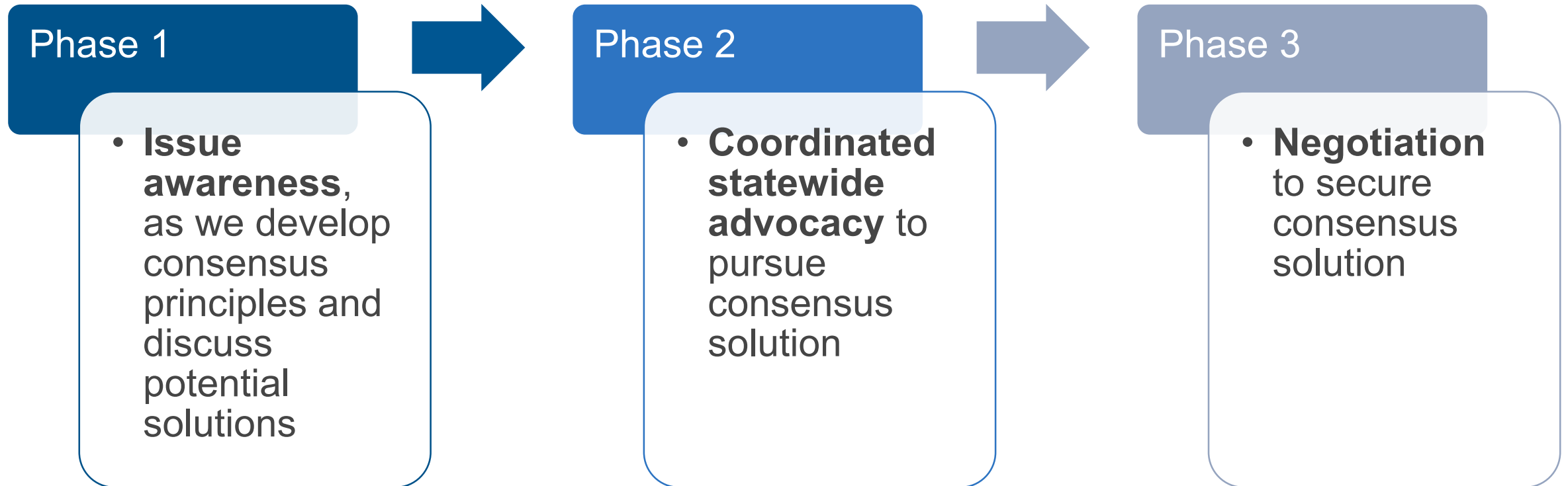
Michael Pimentel

Executive Director

California Transit Association



Phased Approach



Phase 1: Issue Awareness

Timeline: November 2022 – March 2023

Tactics:

- Meetings with Administration, key legislators, and stakeholders
- Activation of legislative champions
- Standing meetings with policy & budget committee staff
- Earned media
- Limited digital advocacy campaign

Role of Subcommittee:

- 1) Share information
- 2) Review survey results
- 3) Establish consensus principles, solution
- 4) Provide oversight on strategy, tactics

Issue Awareness in Practice

December 21 Pre-Budget Letter



Connecting us.

December 21, 2022

The Honorable Gavin Newsom
Governor
State of California
State Capitol, Suite 1173
Sacramento, CA 95814

The Honorable Toni Atkins
President Pro Tempore
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker
California State Assembly
State Capitol, Room 209
Sacramento, CA 95814

Re: California Transit Association's Fiscal Year 2023-24 Budget Priorities

Dear Governor Newsom, President pro Tempore Atkins, and Speaker Rendon:

On behalf of the 85 transit and rail agency members of the California Transit Association, I want to inform you of our Association's budget priorities for the Fiscal Year (FY) 2023-24 State Budget. While we understand the state is in a precarious fiscal situation, we believe there exists ample opportunity to work with you on moving our agenda forward to ensure that public transit agencies can continue to bring riders back to our systems & enhance mobility options, grow & maintain our services, further the state's environmental objectives, and support good paying jobs.

Appropriate Committed Transit Funding: First, thank you for providing an unprecedented level of General Fund investment in public transportation infrastructure in the FY 2021-22 and 2022-23 budgets, as well as for the commitment to continued investments in our systems. Importantly, the FY 2022-23 budget identifies an additional \$4 billion for public transportation infrastructure in FY 2023-24 and FY 2024-25. Despite the potential for the state to face a worsened fiscal position, we believe it is critical that this funding be appropriated in the coming fiscal years. This investment is critical to completing transit capital projects statewide, leveraging additional federal funds, and potentially helping to address other Association priorities. We wholeheartedly support the inclusion of the identified \$2 billion in the FY 2023-24 budget and look forward to working with your offices on the distribution of these funds once appropriated.

1415 L Street, Suite 1000, Sacramento, CA 95814

T: (916) 446-4318 F: (916) 446-4318

caltransit.org

Support Transit Operations Funding: As you know, transit and rail agencies across California have significantly benefited from the emergency funding bills passed by the United States Congress and the statutory relief passed by the State Legislature in 2020 and 2021. While this emergency funding and statutory relief, has allowed California transit and rail agencies to continue to deliver vital service, including to those vulnerable communities and essential workers that have historically comprised the core of our ridership, it was authorized with the assumption that our pandemic-related ridership challenges would be short-lived. While ridership has started to rebound, some transit agencies are still facing ridership levels (and farebox revenues) well-below pre-pandemic levels driven by several factors, including continued remote-work flexibility and rider concerns over their health & safety. Agencies also face increased operating costs stemming from increased inflation and supply-chain issues, as well as increased costs for vehicles, locomotives, and vessels to bring zero-emission technology online. As such, without additional support from the state, some of California's largest and most vital transit systems may soon be tasked with cutting services or increasing fares. We are requesting the Administration and the Legislature work with the Association to address operating funding challenges, while exploring ways to improve operations and bring riders back to California's transit systems. Additionally, we are requesting that the Administration and the Legislature extend the statutory relief provided to California's transit agencies through Fiscal Year 2024-25.

Provide Access to Homelessness Resources: As transit agencies work to bring back riders, our Association continues to hear concerns about the growing homelessness problem on our systems and the threat to public safety that comes with it. Individuals experiencing homelessness frequently shelter in stations and on trains & buses. A recent study released by the [University of California](#) found that approximately 85 percent of transit agencies described homelessness as a challenge and nearly 50 percent of transit agencies described an increase in individuals experiencing homelessness on their systems due to the pandemic. Possibly related to this increase, transit agencies have seen a growing number of crimes committed against passengers & operators and growing concerns from riders that they no longer feel safe on transit systems. In recent budgets, the Administration and Legislature have dedicated significant funding supporting programs for individuals experiencing homelessness and mental health issues. However, transit agencies have unfortunately been precluded from directly applying for and receiving these funds and have instead had to rely on coordination with local agency partners, which has proven challenging, especially for regional transit systems serving multiple jurisdictions. As such, we believe that transit agencies should be eligible for, or provided with, a dedicated source of funding for addressing homelessness and that the state provide guidance to current funding recipients to require better coordination with transit agencies to create more meaningful and successful partnerships.

Sustain Investments in Zero-Emission Transit Fleets: Finally, the Association and our members continue to transition the state's transit fleet to zero-emission and greatly appreciate the continued investments in buses, rail, and ferries for these purposes. We strongly supported the multi-year state investment in zero-emission fleets and the infrastructure necessary to support the deployment of these new technologies included in the FY 2022-23 budget. These investments help facilitate early compliance with ARB's innovative clean transit (bus) regulation, commercial harbor craft (ferry) regulation, and pending zero-emission locomotive

(rail) regulation; expand access to zero-emission mobility broadly; drive purchase orders at California-based manufacturers, and better position California transit agencies to be competitive for federal funding. We request that the FY 2023-24 budget continue to invest in these technologies and continue to dedicate funds solely for the benefit of California's public transportation systems.

Thank you for considering our budget priorities and we look forward to meeting with your offices soon to discuss the above in more detail as we work collaboratively to find solutions to the issues our public transportation agencies are facing. If you have any questions about our budget priorities, please contact me at michael@caltransit.org or 916-446-4656 x1034.

Sincerely,

Michael Pimentel
Executive Director

cc: The Honorable Nancy Skinner, Chair, Senate Budget and Fiscal Review Committee
The Honorable Lena Gonzalez, Chair, Senate Transportation Committee
The Honorable Phil Ting, Chair, Assembly Budget Committee
The Honorable Laura Friedman, Chair, Assembly Transportation Committee
Mr. Toks Oluwaloba, Secretary, California State Transportation Agency
Members, Executive Committee, California Transit Association
Members, State Legislative Committee, California Transit Association

Issue Awareness in Practice (Cont.)

Immediate Budget Response



FOR IMMEDIATE RELEASE

January 10, 2023

Contact: Erik Mebust, erik.mebust@sen.ca.gov 916-995-0692

Senator Wiener's Statement on Critical Need for Public Transportation Funding in State Budget

SACRAMENTO – Senator Scott Wiener (D-San Francisco) released the following statement regarding the critical need for public transportation funding in the state budget:

“Governor Newsom proposed a difficult budget today, which accounts for our significant deficit. While I fully understand the tough choices we have to make, we must not let our public transportation systems go over the impending fiscal cliff and enter a death spiral — where budget shortfalls lead to service cuts that lead to ridership drops that lead to further budget shortfalls and service cuts. The State must serve as a financial back-stop against this fiscal cliff to ensure our transit systems survive.

“Unfortunately, the Governor’s proposed budget does not address the transit fiscal cliff; instead it cuts and defers transit capital funds, which will make it even harder for these systems to meet future needs, including California’s climate goals.

“COVID-19 was the perfect storm for our public transportation systems. It eviscerated ridership at a time when decades of under-funding and other structural issues made our transit agencies over-reliant on fares. Ridership has increased since pandemic lows, but it hasn’t returned to pre-pandemic levels. Many agencies are now facing disastrous funding shortfalls when federal relief money runs out in the near future.

“Allowing our transit systems to deteriorate and fall apart is simply not an acceptable option for California. Millions of Californians depend on public transportation to get to work, school, the doctor, the supermarket, or family. Transit isn’t optional. It’s an essential public good and an essential tool in meeting California’s ambitious climate goals and avoiding even worse traffic congestion.

“The State must step in to bridge the gap until these agencies can secure more sustainable sources of funding and until ridership recovers. I look forward to working with my colleagues, the Governor, transit agencies, and other stakeholders to ensure this [absolutely vital](#) service continues uninterrupted.”

CAL MATTERS

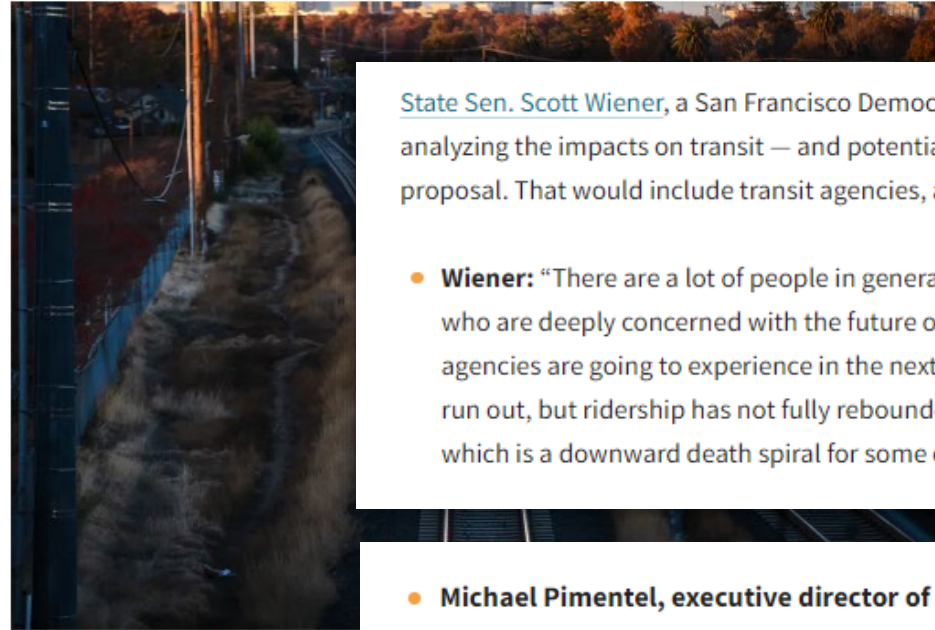
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ABOUT US



Will California budget cuts take transit off track?



A Sacramento Regional Transit light rail train in Sacramento on Nov. 30, 2022.

State Sen. Scott Wiener, a San Francisco Democrat, [let it be known Thursday](#) that he is analyzing the impacts on transit — and potentially forming a “big coalition” to fight the proposal. That would include transit agencies, advocates and others in the Legislature.

- **Wiener:** “There are a lot of people in general, and a number of people in the Legislature, who are deeply concerned with the future of transportation given the fiscal cliff that agencies are going to experience in the next one to two years as federal emergency funds run out, but ridership has not fully rebounded yet. It could lead to significant service cuts, which is a downward death spiral for some of these agencies.”

- **Michael Pimentel, executive director of the California Transit Association:** “We’re going to be working with the Legislature throughout this budget process to identify a path forward to restoring the proposed cuts — but also to address this operational funding shortfall that agencies across the state are facing.”

Issue Awareness in Practice (Cont.)

Legislative Budget Response Letter



January 18, 2023

The Honorable Toni G. Atkins
Senate President Pro Tempore
California State Senate

The Honorable Nancy Skinner
Chair, Senate Budget Committee
California State Senate

Honorable María Elena Durazo
Chair, Budget Subcommittee No. 5
California State Senate

The Honorable Anthony Rendon
Speaker of the Assembly
California State Assembly

The Honorable Phil Y. Ting
Chair, Assembly Budget Committee
California State Assembly

Honorable Steve Bennett
Chair, Budget Subcommittee No. 3
California State Assembly

Dear Pro Tempore Atkins, Speaker Rendon, Senator Skinner, Assemblymember Ting, Senator Durazo, and Assemblymember Bennett,

We write to express concern about the major proposed funding reductions for public transportation in the Governor's recently released FY 2023-24 budget proposal. We also write to formalize our call for the state to provide sorely needed transit operations funding as part of next fiscal year's budget. California's transit agencies are facing major funding shortfalls - in some cases, as early as this coming year - that would seriously impact the ability of these systems to maintain service for Californians, including our most vulnerable residents who are transit-reliant. The state budget must provide sorely needed transit operations funding to help agencies avoid these shortfalls as federal emergency funding ends and as agencies' fare revenue recovers.

Transit agencies across California are at risk of drastic service cuts due to large near-term operating budget shortfalls. For some agencies, these budget shortfalls pose an existential threat to their long-term viability. These budget shortfalls are driven by three main factors:

1. Ridership trends throughout the state have not recovered to pre-pandemic levels due in part to changed commute patterns and the increased prevalence of remote work. While ridership continues to rebound, that rebound has been slow.
2. Operating and capital costs are rising due to inflation.
3. Federal emergency relief funds - provided during the pandemic to sustain transit agencies - are set to run out - for some in the coming fiscal year.

Pro Tempore Atkins, Speaker Rendon, Senator Skinner, Assemblymember Ting, Senator Durazo, and Assemblymember Bennett
January 18, 2023
Page 3

We understand the state is projecting a budget shortfall and that difficult choices must be made. However, allowing the state's transit systems to unravel would have long-term, possibly irreversible, devastating impacts on California's transportation system and climate goals. Transit is an essential service for millions of Californians as they go about their daily lives - whether going to work, school, home, doctor's appointments, grocery shopping, or any other number of trips. As we noted earlier, transit is also an essential tool in meeting California's ambitious climate goals and avoiding increased traffic congestion by reducing vehicle miles traveled per capita.

Given the pressing and potentially disastrous consequences that could result from a failure for the state to help transit agencies bridge the gaps in funding needs until a long-term revenue source is identified, we reiterate the need for the budget to address operating funding challenges while exploring ways to improve operations and bring riders back to California's transit systems. The state's budget should also honor and restore previously committed TIRCP funds for transit projects to help avoid additionally stressing transit agency budgets. Additionally, the budget should extend statutory relief provided to California's transit agencies through Fiscal Year 2024-25.

Thank you for considering our perspective on this critical issue.

Sincerely,

Scott Wiener
Senator, 11th District

Wendy Carrillo
Assemblymember, 52nd District

Ben Allen
Senator, 24th District

Miguel Santiago
Assemblymember, 54th District

Catherine Blakespear
Senator, 38th District

Mia Bonta
Assemblymember, 18th District

Issue Awareness in Practice (Cont.)

Sustained Budget Response

ITOL WEEKLY
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OPINION

California transit agencies need more state support



BY MICHAEL PIMENTEL POSTED 02.02.2023

TWITTER

FACEBOOK

EMAIL

OPINION: In 2022, the State of California invested a historic \$8 billion in transit and rail capital projects to build a stronger, more equitable, and more sustainable transportation network for the future. Facing a \$22.5 billion “budget problem,” the Fiscal Year (FY) 2022-23 State Budget released by Governor Newsom on January 10 proposes to reduce this investment by \$2 billion. Critically, the budget is silent on the looming and pandemic-induced operations funding crisis faced by agencies statewide. Without dedicated operations funding, some of the state’s largest transit agencies will have to reduce service, lay off staff, and defer maintenance and modernization programs.

California public transit agencies survived the pandemic because of unprecedented federal action – which provided \$69.4 billion nationwide through the CARES Act, CRRSA Act, and the American Rescue Plan – as well as state statutory relief. These emergency measures, reflecting federal and state leaders’ understanding of the essential service provided by transit agencies, were intended to bridge the shortfalls in transit revenue until ridership recovered. Ridership still has not recovered to pre-pandemic levels. A survey by the University of California Institute of Transportation Studies (UC ITS) found that more than half of the state’s transit agencies are still relying on federal funding. This federal funding and state statutory relief is running out and the state must act.

FACT:
CA imports 75%
of our oil
resulting in higher
gas prices



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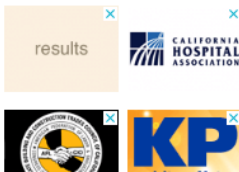
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California Transit Association
@CalTransit

READ NEW OP-ED: CA's public transit agencies are facing catastrophic funding crisis. We are urging Governor Newsom & Legislature to restore transit capital cuts, provide ops funding & extend state statutory relief. By @mpimentel88 in @Capitol_Weekly:



capitolweekly.net

California transit agencies need more state support - Capitol Weekly
Without dedicated operations funding, some of the state’s largest transit agencies will have to reduce service, lay off staff, and defer maintenance and...

Issue Awareness in Practice (Cont.)

January 25 Budget Response Letter

January 25, 2023

The Honorable Toni G. Atkins
Senate President Pro Tempore
California State Senate

The Honorable Nancy Skinner
Chair, Senate Budget Committee
California State Senate

The Honorable María Elena Durazo,
Chair, Budget Subcommittee No. 5
California State Senate

The Honorable Anthony Rendon
Speaker of the Assembly
California State Assembly

The Honorable Phil Y. Ting
Chair, Assembly Budget Committee
California State Assembly

The Honorable Steve Bennett
Chair, Budget Subcommittee No. 3
California State Assembly

RE: California Transit Association's Response to Proposed FY 2023-24 Budget

Pro Tempore Atkins, Speaker Rendon, Senators Skinner and Durazo, and Assemblymembers Ting and Bennett:

On behalf of the 85 transit and rail agency members of the California Transit Association, I write to inform you of the Association's significant concerns with the proposed reductions to transit and transportation spending included in the Governor's proposed FY 2023-24 budget, and to further elevate our member agencies' requests for operations funding assistance to address near-term funding shortfalls and to support transit agencies in their recovery from the COVID-19 pandemic. We respectfully request that the Legislature address these priorities in concert with the Administration and the Association as the budget process proceeds.

The proposed \$297 billion budget for FY 2023-24, which projects a \$22.5 billion deficit, contains several troubling cuts to transportation funding programs. Among these cuts is the proposed reduction of \$2 billion in funding previously committed to the Transit and Intercity Rail Capital Program (TIRCP) – a proposal that includes a conditional trigger, allowing for these funds to be restored if the state's fiscal outlook improves. At a time when many transit agencies face near-term budget shortfalls due to dwindling federal emergency relief funds, inflationary pressures, and stagnating ridership, we believe it is critical that the state maintain transit funding at the levels that were agreed to as part of 2022's transportation spending package. This funding would allow transit agencies to continue to make progress on the state's environmental, mobility, and equity objectives. We additionally observe that this investment in the TIRCP was a key element of the budget discussions that ultimately led to the historic \$11 billion commitment to transit, active transportation, climate adaptation and high-speed rail in the FY 2022-23 Budget

Connecting us.

Act. This carefully crafted agreement was wholeheartedly supported by our member agencies and deserves to be upheld not only for the reasons previously stated, but also because (as discussed at the time of its enactment) [this funding primes](#) transit agencies to take advantage of the generational investment provided by the federal Bipartisan Infrastructure Law. Now is not the time to cut funding for transit agencies.

As you know, at the height of the COVID-19 pandemic, transit agencies statewide were fortunate to receive emergency funding from the federal government, as well as statutory relief from the State of California. This relief has been critical to transit agencies and the communities they serve, as it supported day-to-day transit operations, allowed transit agencies to implement enhanced public health protocols in response to the pandemic, and provided transit agencies with a runway to re-envision their services and regrow ridership. Unfortunately, this relief will soon lapse as federal emergency funding is exhausted by transit agencies and state statutory relief expires at the end of FY 2022-23.

As transit agencies continue to rebound from the long-lasting effects of the COVID-19 pandemic on commute patterns, ridership, and capital and operations costs, we believe it is crucial that the state explore solutions to provide transit agencies with the funding necessary to continue day-to-day operations without having to reduce services or increase fares, while also providing funding to transit agencies to implement programs and strategies geared toward bringing riders back. Through our engagement with our member agencies and survey data we have collected from them this year, the Association stands ready to advise and support the Administration and Legislature in these deliberations. Additionally, we believe it is vital that the state extend the statutory relief provided to transit agencies by additional two years – through FY 2024-25 – as this extension would allow more time for transit operations to recover, stave off unwarranted and counterproductive shifts in transit funding, while also allowing agencies to continue operations without service impacts. From the data we have collected, more than 80 percent of responding agencies noted that such relief has been helpful in maintaining their service and ridership.

In summary, we request the Administration and Legislature work with the Association to restore capital funding for transit agencies, provide flexible funding for operations, and extend statutory relief through FY 2024-25. We thank you for supporting transit agencies throughout the pandemic and for considering our budget requests. We look forward to meeting with your offices soon to discuss them in more detail as we work to find solutions to the issues our public transportation agencies are facing. If you have any questions about our requests, please contact me at Michael@caltransit.org or (916)-446-4656 x1034.

Sincerely,



Michael Pimentel
Executive Director

The Honorable Gavin Newsom, Governor, State of California
Toks ~~Quintana~~, Secretary, California State Transportation Agency
Mark Tollefson, Undersecretary, California State Transportation Agency
Members, Executive Committee, California Transit Association
Members, State Legislative Committee, California Transit Association

Issue Awareness in Practice *(Cont.)*

- Participation in CTC Public Meeting (12/8)
- Participation in Assembly and Senate Budget Committee Hearings (1/18, 2/8, 3/15)
- Panel Participation in Joint Hearing of Transportation Committees on Transit Ridership (2/27)
- Standing Meetings with Consultants for Transportation, Budget Committees (11/30, 12/7, 12/14, 1/4, 1/18, 1/25, 2/10, 2/15, 2/22, 3/2, 3/8, 3/15; Ongoing)

Issue Awareness in Practice (Cont.)

STATE CAPITOL
P.O. BOX 942889
SACRAMENTO, CA 95834-8915

California Legislature

**Assembly Transportation Committee and Senate Transportation Committee
Joint Informational Hearing
Short Term Crisis and Long Term Transformation: How to Bring Back and Build Transit Ridership in California**

February 27, 2023
3:00 pm or upon adjournment of session
1021 O Street, Room 1100

Agenda

- I. Opening Remarks
 - Assembly Member, Laura Friedman, Chair, Assembly Transportation Committee
 - Senator Lena A. Gonzalez, Chair, Senate Transportation Committee
- II. Overview
 - Brian Taylor, Director, Institute of Transportation Studies, UCLA
 - Chad Edison, Chief Deputy Secretary for Rail and Transit, California State Transportation Agency
 - Michael Pimentel, Executive Director, California Transit Association
- III. Local and Operator Perspective
 - Michael Turner, Deputy Executive Officer, Los Angeles County Metropolitan Transportation Authority
 - Rebecca Long, Director of Legislation and Public Affairs, Metropolitan Transportation Commission/Association of Bay Area Governments
 - Alex Clifford, Chief Executive Officer, San Joaquin Regional Transit District
- IV. Stakeholder Perspective
 - Colin Parent, Vice Mayor, City of La Mesa, and Executive Director/General Counsel, Circulate San Diego
 - James Lindsay, International Vice-President, Amalgamated Transit Union
 - Emily Loper, Vice President of Public Policy, Bay Area Council
 - Annie Lee, Managing Director of Policy, Chinese for Affirmative Action, co-founder of Stop AAPI Hate
- V. Public Comment



Issue Awareness in Practice (Cont.)

ISSUE 2: TRANSIT OPERATIONS FUNDING SHORTFALLS

This item will discuss the transit operators "fiscal cliff" and what role the state budget should play in providing funding for transit operations who are facing funding shortfalls due to ridership declines.

PANEL

- Michael Pimentel, Executive Director, California Transit Association
- Frank Jimenez, Senior Fiscal and Policy Analyst, Legislative Analyst's Office
- Mark Tollefson, Undersecretary, CalSTA
- Carlos Quant, Deputy Secretary, Budget and Fiscal Policy, CalSTA
- Steve Wells, Budget Analyst, Department of Finance

BACKGROUND

On February 27, 2023, the Assembly and Senate Transportation Committees held a joint hearing on "Short Term Crisis Long Term Transformation: How to Bring Back and Build Transit Ridership in California." The hearing focused on the state of public transportation in California and how the state can partner with transit operators to both rebuild and transform the state's transit systems. A copy of their background paper can be found at: [Transit Info Hearing Background Paper FINAL on Letterhead \(002\).pdf \(ca.gov\)](#).

Transit operators nationally and in California were struggling with declining ridership prior to the COVID-19 pandemic. The pandemic exacerbated the problem, causing serious operating and financial challenges. With federal relief funding for transit being exhausted, many operators are facing an immediate fiscal crisis mainly due to revenue losses at the farebox. The goal of this item is to discuss what role, if any, the State budget should play in helping transit operations with their funding shortfalls.

STAFF COMMENTS

The State's climate goals are intertwined with the success of public transit systems. To meet the state's climate goals and to develop more integrated, livable communities, the state must have a robust, efficient, and reliable public transit network. Transit also serves as a major component of the state's goal to reach carbon neutrality by 2045.

State investments in our public transit systems have centered on funding capital projects, not operations. If the state were to prioritize funding for operators, this would be a significant



Issue Awareness in Practice *(Cont.)*

- Meeting with Sen. Budget Sub. 2 Chair Josh Becker (1/31) [Staff]
- Meeting with CalSTA Secretary Toks Omishakin (2/10)
- Meeting with Asm. Budget Sub. 3 Chair Steve Bennett (2/22)
- Meeting with Asm. Speaker Anthony Rendon (2/24) [Staff]
- Meeting with Sen. Transpo. Committee Chair Lena Gonzalez (3/1)
- Meeting with Asm. Budget Committee Chair Phil Ting (3/7)

Issue Awareness in Practice (Cont.)



Protect Our Progress From Program Cuts

(Highlights of Progress to Protect)

RESOURCES & ENVIRONMENT

Multi-year Climate Package:

- Funding to address sea level rise.
- Investments in wildfire prevention activities.
- Funding to assist communities and protect ecosystems impacted by drought.

Clean Energy investments to ensure a future of reliability and affordability.

Support for equitable transition to zero-emission vehicles.

TRANSPORTATION AND HOUSING

Transportation Infrastructure

Investments, including:

- Transit and intercity rail.
- Ports and Good Movement
- Grade Separations.

Affordable Housing Support.

Homelessness Reduction investments.



Protect Our Progress by Developing Options for Making More Progress once Economy Rebounds

HEALTH & HUMAN SERVICES

Reduce Deductibles/Copays in Covered California.

Improve Health Equity and Racial Justice in Public Health.

End the Epidemics of HIV, HepC, and STIs.

Complete efforts to expand CalWORKs to ensure No Child In Deep Poverty.

Expand CA Food Assistance to all ages.

HOUSING AND TRANSPORTATION

Establish multi-year commitment to combat homelessness.

Develop CA Dream For All first time homebuyer program into self-sustained, revolving, ongoing program.

Develop options to support ongoing local transit operations.

Issue Awareness in Practice (Cont.)

- Contracted with JSQ Group to run the channel strategy and geofencing
- Two-phased approach aligned with budget committee hearings and release of May Revise
 - *Phase 1: March – April*
 - *Phase 2: May Revise – Start of Next Fiscal Year*

Phase One: March - April

Category	
Paid Media	
<i>California Morning Report</i>	<i>April 10 flight starts. Run of Site</i>
<i>Targeted Programmatic Display Ads</i>	<i>2-month flight. Capitol geofence. Estimated 875,000 impressions (29,166 daily imps).</i>
<i>Twitter</i>	<i>2-month flight, Mon-Thur, State Capitol geofence. Estimated 250,000 impressions (3,900 daily imps)</i>

Issue Awareness in Practice *(Cont.)*



**KEEP WORKING
FAMILIES MOVING**

SAVE PUBLIC TRANSIT

Paid for by the California Transit Association



SAVE PUBLIC TRANSIT

DON'T LET OUR
TRANSPORTATION SYSTEM
GRIND TO A HALT

Paid for by the California Transit Association

Phase 2: Coordinated Statewide Advocacy

Timeline: April 2023 – September 2023

Tactics:

- Building and activation of legislative and stakeholder coalitions
- Continued meetings with Administration, key legislators, and stakeholders
- Continued standing meetings with policy & budget committee staff
- Earned media & coordinated public affairs program
- Heightened digital advocacy campaign

Role of Subcommittee:

- 1) Share information
- 2) Steer coalition
- 3) Provide oversight on strategy, tactics



December 11, 2020

The Honorable Joseph R. Biden
 President-Elect
 United States of America
 1401 Constitution Avenue, NW
 Washington, DC 20230

The Honorable Nancy Pelosi
 Speaker of the House
 United States House of Representatives
 H-232, The Capitol
 Washington, DC 20515

The Honorable Kevin McCarthy
 Minority Leader
 United States House of Representatives
 H-204, The Capitol
 Washington, DC 20515

The Honorable Mitch McConnell
 Majority Leader
 United States Senate
 S-230, The Capitol
 Washington, DC 20510

The Honorable Chuck Schumer
 Minority Leader
 United States Senate
 S-221, The Capitol
 Washington, DC 20510

President-Elect Biden, Speaker Pelosi, Leader McConnell, Leader McCarthy, and Leader Schumer:

Our coalition of transit, labor, business, local governments, infrastructure, environmental and social justice leaders respectfully urges you to provide at least \$32 billion in new funding to transit agencies nationwide, inclusive of no less than \$3.1 billion for California's transit agencies to address their operating budget shortfalls resulting from the COVID-19 pandemic.



California Transit
Association



Preliminary Details of Budget Request

Michael Pimentel

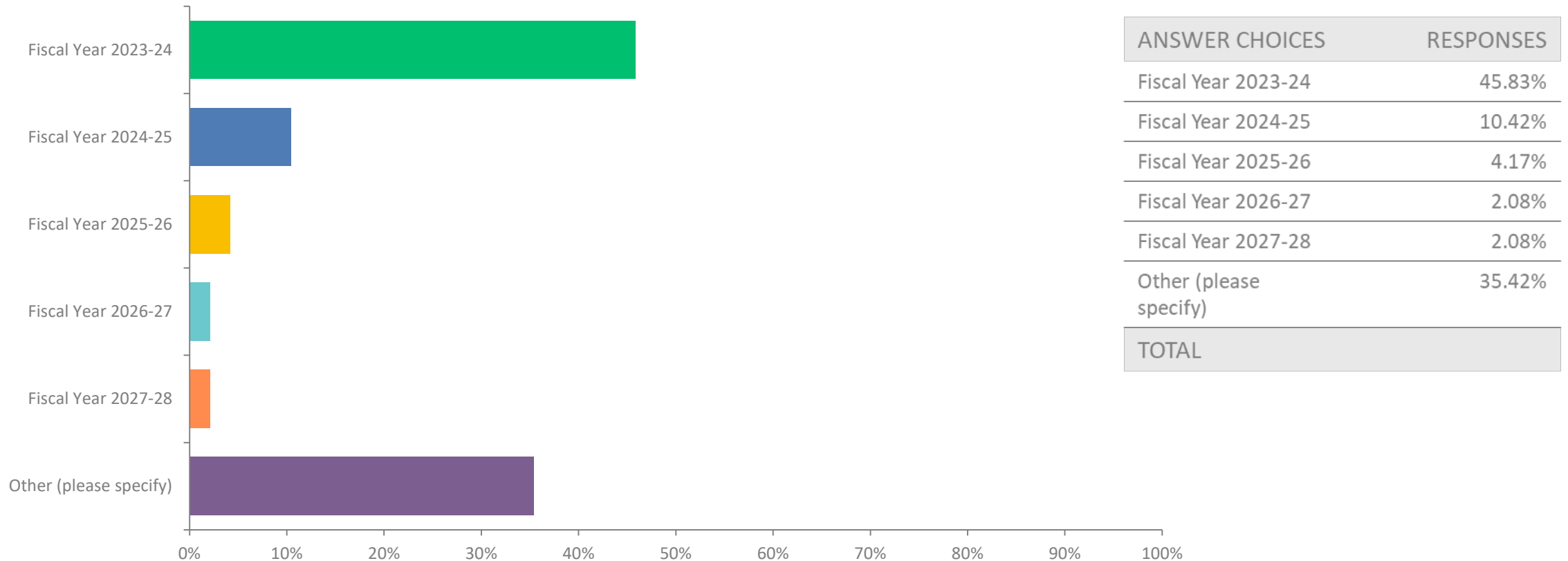
Executive Director

California Transit Association



Association Survey Results

Please identify in which state fiscal year your agency projects to fully expend the federal COVID-19 relief funding you received.



Association Survey Results

- As transit agencies exhaust federal relief, operating deficits begin
 - Deficits begin in FY 2023-24, increase significantly in FY 2024-25
 - Estimated 5-year need over \$6 billion
- **NOTE:** Depletion of federal relief not sole driver of operating deficits
 - Stagnant ridership levels; lost fare revenues
 - Capital Costs (vehicles, parts/materials)
 - Operating Costs (labor, risk management/insurance, fuel)
 - Economic downturn (out-years)

Potential Funding Sources

- Focused on politically viable and consensus-based solutions
 - Flexibility in existing transit funding sources
 - New funding for transit operations from sources w/o existing claims
- Additional details to be finalized later this month

Reforms Necessary Component of Discussion

- Need to demonstrate commitment to reforming transit operations, accountability metrics
 - *Operations:* Engaging productively on key reform efforts, including:
 - AB 761 (Friedman) Transit Transformation Task Force
 - SB 434 (Min) Street Harassment
 - *Operations:* Using standing committees and task forces to ideate additional reform ideas

Reforms Necessary Component of Discussion

- Need to demonstrate commitment to reforming transit operations, accountability metrics
 - *Accountability Metrics: Pursuing two tracks to reform*
 - Short-term: Extended statutory relief
 - Short-term: Identification of preferred long-term solutions
 - Long-term: Participation in AB 761 process

Questions?

Contact Information:

Michael Pimentel
Executive Director
California Transit Association
michael@caltransit.org
916-446-4656 x1034

California Transit
Association



Approach to Addressing Transit Operations Funding Shortfall

Prepared for San Diego MTS Board of Directors Meeting
April 6, 2023



**Metropolitan
Transit
System**

Agenda Item No. 5

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BUDGET DEVELOPMENT COMMITTEE

April 6, 2023

SUBJECT:

Fiscal Year (FY) 2024 Operating Budget Discussion (Mike Thompson)

INFORMATIONAL ONLY

Budget Impact

None at this time.

DISCUSSION:

Fiscal Year 2024 Budget Recap

The following is a recap of the FY 2024 budget process:

- MTS uses a zero-based budgeting process that begins in January each year. In MTS's process, every line item budget is reviewed and approved each year. Department managers complete budget templates in which they propose amounts for each line item, submitted with the appropriate supporting details for each assumption (in contrast, with a traditional historic budgeting process, managers only justify variances versus prior year budget; the assumption is that the baseline is automatically approved). Meetings are held with each department to validate their assumptions, review proposals versus existing spending trends, and review any new initiatives. This collaborative process results in the assumptions that are then presented to and reviewed by senior management at MTS, the Budget Development Committee (BDC) and ultimately the MTS Board.
- On March 2, 2023, staff had its first meeting with the BDC. During this meeting, staff reviewed and recommended approval of the FY 2023 midyear operating budget amendment. Staff also recommended approval to accelerate the draws of federal stimulus funding and create an Operating Deficit Reserve for use in addressing the structural deficit in future fiscal years. In this meeting, staff also presented a preliminary forecast of the FY 2024 operating budget based on high-level expense and revenue assumptions.
- On March 16, 2023, staff held a Finance Workshop at the Board of Directors meeting. During this meeting, staff reviewed and received Board approval of the FY 2023 amended operating budget. Staff also received approval to accelerate the draws of federal stimulus funding and create an Operating Deficit Reserve for use in addressing the structural deficit in future fiscal years. Staff also presented a preliminary draft of the FY 2024 operating budget based on very high-level expense and revenue assumptions.

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

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.



- Since March 16, 2023, staff has continued to refine the proposed FY 2024 operating budget. The current draft of the budget includes planned bus service restorations in FY 2024. Staff will continue to refine assumptions and reflect recommended actions from the BDC and Board as these decisions are made during the budget development process.

Fiscal Year 2024 Operating Budget

The FY 2024 total budgeted revenue is projected at \$406.7 million, and total expenses are projected at \$406.7 million, resulting in a balanced budget for FY 2024. Attachments A-D detail the current draft of the proposed FY 2024 Operating Budget.

Fiscal Year 2024 Revenues

Attachment E summarizes the total operating and non-operating revenues in a schedule format. As indicated within the schedule, FY 2024 combined revenues total \$406.7 million, an increase from the FY 2023 amended budget of \$26.3 million (6.9%).

Operating revenue totals \$101.7 million, an increase from the FY 2023 amended budget of \$8.9 million (9.6%). Passenger revenues are projected to increase by \$8.0 million (11.3%). Other operating revenues are projected to increase by \$861,000 (3.9%). This includes projected increases in energy credit revenue to reflect a full year on the new compressed natural gas (CNG) contract which includes more lucrative revenue sharing for MTS versus the prior contract which ended in December 2022. The increase in energy credit revenue is being partially offset by a decrease in naming rights revenue since the deal with Sycuan Casino for Green Line naming rights ended in FY 2023.

Non-operating revenue totals \$305.0 million, an increase from the FY 2023 amended budget of \$17.4 million (6.1%). Non-operating revenue includes both subsidy revenue and other revenue as detailed in Attachment E.

Subsidy revenue totals \$337.2 million, a decrease from the FY 2023 amended budget of \$475,000 (-0.1%).

Federal Transit Administration (FTA) funding is structured on a reimbursement basis (after expenses are incurred), and funds both the Capital Improvement Program (CIP) and operating budgets. MTS's share of recurring federal revenue in the operating budget is expected to increase by \$4.0 million (6.0%) from the FY 2023 amended budget to \$70.8 million in total. This is due to increasing the preventive maintenance funds in the operating budget by \$3.0 million, increasing the estimated share of rural 5311/5311(F) funds by \$477,000, and including \$375,000 of federal planning funds from a previously awarded discretionary grant.

On March 27, 2020, the President signed the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provided \$25 billion to the transit industry nationwide. MTS will receive \$220 million in CARES Act funding over multiple fiscal years to supplement lost revenues and increased expenses related to the pandemic. On March 11, 2021 the President signed the American Rescue Plan (ARP) Act into law, providing \$140 million in additional stimulus funding for MTS. In total, MTS has been awarded \$360.0 million in stimulus funds that have been used to address the structural deficit in the operating budget since award and will continue to be drawn based on eligible operating expenses until funds are exhausted. MTS plans to maximize federal stimulus drawdowns in the operating budget in FY 2024, as directed by the Board at the March 16th, 2023 meeting. The amount of federal stimulus funds included in the operating budget is \$85.0 million, a decrease of \$2.3 million from the FY 2023 amended budget. The overall amount of federal revenues in the operating budget is projected to increase by \$1.7 million (-1.1%).

Regional sales tax revenues for MTS are projected to decrease by \$193,000 (-0.1%) year over year for FY 2024. Transportation Development Act (TDA) revenue in the operating budget is decreasing by \$4.9 million (-5.1%) over the FY 2023 amended budget. This is due to additional TDA funds being allocated to the Capital Improvement Program (CIP) to provide required matching funds for federal grant awards. MTS files an annual TDA claim based on San Diego Association of Governments (SANDAG) projections, and that claim amount is the amount received, regardless of actual sales tax performance. The overall amount of TDA projected for FY 2024, available for both capital and operations, is actually increasing by \$4.0 million (3.2%) over the FY 2023 claim amount based on projected sales tax receipts.

TransNet formula revenue is projected to increase by \$4.8 million for FY 2024 (7.0%) from the FY 2023 amended budget. Unlike TDA, Transnet revenues are not based on an annual claim process and are instead disbursed as the revenue is generated. The formula share of Transnet funding is expected to increase by \$416,000 (1.0%) versus last year, representing lower sales tax growth versus recent years as economic growth is expected to slow. MTS also receives TransNet as operating assistance for TransNet funding service, which includes Superloop, I-15 BRT, Mid-City Rapid, South Bay BRT, and Mid-Coast. TransNet operating assistance is projected to be \$30.7 million in FY 2024, an increase of \$4.3 million from the FY 2023 amended budget. This is primarily due to an increase of \$2.0 million resulting from a swap with SANDAG in which Fastrak revenue is being decreased by \$2.0 million and backfilled with \$2.0 million in TransNet, as well as for increased reimbursement for TransNet-funded services based on higher expenses for these services. In total, TransNet revenues are projected to increase by \$4.8 million (7.0%) from the FY 2023 amended budget.

In the FY 2023 fiscal year to date, MTS has received \$20.8 million of the originally projected \$40.0 million of State Transit Assistance (STA) funding. This funding is primarily programmed in the CIP due to its volatile history, but a portion is also allocated to operations to fund service increases, replace lost Medi-Cal revenue, and address the structural deficit. The share of STA in the operating budget is staying flat at \$11.3 million in FY 2024.

Other state revenue is projected to be \$112,000 in FY 2024, the same level as included in the FY 2023 amended operating budget.

Other local funding is projected to be \$4.5 million, a decrease of \$2.0 million (-30.8%) from the FY 2023 amended budget. This is due to reduction in the amount of Fastrak revenue available from SANDAG as part of a revenue swapping arrangement. This year, SANDAG is reducing Fastrak revenue provided to MTS by \$2.0 million, and the difference will be made up with Transnet operating funds.

Consolidated subsidy revenue totals \$337.2 million, a decrease of \$475,000 (-0.1%) from the FY 2023 amended budget.

Within other revenue, reserve revenue totals -\$32.3 million. For-Hire Vehicle Administration and San Diego & Arizona Eastern (SD&AE) are self-funded activities. In total, they are projected to increase their reserves by \$83,000 in FY 2024 as revenues are projected to exceed expenses. The creation of an Operating Budget Deficit reserve was approved as part of the adoption of the FY 2023 amended budget. In FY 2023, \$50.0 million in funds were projected to be added to the Operating Deficit Reserve (reflected as negative reserve figure in Attachment E). That figure is projected to be \$32.2 million in FY 2024, a decrease of \$17.8 million (35.7%) in the amount being added to the reserve year over year.

Fiscal Year 2024 Expenses

Attachment A contains the total revenues as detailed above and the total proposed expenses for FY 2024. FY 2024 combined expenses totaled \$406.7 million, an increase from the FY 2023 amended budget of \$26.3 million (6.9%). The current budget draft assumes increases in service levels in both fixed

route bus and paratransit operations. Rail operations service levels are expected to remain consistent with current levels. Internal and contracted fixed route bus service levels are expected to increase by a combined 5.4% year over year. Paratransit service levels, based on demand, are projected to increase by 24% and return to approximately 55% of baseline levels in FY 2024.

Within operating expenses, personnel expenses are projected to increase from the FY 2023 amended budget by \$9.1 million (5.6%). Wages are expected to increase by \$5.3 million (5.5%), primarily due to higher bus operator wages resulting from a full year of increased driver pay rates as well as increased service levels assumed in the current budget draft. Salary Grade Ranges for FY 2024 are increasing 4.0% from the amended FY 2023 ranges, matching the proposed merit increase for FY 2024. Fringe expenses are projected to increase by \$3.8 million (5.6%) versus the FY 2023 amended budget. This is primarily due to increasing healthcare expenses and pension expenses. Healthcare expenses are increasing by \$4.1 million as a result of the IBEW and ATU trust fund balances being completely dissolved, meaning the full cost of FY 2024 premiums will be incurred by MTS and current employee contributions rather than a remaining trust balance which had occurred in FY 2023 when remaining trust funds were used to offset premiums. Pension costs are increasing by \$893,000 (3.0%), primarily due to an increase in the SDTC defined benefit plan contribution amount for FY 2024 based on the most recent actuarial review. These increases are being partially offset by a projected decrease of \$1.1 million (-20.2%) million in worker's compensation costs.

Purchased transportation costs are projected to increase from the FY 2023 amended budget by \$13.9 million (15.3%). This is primarily due to contract increases and projected service level increases for both the fixed route contract operated by Transdev and the paratransit/minibus contract operated by First Transit. Both contracts have fixed and variable rates, and in both contracts the variable rates were amended in FY 2023 to adjust operator wages. The fixed cost rate is not dependent on service levels and is a fixed monthly fee, whereas the variable rate is dependent on the volume of service operated. The fixed cost rate on the Transdev contract is increasing by 3.2%, and the variable rate is increasing by 5.3% in FY 2024 over the average blended rate of FY 2023. Overall Transdev costs are projected to increase by \$10.4 million (14.6%) as a result of contract increases and a projected 9.0% increase in Transdev service levels in this budget draft. The fixed cost rate on the First Transit contract is increasing by 4.1% for both minibus and paratransit, the minibus per-mile rate is increasing by 7.6%, and the paratransit per-hour rate is increasing by 5.4%. Overall First Transit costs are projected to increase by \$3.6 million (18.0%) as a result of contract increases and an estimated 24% increase in service demand.

Excluding purchased transportation, other outside service expenses are projected to increase from the FY 2023 amended budget by \$6.3 million (15.4%). This is primarily due to increasing repair and maintenance costs within rail operations, increasing security contract costs, as well as increasing fare system and information technology costs within Administration. Repair and maintenance within rail operations are increasing primarily due to the inclusion of some large repair items (tie replacement, light rail vehicle drive unit overhauls, light rail vehicle seat replacement).

Materials and supplies costs are projected to decrease by \$93,000 (-0.6%), primarily due to a projected decrease in revenue vehicle parts for light rail vehicles as older vehicle are replaced.

Energy costs are projected to decrease by \$4.7 million (-8.9%). Electricity costs are projected to decrease by \$149,000 (-0.5%) due a projected 1.1% decrease in the rate year over year. CNG costs are projected to decrease by \$4.4 million (-22.5%), primarily due to a projected 27.5% reduction in the overall CNG rate, partially offset by assumed service increases. FY 2023 included dramatic spikes in the commodity rate, particularly in January 2023, that skewed the FY 2023 budget figure dramatically higher. The proposed draft assumes a commodity rate averaging \$6.13 per term, which marks a return to a more normal level for FY 2024, but is still nearly double the long-term average commodity rate. The dramatic spikes have largely been due to local pipeline and storage issues in California, and the commodity rate

has continued to decline since January. The expectation is that these local factors will continue to improve heading into FY 2024.

Risk management costs are increasing by \$1.3 million (16.5%). The increase is primarily driven by an increase of \$1.0 million (17.7%) in insurance premiums due to harsh market conditions for liability and property insurance.

General and Administrative costs are increasing by \$511,000 (8.1%), primarily due to increasing fare materials costs as a result of purchasing additional extended use and limited use Pronto cards in FY 2023.

Vehicle and Facility Lease costs are projected to increase by \$18,000 (1.1%), primarily due to non-revenue vehicle leasing expenses.

Debt service costs are projected to decrease from the FY 2023 amended budget by \$131,000 (-70.7%), primarily due to decreasing interest costs for the Pension Obligation Bond funding the SDTC pension plan. FY 2024 is the last year of payments for the pension obligation bonds.

In total, expenses are projected to increase by \$26.3 million or 6.9% versus the FY 2023 amended budget.

/s/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

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Attachments: A. FY 2024 Operating Budget – Consolidated MTS
B. FY 2024 Operating Budget – Consolidated Operations
C. FY 2024 Operating Budget – Consolidated Administration
D. FY 2024 Operating Budget – Consolidated Other Activities
E. FY 2024 Operating Budget – Consolidated Revenue Summary
F. FY 2024 Operating Budget – Position Table Summary
G. FY 2024 Operating Budget – Position Table Details

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET SUMMARY
FISCAL YEAR 2024
SECTION 2.01**

	ACTUAL FY22	AMENDED BUDGET FY23	PROPOSED BUDGET FY24	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	56,146,854	70,902,462	78,925,285	8,022,823	11.3%
OTHER OPERATING REVENUE	21,769,898	21,885,695	22,746,862	861,167	3.9%
TOTAL OPERATING REVENUES	77,916,752	92,788,157	101,672,147	8,883,990	9.6%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	262,832,030	337,718,598	337,243,172	(475,426)	-0.1%
OTHER NON OPERATING REVENUE					
RESERVE REVENUE	566,353	(50,131,764)	(32,254,399)	17,877,365	-35.7%
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	566,353	(50,131,764)	(32,254,399)	17,877,365	-35.7%
TOTAL NON OPERATING REVENUE	263,398,383	287,586,833	304,988,773	17,401,939	6.1%
TOTAL COMBINED REVENUES	341,315,135	380,374,990	406,660,920	26,285,930	6.9%
OPERATING EXPENSES					
LABOR EXPENSES	91,233,215	96,142,137	101,445,387	5,303,250	5.5%
FRINGE EXPENSES	58,637,634	67,418,495	71,217,488	3,798,993	5.6%
TOTAL PERSONNEL EXPENSES	149,870,849	163,560,632	172,662,875	9,102,243	5.6%
SECURITY EXPENSES	8,681,966	12,635,295	14,170,431	1,535,136	12.1%
REPAIR/MAINTENANCE SERVICES	8,459,072	8,093,103	10,967,666	2,874,563	35.5%
ENGINE AND TRANSMISSION REBUILD	717,996	768,464	716,400	(52,064)	-6.8%
OTHER OUTSIDE SERVICES	15,869,767	19,646,949	21,611,646	1,964,697	10.0%
PURCHASED TRANSPORTATION	82,920,384	90,877,960	104,821,016	13,943,056	15.3%
TOTAL OUTSIDE SERVICES	116,649,185	132,021,771	152,287,159	20,265,388	15.4%
LUBRICANTS	460,940	468,735	473,735	5,000	1.1%
TIRES	1,257,077	1,266,700	1,305,500	38,800	3.1%
OTHER MATERIALS AND SUPPLIES	12,876,380	14,573,551	14,436,261	(137,290)	-0.9%
TOTAL MATERIALS AND SUPPLIES	14,594,398	16,308,986	16,215,496	(93,490)	-0.6%
GAS/DIESEL/PROPANE	2,653,271	2,979,715	2,872,960	(106,755)	-3.6%
CNG	14,582,925	19,730,000	15,289,000	(4,441,000)	-22.5%
TRACTION POWER	17,631,190	23,904,159	23,712,890	(191,269)	-0.8%
UTILITIES	5,241,551	5,951,186	6,017,669	66,483	1.1%
TOTAL ENERGY	40,108,937	52,565,060	47,892,519	(4,672,541)	-8.9%
RISK MANAGEMENT	7,453,957	7,773,340	9,058,779	1,285,439	16.5%
GENERAL AND ADMINISTRATIVE	5,323,272	6,327,108	6,838,481	511,373	8.1%
DEBT SERVICE	311,927	185,066	54,149	(130,917)	-70.7%
VEHICLE / FACILITY LEASE	1,469,788	1,633,024	1,651,462	18,438	1.1%
TOTAL OPERATING EXPENSES	335,782,313	380,374,987	406,660,920	26,285,933	6.9%
NET OPERATING SUBSIDY	(257,865,560)	(287,586,830)	(304,988,773)	17,401,943	6.1%
OVERHEAD ALLOCATION	0	0	0	0	0.0%
ADJUSTED NET OPERATING SUBSIDY	(257,865,560)	(287,586,830)	(304,988,773)	17,401,943	6.1%
TOTAL REVENUES LESS TOTAL EXPENSES	5,532,823	4	(0)	4	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATIONS BUDGET
FISCAL YEAR 2024
SECTION 2.02**

	ACTUAL FY22	AMENDED BUDGET FY23	PROPOSED BUDGET FY24	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	56,146,854	70,902,462	78,925,285	8,022,823	11.3%
OTHER OPERATING REVENUE	942,131	890,000	915,000	25,000	2.8%
TOTAL OPERATING REVENUES	57,088,986	71,792,462	79,840,285	8,047,823	11.2%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	249,660,391	330,544,010	330,073,829	(470,181)	-0.1%
OTHER NON OPERATING REVENUE					
RESERVE REVENUE	-	(50,000,000)	(32,171,565)	17,828,435	-35.7%
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	-	(50,000,000)	(32,171,565)	17,828,435	-35.7%
TOTAL NON OPERATING REVENUE	249,660,391	280,544,010	297,902,264	17,358,254	6.2%
TOTAL COMBINED REVENUES	306,749,377	352,336,472	377,742,549	25,406,077	7.2%
OPERATING EXPENSES					
LABOR EXPENSES	74,115,694	77,975,465	82,065,916	4,090,451	5.2%
FRINGE EXPENSES	52,037,049	59,364,458	62,831,604	3,467,146	5.8%
TOTAL PERSONNEL EXPENSES	126,152,743	137,339,923	144,897,520	7,557,597	5.5%
SECURITY EXPENSES	999,038	1,030,000	1,153,399	123,399	12.0%
REPAIR/MAINTENANCE SERVICES	8,323,773	7,807,103	10,825,666	3,018,563	38.7%
ENGINE AND TRANSMISSION REBUILD	717,996	768,464	716,400	(52,064)	-6.8%
OTHER OUTSIDE SERVICES	5,919,672	7,690,236	8,056,823	366,587	4.8%
PURCHASED TRANSPORTATION	82,920,384	90,877,960	104,821,016	13,943,056	15.3%
TOTAL OUTSIDE SERVICES	98,880,863	108,173,763	125,573,304	17,399,541	16.1%
LUBRICANTS	460,940	468,715	473,715	5,000	1.1%
TIRES	1,257,077	1,266,700	1,305,500	38,800	3.1%
OTHER MATERIALS AND SUPPLIES	12,614,567	14,529,701	14,396,411	(133,290)	-0.9%
TOTAL MATERIALS AND SUPPLIES	14,332,584	16,265,116	16,175,626	(89,490)	-0.6%
GAS/DIESEL/PROPANE	2,452,724	2,728,415	2,641,660	(86,755)	-3.2%
CNG	14,582,925	19,730,000	15,289,000	(4,441,000)	-22.5%
TRACTION POWER	17,631,190	23,904,159	23,712,890	(191,269)	-0.8%
UTILITIES	4,424,998	4,971,586	5,016,069	44,483	0.9%
TOTAL ENERGY	39,091,837	51,334,160	46,659,619	(4,674,541)	-9.1%
RISK MANAGEMENT	6,721,767	6,732,463	7,884,624	1,152,161	17.1%
GENERAL AND ADMINISTRATIVE	987,858	1,038,216	1,073,143	34,927	3.4%
DEBT SERVICE	311,927	185,066	54,149	(130,917)	-70.7%
VEHICLE / FACILITY LEASE	1,233,226	1,368,024	1,381,462	13,438	1.0%
TOTAL OPERATING EXPENSES	287,712,803	322,436,731	343,699,447	21,262,716	6.6%
NET OPERATING SUBSIDY	(230,623,817)	(250,644,269)	(263,859,162)	13,214,893	5.3%
OVERHEAD ALLOCATION	(21,684,346)	(29,899,737)	(34,043,102)	(4,143,365)	13.9%
ADJUSTED NET OPERATING SUBSIDY	(252,308,163)	(280,544,006)	(297,902,264)	17,358,258	6.2%
TOTAL REVENUES LESS TOTAL EXPENSES	(2,647,772)	4	(0)	4	-100.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
ADMINISTRATIVE BUDGET
FISCAL YEAR 2024
SECTION 2.03**

	ACTUAL FY22	AMENDED BUDGET FY23	PROPOSED BUDGET FY24	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
OTHER OPERATING REVENUE	20,010,257	20,095,095	20,931,262	836,167	4.2%
TOTAL OPERATING REVENUES	20,010,257	20,095,095	20,931,262	836,167	4.2%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	13,171,638	7,174,588	7,169,343	(5,245)	-0.1%
OTHER NON OPERATING REVENUE					
RESERVE REVENUE	800,000	-	-	-	-
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	800,000	-	-	-	-
TOTAL NON OPERATING REVENUE	13,971,638	7,174,588	7,169,343	(5,245)	-0.1%
TOTAL COMBINED REVENUES	33,981,895	27,269,683	28,100,605	830,922	3.0%
OPERATING EXPENSES					
LABOR EXPENSES	16,837,516	17,841,298	19,024,820	1,183,522	6.6%
FRINGE EXPENSES	6,444,255	7,870,054	8,190,159	320,105	4.1%
TOTAL PERSONNEL EXPENSES	23,281,771	25,711,352	27,214,979	1,503,627	5.8%
SECURITY EXPENSES	7,682,929	11,605,295	13,017,032	1,411,737	12.2%
REPAIR/MAINTENANCE SERVICES	131,899	283,000	138,000	(145,000)	-51.2%
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	9,927,581	11,902,413	13,500,023	1,597,610	13.4%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	17,742,409	23,790,708	26,655,055	2,864,347	12.0%
LUBRICANTS	-	20	20	-	0.0%
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	262,333	43,350	39,350	(4,000)	-9.2%
TOTAL MATERIALS AND SUPPLIES	262,333	43,370	39,370	(4,000)	-9.2%
GAS/DIESEL/PROPANE	194,463	244,300	224,300	(20,000)	-8.2%
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	814,427	979,600	1,001,600	22,000	2.2%
TOTAL ENERGY	1,008,891	1,223,900	1,225,900	2,000	0.2%
RISK MANAGEMENT	691,811	951,976	1,085,155	133,179	14.0%
GENERAL AND ADMINISTRATIVE	4,281,787	5,218,928	5,694,674	475,746	9.1%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	218,165	245,000	250,000	5,000	2.0%
TOTAL OPERATING EXPENSES	47,487,167	57,185,234	62,165,133	4,979,899	8.7%
NET OPERATING SUBSIDY	(27,476,910)	(37,090,139)	(41,233,871)	4,143,732	11.2%
OVERHEAD ALLOCATION	21,685,867	29,915,551	34,064,528	4,148,977	13.9%
ADJUSTED NET OPERATING SUBSIDY	(5,791,043)	(7,174,588)	(7,169,343)	(5,245)	-0.1%
TOTAL REVENUES LESS TOTAL EXPENSES	8,180,595	-	-	-	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OTHER ACTIVITIES BUDGET
FISCAL YEAR 2024
SECTION 2.04**

	ACTUAL FY22	AMENDED BUDGET FY23	PROPOSED BUDGET FY24	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
OPERATING REVENUE					
PASSENGER REVENUE	-	-	-	-	-
OTHER OPERATING REVENUE	817,510	900,600	900,600	-	0.0%
TOTAL OPERATING REVENUES	817,510	900,600	900,600	-	0.0%
NON OPERATING REVENUE					
TOTAL SUBSIDY REVENUE	-	-	-	-	-
OTHER NON OPERATING REVENUE					
RESERVE REVENUE	(233,647)	(131,764)	(82,834)	48,931	-37.1%
OTHER INCOME	-	-	-	-	-
TOTAL OTHER NON OPERATING REVENUE	(233,647)	(131,764)	(82,834)	48,931	-37.1%
TOTAL NON OPERATING REVENUE	(233,647)	(131,764)	(82,834)	48,931	-37.1%
TOTAL COMBINED REVENUES	583,863	768,836	817,766	48,931	6.4%
OPERATING EXPENSES					
LABOR EXPENSES	280,005	325,374	354,651	29,277	9.0%
FRINGE EXPENSES	156,330	183,983	195,725	11,742	6.4%
TOTAL PERSONNEL EXPENSES	436,335	509,357	550,376	41,019	8.1%
SECURITY EXPENSES	-	-	-	-	-
REPAIR/MAINTENANCE SERVICES	3,400	3,000	4,000	1,000	33.3%
ENGINE AND TRANSMISSION REBUILD	-	-	-	-	-
OTHER OUTSIDE SERVICES	22,514	54,300	54,800	500	0.9%
PURCHASED TRANSPORTATION	-	-	-	-	-
TOTAL OUTSIDE SERVICES	25,913	57,300	58,800	1,500	2.6%
LUBRICANTS	-	-	-	-	-
TIRES	-	-	-	-	-
OTHER MATERIALS AND SUPPLIES	(520)	500	500	-	0.0%
TOTAL MATERIALS AND SUPPLIES	(520)	500	500	-	0.0%
GAS/DIESEL/PROPANE	6,083	7,000	7,000	-	0.0%
CNG	-	-	-	-	-
TRACTION POWER	-	-	-	-	-
UTILITIES	2,126	-	-	-	-
TOTAL ENERGY	8,209	7,000	7,000	-	0.0%
RISK MANAGEMENT	40,380	88,901	89,000	99	0.1%
GENERAL AND ADMINISTRATIVE	53,627	69,964	70,664	700	1.0%
DEBT SERVICE	-	-	-	-	-
VEHICLE / FACILITY LEASE	18,397	20,000	20,000	-	0.0%
TOTAL OPERATING EXPENSES	582,342	753,022	796,340	43,318	5.8%
NET OPERATING SUBSIDY	235,168	147,578	104,260	43,318	-29.4%
OVERHEAD ALLOCATION	(1,521)	(15,814)	(21,426)		35.5%
ADJUSTED NET OPERATING SUBSIDY	233,647	131,764	82,834	48,931	-37.1%
TOTAL REVENUES LESS TOTAL EXPENSES	(0)	0	-	0	0.0%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
REVENUE BUDGET SUMMARY
FISCAL YEAR 2024
SECTION 3.02**

	ACTUAL FY22	AMENDED BUDGET FY23	PROPOSED BUDGET FY24	\$ CHANGE AMENDED/ ORIGINAL	% CHANGE AMENDED/ ORIGINAL
OPERATING REVENUE					
PASSENGER REVENUE	56,146,854	70,902,462	78,925,285	8,022,823	11.3%
OTHER INCOME	21,769,898	21,885,695	22,746,862	861,167	3.9%
TOTAL OPERATING REVENUE	77,916,752	92,788,157	101,672,147	8,883,990	9.6%
NON OPERATING REVENUE					
SUBSIDY REVENUE					
FEDERAL REVENUE	64,843,552	66,793,559	70,771,128	3,977,569	6.0%
FEDERAL REVENUE - CARES/ARP	47,700,000	87,260,241	85,000,000	(2,260,241)	-2.6%
TRANSPORTATION DEVELOPMENT ACT (TDA)	68,804,580	97,808,064	92,858,098	(4,949,966)	-5.1%
STATE TRANSIT ASSISTANCE (STA)	11,300,000	11,300,000	11,300,000	0	0.0%
STATE REVENUE - OTHER	105,771	112,000	112,000	0	0.0%
TRANSNET	60,312,099	67,953,741	72,710,953	4,757,212	7.0%
OTHER LOCAL SUBSIDIES	9,766,028	6,490,994	4,490,994	(2,000,000)	-30.8%
TOTAL SUBSIDY REVENUE	262,832,030	337,718,598	337,243,172	(475,426)	-0.1%
OTHER REVENUE					
OTHER FUNDS	-	-	-	0	-
RESERVES REVENUE	566,353	(50,131,764)	(32,254,399)	17,877,365	-35.7%
TOTAL OTHER REVENUE	566,353	(50,131,764)	(32,254,399)	17,877,365	-35.7%
TOTAL NON OPERATING REVENUE	263,398,383	287,586,833	304,988,773	17,401,940	6.1%
GRAND TOTAL REVENUES	341,315,135	380,374,990	406,660,920	26,285,930	6.9%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (SUMMARY FORMAT)
FISCAL YEAR 2023 AMENDED BUDGET
SECTION 10.03**

Att. F, AI 5, 04/06/2023

	Original Budget	Position	Net Positons	Amended	Frozen
	FY 2023	Shifts	Requiring	FY 2023	Positions
	FTE's	FTE's	Funding Adjs	FTE's	FTE's
<u>MTS Administration</u>					
BOD ADMINISTRATION	2.0	0.0	0.0	2.0	0.0
CAPITAL PROJECTS	8.0	0.0	0.0	8.0	0.0
COMPASS CARD	10.5	0.0	0.0	10.5	0.0
EXECUTIVE	4.0	0.0	0.0	4.0	0.0
FINANCE	23.5	0.0	0.0	23.5	0.0
HUMAN RESOURCES	17.0	0.0	0.0	17.0	0.0
INFORMATION TECHNOLOGY	32.0	0.0	0.0	32.0	0.0
LEGAL	2.0	0.0	0.0	2.0	0.0
MARKETING	11.0	0.0	0.0	11.0	0.0
PLANNING	9.5	0.0	0.0	9.5	0.0
PROCUREMENT	14.0	0.0	0.0	14.0	0.0
RIGHT OF WAY	2.0	0.0	0.0	2.0	0.0
RISK	4.0	0.0	0.0	4.0	0.0
SECURITY	92.0	0.0	0.0	92.0	0.0
STORES (ADMIN)	2.0	0.0	0.0	2.0	0.0
STORES (BUS)	13.0	0.0	0.0	13.0	0.0
STORES (RAIL)	7.0	0.0	0.0	7.0	0.0
TELEPHONE INFORMATION SERVICES	17.0	0.0	0.0	17.0	0.0
TRANSIT STORES	8.0	0.0	0.0	8.0	0.0
Subtotal MTS Administration	278.5	0.0	0.0	278.5	0.0
<u>Bus Operations</u>					
CONTRACT SERVICES	8.5	0.0	0.0	8.5	0.0
EXECUTIVE (BUS)	3.5	0.0	0.0	3.5	0.0
MAINTENANCE	189.0	0.0	0.0	189.0	0.0
MAINTENANCE-FACILITY	5.0	0.0	0.0	5.0	0.0
PASSENGER SERVICES	8.0	0.0	0.0	8.0	0.0
REVENUE (BUS)	6.0	0.0	0.0	6.0	0.0
SAFETY	2.0	0.0	0.0	2.0	0.0
TRAINING	8.0	0.0	0.0	8.0	0.0
TRANSPORTATION (BUS)	609.5	0.0	0.0	609.5	0.0
Subtotal Bus Operations	839.5	0.0	0.0	839.5	0.0
<u>Rail Operations</u>					
EXECUTIVE (RAIL)	4.5	0.0	0.0	4.5	0.0
FACILITIES	81.0	0.0	0.0	81.0	0.0
LIGHT RAIL VEHICLES	107.0	0.0	0.0	107.0	0.0
MAINTENANCE OF WAYSIDE	46.0	0.0	0.0	46.0	0.0
REVENUE (RAIL)	56.5	0.0	0.0	56.5	0.0
TRACK	22.0	0.0	0.0	22.0	0.0
TRANSPORTATION (RAIL)	253.0	0.0	5.0	258.0	0.0
Subtotal Rail Operations	570.0	0.0	5.0	575.0	0.0
<u>Other MTS Operations</u>					
FHV ADMINISTRATION	6.0	0.0	0.0	6.0	0.0
Subtotal Other MTS Operations	6.0	0.0	0.0	6.0	0.0
Grand Total	1,694.0	0.0	5.0	1,699.0	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2024 AMENDED BUDGET
SECTION 10.04**

Att. G, AI 5, 04/06/2023

	Salary Grade	Amended Budget FY 2023 (FTE's)	Position Shifts (FTE's)	Net Positons Requiring Funding Adjs (FTE's)	Proposed FY 2024 (FTE's)	Frozen Positions (FTE's)
<u>MTS Administration</u>						
<u>BOD ADMINISTRATION</u>						
Exec Asst GC/Asst Board Clrk	07	1.0	0.0	0.0	1.0	0.0
Internal Auditor	10	1.0	0.0	0.0	1.0	0.0
BOD ADMINISTRATION TOTAL		2.0	0.0	0.0	2.0	0.0
<u>CAPITAL PROJECTS</u>						
Administrative Assistant	03	1.0	0.0	0.0	1.0	0.0
Director of Capital Projects	13	1.0	0.0	0.0	1.0	0.0
Project Engineer	09	2.0	0.0	0.0	2.0	0.0
Project Manager	10	1.0	0.0	0.0	1.0	0.0
Senior Project Manager	11	2.0	0.0	0.0	2.0	0.0
Sr. Project Manager - Rail Sys	11	1.0	0.0	0.0	1.0	0.0
CAPITAL PROJECTS TOTAL		8.0	0.0	0.0	8.0	0.0
<u>COMPASS CARD</u>						
Asst Sup PRONTO Support	06	1.0	0.0	0.0	1.0	0.0
Call/Service Center Rep (FT)	02	1.0	0.0	0.0	1.0	0.0
Call/Service Center Rep (PT)	02	1.5	0.0	0.0	1.5	0.0
Deputy Fare Systems Administra	08	1.0	0.0	0.0	1.0	0.0
Fare Systems Administrator	10	1.0	0.0	0.0	1.0	0.0
Mgr of PRONTO & Passenger Supp	07	1.0	0.0	0.0	1.0	0.0
Service Center Specialist (FT)	03	4.0	0.0	0.0	4.0	0.0
COMPASS CARD TOTAL		10.5	0.0	0.0	10.5	0.0
<u>EXECUTIVE</u>						
Chief Executive Officer	16	1.0	0.0	0.0	1.0	0.0
Exec Asst/Clerk of the Board	07	1.0	0.0	0.0	1.0	0.0
Grants Administrator	07	1.0	0.0	0.0	1.0	0.0
Manager of Government Affairs	08	1.0	0.0	0.0	1.0	0.0
EXECUTIVE TOTAL		4.0	0.0	0.0	4.0	0.0
<u>FINANCE</u>						
Chief Financial Officer	15	1.0	0.0	0.0	1.0	0.0
Accounting Assistant	04	3.0	0.0	0.0	3.0	0.0
Accounting Manager	10	1.0	0.0	0.0	1.0	0.0
Controller	12	1.0	0.0	0.0	1.0	0.0
Dir Fin Planning & Analysis	12	1.0	0.0	0.0	1.0	0.0
Finance Assistant	06	1.0	0.0	0.0	1.0	0.0
Finance Intern	01	0.5	0.0	0.0	0.5	0.0
Financial Analyst	07	2.0	0.0	0.0	2.0	0.0
Operating Budget Supervisor	08	1.0	0.0	0.0	1.0	0.0
Payroll Coordinator	06	3.0	0.0	0.0	3.0	0.0
Payroll Manager	10	1.0	0.0	0.0	1.0	0.0
Payroll Supervisor	08	1.0	0.0	0.0	1.0	0.0
Senior Accountant	09	2.0	0.0	0.0	2.0	0.0
Staff Accountant I	05	2.0	0.0	0.0	2.0	0.0
Staff Accountant II	06	2.0	0.0	0.0	2.0	0.0
Transit Asset Mgmt Program Mgr	09	1.0	0.0	0.0	1.0	0.0
FINANCE TOTAL		23.5	0.0	0.0	23.5	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2024 AMENDED BUDGET
SECTION 10.04**

Att. G, AI 5, 04/06/2023

	Salary Grade	Amended Budget		Net Positons		Frozen Positions (FTE's)
		FY 2023 (FTE's)	Position Shifts (FTE's)	Requiring	Proposed	
				Funding Adjs (FTE's)	FY 2024 (FTE's)	
<u>HUMAN RESOURCES</u>						
Admin Assistant (Copy Center)	03	1.0	0.0	0.0	1.0	0.0
Benefits & Comp Analyst	06	3.0	0.0	0.0	3.0	0.0
Chief Human Resources Officer	15	1.0	0.0	0.0	1.0	0.0
Director of Human Resources	12	1.0	0.0	0.0	1.0	0.0
Human Resources Assistant	03	2.0	0.0	0.0	2.0	0.0
Human Resources Specialist	06	2.0	0.0	0.0	2.0	0.0
Leadership Dev Specialist	09	1.0	0.0	0.0	1.0	0.0
Manager of Benefits & Comp	09	1.0	0.0	0.0	1.0	0.0
Manager of Talent Acquisition	09	1.0	0.0	0.0	1.0	0.0
Senior Human Resources Analyst	07	1.0	0.0	0.0	1.0	0.0
Talent Acquisition Specialist	07	3.0	0.0	0.0	3.0	0.0
HUMAN RESOURCES TOTAL		17.0	0.0	0.0	17.0	0.0
<u>INFORMATION TECHNOLOGY</u>						
Business Systems Analyst (SAP)	11	1.0	0.0	0.0	1.0	0.0
Chief Information Officer	14	1.0	0.0	0.0	1.0	0.0
Computer Support Specialist	05	3.0	0.0	0.0	3.0	0.0
Database Administrator	10	1.0	0.0	0.0	1.0	0.0
Datacenter Operations Manager	12	1.0	0.0	0.0	1.0	0.0
Enterprise Bus Solutions Mgr	12	1.0	0.0	0.0	1.0	0.0
Executive Assistant (CIO)	06	1.0	0.0	0.0	1.0	0.0
Info Security & Intel Eng	10	2.0	0.0	0.0	2.0	0.0
Information Security Manager	11	1.0	0.0	0.0	1.0	0.0
IT Enterprise Architect (IoT)	11	1.0	0.0	0.0	1.0	0.0
Network Engineer I	08	2.0	0.0	0.0	2.0	0.0
Network Engineer II	09	2.0	0.0	0.0	2.0	0.0
Network Engineer III	09	1.0	0.0	0.0	1.0	0.0
Network Operations Manager	12	1.0	0.0	0.0	1.0	0.0
Project Administrator	07	1.0	0.0	0.0	1.0	0.0
Report Development Analyst	09	1.0	0.0	0.0	1.0	0.0
Senior SAP Architect	11	1.0	0.0	0.0	1.0	0.0
Senior Systems Administrator	10	3.0	0.0	0.0	3.0	0.0
Service Desk Supervisor	09	1.0	0.0	0.0	1.0	0.0
Software Developer	09	1.0	0.0	0.0	1.0	0.0
Systems Administrator	10	4.0	0.0	0.0	4.0	0.0
Technical Project Manager	11	1.0	0.0	0.0	1.0	0.0
INFORMATION TECHNOLOGY TOTAL		32.0	0.0	0.0	32.0	0.0
<u>LEGAL</u>						
General Counsel	15	1.0	0.0	0.0	1.0	0.0
Deputy General Counsel	10	1.0	0.0	0.0	1.0	0.0
LEGAL TOTAL		2.0	0.0	0.0	2.0	0.0
<u>MARKETING</u>						
Dir Marketing & Communications	13	1.0	0.0	0.0	1.0	0.0
Community Engagement Specialist	06	1.0	0.0	0.0	1.0	0.0
Creative Design Manager	08	1.0	0.0	0.0	1.0	0.0
Digital Content Developer	07	1.0	0.0	0.0	1.0	0.0
Graphic Designer	07	2.0	0.0	0.0	2.0	0.0
Marketing Assistant	05	1.0	0.0	0.0	1.0	0.0
Marketing Intern	01	1.0	0.0	0.0	1.0	0.0
Mgr of Marketing & Communicati	08	1.0	0.0	0.0	1.0	0.0
Mktg & Comm Specialist	06	1.0	0.0	0.0	1.0	0.0
Public Relations Specialist	07	1.0	0.0	0.0	1.0	0.0
MARKETING TOTAL		11.0	0.0	0.0	11.0	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2024 AMENDED BUDGET
SECTION 10.04**

Att. G, AI 5, 04/06/2023

	Salary Grade	Amended Budget		Net Positons		
		FY 2023	Position	Requiring	Proposed	Frozen
		(FTE's)	Shifts (FTE's)	Funding Adjs (FTE's)	FY 2024 (FTE's)	Positions (FTE's)
<u>PLANNING</u>						
Assoc Transportation Planner	06	1.0	0.0	0.0	1.0	0.0
Dir of Planning & Scheduling	12	1.0	0.0	0.0	1.0	0.0
Manager of Scheduling	10	1.0	0.0	0.0	1.0	0.0
Planning Intern	01	0.5	0.0	0.0	0.5	0.0
Senior Data Analyst	08	1.0	0.0	0.0	1.0	0.0
Senior Scheduler	07	2.0	0.0	0.0	2.0	0.0
Senior Transportation Planner	09	2.0	0.0	0.0	2.0	0.0
Transit Services Data Analyst	07	1.0	0.0	0.0	1.0	0.0
PLANNING TOTAL		9.5	0.0	0.0	9.5	0.0
<u>PROCUREMENT</u>						
Manager of Procurement	11	1.0	0.0	0.0	1.0	0.0
Buyer	07	1.0	0.0	0.0	1.0	0.0
Contract Specialist	06	1.0	0.0	0.0	1.0	0.0
Contracts Administrator	08	1.0	0.0	0.0	1.0	0.0
Director of Supply Chain & Ops	12	1.0	0.0	0.0	1.0	0.0
Principal Contract Admin	09	1.0	0.0	0.0	1.0	0.0
Procurement Specialist	08	7.0	0.0	0.0	7.0	0.0
Senior Procurement Specialist	09	1.0	0.0	0.0	1.0	0.0
PROCUREMENT TOTAL		14.0	0.0	0.0	14.0	0.0
<u>RIGHT OF WAY</u>						
Manager of Real Estate Assets	12	1.0	0.0	0.0	1.0	0.0
Right of Way Permit Coord	08	1.0	0.0	0.0	1.0	0.0
RIGHT OF WAY TOTAL		2.0	0.0	0.0	2.0	0.0
<u>RISK</u>						
Claims Specialist	06	1.0	0.0	0.0	1.0	0.0
Liability Claims Supervisor	08	1.0	0.0	0.0	1.0	0.0
Manager of Risk and Claims	10	1.0	0.0	0.0	1.0	0.0
Workers' Compensation Analyst	07	1.0	0.0	0.0	1.0	0.0
RISK TOTAL		4.0	0.0	0.0	4.0	0.0
<u>SECURITY</u>						
Asst Mgr of Field Operations	08	1.0	0.0	0.0	1.0	0.0
Clerk Typist/Data Entry TSS	BU	2.0	0.0	0.0	2.0	0.0
Code Compl Insp-Canine Handler	BU	3.0	0.0	0.0	3.0	0.0
Code Compliance Inspector	BU	61.0	0.0	0.0	61.0	0.0
Code Compliance Supervisor	06	14.0	0.0	0.0	14.0	0.0
Code Compliance Train Sup (MC)	06	1.0	0.0	0.0	1.0	0.0
Deputy Dir of Transit Enf	11	1.0	0.0	0.0	1.0	0.0
Dir of Transit Security & Pass	13	1.0	0.0	0.0	1.0	0.0
Dispatch Sup - Transit Enf	06	2.0	0.0	0.0	2.0	0.0
Mgr of Operations-Transit Enf	09	1.0	0.0	0.0	1.0	0.0
Operational and Crime Data Ana	07	1.0	0.0	0.0	1.0	0.0
Professional Standards Manager	08	1.0	0.0	0.0	1.0	0.0
Records Manager	08	1.0	0.0	0.0	1.0	0.0
Records Specialist	05	1.0	0.0	0.0	1.0	0.0
Security Systems Administrator	06	1.0	0.0	0.0	1.0	0.0
SECURITY TOTAL		92.0	0.0	0.0	92.0	0.0
<u>STORES (ADMIN)</u>						
Inventory Planning and Forecas	08	1.0	0.0	0.0	1.0	0.0
Manager of Inventory Ops	10	1.0	0.0	0.0	1.0	0.0
STORES (ADMIN) TOTAL		2.0	0.0	0.0	2.0	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2024 AMENDED BUDGET
SECTION 10.04**

Att. G, AI 5, 04/06/2023

	Salary Grade	Amended Budget FY 2023 (FTE's)	Position Shifts (FTE's)	Net Positons Requiring Funding Adjs (FTE's)	Proposed FY 2024 (FTE's)	Frozen Positions (FTE's)
<u>STORES (BUS)</u>						
Storeroom Clerks - IAD	BU	5.0	0.0	0.0	5.0	0.0
Storeroom Clerks - KMD	BU	6.0	0.0	0.0	6.0	0.0
Supervisor of Warehouse Ops	07	2.0	0.0	0.0	2.0	0.0
STORES (BUS) TOTAL		13.0	0.0	0.0	13.0	0.0
<u>STORES (RAIL)</u>						
Storekeeper	BU	6.0	0.0	0.0	6.0	0.0
Supervisor of Warehouse Ops	07	1.0	0.0	0.0	1.0	0.0
STORES (RAIL) TOTAL		7.0	0.0	0.0	7.0	0.0
<u>TELEPHONE INFORMATION SERVICES</u>						
Asst Supvr of Info & Trip Plan	06	1.0	0.0	0.0	1.0	0.0
Info & Trip Planning Supvr	07	1.0	0.0	0.0	1.0	0.0
Info and Trip Planning Clerk	BU	15.0	0.0	0.0	15.0	0.0
TELEPHONE INFORMATION SERVICES TO		17.0	0.0	0.0	17.0	0.0
<u>TRANSIT STORES</u>						
Transit Store Supervisor	07	1.0	0.0	0.0	1.0	0.0
Asst Transit Store Supervisor	06	1.0	0.0	0.0	1.0	0.0
Senior Transit Store Clerk	BU	1.0	0.0	0.0	1.0	0.0
Transit Store Clerk	BU	5.0	0.0	0.0	5.0	0.0
TRANSIT STORES TOTAL		8.0	0.0	0.0	8.0	0.0
Subtotal MTS Administration		278.5	0.0	0.0	278.5	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2024 AMENDED BUDGET
SECTION 10.04**

Att. G, AI 5, 04/06/2023

	Salary Grade	Amended Budget		Net Positons		
		FY 2023	Position	Requiring	Proposed	Frozen
		(FTE's)	Shifts (FTE's)	Funding Adjs (FTE's)	FY 2024 (FTE's)	Positions (FTE's)
<u>Bus Operations</u>						
<u>CONTRACT SERVICES</u>						
Director of Contract Services	12	1.0	0.0	0.0	1.0	0.0
Contract Operations Administra	05	1.0	0.0	0.0	1.0	0.0
Intern - Transit Services	01	0.5	0.0	0.0	0.5	0.0
Mgr of Paratransit & Mini Bus	10	1.0	0.0	0.0	1.0	0.0
Passenger Facilities Coord.	04	2.0	0.0	0.0	2.0	0.0
Sr Contract Operations Adminis	06	1.0	0.0	0.0	1.0	0.0
Supervisor of Para-Transit	06	1.0	0.0	0.0	1.0	0.0
Supvr of Passenger Facilities	07	1.0	0.0	0.0	1.0	0.0
CONTRACT SERVICES TOTAL		8.5	0.0	0.0	8.5	0.0
<u>EXECUTIVE (BUS)</u>						
Chief Op Officer-Transit Servs	15	1.0	0.0	0.0	1.0	0.0
Envi Health & Safety Intern	PT	0.5	0.0	0.0	0.5	0.0
Envi Health & Safety Spec	09	1.0	0.0	0.0	1.0	0.0
Executive Assistant (COO Bus)	06	1.0	0.0	0.0	1.0	0.0
EXECUTIVE (BUS) TOTAL		3.5	0.0	0.0	3.5	0.0
<u>MAINTENANCE</u>						
Admin Asst II - Maintenance	05	1.0	0.0	0.0	1.0	0.0
Administrative Assistant - Mai	04	1.0	0.0	0.0	1.0	0.0
Body Shop Apprentice II - KMD	BU	1.0	0.0	0.0	1.0	0.0
Bus Maintenance Trainer	08	1.0	0.0	0.0	1.0	0.0
Communications Tech - IAD	BU	2.0	0.0	0.0	2.0	0.0
Dir of Fleet & Facility Maint	13	1.0	0.0	0.0	1.0	0.0
Division Manager (Maint) - IAD	10	1.0	0.0	0.0	1.0	0.0
Division Manager (Maint) - KMD	10	1.0	0.0	0.0	1.0	0.0
Foreman - IAD	08	9.0	0.0	0.0	9.0	0.0
Foreman - KMD	08	7.0	0.0	0.0	7.0	0.0
Maintenance Analyst	05	1.0	0.0	0.0	1.0	0.0
Mechanic A - IAD	BU	20.0	0.0	0.0	20.0	0.0
Mechanic A - KMD	BU	28.0	0.0	0.0	28.0	0.0
Mechanic Apprentice I - IAD	BU	3.0	0.0	0.0	3.0	0.0
Mechanic Apprentice I - KMD	BU	17.0	0.0	0.0	17.0	0.0
Mechanic Apprentice II - IAD	BU	3.0	0.0	0.0	3.0	0.0
Mechanic Apprentice II - KMD	BU	1.0	0.0	0.0	1.0	0.0
Mechanic C - IAD	BU	17.0	0.0	0.0	17.0	0.0
Mechanic C - KMD	BU	9.0	0.0	0.0	9.0	0.0
Quality Assurance Inspector	07	1.0	0.0	0.0	1.0	0.0
Quality Assurance Supervisor	09	1.0	0.0	0.0	1.0	0.0
Servicer A - IAD	BU	30.0	0.0	0.0	30.0	0.0
Servicer A - KMD	BU	30.0	0.0	0.0	30.0	0.0
Sign Truck Operator	BU	1.0	0.0	0.0	1.0	0.0
Sup of Maintenance Training	09	1.0	0.0	0.0	1.0	0.0
ZEV and Sustainability Manager	08	1.0	0.0	0.0	1.0	0.0
MAINTENANCE TOTAL		189.0	0.0	0.0	189.0	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2024 AMENDED BUDGET
SECTION 10.04**

Att. G, AI 5, 04/06/2023

	Salary Grade	Amended Budget		Net Positions		Proposed FY 2024 (FTE's)	Frozen Positions (FTE's)
		FY 2023 (FTE's)	Position Shifts (FTE's)	Requiring Funding Adjs (FTE's)			
<u>MAINTENANCE-FACILITY</u>							
Bldng Maint Apprentice - IAD	BU	1.0	0.0	0.0		1.0	0.0
Facilities Supervisor - Bus	08	1.0	0.0	0.0		1.0	0.0
Mechanic A - Facilities - IAD	BU	2.0	0.0	0.0		2.0	0.0
Mechanic A - Facilities - KMD	BU	1.0	0.0	0.0		1.0	0.0
MAINTENANCE-FACILITY TOTAL		5.0	0.0	0.0		5.0	0.0
<u>PASSENGER SERVICES</u>							
Customer Service Supervisor	06	2.0	0.0	0.0		2.0	0.0
Director of Support Services	12	1.0	0.0	0.0		1.0	0.0
Operations Asst - Ride Checker	01	1.0	0.0	0.0		1.0	0.0
Passenger Support Supervisor	06	1.0	0.0	0.0		1.0	0.0
Receptionist	02	1.0	0.0	0.0		1.0	0.0
Support Services Analyst	04	1.0	0.0	0.0		1.0	0.0
Support Services Coordinator	04	1.0	0.0	0.0		1.0	0.0
PASSENGER SERVICES TOTAL		8.0	0.0	0.0		8.0	0.0
<u>REVENUE (BUS)</u>							
Asst Rev Technicians - IAD	BU	2.0	0.0	0.0		2.0	0.0
Asst Rev Technicians - KMD	BU	1.0	0.0	0.0		1.0	0.0
Revenue Technicians - IAD	BU	1.0	0.0	0.0		1.0	0.0
Revenue Technicians - KMD	BU	2.0	0.0	0.0		2.0	0.0
REVENUE (BUS) TOTAL		6.0	0.0	0.0		6.0	0.0
<u>SAFETY</u>							
Manager of Safety (Bus)	09	1.0	0.0	0.0		1.0	0.0
Transit Safety Specialist	08	1.0	0.0	0.0		1.0	0.0
SAFETY TOTAL		2.0	0.0	0.0		2.0	0.0
<u>TRAINING</u>							
Asst Manager of Training	06	1.0	0.0	0.0		1.0	0.0
Bus Op Training Instructor	06	5.0	0.0	0.0		5.0	0.0
Manager of Training (Transp)	09	1.0	0.0	0.0		1.0	0.0
Training Administrator	05	1.0	0.0	0.0		1.0	0.0
TRAINING TOTAL		8.0	0.0	0.0		8.0	0.0
<u>TRANSPORTATION (BUS)</u>							
Director of Transportation	13	1.0	0.0	0.0		1.0	0.0
Admin Asst II - Operations	05	1.0	0.0	0.0		1.0	0.0
Bus Operators - F/T	BU	565.0	0.0	0.0		565.0	0.0
Bus Operators - P/T	BU	0.5	0.0	0.0		0.5	0.0
Comm/Ops Supv-Dispatch IAD	08	8.0	0.0	0.0		8.0	0.0
Comm/Ops Supv-Radio	08	8.0	0.0	0.0		8.0	0.0
Dispatch Clerk	BU	4.0	0.0	0.0		4.0	0.0
Dispatch Clerk - KMD	BU	2.0	0.0	0.0		2.0	0.0
Manager of Service Operations	10	1.0	0.0	0.0		1.0	0.0
Manager of Transp Comm & Tech	10	1.0	0.0	0.0		1.0	0.0
Service Operations Supervisor	08	14.0	0.0	0.0		14.0	0.0
Trans Div Manager - IAD	10	1.0	0.0	0.0		1.0	0.0
Trans Div Manager - KMD	10	1.0	0.0	0.0		1.0	0.0
Transp Comm & Technology Supvr	08	1.0	0.0	0.0		1.0	0.0
Transp Service Quality Spec	06	1.0	0.0	0.0		1.0	0.0
TRANSPORTATION (BUS) TOTAL		609.5	0.0	0.0		609.5	0.0
Subtotal Bus Operations		839.5	0.0	0.0		839.5	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2024 AMENDED BUDGET
SECTION 10.04**

Att. G, AI 5, 04/06/2023

	Salary Grade	Amended Budget	Position	Net Positons Requiring	Proposed	Frozen
		FY 2023 (FTE's)	Shifts (FTE's)	Funding Adjs (FTE's)	FY 2024 (FTE's)	Positions (FTE's)
<u>Rail Operations</u>						
<u>EXECUTIVE (RAIL)</u>						
Asst System Safety Manager	09	1.0	0.0	0.0	1.0	0.0
Chief Operating Officer (Rail)	15	1.0	0.0	0.0	1.0	0.0
Engineering Intern	01	0.5	0.0	0.0	0.5	0.0
Mgr of Service Quality & Speci	10	1.0	0.0	0.0	1.0	0.0
System Safety Manager (Rail)	09	1.0	0.0	0.0	1.0	0.0
EXECUTIVE (RAIL) TOTAL		4.5	0.0	0.0	4.5	0.0
<u>FACILITIES</u>						
Admin Asst II - Facilities	05	1.0	0.0	0.0	1.0	0.0
Asst Manager of Facilities	07	1.0	0.0	0.0	1.0	0.0
Facilities Supervisor	06	6.0	0.0	0.0	6.0	0.0
Serviceperson	BU	72.0	0.0	0.0	72.0	0.0
Superintendent of Facilities	13	1.0	0.0	0.0	1.0	0.0
FACILITIES TOTAL		81.0	0.0	0.0	81.0	0.0
<u>LIGHT RAIL VEHICLES</u>						
Superintendent of LRV Maint	13	1.0	0.0	0.0	1.0	0.0
Assistant Training Sup - LRV	09	1.0	0.0	0.0	1.0	0.0
Asst Superintendent LRV	10	1.0	0.0	0.0	1.0	0.0
Clerk Typist/Data Entry LRV	BU	2.0	0.0	0.0	2.0	0.0
LRV Asst Lineman	BU	22.0	0.0	0.0	22.0	0.0
LRV Electromechanic	BU	48.0	0.0	0.0	48.0	0.0
LRV Lineman	BU	19.0	0.0	0.0	19.0	0.0
LRV Maint Supervisor	09	10.0	0.0	0.0	10.0	0.0
LRV Project Cordinator/Analyst	09	1.0	0.0	0.0	1.0	0.0
Maintenance Analyst (LRV)	05	1.0	0.0	0.0	1.0	0.0
Training Supervisor - LRV	09	1.0	0.0	0.0	1.0	0.0
LIGHT RAIL VEHICLES TOTAL		107.0	0.0	0.0	107.0	0.0
<u>MAINTENANCE OF WAYSIDE</u>						
Asst Superintendent Wayside	10	1.0	0.0	0.0	1.0	0.0
Asst Training Supervisor - MOW	09	1.0	0.0	0.0	1.0	0.0
MOW Contracts & Budget Analyst	08	1.0	0.0	0.0	1.0	0.0
Superintendent Wayside Maint	13	1.0	0.0	0.0	1.0	0.0
Training Supervisor - MOW	09	1.0	0.0	0.0	1.0	0.0
Wayside Assistant Lineman	BU	5.0	0.0	0.0	5.0	0.0
Wayside Electromechanic	BU	20.0	0.0	0.0	20.0	0.0
Wayside Lineman	BU	11.0	0.0	0.0	11.0	0.0
Wayside Maintenance Sup	09	1.0	0.0	0.0	1.0	0.0
Wayside Maintenance Supervisor	09	4.0	0.0	0.0	4.0	0.0
MAINTENANCE OF WAYSIDE TOTAL		46.0	0.0	0.0	46.0	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
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SECTION 10.04**

Att. G, AI 5, 04/06/2023

	Salary Grade	Amended Budget	Position	Net Positons Requiring	Proposed	Frozen
		FY 2023 (FTE's)	Shifts (FTE's)	Funding Adjs (FTE's)	FY 2024 (FTE's)	Positions (FTE's)
<u>REVENUE (RAIL)</u>						
Collector / Processor	BU	8.0	0.0	0.0	8.0	0.0
Lead Passenger Support Rep	PT	2.0	0.0	0.0	2.0	0.0
Lead Revenue Maint Supervisor	09	1.0	0.0	0.0	1.0	0.0
Passenger Support Rep	PT	21.5	0.0	0.0	21.5	0.0
Revenue Analyst (Rail)	05	1.0	0.0	0.0	1.0	0.0
Revenue Maintainer I	BU	3.0	0.0	0.0	3.0	0.0
Revenue Maintainer II	BU	5.0	0.0	0.0	5.0	0.0
Revenue Maintainer III	BU	10.0	0.0	0.0	10.0	0.0
Revenue Maintenance Supervisor	09	1.0	0.0	0.0	1.0	0.0
Revenue Operations Assistant	03	1.0	0.0	0.0	1.0	0.0
Ridership Surveyor	BU	2.0	0.0	0.0	2.0	0.0
Supervisor Revenue Operations	08	1.0	0.0	0.0	1.0	0.0
REVENUE (RAIL) TOTAL		56.5	0.0	0.0	56.5	0.0
<u>TRACK</u>						
Manager of Track and Structure	09	1.0	0.0	0.0	1.0	0.0
Track Supervisor	09	2.0	0.0	0.0	2.0	0.0
Trackperson	BU	14.0	0.0	0.0	14.0	0.0
Trackperson Equip Op	BU	5.0	0.0	0.0	5.0	0.0
TRACK TOTAL		22.0	0.0	0.0	22.0	0.0
<u>TRANSPORTATION (RAIL)</u>						
Asst Superintendent Trans	10	1.0	0.0	0.0	1.0	0.0
Assignments Supervisor	07	5.0	0.0	0.0	5.0	0.0
Central Control Info Rep	06	1.0	0.0	0.0	1.0	0.0
Central Control Supervisor	09	2.0	0.0	0.0	2.0	0.0
Construction Safety Flagperson	PT	30.0	0.0	5.0	35.0	0.0
Lead Transportation Sup	08	1.0	0.0	0.0	1.0	0.0
Superintendent Transportation	13	1.0	0.0	0.0	1.0	0.0
Train Operator	BU	120.0	0.0	0.0	120.0	0.0
Train Operator - PT	BU	57.0	0.0	0.0	57.0	0.0
Training Supervisor - Trans	08	3.0	0.0	0.0	3.0	0.0
Transportation Controller	08	16.0	0.0	0.0	16.0	0.0
Transportation Supervisor	08	16.0	0.0	0.0	16.0	0.0
TRANSPORTATION (RAIL) TOTAL		253.0	0.0	5.0	258.0	0.0
Subtotal Rail Operations		570.0	0.0	5.0	575.0	0.0

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (DETAILED POSITION FORMAT)
FISCAL YEAR 2024 AMENDED BUDGET
SECTION 10.04**

Att. G, AI 5, 04/06/2023

	Amended Budget	Position	Net Positons Requiring	Proposed	Frozen
Salary Grade	FY 2023 (FTE's)	Shifts (FTE's)	Funding Adjs (FTE's)	FY 2024 (FTE's)	Positions (FTE's)
<u>Other MTS Operations</u>					
<u>FHV ADMINISTRATION</u>					
For-Hire Vehicle Administratio	10	1.0	0.0	0.0	1.0
Regulatory Analyst	06	2.0	0.0	0.0	2.0
Regulatory Inspector	05	3.0	0.0	0.0	3.0
FHV ADMINISTRATION TOTAL	6.0	0.0	0.0	6.0	0.0
Subtotal Other MTS Operations	6.0	0.0	0.0	6.0	0.0
Grand Total	1,694.0	0.0	5.0	1,699.0	0.0

Metropolitan Transit System FY 2024 Operating Budget Overview

MTS Board of Directors
Budget Development Committee
April 6, 2023

Fiscal Year 2024 Operating Budget Budget Development Process

- MTS uses a zero based budgeting process:
 - In traditional historic budgeting, managers only justify variances versus prior year
 - The assumption is that the baseline is automatically approved
 - By contrast, in zero-based budgeting, every line item must be approved each year
 - In Board presentations, typically talk about what is changing, but it is built from the ground up
- Operating Budget process begins in January
 - Budget Office meets with management from every discipline of the organization to:
 - Review current trends
 - Discuss and justify line item details of their budget requests
 - Roll-up of mid-year budget amendments (current year's budget)
 - Roll-up of the new fiscal year budgets (following year's budget)
 - Rough draft presented today
 - Still finalizing some assumptions

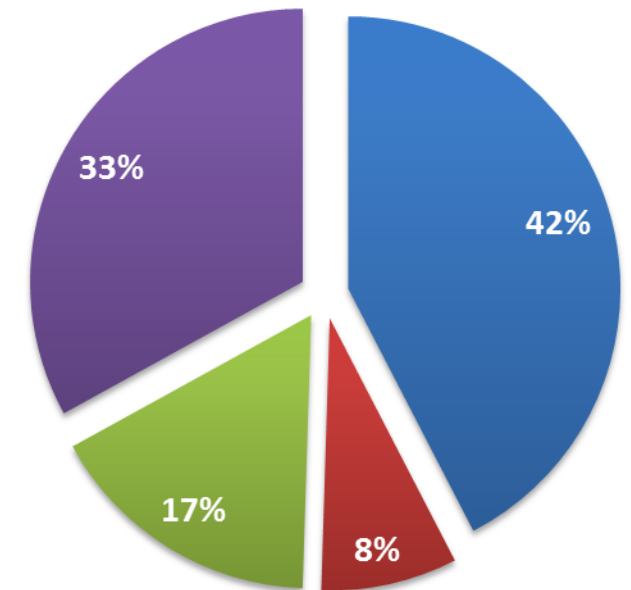
Fiscal Year 2024 Operating Budget

Revenue Assumptions - Sales Tax Revenues

- TransNet (San Diego County)
 - ½ cent sales tax assessed in the region
 - Administered by SANDAG
 - \$430.0M projected for the region in FY 2024
 - **Growth assumption of 1.0%**
 - \$17.7M off the top allocations
 - Then allocated by the formulas in the table ->
 - **Local Systems Improvement** goes to county and cities for roads
 - **Major Corridors** funds TransNet capital projects like Mid-Coast and BRT projects
 - **New Operations (8.1%)**
 - Reimbursement for operations/ maintenance of TransNet II projects
 - Form MTS: BRT Routes, SuperLoop, Mid-Coast
 - MTS expected cost recovery = \$30.7M

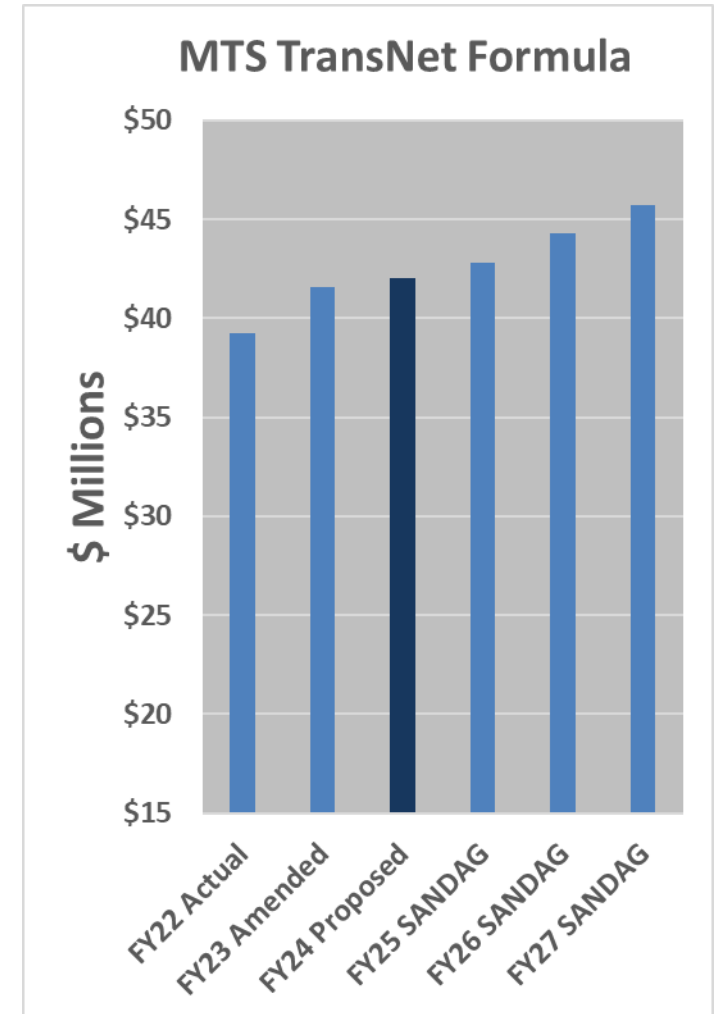
TransNet Program Allocations

- Major Corridors Program
- New BRT/Rail Operations
- Transit System Improvements
- Local System Improvement



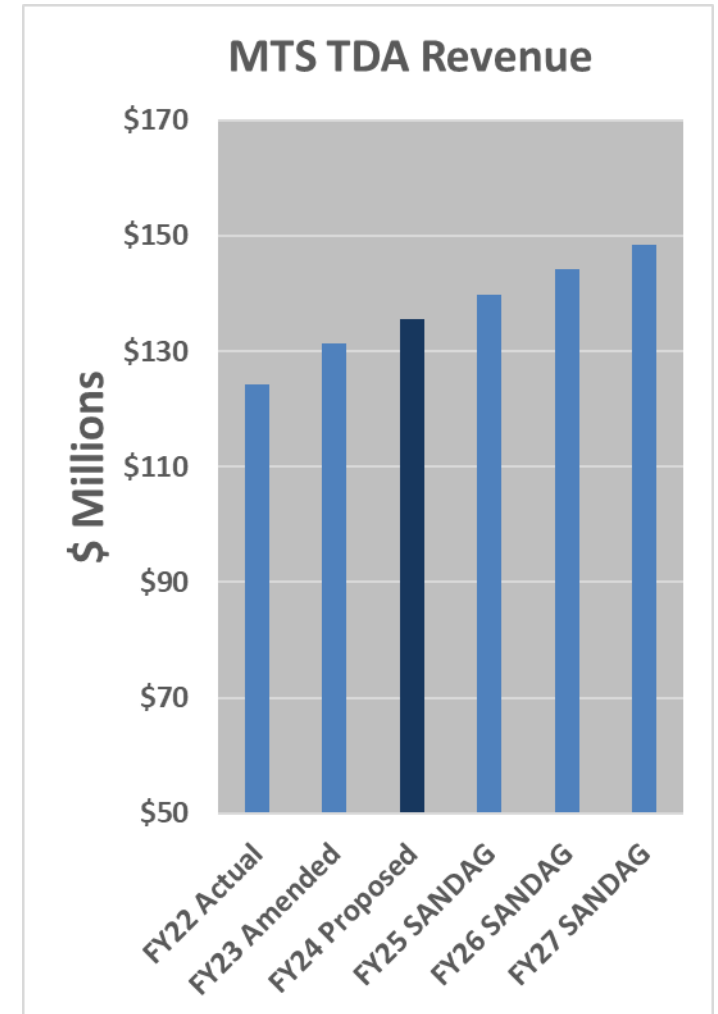
Fiscal Year 2024 Operating Budget Revenue Assumptions - Sales Tax Revenues

- TransNet (continued)
 - **Transit System Improvements** 16.5% for operations
 - Formula funding
 - Shared with NCTD, approximately a 70/30 split
 - Total pool projected to be \$68.0M
 - MTS will receive their formula share of the actual cash receipts
 - MTS apportionment = \$47.5M
 - \$5.5M for Fare Discounts on Senior Disabled and Youth passes
 - \$42.0M for Operations



Fiscal Year 2024 Operating Budget Revenue Assumptions - Sales Tax Revenues

- Transportation Development Act (TDA)
 - State wide, ¼ cent sales tax
 - SANDAG forecasts and apportions each year
 - **FY 2024 growth assumption will be 3.2%**
 - Claim process determines MTS revenue
 - MTS submits a claim based on the budget
 - San Diego County receives the cash, holds a reserve that balances over/under amounts versus the budget
 - Provides funding for both Operating Budget and Capital Improvement Program (CIP)
 - Total region pool of \$205.8M in FY 2024
 - Total MTS apportionment: \$135.5M
 - \$92.9M in Operating Budget
 - \$42.7M in CIP



Fiscal Year 2024 Operating Budget

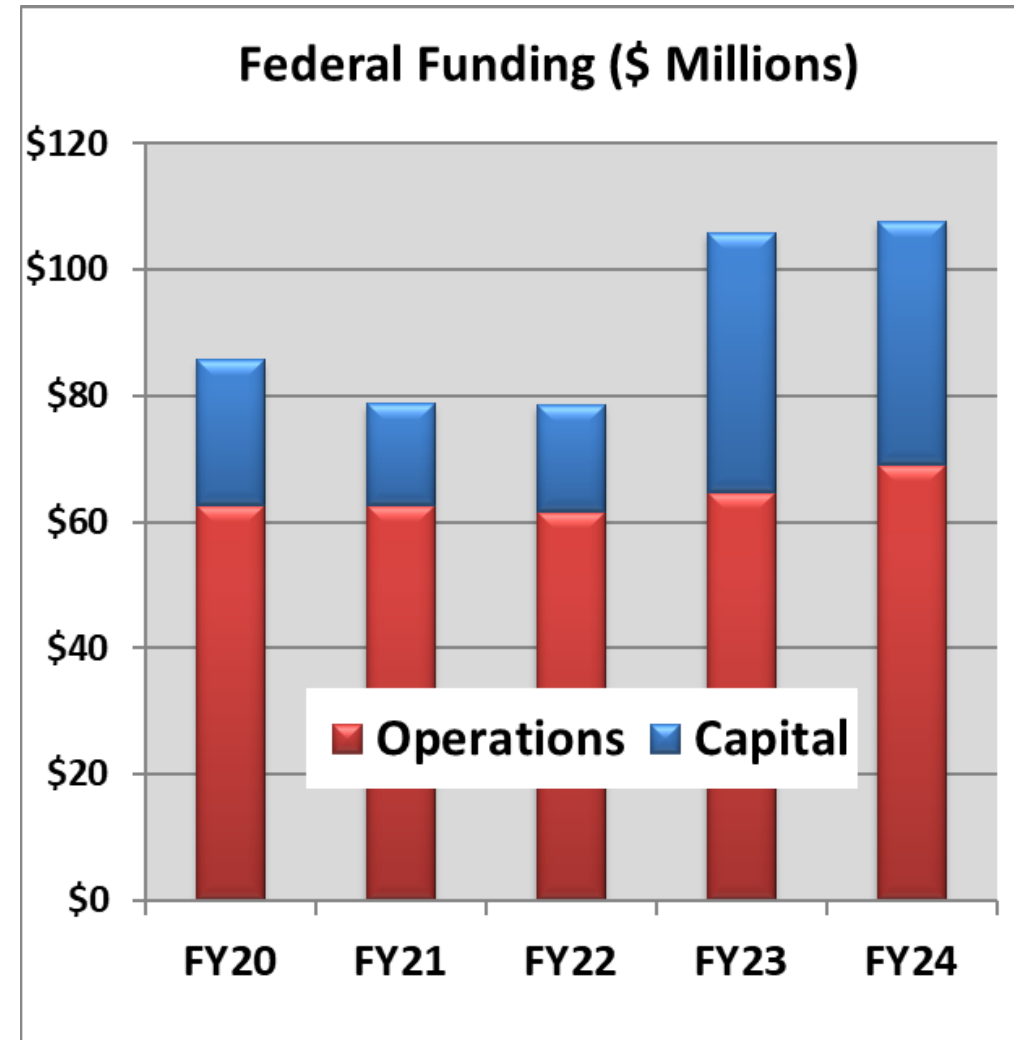
Revenue Assumptions - Sales Tax Revenues

- State Transit Assistance (STA)
 - Revenues derived from State sales tax on diesel fuel
 - Recurring formula funding administered by the State Controller's Office
 - Distributed based on population and agency revenue
 - Augmented by Senate Bill 1 (SB1) beginning in FY 2018
 - Smaller pool of State of Good Repair funding for Capital was added
 - Historically volatile funding source
 - State of CA diverting dollars for General Fund obligations
 - Tied to Diesel fuel sales, which has been a declining commodity
 - Funding can be used for Operations and Capital
 - \$39.4M in total allocations for FY 2024
 - Fixed \$11.3M used in Operations to fund prior service restorations
 - Remainder allocated to Capital

Fiscal Year 2024 Operating Budget

Revenue Assumptions - Federal Transit Administration (FTA)

- Surface Transportation Reauthorization
 - Bipartisan Infrastructure Law passed in December 2021
 - Legislation in place through 9/30/2026
 - 5307: Urban Area Formula funding
 - 5337: State of Good Repair funding
 - 5339: Bus and Bus Facilities funding
 - Funding can be used for Operating or Capital Budgets for Preventive Maintenance (PM)
 - Federal funding received on a reimbursement basis, after costs are incurred
 - MTS seeks to maximize the amount for PM for cash flow purposes
 - Swap with TDA to preserve Capital share
 - Increase in Operating Budget of \$3.4M



Fiscal Year 2024 Operating Budget

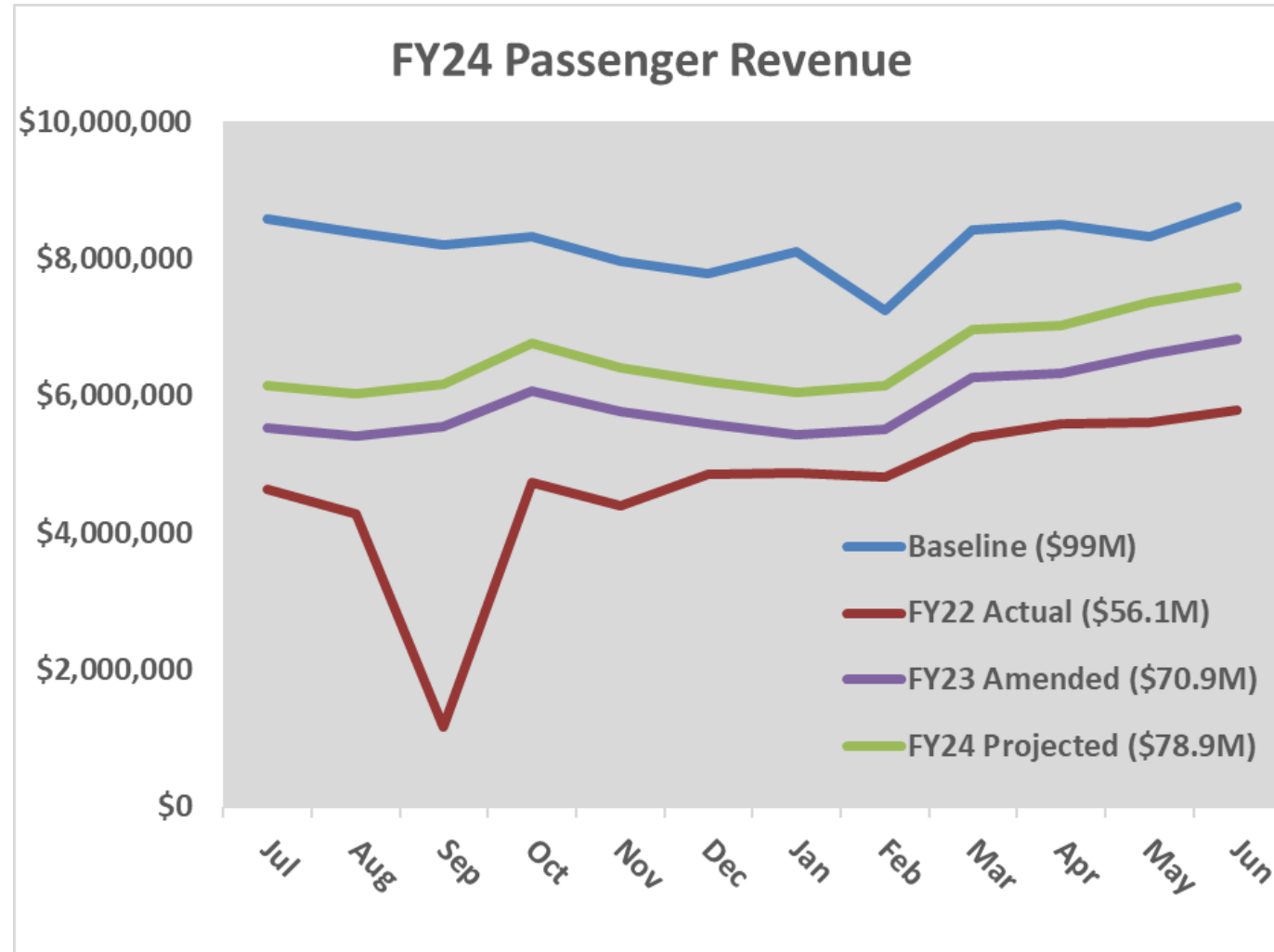
Revenue Assumptions - Other Subsidy Revenue

- Other Subsidy Revenues:
 - FasTrak Revenue from SANDAG
 - Toll revenue from the I-15 managed lanes
 - Subsidizes services in the I-15 corridor
 - \$1.0M to fund Rapid Express Services (Routes 280/290)
 - \$2.5M to fund I-15 BRT Routes as a swap with TransNet
 - Prior year was \$4.5M, backfilled with TransNet Operating Reimbursement
 - \$3.5M in total
 - Other state and local sources
 - Medi-Cal for ADA Paratransit service reimbursement
 - City of San Diego
 - UCSD shuttle reimbursement
 - Total of \$1.0M

Fiscal Year 2024 Operating Budget

Revenue Assumptions - Passenger Fare Revenue

- Fare revenue forecast
 - February revenue (\$5.5M) equaled forecast
 - 11% growth forecasted for FY24 last month
 - \$8.0M increase in revenue
 - No change with this draft
 - Will update March revenue at the next meeting



Fiscal Year 2024 Operating Budget

Revenue Assumptions - Other Operating Revenue

- Variety of miscellaneous revenue sources
 - Energy credit update
 - Additional credits will be generated on new Natural Gas contract
 - Credit prices assumptions consistent with today's market, no growth projected in this draft
 - Advertising revenues
 - Sycuan Green Line contract expired 12/31/22
 - Remainder consistent with FY23

Category (\$ millions)	FY 2023 Amended	FY 2024 Draft
Energy credits	\$ 6.4	\$ 7.9
Advertising	6.9	6.4
Real Estate related revenues	3.4	3.2
All Other	5.3	5.3
Total	\$ 21.9	\$ 22.7

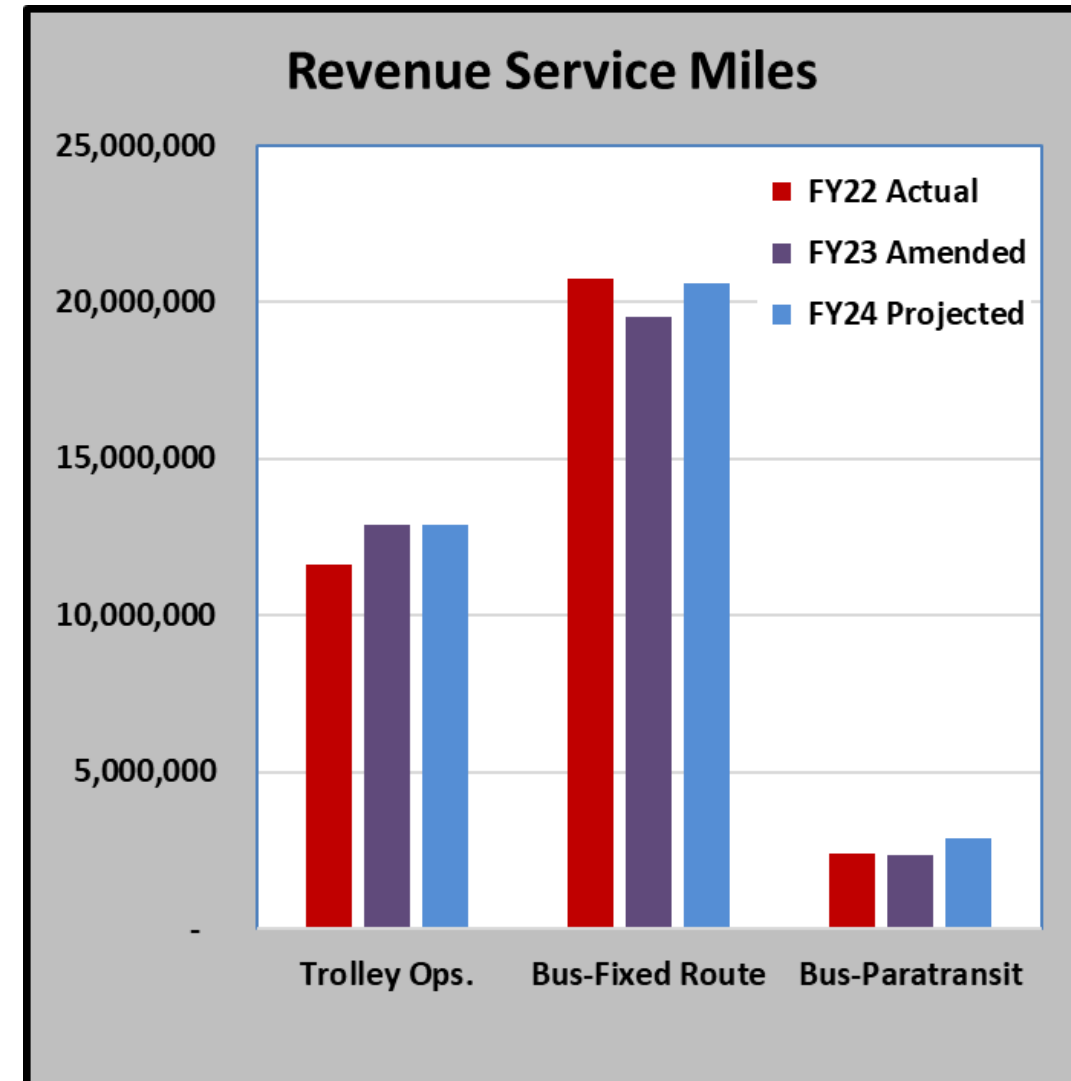
Fiscal Year 2024 Operating Budget Revenue Summary (\$000s)

	FY 2023 Amended	FY 2024 Draft	Variance	Var. %
Passenger Revenue	\$ 70,902	\$ 78,925	\$ 8,023	11.3%
Other Operating Revenue	21,886	22,747	861	3.9%
Total Operating Revenue	\$ 92,788	\$ 101,672	\$ 8,884	9.6%
Federal	\$ 66,794	\$ 70,771	\$ 3,978	6.0%
TDA	97,808	92,858	(4,950)	-5.1%
TransNet Formula	41,610	42,027	416	1.0%
TransNet Operating	26,343	30,684	4,341	16.5%
STA	11,300	11,300	-	0.0%
Other	6,603	4,603	(2,000)	-30.3%
Total Subsidy	\$ 250,458	\$ 252,243	\$ 1,785	0.7%
Reserves	\$ (132)	\$ (83)	\$ 49	-
Total Revenue	\$ 343,115	\$ 353,832	\$ 10,718	3.1%

- FY 2023 Reserves relate to SD&AE and For-Hire Vehicle (Taxi) Admin self funded entities

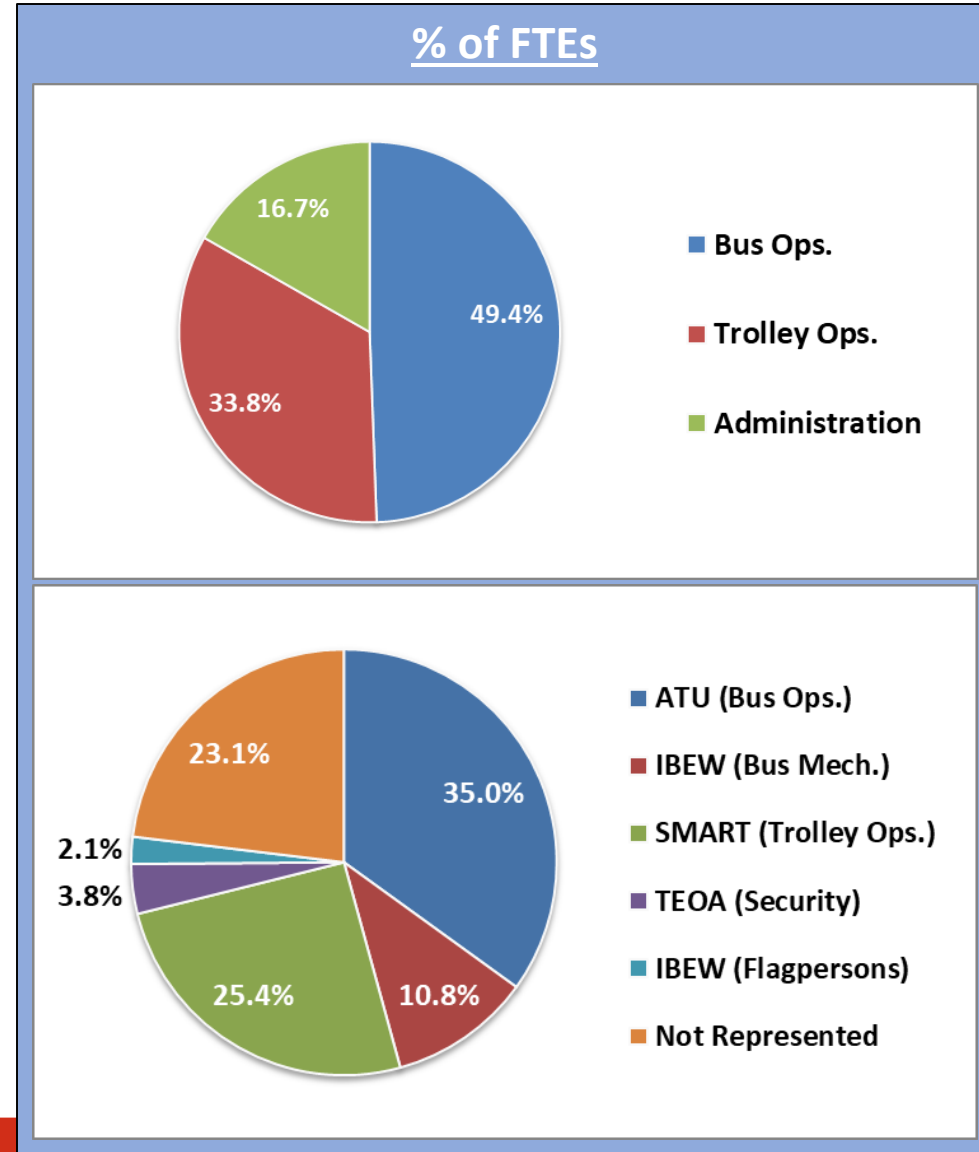
Fiscal Year 2024 Operating Budget Service Levels

- Current assumptions include additional service in FY24
 - Rail:
 - Consistent level of service
 - Bus-Fixed Route:
 - Planning on increased Operator hiring and retention
 - Restoring service reductions of the past year
 - Launch of Iris Rapid
 - 5.4% higher than FY23 forecast
 - Still below levels operated in FY22
 - Bus-Paratransit:
 - Planning for increases in demand
 - 24% higher than FY23 forecast
 - 55% of peak levels in FY19



Fiscal Year 2024 Operating Budget Expense Assumptions - Personnel

- MTS Personnel Budget - Wages
 - 1,699 total MTS Full Time Equivalents (FTEs)
 - Proposing 5 additional FTEs
 - 5 Construction Safety Flagpersons
 - Represented Groups (77% of FTEs)
 - Wage increases
 - Collective Bargaining Agreements in place for all represented groups
 - ATU (Bus Operators), IBEW (Bus Mechanics), SMART (Trolley Employees), TEOA (Security), IBEW (Flagpersons)
 - Wage increases range from 3.25% - 4.25%
 - Assuming 4.0% merit increase for non-bargaining unit employees
 - Performance Improvement Program bonus pool of 1.0%
 - Total Wages: \$101.4M, increase of \$5.3M (5.5%)



Fiscal Year 2024 Operating Budget Expense Assumptions - Personnel

- MTS Personnel Budget - Fringe Benefits
 - Pension
 - Pension plan costs are increasing by \$2.0M
 - Pension Obligation Bond principal cost decreasing by \$1.1M (last payment in FY24)
 - Healthcare
 - CY 2023 insurance premium rates known, assuming 10% increase for CY 2024
 - Impact of disbanding of the IBEW and ATU Healthcare Trusts resulted in savings in FY 2023
 - Other
 - Workers Comp. costs decreasing by \$1.1M

	FY 2023	FY 2024	Var.	
	Amended	Draft	Var.	%
(\$000s)				
Pension	\$ 29,782	\$ 30,675	\$ 893	3.0%
Healthcare	13,107	17,236	4,130	31.5%
Paid Absences	14,539	14,267	(272)	-1.9%
Other	9,991	9,039	(952)	-9.5%
Total	\$ 67,418	\$ 71,217	\$ 3,799	5.6%

Fiscal Year 2024 Operating Budget

Expense Assumptions - Purchased Transportation

- Purchased Transportation Budget
 - Planned increases to service levels
 - Transdev Fixed Route Contract
 - Fixed costs increasing by 3.4%
 - Variable rate increases by 3.1% over the amended FY23 rate (effective December 2022)
 - First Transit Contract
 - Fixed costs increasing by 4.1%
 - ADA Paratransit service per hour rate increases by 2.1% over the amended FY23 rate (effective December 2022)
 - Minibus fixed route service per mile rate increases by 4.6% over the amended FY23 rate (effective December 2022)

	FY 2023	FY 2024	Var.	Var. %
	Amended	Draft		
TransDev	\$ 71,487	\$ 81,892	\$ 10,405	14.6%
First-Minibus	5,426	5,730	303	5.6%
First-Paratransit	13,965	17,199	3,234	23.2%
Total	\$ 90,878	\$ 104,821	\$ 13,943	15.3%

Fiscal Year 2024 Operating Budget Expense Assumptions - Outside Services

- Outside Services Budget

- Security
 - Full year of amended contract costs
- Repair & Maintenance
 - Rail Operations rehabilitation projects (Light Rail Vehicle overhauls, Orange Line tie replacement)
- Engines and Transmissions
 - Normal experience to continue
- Other Outside Service
 - Facility upgrades for Bus Operations
 - Full year of PRONTO Operations and Maintenance costs

	FY 2023	FY 2024	Var.	
	Amended	Draft	Var.	%
(\$000s)				
Security	\$ 12,635	\$ 14,170	\$ 1,535	12.1%
Repairs & Maint.	8,093	10,968	2,875	35.5%
Engines / Trans.	768	716	(52)	-6.8%
Other Services	19,647	21,612	1,965	10.0%
Total	\$ 41,144	\$ 47,466	\$ 6,322	15.4%

Fiscal Year 2024 Operating Budget Expense Assumptions - Energy

- Energy Budget

- Planned increases to service levels
- Electricity Costs
 - Traction power and facility electric
 - Electricity commodity - Market index rates through Direct Access (similar to Community Choice program), 9% decrease projected
 - Transmission/demand - SDG&E rates, 10% increase

	FY 2023	FY 2024	Var.	
	Amended	Draft	Var.	%
Electricity	\$ 28,367	\$ 28,202	\$ (165)	-0.6%
CNG	19,730	15,289	(4,441)	-22.5%
Gas/Propane	2,868	2,762	(106)	-3.7%
Other	1,616	1,640	24	1.5%
Total	\$ 52,581	\$ 47,893	\$ (4,689)	-8.9%

- Compressed Natural Gas

- Fixed route bus fleet
 - Natural gas commodity - Market index rates through third party provider, 51% decrease projected
 - Transportation - SDG&E rates, 5% increase

- Gas/Propane

- Paratransit/Minibus buses
- Non-revenue vehicles

Fiscal Year 2024 Operating Budget Expense Assumptions - Other

- Other

- Materials & Supplies

- Year over year savings within Rail Operations

- Risk Management

- Insurance premiums continue to increase
 - Excess Liability premiums increasing 11%
 - Property insurance premiums increasing 27%

- General & Administrative

- Fare material costs increasing by \$357K

- Other

- Pension Obligation Bond interest expense decreasing by \$124K

	FY 2023		FY 2024		Var. %	
	(\$000s)	Amended	Draft	Var.		
Materials & Suppl.	\$	16,309	\$	16,215	\$ (93)	-0.6%
Risk		7,773		9,059	1,285	16.5%
G&A		6,327		6,838	511	8.1%
Other		1,818		1,706	(112)	-6.2%
Total	\$	32,228	\$	33,818	\$ 1,591	4.9%

Fiscal Year 2024 Operating Budget Expenses Summary (\$000s)

	FY 2023	FY 2024	Variance	Var.
	Amended	Draft		%
Personnel Expenses	\$ 163,561	\$ 172,663	\$ 9,102	5.6%
Purchased Transportation	90,878	104,821	13,943	15.3%
Outside Services	41,144	47,466	6,322	15.4%
Materials and Supplies	16,309	16,215	(93)	-0.6%
Energy	52,565	47,893	(4,673)	-8.9%
Risk Management	7,773	9,059	1,285	16.5%
Other	8,145	8,544	399	4.9%
Total Expenses	\$ 380,375	\$ 406,661	\$ 26,286	6.9%

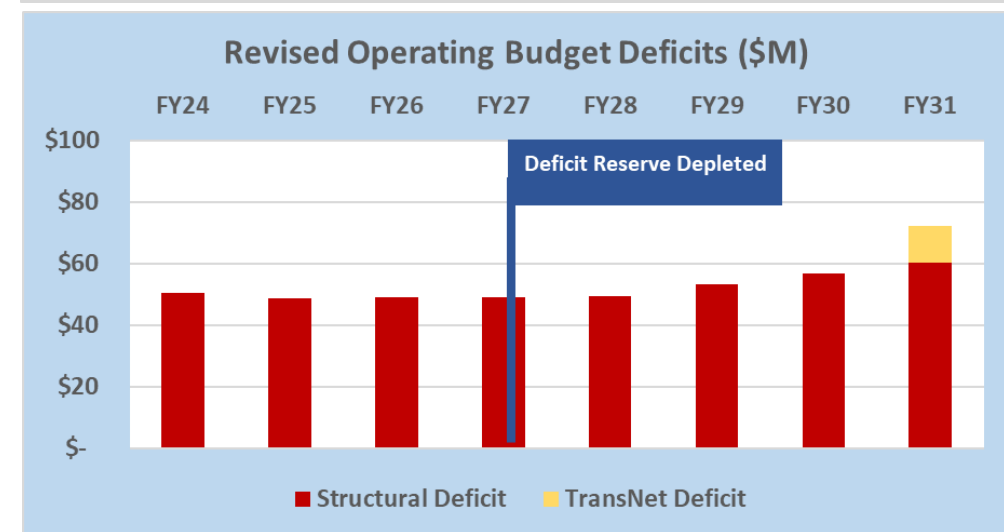
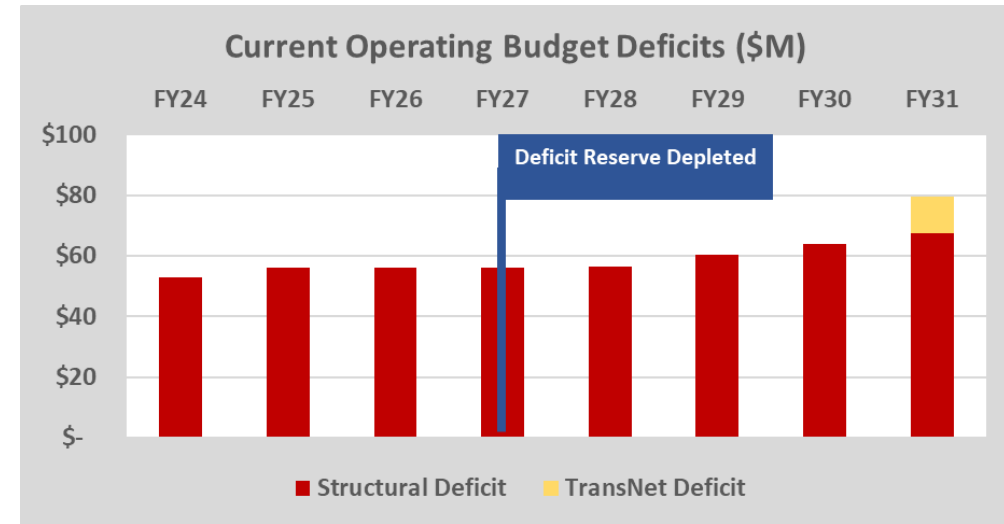
Fiscal Year 2024 Operating Budget

Consolidated Revenues less Expenses (\$000s)

	FY 2023 Amended	FY 2024 Draft	Variance	Var. %
Operating Revenues	\$ 92,788	\$ 101,672	\$ 8,884	9.6%
Subsidy Revenues	250,458	252,243	1,785	0.7%
Total Revenues	\$ 343,247	\$ 353,915	\$ 10,669	3.1%
Total Expenses	380,375	406,661	26,286	6.9%
Net Operating Deficit	\$ (37,128)	\$ (52,746)	\$ (15,617)	-42.1%
Reserve Revenues	(132)	(83)	49	
Revenues Less Expenses	\$ (37,260)	\$ (52,828)		
Federal Stimulus Funding	\$ 37,260	\$ 52,828		

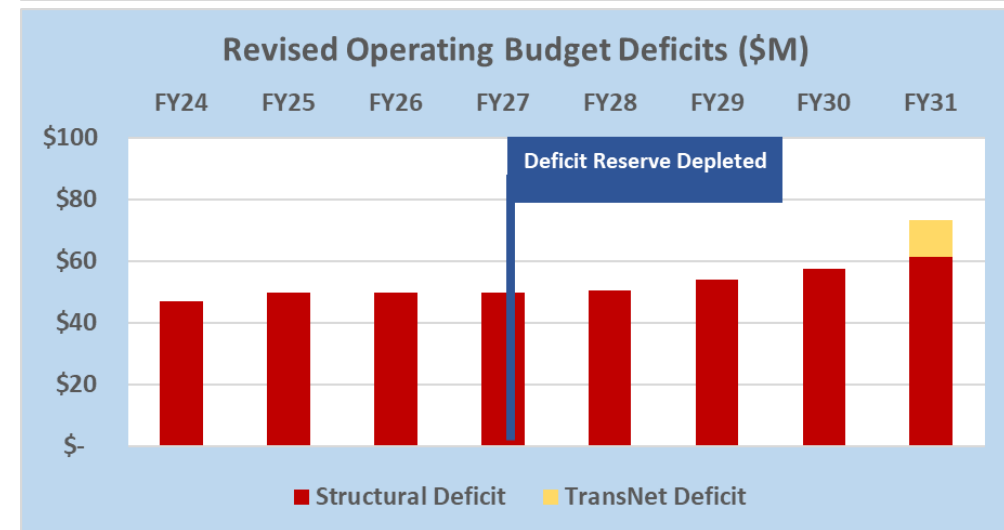
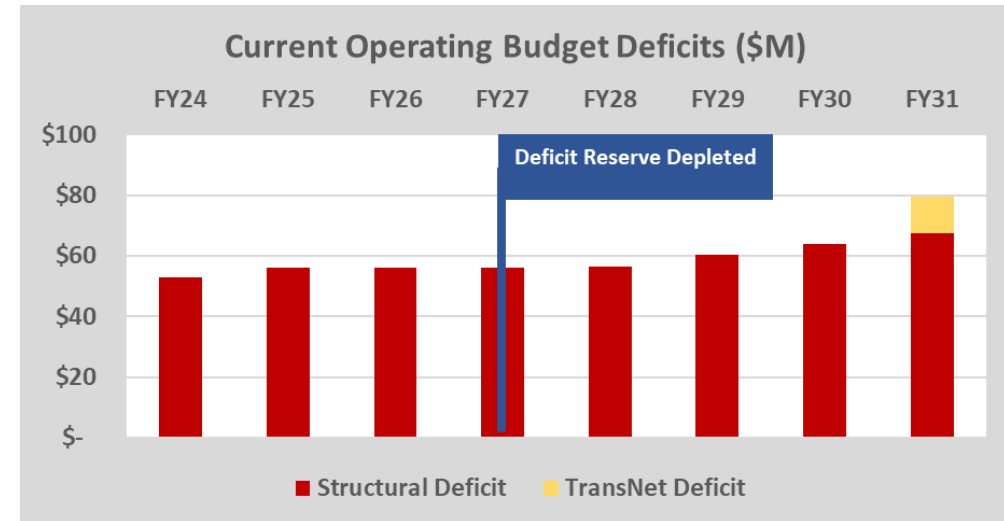
Fiscal Year 2024 Operating Budget Structural Deficit

- Updated projections for FY25-31
 - Based on current draft of FY24 service, revenue and expense assumptions
 - Stimulus funding will last into FY27
- Start making changes now:
 - Lower the annual deficits and extend reserves
 - Do not add back all service in FY24
 - Stimulus funding still runs out in FY27
 - Enforce fares on the Trolley
 - Stretch Capital dollars



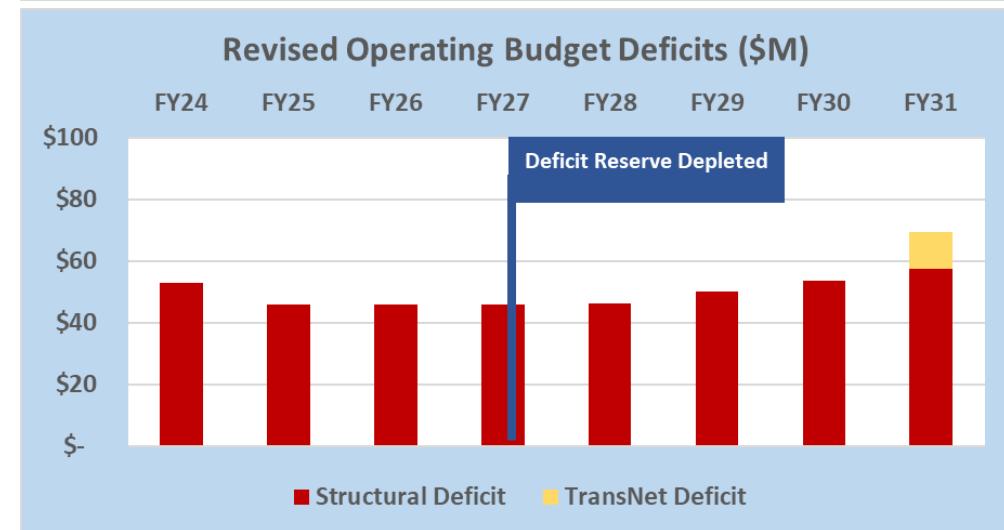
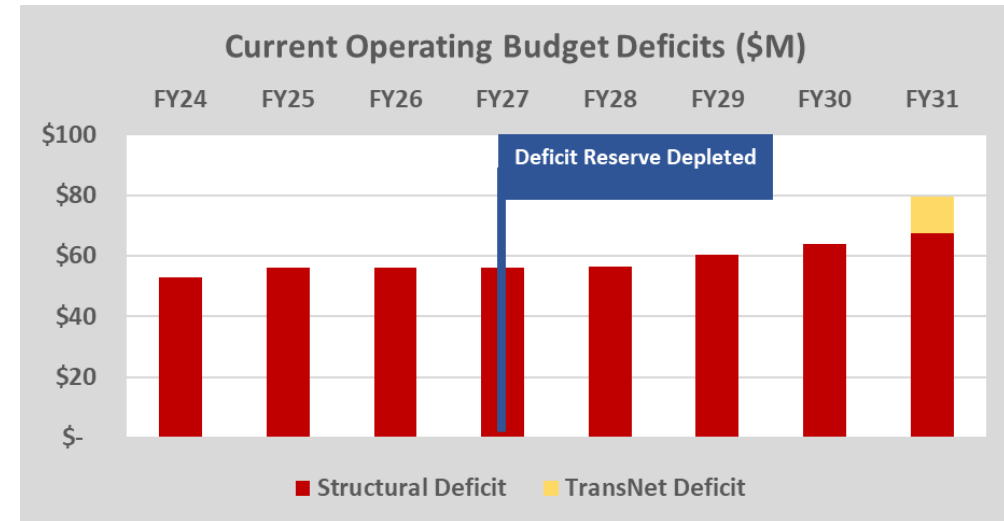
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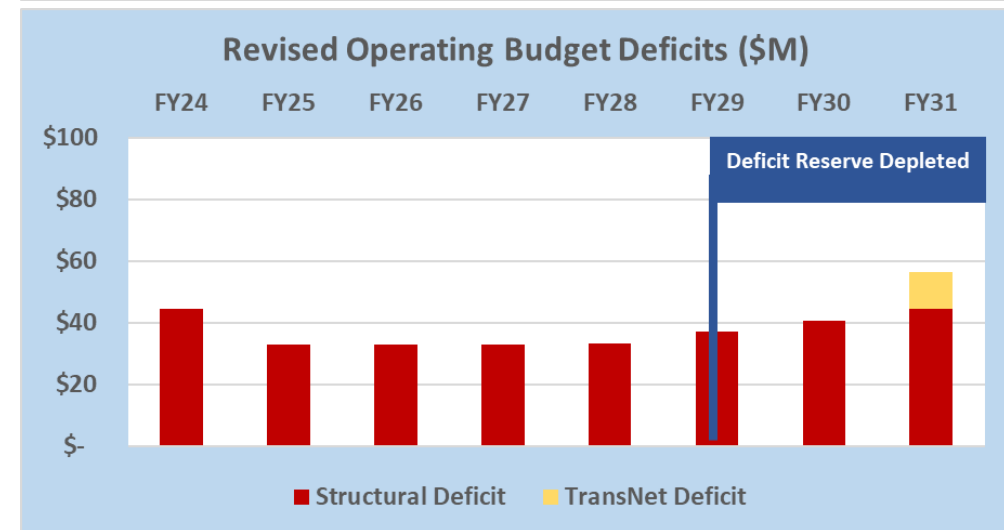
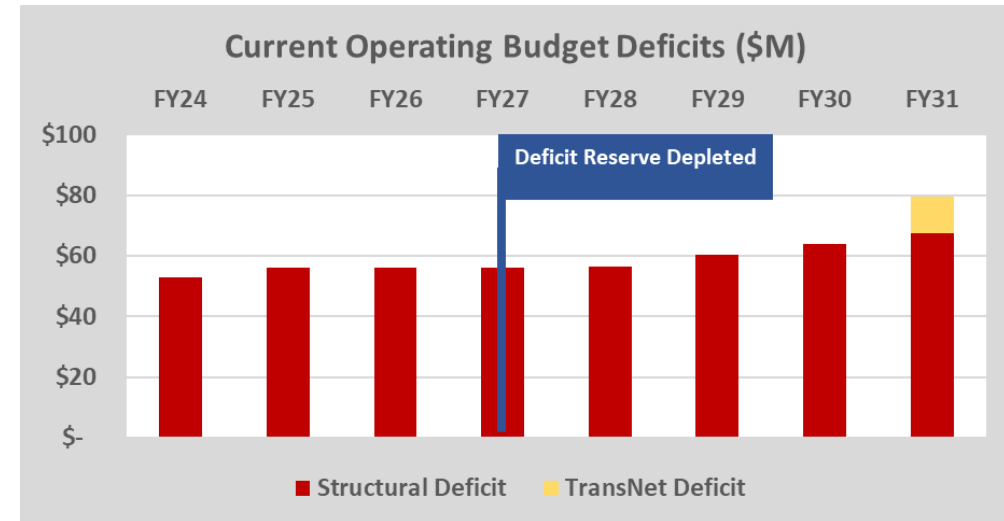
Fiscal Year 2024 Operating Budget Structural Deficit

- Updated projections for FY25-31
 - Based on current draft of FY24 service, revenue and expense assumptions
 - Stimulus funding will last into FY27
- Start making changes now:
 - Lower the annual deficits and extend reserves
 - Do not add back all service in FY24
 - Enforce fares on the Trolley
 - **Stretch Capital dollars**
 - **Stimulus funding still runs out in FY27**



Fiscal Year 2024 Operating Budget Structural Deficit

- Updated projections for FY25-31
 - Based on current draft of FY24 service, revenue and expense assumptions
 - Stimulus funding will last into FY27
- Start making changes now:
 - Lower the annual deficits and extend reserves
 - Do not add back all service in FY24
 - Enforce fares on the Trolley
 - Stretch Capital dollars
 - Stimulus funding could last into FY29



Fiscal Year 2024 Operating Budget

Budget Development Next Steps

- Present this overview to the Board on April 20th
- Finalize Operating Budget
 - Finalize all FY24 assumptions
 - Service levels
 - March passenger revenue results
 - Energy credit prices
 - One more look at future energy prices before finalizing those budgets
 - Prepare full budget book for the proposed budget
 - Present proposed draft to Budget Development Committee on April 27th
 - Hold Public Hearing at the Board meeting on May 18th



**Metropolitan
Transit
System**

Agenda Item No. 6

**MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM
BUDGET DEVELOPMENT COMMITTEE**

April 6, 2024

SUBJECT:

Fiscal Year (FY) 2024 Capital Improvement Program (CIP) (Mike Thompson)

RECOMMENDATION:

That the Budget Development Committee (BDC) forward a recommendation that the San Diego Metropolitan Transit System (MTS) Board of Directors:

- 1) Approve the FY 2024 CIP with the estimated federal and nonfederal funding levels (Attachments A and B). As the federal appropriation figures are finalized and/or other project funding sources become available, allow the Chief Executive Officer (CEO) to identify and adjust projects for the adjusted funding levels;
- 2) Recommend that the San Diego Association of Governments (SANDAG) Board of Directors approve the submittal of Federal Section 5307, 5337, and 5339 applications for the MTS FY 2024 CIP (shown in Attachment A); and
- 3) Recommend that the SANDAG Board of Directors approve amendment number 3 of the 2023 Regional Transportation Improvement Program (RTIP) in accordance with the FY 2024 CIP recommendations.

Budget Impact

The total estimated funding for FY 2024 is \$240.9 million (Attachment A). After the utilization of \$60.0 million in preventative maintenance, \$6.0 million for Americans with Disabilities Act (ADA) Operations (funding the FY 2023 operating budget), and funding for SANDAG planning studies totaling \$0.2 million, \$174.6 million is available for capital projects.

DISCUSSION:

The creation of the annual CIP and operating budgets involve a multifaceted decision-making process that impacts the agency's assets and the ability to keep these assets in a State of Good Repair (SGR). This requires a delicate balance between funding capital and operations in order to effectively, efficiently, and safely provide transit services for the region. In accordance with Board Policy 65 - Transit Asset Management (TAM) Policy, MTS maintains both a TAM plan



and a 20-year CIP forecast in order to facilitate these decision-making processes. On a yearly basis, the CIP is constructed under this framework, subject to the funding that is available in the current year.

Development of the MTS FY 2024 CIP

The CIP process began in September 2022 with the “call for projects”. The recommended CIP assumes funding of \$60.0 million for preventative maintenance, \$6.0 million for ADA Operations, and \$0.2 million in SANDAG planning studies. The remaining submitted projects compete for the balance of available funding. For FY 2024, there is \$174.6 million in available federal, state, and local funding sources, which are detailed below.

Federal Funding

On November 15, 2021, President Biden signed the Bipartisan Infrastructure Law, reauthorizing surface transportation programs through Federal FY (FFY) 2026. The legislation establishes the legal authority to commence and continue Federal Transit Administration (FTA) programs. Each reauthorization amends the Federal Transit Laws codified in 49 USC Chapter 53.

The reauthorization provides for the following funding streams MTS commonly receives:

- 5307 Urban Area Formula Grants for capital improvements and preventative maintenance
- 5311 Formula Grants for Rural Areas for capital improvements and to supplement operating costs
- 5337 State of Good Repair Funding for capital improvements and preventative maintenance
- 5339 Bus and Bus Facilities Funding for capital improvements

The FY 2024 MTS CIP (Attachments A and B) will serve as the basis for the federal formula grant applications. The FTA requires the submission of grant applications to obligate annual appropriations under Sections 5307, 5337, and 5339. The funding levels for each section (as indicated in Attachment A) this year are based on the actual apportionments published for the region.

As the region’s Metropolitan Planning Organization (MPO), SANDAG apportions the 5307, 5337, and 5339 formula funds between MTS and the North County Transit District (NCTD) based on service area populations. Prior to the apportionments, SANDAG deducts funds from Section 5307 for funding the region’s vanpool program. MTS receives approximately 70 percent while NCTD receives approximately 30 percent of these federal formula funds.

Section 5307 Urbanized Area Formula Program is a block grant program in which each urbanized area with over 50,000 in population receives financial assistance to provide public transit. The formula for determining each metropolitan area’s share of funds is based on an urbanized area’s population, population density, levels of existing fixed-guideway service, and levels of existing bus service and ridership. The Section 5307 program is designed to meet routine capital needs and may not be used for operating assistance. However, the Transportation Equity Act for the 21st Century (TEA-21) expanded the definition of capital to include preventative maintenance, thereby, in effect, mitigating the relative lack of federal assistance for operations. In addition to the expanded definition of capital, the Section 5307

Urbanized Area Formula Program also allows for a maximum of 10 percent maximum of the allocation to support operations of ADA complementary paratransit service.

For FFY 2023, the estimated allocation for the MTS Section 5307 program is \$60.1 million, which will be matched with local funds of \$15.0 million. This program would provide an estimated \$75.1 million to fund MTS's FY 2024 CIP.

Section 5337 is a formula-based SGR program dedicated to repairing and upgrading the nation's rail transit systems along with high-intensity motor bus systems that use high-occupancy vehicle lanes, including bus rapid transit (BRT). Section 5337 includes funding previously provided through section 5309 Fixed Guideway Rail Modernization Formula Program. Projects are limited to replacement and rehabilitation or capital projects required to maintain public transportation systems in a state of good repair.

Section 5337 SGR funds are allocated on a formula basis to rail systems that have been in operation for at least eight years. For FFY 2023, the Section 5337 funds MTS allocation estimate is \$43.4 million and will be matched with local funds of \$10.9 million. The program will provide an estimated \$54.3 million to fund MTS's FY 2024 CIP.

Section 5339 funding provides capital funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. For FFY 2023, the Section 5339 funds MTS allocation estimate is \$4.3 million and will be matched with local funds of \$1.1 million. The program will provide an estimated \$5.4 million to fund MTS's FY 2024 CIP.

In September 2019, SANDAG's Board of Directors approved a total of \$72 million in federal Regional Surface Transportation Program (RSTP) funding from FY 2020 to FY 2025 for the replacement of MTS's SD100 LRV fleet to support additional/more frequent Trolley service. In MTS's FY 2024 CIP \$15.0 million is budgeted, and the remaining balance will be budgeted in the future fiscal years.

The FTA funding is structured on a reimbursement basis (after expenses are incurred). Local funding (Transportation Development Act (TDA)/ State Transit Assistance (STA) /TransNet) is scheduled at the beginning of each fiscal year and received on a monthly or quarterly basis. In many situations, local funds are received before expenses are incurred.

Local Match

The local match for CIP projects will come from the pooled transit finances for the MTS region. While it is likely that the actual funds used would be TDA funds, final decisions on the matching source would be made during the FY 2024 CIP implementation process in order to maximize the availability and flexibility of funding.

STA

MTS receives STA funding from the Public Transportation Act, which derives its revenue from the state sales tax on diesel fuels. This funding was augmented by the Road Repair and Accountability Act of 2017, or Senate Bill 1 (SB1), which was signed by the Governor on April 28, 2017. For FY 2024, the estimated STA funding is \$39.4 million, of which \$28.0 million is planned in CIP with the remaining \$11.3 million planned for the operating budget.

MTS also receives a separate STA allocation for SGR program funding from SB1, which is funded from a portion of a new transportation improvement fee on vehicle registration. Receipts for FY 2023 will provide \$5.1 million to MTS's FY 2024 CIP.

California Cap-and-Trade Revenue

Since 2014, the State of California Budget has provided \$11.0 billion to the Greenhouse Gas Reduction Fund (GHGRF) from Cap-and-Trade auction proceeds to support existing and pilot programs that will reduce Greenhouse Gas (GHG) emissions and benefit disadvantaged communities. Transit operators are eligible recipients for several of the programs which will be funded by the GHGRF, most of which are competitive programs.

The Low Carbon Transit Operations Program (LCTOP) has \$192 million in total funding that will be distributed by the same formula as STA funding. MTS's allocation for FY 2022-23 is \$8.1 million. Based on the current zero-emission bus (ZEB) rollout plan, the entire amount will be budgeted in MTS's FY 2024 CIP.

Over the last few years, MTS has received multiple competitive grant awards from the Transit and Intercity Rail Capital Program (TIRCP). In FY 2022, MTS was awarded a total of \$33.5 million for Orange Line Rail Signals, Orange Line Variable Message Sign, Imperial Ave Transit Center, and Imperial Ave Division Battery Electric Bus Charging Infrastructure project. In FY 2024 CIP, \$10.1 million is budgeted.

Other Revenue

Alternative fuel credits are issued by the IRS to MTS for utilizing compressed natural gas to power its vehicles. This rebate program has expired and then reauthorized multiple times over the years, most recently being extended through the calendar year 2021. MTS has included \$4.0 million in revenues for the calendar year 2021 in the FY 2024 CIP.

MTS received \$2.9 million of Federal Community Project Funding (CPF) with the passing of the Consolidated Appropriations Act, 2023. This directed funding will support the Imperial Avenue Division Zero-Emission Bus Charging Equipment and New Zero Emission Bus Division Project – Planning Phase.

\$12.5 million of other one-time funding has also been included in the FY 2024 CIP. This balance includes transfers from older closed capital projects, proceeds from land sales, and grants from the Volkswagen Environmental Mitigation Trust for California.

Project Selection

A meeting of the Capital Projects Review Committee (CPRC) was held to review the project list and to develop a CIP recommendation for FY 2024. In accordance with the Capital Projects Selection Process, the CPRC is comprised of representatives from MTS Bus, MTS Rail, MTS Administration, and SANDAG. Each CPRC member was responsible for submitting the capital requests for its division or agency. The CPRC reviewed and approved the prioritization of those capital requests.

The capital project list (Attachment B) represents the five-year, unconstrained need for the MTS operators, 89 projects in total for \$1.1 billion. Each MTS agency submitted its capital project requests in priority order, and the lists were consolidated for review by the CPRC. The CPRC reviewed the projects in the context of their impact on operations and determined the most critical projects to fund this year. The remaining projects were deferred; however, it is recognized that the continued deferral of some projects could have negative impacts on system infrastructure in future years. The list of projects is also subject to an analysis based on social equity principles (Attachment E). This process assures that the benefits and burdens of transit investment are shared equitably throughout the MTS service area. A series of maps are used to detail the results of this analysis.

FY 2024 CIP Funded Projects

Of the \$174.6 million available after preventative maintenance and SANDAG planning studies, \$82.9 million (or 48 percent) has been dedicated to Revenue Vehicle replacement for the ongoing upkeep of the MTS fleet of service vehicles; \$10.9 million (or 6 percent) has been dedicated to Facility & Construction projects; \$19.0 million (or 11 percent) has been dedicated to Rail Infrastructure projects; \$5.6 million (or 3 percent) has been dedicated to Other Equipment & Installations; and another \$56.1 million (or 32 percent) dedicated to Major Initiatives projects.

The table below is a summary of the CPRC recommendations, the major categories that are proposed to be funded, and the percentage of total available funding.

Capital Project Categories	Funding (\$000s)	% of Total
Bus Revenue Vehicles	\$ 60,917	35%
Rail Revenue Vehicles	22,000	13%
Facility & Construction Projects	10,913	6%
Rail Infrastructure	19,080	11%
Other Equipment & Installation	5,580	3%
Other Initiatives	56,116	32%
Grand Total	\$ 174,606	

A full listing of projects with respective funding levels is available in Attachment B, and brief descriptions are included in Attachment C. A couple of projects of note:

- SD100 Light Rail Vehicle (LRV) Replacement – Funding of \$22.0 million will be added to the \$167.9 million previously funded for the replacement of the SD100 fleet. There will be 47 LRVs that will need to be replaced by 2025, with a total estimated cost of over \$216 million.
- 40' Bus Procurement – Funding of \$60.0 million for the replacement of thirty-eight 40' compressed natural gas (CNG) buses, thirteen 40" battery electric buses (BEB), five 60' CNG buses, and seven mini-buses in accordance with the MTS Transit Fleet Plan.

- Clean Transit Advancement Campus - Funding of \$36.8 million will be added to the \$47.5 million previously funded for the construction of the new Clean Transit Advancement Campus to support the electrification of the MTS fleet.
- Imperial Ave Division Overhead Charging Infrastructure - Funding of \$10.1 million for the construction of the Imperial Ave Division Zero Emission Bus Overhead Charging Infrastructure project.

Five-Year Capital Program Projections

Attachment D summarizes a high-level look at the five-year capital program. The federal 5307 and 5337 funding levels are projected by SANDAG to increase by 2% through FY 2028. Cumulative total capital needs for the five-year period exceed the available projected funding levels. Total project needs over the five-year term are projected to be \$1.1 billion. Projected deficits from FY 2024 to FY 2028 total \$388.0 million. The ratio of total funding to total capital needs over the five-year term is projected at 65.5 percent.

Therefore, the staff recommends that the BDC forward a recommendation that the MTS Board of Directors:

- 1) Approve the FY 2024 CIP with the estimated federal and nonfederal funding levels (Attachments A and B). As the federal appropriation figures are finalized and/or other project funding sources become available, allow the CEO to identify and adjust projects for the adjusted funding levels;
- 2) Recommend that the SANDAG Board of Directors approve the submittal of Federal Section 5307, 5337, and 5339 applications for the MTS FY 2024 CIP (shown in Attachment A); and
- 3) Recommend that the SANDAG Board of Directors approve amendment number 3 of the 2023 RTIP in accordance with the FY 2024 CIP recommendations.

/s/ Sharon Cooney

Sharon Cooney
Chief Executive Officer

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

Attachments: A. FY 2024 Funding Sources
B. FY 2024 Capital Improvement Projects List
C. FY 2024 Funded Project Descriptions
D. Funding Compared to Capital Needs for FY 2024 – 2028
E. FY 2024 Capital Improvement Program Title VI/Environmental Justice Analysis

**San Diego Metropolitan Transit System
Capital Improvement Program - Funding Sources (\$000s)
Fiscal Year 2024**

Funding Description	Total
Federal FFY22 - 5307 Funding Estimate	\$ 60,081
Federal FFY22 - 5337 Funding Estimate	43,356
Federal FFY22 - 5339 Funding Estimate	4,278
Federal Regional Surface Transportation Program (RSTP)	15,000
California Transportation Development Act (TDA)	42,934
California State Transit Assistance (STA)	28,079
California State of Good Repair (SGR)	5,096
California Cap and Trade (TIRCP)	10,172
California Cap and Trade (LCTOP)	12,427
Other Funds	19,470
Total Available Funding	\$ 240,893
Preventive Maintenance - Federal 5307	\$ (32,000)
Preventive Maintenance - Federal 5337	(28,000)
ADA Operation - Federal 5307	(6,008)
SANDAG Planning Study - FFY20 Local Match	(279)
Total Preventative Maintenance/SANDAG Planning	\$ (66,287)
Available Funding for Capital Program	\$ 174,606

**San Diego Metropolitan Transit System
Capital Improvement Program – Project List by Category (\$000s)
Fiscal Year 2024 – 2028**

State of Good Repair Projects

Bus Revenue Vehicles

Annual vehicle replacement for fleet of 40-Foot, 60-Foot Articulated, ADA Minibus, Fixed Route Minibus, and Commuter Express buses. The fleet replacement plan also incorporates the Zero Emission Bus Transition plan approved by the MTS Board of Directors in September 2020.

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Bus Ops - Bus Procurement - FY24	\$ 60,917	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,917
Subtotal	\$ 60,917	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,917

Rail Revenue Vehicles

Annual vehicle replacement for fleet of light rail vehicles.

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Rail Ops - SD100 Replacement	\$ 22,000	\$ -	\$ 31,000	\$ -	\$ -	\$ -	\$ 53,000
Rail Ops - SD7 Replacement	-	-	-	10,566	10,566	10,566	31,698
Subtotal	\$ 22,000	\$ -	\$ 31,000	\$ 10,566	\$ 10,566	\$ 10,566	\$ 84,698

Facility & Construction Projects

Facilities refer to the structures that enclose or support maintenance, operations, and administrative functions at the Rail division in downtown San Diego and the five bus maintenance facilities throughout San Diego County. Facilities also house specialized equipment that supports the operations and maintenance of the vehicles (for example, fueling and wash facilities).

Facilities also refer to the structures that enclose or support spaces for passengers. Passenger facilities are usually focused around spaces for pedestrian movement or waiting areas. Stations provide shelter for employees and customers, and facilities provide shelter for employees, revenue vehicles, and power systems.

Bus Operations

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Bus Ops - Copley Park Division Mobile Column Lift Replacement	\$ 102	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102
Bus Ops - Copley Park Division Upgrades	-	-	575	1,450	-	-	2,025
Bus Ops - East County Division Upgrades	-	-	-	-	1,120	-	1,120
Bus Ops - Imperial Ave Division CNG Dryer for A & B Replacement	-	504	-	-	-	-	504
Bus Ops - Imperial Ave Division Generator Replacement	260	-	-	-	-	-	260
Bus Ops - Imperial Ave Div. OH Infrastructure - Tire Storage Design	171	-	-	-	-	-	171
Bus Ops - Imperial Ave Division RAM Roof Replacement	-	995	-	-	-	-	995
Bus Ops - Imperial Ave Division Upgrades	-	-	-	350	875	2,750	3,975
Bus Ops - Kearny Mesa Division Chassis Wash Lift Replacement	-	685	-	-	-	-	685
Bus Ops - Kearny Mesa Division Upgrades	-	-	2,935	700	-	100	3,735
Bus Ops - Service Lane Probe & Vault Replacement - IAD & KMD	610	-	-	-	-	-	610
Bus Ops - Southbay Building 3650A Partial Demolition	903	-	-	-	-	-	903
Bus Ops - Southbay Division 3620 Roofing Replacement	384	-	-	-	-	-	384
Bus Ops - Southbay Division CNG Dryer A & B Replacement	505	-	-	-	-	-	505
Bus Ops - Southbay Division Mobile Column Lift Replacement	282	-	-	-	-	-	282
Bus Ops - Southbay Division Upgrades	-	-	140	150	-	300	590
Subtotal	\$ 3,217	\$ 2,184	\$ 3,650	\$ 2,650	\$ 1,995	\$ 3,150	\$ 16,846

Rail Operations

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Admin - Pyramid Building Design Services	\$ 1,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,085
Rail Ops - Building A Wheel Truing Machine Replacement	1,584	-	1,584	-	-	-	3,168
Rail Ops - Central Control HVAC	250	-	430	110	350	1,400	2,540
Rail Ops - Trolley Right of Way Lidar Imagery Refresh	-	-	120	-	120	-	240
Rail Ops - Trolley Wash Cover	927	-	-	-	-	-	927
Subtotal	\$ 3,846	\$ -	\$ 2,134	\$ 110	\$ 470	\$ 1,400	\$ 7,960

Passenger Facilities

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Admin - ADA Bus Stop Improvements - FY24	\$ 1,000	\$ -	\$ 454	\$ 478	\$ 338	\$ -	\$ 2,270
Admin - Bus Stop Shelters	1,350	-	1,413	1,484	1,558	1,636	7,442
Rail Ops - S85 Retaining Wall	500	-	-	-	-	-	500
Rail Ops - San Ysidro Transit Center	-	-	15,000	15,000	-	-	30,000
Rail Ops - SDSU Station - Smoke Control System Upgrade	500	-	-	-	-	1,700	2,200
Rail Ops - Second Elevator Stadium / Fashion Replacement	-	-	700	5,000	-	-	5,700
Rail Ops - Station Shelter Replacement	500	-	-	-	-	-	500
Subtotal	\$ 3,850	\$ -	\$ 17,567	\$ 21,963	\$ 1,896	\$ 3,336	\$ 48,612

Rail Infrastructure

This category refers to the structural elements that allow for the movement of MTS's LRVs. These assets are broadly categorized into track elements, guideway elements comprising the track right-of-way, grade crossings, and the electrical infrastructure.

Track

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Rail Ops - Beech Street Double Crossover	\$ 100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
Rail Ops - Beyer Track and Slope	500	-	-	-	-	-	500
Rail Ops - Blue Line Fence Improvements	275	-	200	200	200	200	1,075
Rail Ops - Drainage Improvements	-	250	3,250	3,250	3,000	-	9,750
Rail Ops - Grade Crossing Replacement	1,985	-	7,463	3,155	4,412	-	17,015
Rail Ops - Massachusetts to San Altos Drainage Improvement	-	250	1,250	5,000	-	-	6,500
Rail Ops - Orange Line Improvement Project	1,300	-	18,400	5,000	5,000	3,000	32,700
Rail Ops - Rail Fastener Replacement - Fletcher	700	-	-	-	-	-	700
Rail Ops - Rail Replacement	-	-	-	300	-	-	300
Rail Ops - Rio Vista Platform Design Phase II	500	-	1,500	-	-	-	2,000
Rail Ops - Special Trackwork Replacement	3,200	-	6,945	-	-	1,200	11,345
Rail Ops - Station Trackway Replacement	-	940	3,550	-	850	-	5,340
Rail Ops - Street Trackage Pavement Replacement	1,520	-	3,885	3,823	3,860	3,811	16,899
Subtotal	\$ 10,080	\$ 1,440	\$ 46,443	\$ 20,728	\$ 17,322	\$ 8,211	\$ 104,224

Maintenance of Wayside (MOW)

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Rail Ops - A-yard Catenary Replacement	\$ 1,300	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 2,000	\$ 6,300
Rail Ops - Downtown Parallel Feeder Cable	3,300	-	3,300	3,100	2,000	-	11,700
Rail Ops - Grade Crossing Warning System	-	-	-	-	-	300	300
Rail Ops - Overhead Catenary System	-	-	5,000	5,000	5,000	5,000	20,000
Rail Ops - Sicas S7 System Wide Replacement - Design	500	-	2,000	2,000	2,000	2,000	8,500
Rail Ops - Signal Replacement	2,900	-	180	180	180	-	3,440
Rail Ops - Substation Replacement	1,000	-	12,000	12,000	12,000	12,000	49,000
Subtotal	\$ 9,000	\$ -	\$ 23,480	\$ 23,280	\$ 22,180	\$ 21,300	\$ 99,240

Other Equipment & Installations

This category includes any equipment replacement, including things such as service vehicles for Bus and Rail Operations, maintenance equipment, cleaning equipment, major rehabilitation components for light rail vehicles.

This category also includes a diverse set of systems that support core operational functions and have software and hardware that need to be refreshed on a periodic basis. All of these systems are critical to transit operations, providing financial information, communications, network connectivity, revenue collection, security, customer service, and safety controls.

Operations

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Bus Ops - Bus Variable Message Signs	\$ -	\$ -	\$ -	\$ -	\$ 110	\$ 100	\$ 210
Bus Ops - Regional Transit Management System Upgrade	-	-	250	-	750	2,100	3,100
Bus Ops - Transit Service Trucks	136	-	-	665	-	-	801
Rail Ops - C Building Crane Upgrade & Expansion	-	500	5,000	-	-	-	5,500
Rail Ops - Davra System Enhancements	-	-	600	-	600	-	1,200
Rail Ops - Electric Utility Vehicle	75	-	50	50	75	75	325
Rail Ops - Electronic Records Keeping	350	-	-	-	-	-	350
Rail Ops - LRV Router Upgrade	-	-	-	-	-	500	500
Rail Ops - On-Track Equipment Replacement	-	650	250	-	-	550	1,450
Rail Ops - Trolley Platform Variable Message Sign Upgrades	-	-	754	754	754	754	3,015
Rail Ops - Trolley Station Network Communication Equipment	-	-	2,000	1,000	-	-	3,000
Subtotal	\$ 561	\$ 1,150	\$ 8,904	\$ 2,469	\$ 2,289	\$ 4,079	\$ 19,451

Administration

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Admin - Board Room Audio/Video Refresh	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Admin - Bus Yard Wireless Network Replacement	400	-	400	400	400	400	2,000
Admin - CCTV Upgrade and Installation	150	-	200	250	275	300	1,175
Admin - Data Storage Refresh	121	-	125	781	100	125	1,252
Admin - Facility Roof Solar Assessments	250	-	-	-	-	-	250
Admin - Fare System Upgrades	2,473	-	-	-	-	-	2,473
Admin - Intranet Refresh	-	-	350	-	-	-	350
Admin - Network Equipment Refresh	-	-	600	600	600	600	2,400
Admin - SAP S4 Upgrade & Cloud Migration	-	-	-	5,000	-	-	5,000
Admin - Server Refresh	635	-	750	750	750	750	3,635
Admin - System Sign Replacement	385	-	200	200	200	200	1,185
Admin - Trapeze IVR Replacement/Upgrade	105	-	-	-	-	120	225
Admin - Warehouse Bar Code	-	-	2,500	2,500	-	-	5,000
Subtotal	\$ 5,019	\$ -	\$ 5,125	\$ 10,481	\$ 2,325	\$ 2,495	\$ 25,445

Other Initiatives

Innovative Clean Transit

This category includes the necessary infrastructure to enable the fueling of the future Zero Emission Bus (ZEB) fleet. It includes things like overhead charging infrastructure at all existing divisions, backup generators, batteries for storage, and solar panels on the overhead gantry. It also includes the cost of a new division to help facilitate the conversion to ZEBs.

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Bus Ops - Clean Transit Advancement Campus	\$ 36,797	\$ 38,203	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ 300,000
Bus Ops - Clean Transit Advancement Campus - CTAC Planning	1,000	-	-	-	-	-	1,000
Bus Ops - East County Division Battery Storage	212	-	-	-	-	-	212
Bus Ops - East County Division Overhead Charging Master Plan	517	-	1,090	6,080	8,680	-	16,367
Bus Ops - IAD BEB Charging Infrastructure	2,350	-	-	-	-	-	2,350
Bus Ops - Imperial Ave Division Overhead Charging Infrastructure	10,080	-	4,090	-	1,000	4,800	19,970
Bus Ops - Kearny Mesa Division Overhead Charging Infrastructure	1,325	-	9,275	5,890	-	-	16,490
Bus Ops - Copley Park Division Overhead Charging Infrastructure			510	2,180	1,005	1,005	4,700
Bus Ops - South Bay Division Overhead Charging Infrastructure			3,080	7,420	4,400	-	14,900
Bus Ops - Potential Hydrogen and ZEB Upgrades	-	-	250	1,370	5,345	5,220	12,185
Subtotal	\$ 52,281	\$ 38,203	\$ 93,295	\$ 97,940	\$ 95,430	\$ 11,025	\$ 388,174

Other Initiatives

This category includes a variety of projects that do not relate to state of good repair needs of the existing system. It includes projects necessary to expand or enhance the services that MTS provided to the region.

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Admin - Social Equity Listening Tour	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Bus Ops - 12th & Imperial Transit Center	1,335	-	12,315	-	-	-	13,650
Bus Ops - Southwestern Rapid	-	-	1,000	11,000	-	-	12,000
Rail Ops - Green Line IMT Double Tracks	500	-	-	-	-	-	500
Subtotal	\$ 3,835	\$ -	\$ 13,315	\$ 11,000	\$ -	\$ -	\$ 28,150

Five-year summary

State of Good Repair Categories	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Bus Revenue Vehicles	\$ 60,917	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,917
Rail Revenue Vehicles	22,000	-	31,000	10,566	10,566	10,566	84,698
Facility & Construction Projects - Bus	3,217	2,184	3,650	2,650	1,995	3,150	16,846
Facility & Construction Projects - Rail	3,846	-	2,134	110	470	1,400	7,960
Facility & Construction Projects - Pass.	3,850	-	17,567	21,963	1,896	3,336	48,612
Rail Infrastructure - Track	10,080	1,440	46,443	20,728	17,322	8,211	104,224
Rail Infrastructure - MOW	9,000	-	23,480	23,280	22,180	21,300	99,240
Other Equipment & Installation - Ops	561	1,150	8,904	2,469	2,289	4,079	19,451
Other Equipment & Installation - Admin	5,019	-	5,125	10,481	2,325	2,495	25,445
Subtotal	\$ 118,490	\$ 4,774	\$ 198,303	\$ 152,246	\$ 119,043	\$ 114,537	\$ 707,392

Other Initiatives	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Innovative Clean Transit	\$ 52,281	\$ 38,203	\$ 93,295	\$ 97,940	\$ 95,430	\$ 11,025	\$ 388,174
Other Initiatives	3,835	-	13,315	11,000	-	-	28,150
Subtotal	\$ 56,116	\$ 38,203	\$ 106,610	\$ 108,940	\$ 95,430	\$ 11,025	\$ 416,324

Grand Total	\$ 174,606	\$ 42,977	\$ 304,913	\$ 261,186	\$ 214,473	\$ 125,562	\$ 1,123,716
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Glossary of Acronyms:			
Acronym	Description	Acronym	Description
ABS	Automatic Block Signaling	LRV	Light Rail Vehicle or trolley
AHSC	Affordable Housing and Sustainable Communities	OH	Overhead
ARINC	Aeronautical Radio INC	OL	Orange Line
BEB	Battery Electric Bus	RAM	Revenue and Maintenance Building at IAD
CCTV	Closed Circuit Television	RTMS	Regional Transportation Management System
CNG	Compressed Natural Gas	SAP	Enterprise resource planning system used by MTS
CPC	Centralized Protection and Control	SBMF	South Bay Maintenance Facility (Chula Vista)
CPD	Copley Park Division (Kearny Mesa)	SD100	Light Rail Vehicles (2000 Series)
ECD	East County Division (El Cajon)	SD7	Light Rail Vehicles (3000 Series)
HVAC	Heating, Ventilation, and Air Conditioning	SD8	Light Rail Vehicles (4000 Series)
IAD	Imperial Avenue Division (Downtown)	SDIV	San Diego & Imperial Valley (old rail line)
IMT	Imperial Ave Transit Center	SDTI	San Diego Trolley
IVR	Interactive Voice Response	UPS	Uninterruptible Power Supply
KMD	Kearny Mesa Division	VMS	Variable Message Sign
LIDAR	Light Detection and Ranging	ZEB	Zero Emission Bus

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
 CAPITAL BUDGET - INDIVIDUAL PROJECT DESCRIPTION FOR FISCAL YEAR 2024 (in 000's)
 ATTACHMENT C**

The Capital Improvement Program includes improvements and replacement projects related to MTS, SDTC, and SDTI Capital Assets. The projects below are funded with Federal funds where indicated and are matched with the required amount of local funds. The projects listed are implemented by the project manager of the coinciding agency and monitored by MTS administration.

Form ID	Title	FY24 Budget	Federal	State/Local	Other
1001	<u>Bus Ops - Clean Transit Advancement Campus</u> Division 6/Clean Transit Advancement Campus	36,797	-	36,797	-
1002	<u>Bus Ops - Bus Procurement - FY24</u> Fiscal Year 2024 Bus Procurement	60,917	26,351	30,518	4,048
1778	<u>Bus Ops - Imperial Ave Division Overhead Charging Infrastructure</u> Imperial Ave Division Overhead Charging Infrastructure	10,080	-	10,080	-
1783	<u>Bus Ops - Kearny Mesa Division Overhead Charging Infrastructure</u> Kearny Mesa Division Overhead Charging Infrastructure	1,325	-	1,325	-
1786	<u>Bus Ops - Southbay Building 3650A Partial Demolition</u> Southbay Building Partial Demolition	903	-	903	-
1818	<u>Bus Ops - Service Lane Probe & Vault Replacement - IAD & KMD</u> Service Lane Probe & Vault Replacement	610	-	610	-
1790	<u>Bus Ops - East County Division Overhead Charging Master Plan</u> East County Division Overhead Charging Master Plan	517	-	517	-
1787	<u>Bus Ops - Southbay Division CNG Dryer A & B Replacement</u> Southbay Division CNG Dryer A & B Replacement	505	-	505	-
1803	<u>Bus Ops - Southbay Division 3620 Roofing Replacement</u> Southbay Division Roofing Replacement	384	-	384	-
1788	<u>Bus Ops - Southbay Division Mobile Column Lift Replacement</u> Southbay Division Mobile Column Lift Replacement	282	-	282	-
1807	<u>Bus Ops - Imperial Ave Division Generator Replacement</u> Imperial Ave Division Generator Replacement	260	-	260	-
1792	<u>Bus Ops - East County Division Battery Storage</u> East County Division Battery Storage	212	-	212	-
1992	<u>Bus Ops - Imperial Ave Division Overhead Infrastructure - Tire Storage Design</u> Imperial Ave Division Overhead Infrastructure - Tire Storage	171	-	171	-
1780	<u>Bus Ops - Transit Service Truck</u> Transit Service Truck	136	-	136	-
1789	<u>Bus Ops - Copley Park Division Mobile Column Lift Replacement</u> Copley Park Division Mobile Column Lift Replacement	102	-	102	-
1794	<u>Rail Ops - 12th & Imperial Transit Center</u> 12th & Imperial Transit Center	1,335	-	1,335	-
2007	<u>Rail Ops - SD100 Replacement</u> SD100 Light Rail Vehicle Replacement	22,000	22,000	-	-
1779	<u>Rail Ops - Building A Wheel Truing Machine Replacement</u> Building A Wheel Truing Machine Replacement	1,584	-	423	1,161
1821	<u>Rail Ops - Trolley Wash Cover</u> Trolley Wash Cover	927	-	927	-
1983	<u>Rail Ops - Station Shelter Replacement</u> Station Shelter Replacement	500	-	500	-
1826	<u>Rail Ops - Blue Line Fence Improvements</u>	275	-	275	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
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Form ID	Title	FY24 Budget	Federal	State/Local	Other
1827	Blue Line Fence Improvements <u>Rail Ops - Central Control HVAC</u> Central Control HVAC Replacement	250	-	250	-
1825	<u>Rail Ops - Electric Utility Vehicle</u> Electric Utility Vehicle	75	-	75	-
1765	<u>Rail Ops - Downtown Parallel Feeder Cable</u> Downtown Parallel Feeder Cable Replacement	3,300	2,640	660	-
1767	<u>Rail Ops - Signal Replacement</u> Signal Replacement	2,900	-	2,900	-
1770	<u>Rail Ops - A-yard Catenary Replacement</u> A-yard Catenary Replacement	1,300	352	948	-
1764	<u>Rail Ops - Orange Line Improvement Project</u> Orange Line Improvement Project	1,300	-	1,300	-
1762	<u>Rail Ops - Substation Replacement</u> Substation Replacement	1,000	-	1,000	-
1769	<u>Bus Ops - SDSU Station - Smoke Control System Upgrade</u> SDSU Station - Smoke Control System Upgrade	500	-	500	-
1768	<u>Rail Ops - Sicas S7 System Wide Replacement - Design</u> Sicas S7 System Wide Replacement - Design	500	-	500	-
1987	<u>Rail Ops - Electronic Records Keeping</u> New Electronic Records Keeping System	350	-	350	-
1756	<u>Rail Ops - Special Trackwork Replacement</u> Special Trackwork Replacement	3,200	2,560	640	-
1754	<u>Rail Ops - Grade Crossing Replacement</u> Grade Crossing Replacement	1,985	1,588	397	-
1758	<u>Rail Ops - Street Trackage Pavement Replacement</u> Street Trackage Pavement Replacement	1,520	1,216	-	304
1003	<u>Rail Ops - Rail Fastener Replacement - Fletcher</u> Rail Fastener Replacement at Fletcher	700	-	700	-
1962	<u>Rail Ops - Beyer Track and Slope</u> Beyer Track and Slope	500	-	500	-
1752	<u>Rail Ops - S85 Retaining Wall</u> S85 Retaining Wall	500	-	500	-
1984	<u>Rail Ops - Rio Vista Platform Design Phase II</u> Rio Vista Platform Design Phase II	500	-	500	-
1822	<u>Rail Ops - Green Line IMT Double Tracks</u> Green Line IMT Double Tracks	500	-	500	-
1804	<u>Admin - Fare System Upgrades</u> Fare System Upgrades	2,473	-	2,473	-
1805	<u>Admin - Server Refresh</u> Server Refresh	635	-	635	-
1986	<u>Admin - Board Room Audio/Video Refresh</u>	500	-	500	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
 CAPITAL BUDGET - INDIVIDUAL PROJECT DESCRIPTION FOR FISCAL YEAR 2024 (in 000's)
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The Capital Improvement Program includes improvements and replacement projects related to MTS, SDTC, and SDTI Capital Assets. The projects below are funded with Federal funds where indicated and are matched with the required amount of local funds. The projects listed are implemented by the project manager of the coinciding agency and monitored by MTS administration.

Form ID	Title	FY24 Budget	Federal	State/Local	Other
1772	Board Room Audio/Video Refresh <u>Admin - Bus Yard Wireless Network Replacement</u> Bus Yard Wireless Network Replacement	400	-	400	-
1819	<u>Admin - Data Storage Refresh</u> Data Storage Refresh	121	-	121	-
1981	<u>Admin - Trapeze IVR Replacement/Upgrade</u> Trapeze IVR Replacement/Upgrade	105	-	105	-
1777	<u>Admin - ADA Bus Stop Improvements - FY24</u> Fiscal Year 2024 ADA Bus Stop Improvements	1,000	-	1,000	-
1814	<u>Admin - Bus Stop Shelters</u> Bus Stop Shelters Replacement	1,350	-	1,350	-
1004	<u>Admin - Social Equity Listening Tour</u> Social Equity Listening Tour	2,000	-	2,000	-
1791	<u>Admin - System Sign Replacement</u> System Sign Replacement	385	-	385	-
1991	<u>Admin - CCTV Upgrade and Installation</u> CCTV Upgrade and Installation	150	-	150	-
1793	<u>Admin - Pyramid Building Design Services</u> Pyramid Building Design Services	1,085	-	1,085	-
1005	<u>Admin - Facility Roof Solar Assessments</u> Facility Roof Solar Assessments	250	-	250	-
1006	<u>Bus Ops - IAD BEB Charging Infrastructure</u> Imperial Avenue Division Charging Infrastructure	2,350	1,880	470	-
1007	<u>Bus Ops - Clean Transit Advancement Campus - CTAC Planning</u> Division 6/Clean Transit Advancement Campus - Planning	1,000	1,000	-	-
1008	<u>Rail Ops - Beech Street Double Crossover</u> Installation of Double Crossover at Beech Street	100	-	100	-
Totals		174,606	\$ 59,586	\$ 109,507	\$ 5,513

**San Diego Metropolitan Transit System
Funding Compared to Capital Needs (\$000s)
Fiscal Years 2024-2028**

	Proposed FY24	Projected FY25	Projected FY26	Projected FY27	Projected FY28	Total FY24 to FY28
Total Revenues						
Recurring Dedicated CIP Revenues	\$ 183,824	\$ 187,075	\$ 188,471	\$ 193,917	\$ 197,415	\$ 950,702
Other Non Recurring Revenues	57,069	51,696	9,000	5,000	5,000	127,765
Total Capital Revenues	\$ 240,893	\$ 238,770	\$ 197,471	\$ 198,917	\$ 202,415	\$ 1,078,466
Less: "Off the Top" Expenses						
SANDAG Planning Studies	\$ (279)	\$ (284)	\$ (290)	\$ (296)	\$ (303)	\$ (1,452)
ADA Operations	(6,008)	(6,134)	(6,262)	(6,393)	(6,526)	(31,322)
Preventative Maintenance	(60,000)	(61,000)	(62,000)	(63,000)	(64,000)	(310,000)
Total "Off The Top" Expenses	\$ (66,287)	\$ (67,418)	\$ (68,552)	\$ (69,689)	\$ (70,829)	\$ (342,775)
Adjusted Available CIP Revenues	\$ 174,606	\$ 171,352	\$ 128,919	\$ 129,228	\$ 131,586	\$ 735,692
Project Needs						
State of Good Repair	\$ 123,264	\$ 198,303	\$ 152,246	\$ 119,043	\$ 114,537	\$ 707,392
Other Initiatives	94,319	106,610	108,940	95,430	11,025	416,324
Total Project Needs	\$ 217,583	\$ 304,913	\$ 261,186	\$ 214,473	\$ 125,562	\$ 1,123,716
Total Deficit	\$ (42,977)	\$ (133,560)	\$ (132,268)	\$ (85,245)	\$ 6,025	\$ (388,025)
% of Funding / Needs	80.2%	56.2%	49.4%	60.3%	104.8%	65.5%
Accumulated Deficit	\$ (42,977)	\$ (176,537)	\$ (308,805)	\$ (394,049)	\$ (388,025)	



**Metropolitan
Transit
System**

MEMORANDUM

DATE: January 12, 2023

TO: Eric Cheng, Transit Asset Management (TAM) Program Manager

FROM: Denis Desmond, Director of Planning & Scheduling

SUBJECT: FY 2024 CAPITAL IMPROVEMENT PROGRAM TITLE VI/EJ ANALYSIS

FTA guidance on compliance with Title VI and Environmental Justice requirements was issued in 2012. Given the requirement to analyze projects and proposals for burdens, benefits, and disproportionate impacts for low-income and minority communities, the analysis detailed below was made of the projects proposed for funding in MTS' FY 2024 Capital Improvement Program (CIP). Please keep this information for your files.

ANALYSIS METHODOLOGY

MTS' Title VI analysis for an annual CIP is conducted as a whole to determine if the capital investment strategy introduces a disparate impact or disproportionate burden throughout the MTS service area relative to the average population value for the MTS service area, consistent with the methodology approved by the MTS Board of Directors for service change analyses. Population statistics are drawn from the most recent broad-based federal population survey with relevant data available, in this instance the 2019 American Community Survey (ACS) five-year sample.

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. For example, if the total MTS service area average is 55% minority, then a proposed capital improvement program that adversely affects a population that is 65% minority or greater would be defined as a disparate impact. If MTS chooses to implement a capital improvement program despite a finding of a disparate impact, MTS may only do so if there is a substantial justification for the program in its current form, and there are no alternatives that would have a less disparate impact and still accomplish the goals of the program.

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. (For the purpose of Title VI equity analyses, MTS considers a person low-income if they live in a household with income under 200% of the federal



poverty rate.) For example, if the total MTS service area average is 20% “low-income,” then a proposed capital improvement program that benefits a population that is 90% or greater “non-low-income” would be defined as a disproportionate burden. If MTS chooses to implement a capital investment program 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.

REGIONAL BENEFIT/BURDEN PROJECTS

Of all of the projects proposed for funding, those in Table 1 were determined to have a regional impact that would not be specific to any one or few locations in our jurisdiction. These are primarily vehicle replacements or rehabilitation, vehicle equipment, system-wide amenities, and information technology projects. Since the vehicles are distributed throughout MTS’ service area, and the technology projects are deployed system-wide, there was no further analysis of these projects for the purpose of this Title VI/EJ evaluation.

Table 1. Regional Benefit/Burden Projects

	Division	Project Name	Location	FY 2024 Funded
1	IT	PRONTO phase-2 Improvements		\$3,410,000
2	IT	Server Refresh		\$635,000
3	IT	Data Storage Refresh		\$121,000
4	SDTC	Bus Procurement		\$60,000,000
5	LRV	SD100 Replacement		\$22,000,000
6	MOW/Track	MOW/Electronic Records Keeping		\$350,000
7	Security	CCTV Upgrade and Installation		\$150,000

Additionally, there are several future projects planned with no specific locations yet identified. MTS will fund a \$2 million capital project developed out of the Social Equity Listening Tour conducted in 2022. The specific project(s) and location(s) are yet to be identified for this, so for purposes of this FY 2024 CIP, no Title VI analysis has been undertaken. Also, a CIP project to purchase additional shelters has not yet determined where these shelters will be placed. As details for these projects are identified, MTS will conduct any required equity analyses, including carrying out appropriate inclusive public engagement to ensure the voices of populations protected by Title VI and associated regulations are heard. These projects are listed in Table 1A.

Table 1A. Future Projects with No Specific Site Identified

	Division	Project Name	Location	FY 2024 Funded
1	Admin	Social Equity Listening Tour		\$2,000,000
2	Planning	Bus Stop Shelters		\$1,350,000

REPAIR/REPLACE PROJECTS AT EXISTING MTS FACILITIES

The remaining projects are mostly maintenance projects and equipment for MTS facilities, infrastructure, or right-of-way. They repair or replace capital inventory that has reached the end of its useful life. The projects in Table 2 would occur at existing MTS bus or rail operating divisions or facilities, in areas inaccessible to the general public. Therefore, no benefits or burdens for the community or riders were identified.

Table 2. Repair/Replace Projects at Existing MTS Facilities

	Division	Project Name	Location	FY 2024 Funded
1	IT	Board Room Audio/Video Refresh	Mills Bldg.	\$500,000
2	IT	Bus Yard Wireless Upgrade FY24		\$400,000
3	IT	Trapeze IVR Replacement/Upgrade	CPD	\$105,000
4	SDTC	ZEB OH Charging Infrastructure Construction	IAD	\$10,080,000
5	SDTC	ZEB Overhead Charging Infrastructure Design	KMD	\$1,325,000
6	SDTC	SBMF 3650A Partial Demo	SBD	\$903,000
7	SDTC	Service Lane Probe & Vault Replacement	IAD/KMD	\$610,000
8	SDTC	ECD ZEB Overhead Charging Master Plan	ECD	\$517,000
9	SDTC	SBMF CNG Dryer A & B Replacement	SBD	\$505,000
10	SDTC	SBMF 3620 Roofing Replacement	SBD	\$384,000
11	SDTC	SBMF Mobile Column Lift Replacement	SBD	\$282,000
12	SDTC	IAD Generator Replacement Phase 3 of 3	IAD	\$260,000
13	SDTC	ECD Battery Storage	ECD	\$212,000
14	SDTC	IAD ZEB OH Infrastructure Tire Storage Design	IAD	\$171,000
15	SDTC	Transit Service Truck (1)	IAD/KMD	\$136,000
16	SDTC	CPD Mobile Column Lift Replacement	CPD	\$102,000
17	LRV	Building A Wheel Truing Machine Replacement	SD Trolley	\$1,584,016
18	LRV	Trolley Wash Cover	SD Trolley	\$926,998
19	Facilities	Central Control HVAC	SD Trolley	\$250,000
20	Facilities	Electric Utility Vehicle	SD Trolley	\$75,000
21	Admin	Pyramid Building Design Services	Pyramid Bldg.	\$1,085,000
22	Admin	Facility Roof Solar Assessments	All MTS facilities	\$250,000
23	MOW	A-yard Catenary Replacement	SD Trolley	\$1,300,000
24	Track	Special Trackwork Replacement	SD Trolley	\$3,200,000

IAD = Imperial Avenue Division; KMD=Kearny Mesa Division; SBD=South Bay Division; ECD=East County Division; CPD=Copley Park Division

EXTERNAL REPAIR/REPLACE PROJECTS WITH NEGLIGIBLE IMPACTS

The projects in Table 3 are repairs or replacements of existing infrastructure or right-of-way, but occur throughout the community beyond our operating division facilities. The completion of these projects will enhance reliability and extend the life of the capital assets, but the projects themselves will have little or no direct impact on the community or riders, other than minor, temporary construction work. These are primarily maintenance-of-way/state-of-good repair projects and information technology upgrades. Therefore, they have also been identified as having no specific and substantive burden or benefit.

Table 3. External Repair/Replace Projects with Negligible Impacts

	Division	Project Name	Location	FY 2024 Funded
1	MOW	Dwtn. Parallel Feeder Cable - Phase 1&2	America Plaza – 12 th Imperial	\$3,300,000
2	Track	Rail Fastener Replacement - Fletcher	Fletcher Pkwy. Trolley bridge (El Cajon)	\$700,000
3	MOW	Signal Replacement	Orange Line	\$2,900,000
4	MOW	Substation Replacement - Design/Build	Yard 2, Front St., 33 rd St., and Dairy Mart	\$1,000,000
5	MOW	Sicas S7 Systemwide Replacement - Design	Blue Line (America Plaza – San Ysidro)	\$500,000

EXTERNAL REPAIR/REPLACE PROJECTS WITH NET BENEFIT

The proposed FY 2024 CIP projects in Table 4 are determined to be a **net benefit** to the communities in which they are located, as they improve the accessibility, condition, security, and/or aesthetics of facilities or areas commonly used by or accessible to the public. A map of these projects is shown in Attachment A.

RESULTS

An analysis of the projects with a perceived net benefit listed in Table 4 below was conducted using Geographic Information Systems (GIS) and census block group data. All projects were mapped to determine how the percentages and populations of low-income and minority communities affected by the proposed CIP projects compared to percentages and populations of low-income and minority communities in the entire MTS jurisdiction.

Data for the census block groups in which the proposed CIP projects are located was compared to data for the entire MTS jurisdiction. Comparisons were made for both the number of census block groups and the population of those census block groups. The low-income and minority percentages for the affected census block groups were compared to the percentages for the entire MTS jurisdiction. The maps and datasheets for the analyses are attached.

In all four cases (for both low-income and minority, by both number of census block groups and by population), the results showed a benefit for a larger percentage of minority and low-income populations than for the overall MTS jurisdiction. Since all projects were determined to either have no substantive locational impact or to have a net positive impact, there was no burdens found for low-income or minority populations, nor any disproportionate benefit for non-minority or non-low-income populations.

Please let me know if you have any questions.

Table 4. External Repair/Replace Projects with a Net Benefit

	Division	Project Name	Location	FY 2024 Funded
1	SDTC	Clean Transit Advancement Campus (CTAC)*	4550 Federal Blvd.	\$37,793,530
2	Admin	12th & Imperial T.C. (TIRCP)	12th & Imperial	\$1,335,000
3	Planning	ADA Bus Stop Improvements - FY24 (8 stops)	<ul style="list-style-type: none"> • 11465: WB Paradise Valley Rd. -FS- Meadowbrook Dr. • 10948: WB National Av. -FS- 36th St. • 99148: SB S. 43rd St. -NS- Delta St. • 10197: EB National Av. -FS- 36th St. • 10321: EB San Vicente St. -NS- Cardiff St • 89010: EB Balboa Av. -FS- Olney St. • NEW: WB Otay Mesa Rd. -FS- La Media Rd. • NEW: NB 47th St. @ 47th St. Trolley Sta. 	\$1,000,000
4	MOW	OL Improvement Project (TIRCP)	32nd/Commercial Sta. – Lemon Grove Depot	\$1,300,000
5	Track	Green Line IMT Double Tracks	12 th & Imperial T.C.	\$500,000
6	Track	Grade Crossing Replacement	<ul style="list-style-type: none"> • C St./5th Av. (Downtown) • Commercial St./29th St. • N. Marshall St. (El Cajon) • Francis St. (near Imperial Av.) • Park Bl./Island Av. (Downtown) • Civic Center Dr. (National City) • 27th St. (Otay Mesa West) 	\$1,985,000
7	Rail	Street Trackage Pavement Replacements	Commercial St. (16 th St. - 20 th St.)	\$1,520,000
8	Rail	Station Shelter Replacement	<ul style="list-style-type: none"> • Hazard Center Station • Mission Valley Center Station • Rio Vista Station • Mission San Diego Station 	\$1,200,000
9	MOW	SDSU Station - Smoke Control System Upgrade	SDSU	\$500,000
10	Track	Beyer Track and Slope	Beyer Blvd.	\$500,000
11	Track	S85 Retaining Wall	North of Iris T.C.	\$500,000
12	Track	Rio Vista Platform Design Phase II	Rio Vista Station	\$500,000
13	Facilities	Blue Line Fence Improvements	L Street – Palomar T.C., and Iris T.C. – Beyer Trolley Sta.	\$274,960
14	Marketing	System Sign Replacement	Old Town Transit Center	\$385,000

* Note: The Clean Transit Advancement Campus (CTAC, also known as Division 6), is anticipated to largely be a beneficial investment into the Ridgeview community where it will be sited. During the project development, MTS heard from members of the public concerned about the project's physical changes to the area. These are addressed in the project-specific Title VI and environmental analyses, which determined that all of the physical impacts can be mitigated to a less-than-significant level, resulting in a project that has a net benefit to the area. Further, MTS will follow all Title VI regulations to ensure no disparate impacts or disproportionate burdens are placed on protected populations.

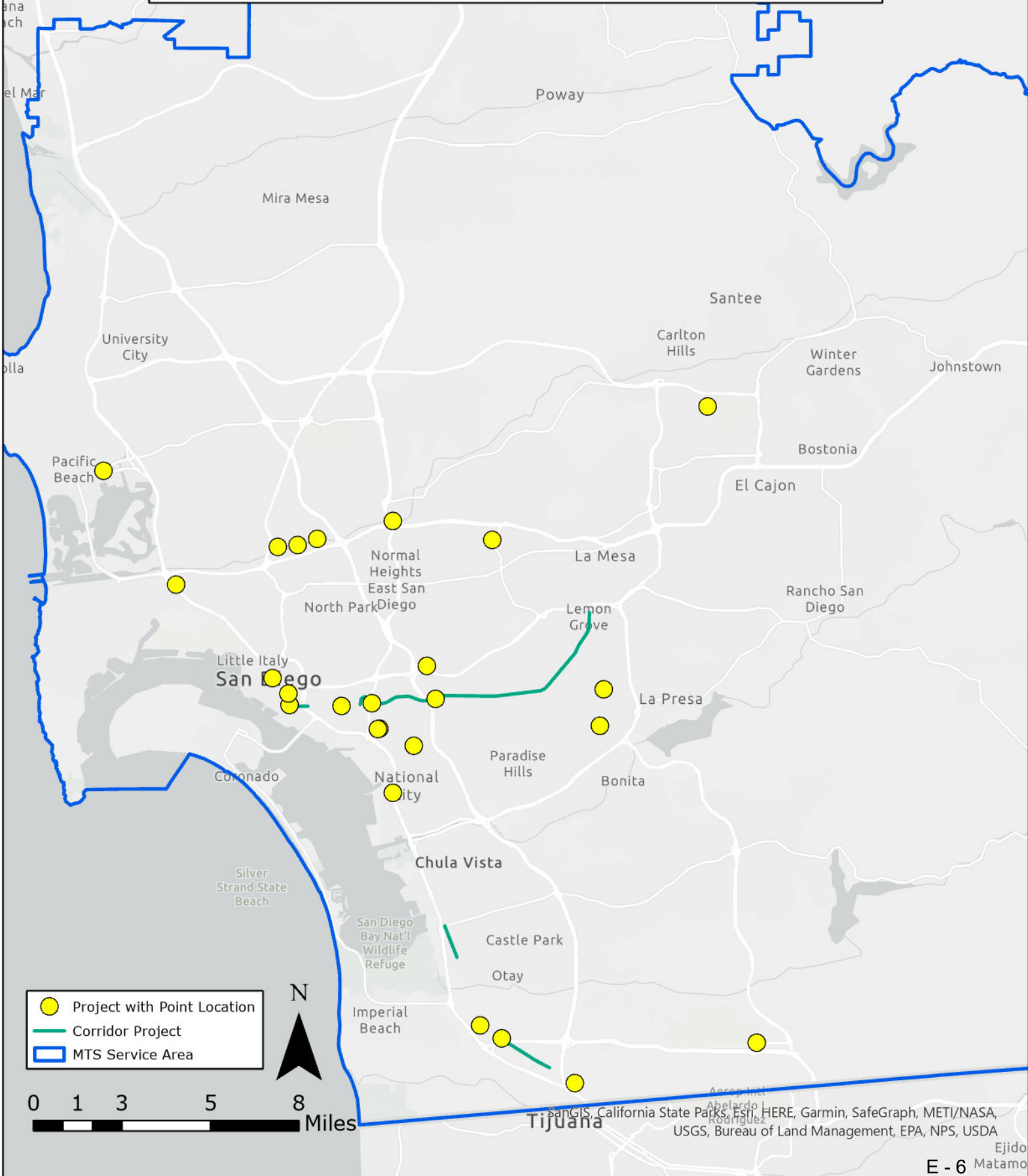
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Attachments: Analysis of Proposed CIP External Repair/Replace Projects with a Net Benefit

- Attachment A: Map of Projects
- Attachment B: Map of Projects Overlaid with Minority Census Tracts
- Attachment C: Map of Projects Overlaid with Low-Income Census Tracts
- Attachment D: Statistical Analysis for Projects

C: Sharon Cooney, Mike Thompson

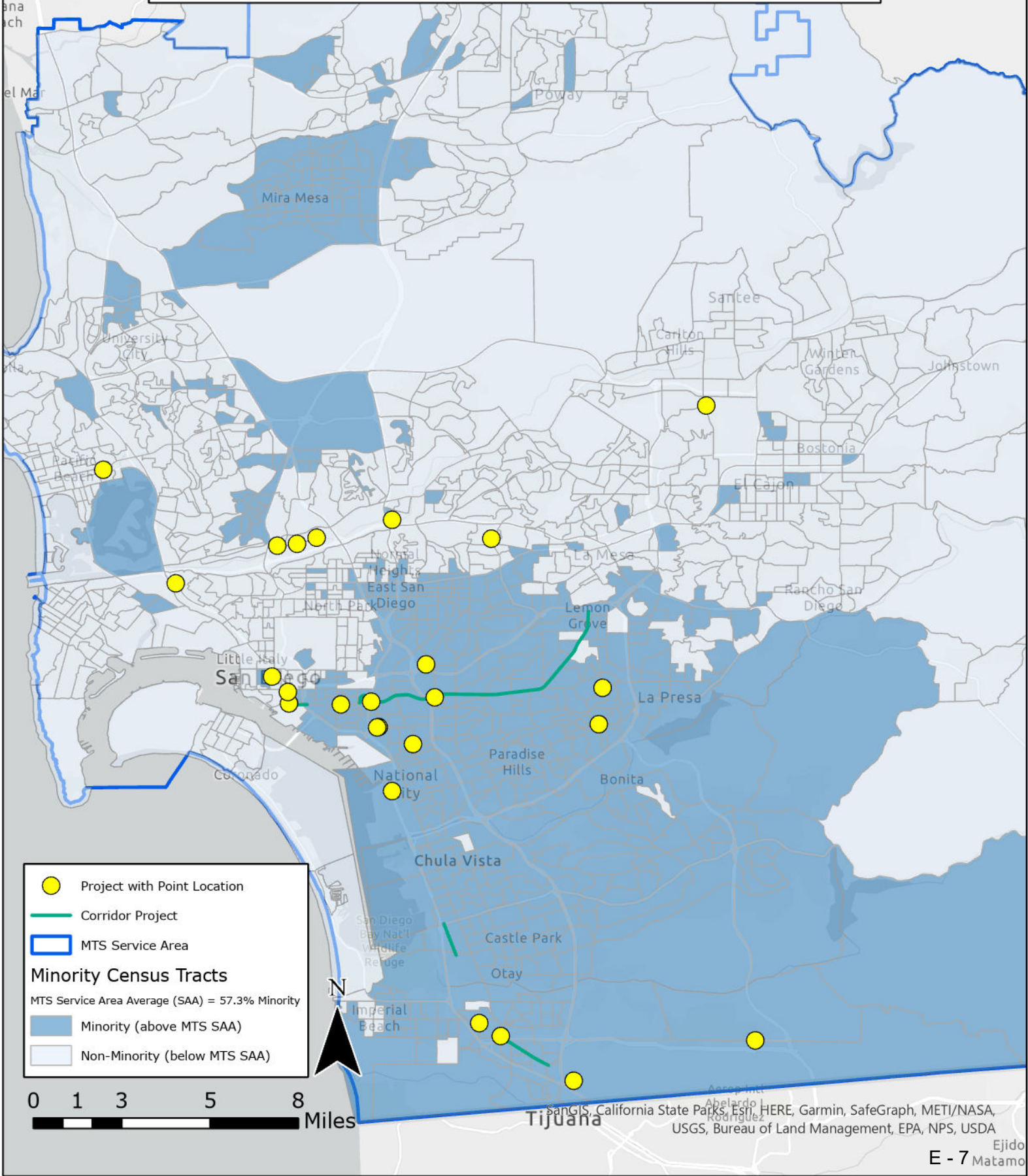
MTS FY24 Capital Improvement Program Attachment A Proposed CIP Projects with New Benefit



- Project with Point Location
- Corridor Project
- ▭ MTS Service Area



MTS FY24 Capital Improvement Program Attachment B Proposed CIP Projects with New Benefit



SanGIS, California State Parks, Esri, HERE, Garmin, SafeGraph, METI/NASA, USGS, Bureau of Land Management, EPA, NPS, USDA

Project ID	Project Description	Total Census Block Groups	Block Group Population - Income Surveys	Low-income Population	% Low Income	# of Block Groups with Higher Percentage of Low-Income Than SAA % of Block Groups	with Higher Percentage of Low-Income Than SAA	Block Group Population -- Race & Ethnicity Surveys	Minority Population	% Minority	# of Block Groups with Higher Percentage of Minority Than SAA % of Block Groups	with Higher Percentage of Minority Than SAA
-	MTS Service Area Average (SAA)	1,321	2,298,741	657,817	28.6%	358	27%	2,356,657	1,350,366	57.3%	465	35%
	Clean Transit Advancement Campus (CTAC)	1	1,162	350	30.1%	1	100%	1,162	756	65.1%	1	100%
	12th & Imperial T.C. (TIRCP)	1	5,802	2,818	48.6%	1	100%	5,821	3,135	53.9%	1	100%
	ADA Bus Stop Improvements - FY24	8	14,719	7,812	53.1%	6	75%	18,767	15,406	82.1%	7	88%
	Orange Line Improvement (TIRCP)	20	41,771	20,431	48.9%	19	95%	42,059	35,413	84.2%	18	90%
	Green Line IMT Double Tracks	1	5,802	2,818	48.6%	1	100%	5,821	3,135	53.9%	1	100%
	Grade Crossing Replacement	7	13,525	6,451	47.7%	6	86%	13,619	9,477	69.6%	4	57%
	Street Trackage Pavement Replacements	1	1,059	503	47.5%	1	100%	1,070	971	90.7%	1	100%
	Station Shelter Replacement	3	7,628	3,067	40.2%	0	0%	7,607	1,350	17.7%	0	0%
	SDSU Station - Smoke Control System Upgrade	1	1,306	1,142	87.4%	1	100%	1,604	790	49.3%	0	0%
	Beyer Track and Slope	1	3,810	838	22.0%	0	0%	3,821	3,568	93.4%	1	100%
	S85 Retaining Wall	1	2,347	1,427	60.8%	1	100%	2,347	2,228	94.9%	1	100%
	Rio Vista Platform Design Phase II	1	4,905	848	17.3%	0	0%	4,905	1,642	33.5%	0	0%
	Blue Line Fence Improvements	8	13,235	6,686	50.5%	6	75%	13,274	12,470	93.9%	8	100%
	System Sign Replacement	1	814	100	12.3%	0	0%	814	271	33.3%	0	0%
	FY24 Program Total - Projects with Net Benefit	55	117,885	55,291	46.9%	43	78%	122,691	90,612	73.9%	43	78%

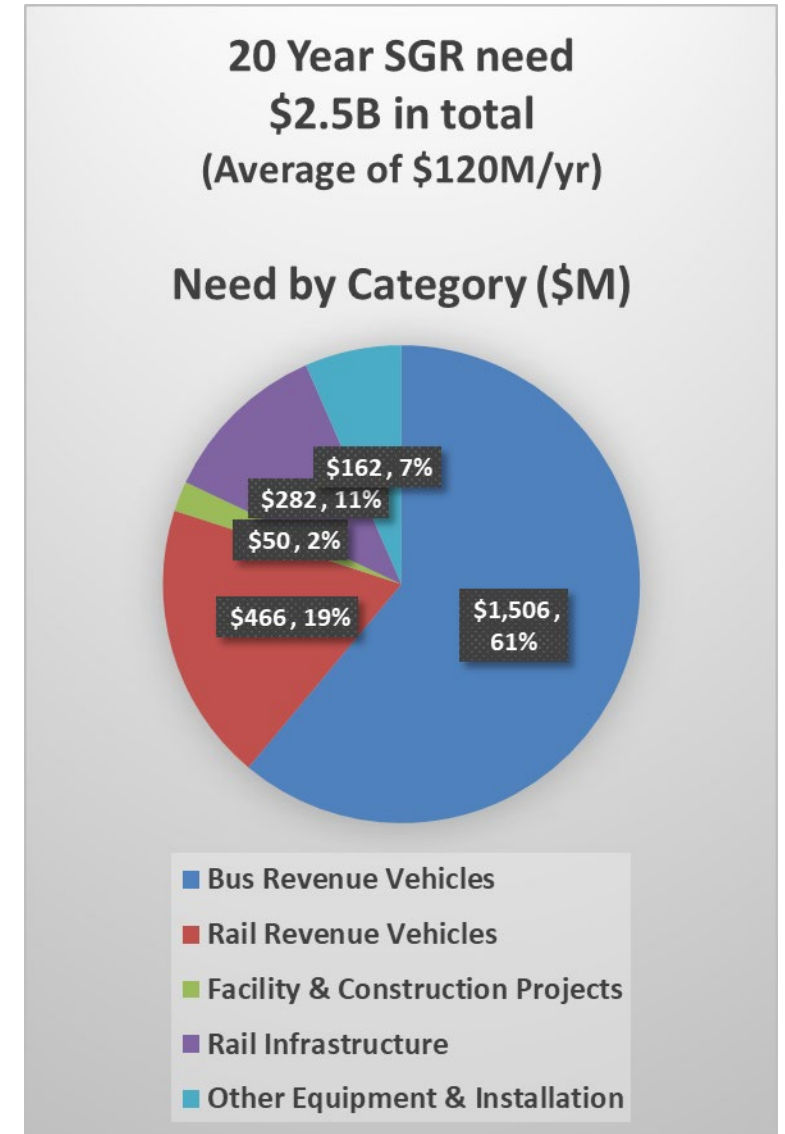
Block Group data is sourced from 2019 American Community Survey 5-year estimates.
 Low-income population represents the population within 200% of the federal poverty level
 Measured block group populations vary between low-income and minority surveys due to ACS survey methodology

Metropolitan Transit System FY 2024 Capital Improvement Program (CIP)

MTS Board of Directors
Budget Development Committee
April 6, 2023

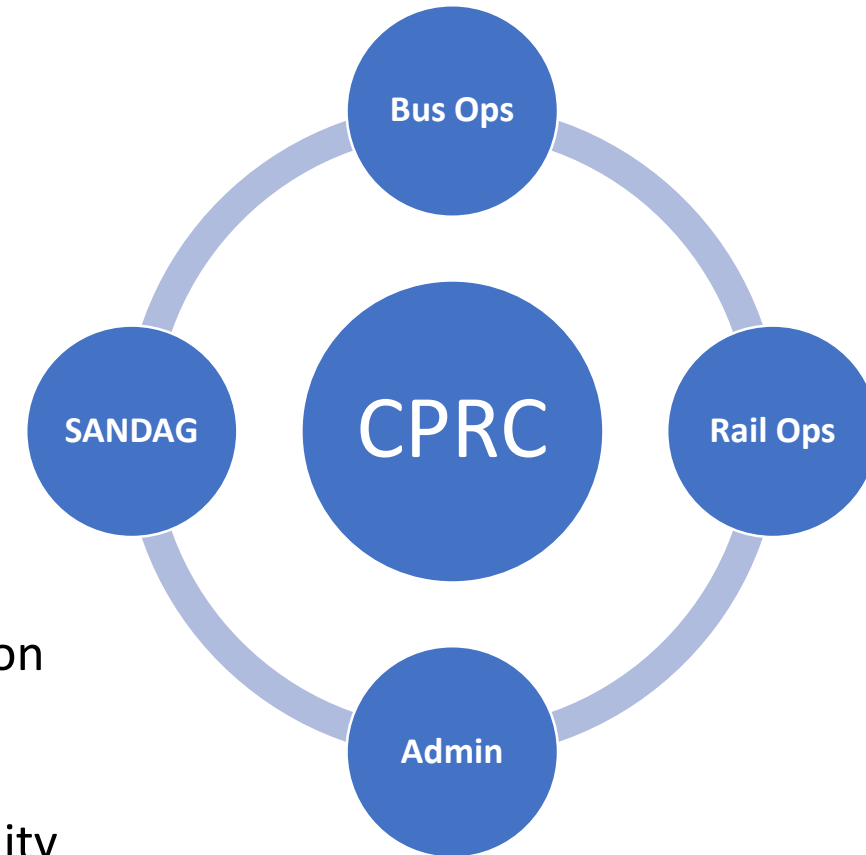
Development of the FY 2024 CIP: Guiding Principles

- Board Policy 65 - Transit Asset Management
 - MTS is committed to effectively manage its transit assets and maintain its system in a State of Good Repair (SGR) to support safe, efficient, and reliable transit services across the organization
 - MTS required to comply with applicable maintenance regulations of the Federal Transit Administration, Federal Railroad Administration, and the California Public Utilities Commission
 - Base capital project prioritization and other asset management decisions on asset criticality, condition, performance, available funding, safety considerations, and on the evaluation of alternatives that consider full lifecycle benefits, costs, and risks



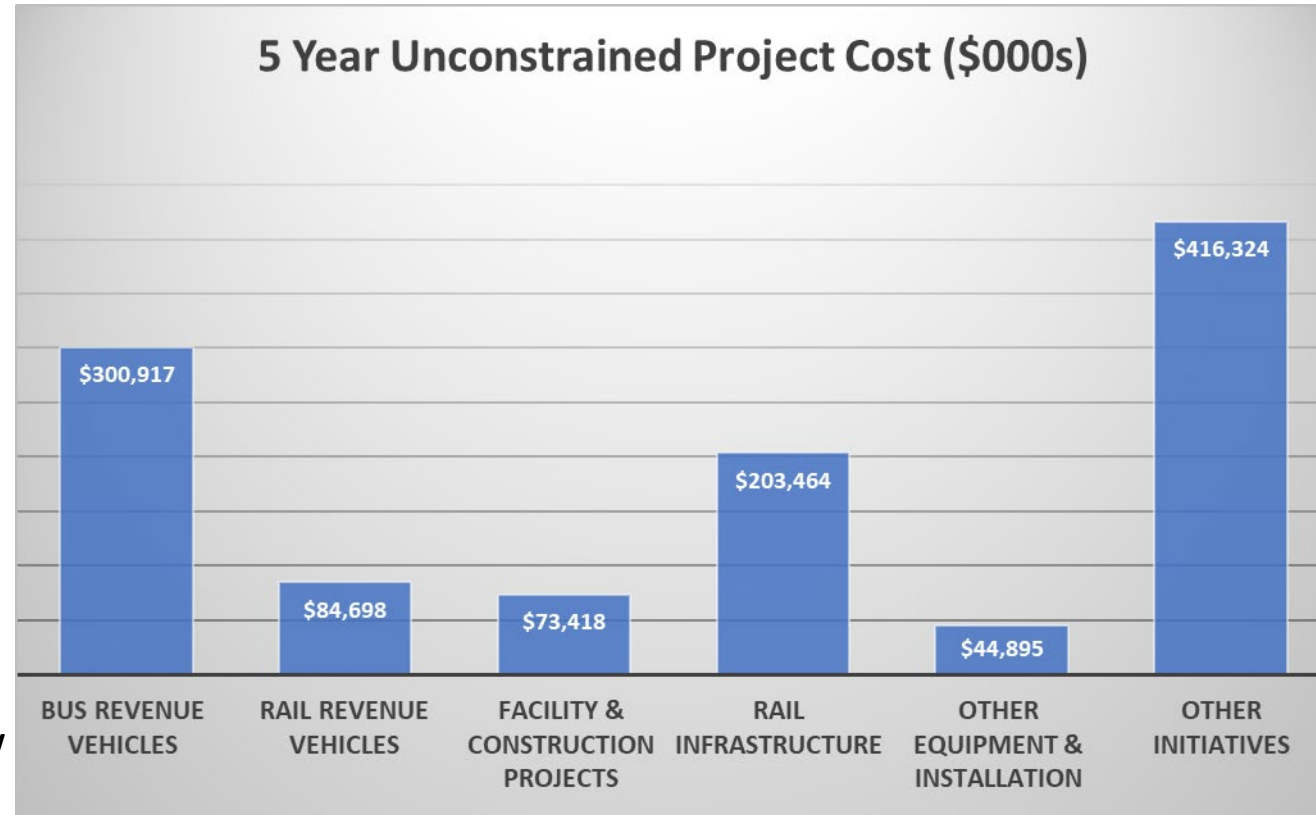
Development of the FY 2024 CIP

- Process began in September 2022 with request for projects
 - Each department submits:
 - Update to their departmental **20 year CIP forecast**
 - Project requests for the next 5 fiscal years
 - Departmental prioritization
 - Consolidated project list is prepared
- Capital Projects Review Committee (CPRC) meeting was held to discuss the priority project list
 - Each Committee member responsible for discussing their prioritized capital requests for the group it serves
 - Projects with safety and/or operational needs are priority 1
 - The Committee reviewed and the CEO approved the prioritization of the capital requests
 - All priority 1 projects were funded
 - The project list is also subject to an analysis based on social equity principles and there was no disproportionate impact on Low Income/Minority populations (Title VI)



FY 2024-28 CIP - Unconstrained Project List (\$000s)

- 5 year unconstrained project list
 - Totals need of \$1.1B
 - Summary by category in the table ->
 - Ongoing state of good repair requirements
 - Makes up \$707M (63%) of overall need
 - \$386M alone for Revenue Vehicles
 - Including the transition plan to ZEBs
 - Other initiatives of \$416M include:
 - ZEB charging infrastructure at all five bus facilities
 - Clean Transit Advancement Campus - new bus maintenance facility
 - Imperial Ave Transit Center Expansion
 - Future Southwestern Rapid



Capital Funding Levels Proposed FY 2024 (\$000s)

Funding Description	Amount
Federal Funding (Sections 5307, 5337, 5339)	\$ 107,714
* Federal Regional Surface Transportation Program (RSTP)	15,000
Transportation Development Act (TDA)	42,935
California State Transit Assistance (STA)	29,896
California STA State of Good Repair	5,096
* California Cap and Trade Discretionary (TIRCP)	10,172
* Other	17,653
Total Preventive Maintenance	(66,008)
SANDAG Planning Studies	(279)
Available Funding for Capital Program	\$ 174,606
* Non-recurring funding totals:	\$ 42,825

Other funding includes IRS CNG credits, transfers from closed projects, and other discretionary grant programs

Capital Project Summary

Proposed Fiscal Year 2024 (\$000s)

- \$217.6M in total requests
 - 63 total projects
- \$174.6M in available funding
 - Only able to fund 80% of requests
- Projects funded
 - 68% of funding towards State of Good Repair
 - \$82M or 47% of funding for Revenue Vehicles
 - 55 projects funded
 - Listed in Attachment B
 - Short project descriptions also included in Attachment C

Capital Project Categories	Funding (\$000s)
Bus Revenue Vehicles	\$ 60,917
Rail Revenue Vehicles	22,000
Facility & Construction Projects	10,913
Rail Infrastructure	19,080
Other Equipment & Installation	5,580
Other Initiatives	56,116
Grand Total	\$ 174,606

FY 2024 CIP Project Highlights - Bus Revenue Vehicles

- Bus Fleet Replacement

- Fleet Plan for scheduled replacement
 - Importance of fleet replacement to keep operations efficient and cost effective
 - Annual goal = Buses in Fleet by type divided by the useful life

- Vehicles in fleet:

	Buses in Fleet	Useful Life (Years)	Cost per Bus (\$000s)
40 ft.	468	12	\$ 722
40 ft. ZEB	8	12	\$ 1,050
60 ft. Artics	101	12	\$ 1,185
60 ft. Artics ZEB	12	12	\$ 1,608
Commuter Express	24	12	\$ 974
Minibuses	40	7	\$ 300
ADA Minibuses	111	5	\$ 151
Total	764		



FY 2024 CIP Project Highlights - Bus Revenue Vehicles

- Fleet Replacement Funding

- \$60.9M funded for FY24

- Goal is to fund similar amount each year to smooth out years with larger purchases

- Plan to purchase

- 51 40 ft buses

- 13 of which will be battery electric buses

- 5 60 ft buses

- 7 Minibuses

- Funding by year (\$000s):

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Bus Ops - Bus Procurement - FY24	\$ 60,917	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,917
Subtotal	\$ 60,917	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,917

FY 2024 CIP Project Highlights - Rail Revenue Vehicles

- Light Rail Vehicle (LRV) Fleet Replacement
 - 168 vehicles in fleet
 - 25-30 year useful life
 - Currently replacing the 52 SD100 LRVs

Light Rail Vehicles by Series				
Series	#s	Count	In Service	Replacement
SD7	3000s	11	2004	2029-2034
SD8	4000s	65	2011-2013	2036-2038
SD9	5001-5045	45	2019-2020	2044-2045
SD10	5046-5092	47	2021-2025	2046-2050



FY 2024 CIP Project Highlights - Rail Revenue Vehicles

- Fleet Replacement Funding

- SD100 Replacement

- First order of 25 placed in 2019 / Option for 22 exercised in 2021
 - 47 vehicles being delivered over 2021-2025
 - \$216M in total

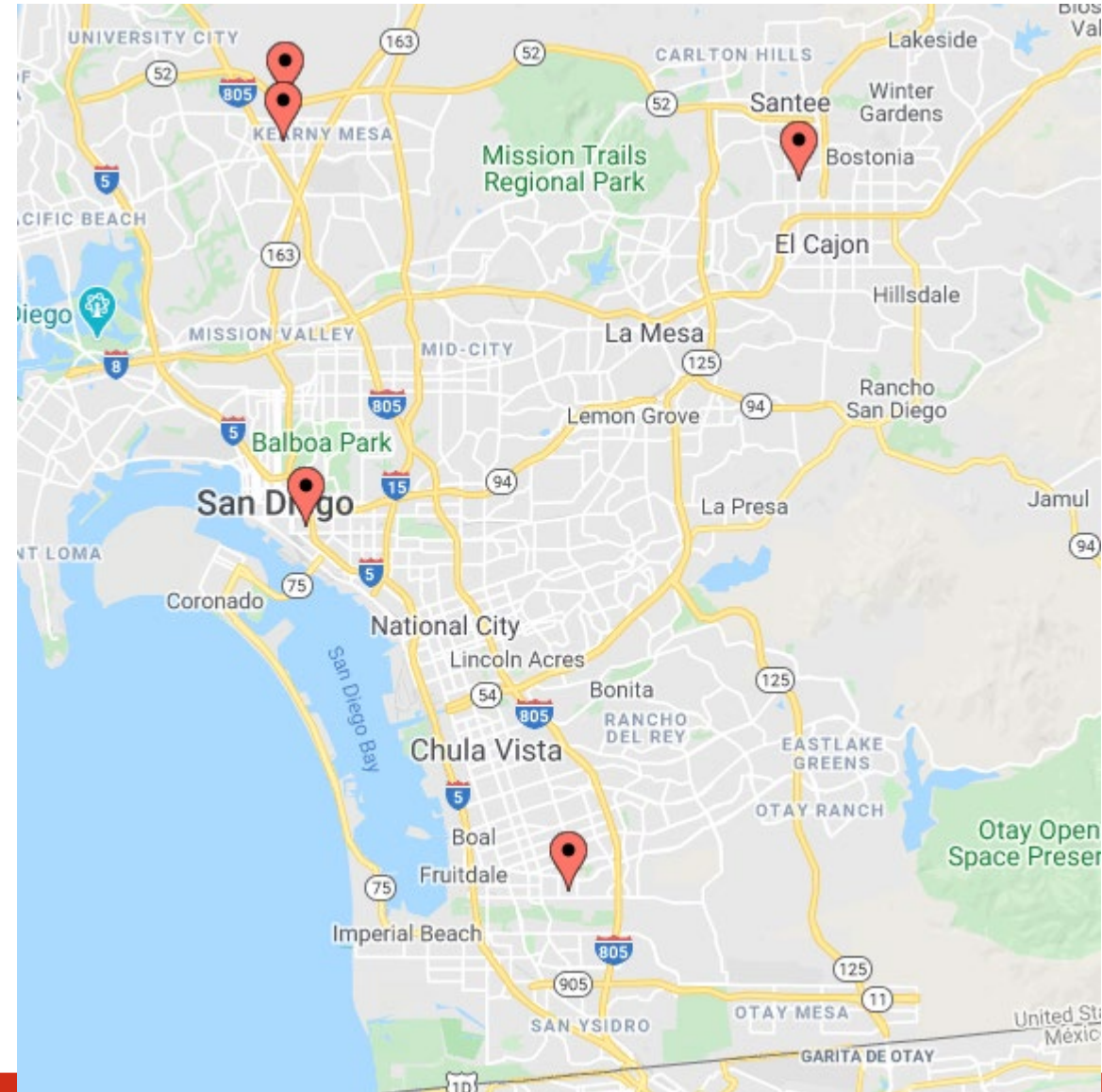
- Begin saving for SD7 replacements in FY 2026

- LRV funding by year (\$000s):

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Rail Ops - SD100 Replacement	\$ 22,000	\$ -	\$ 31,000	\$ -	\$ -	\$ -	\$ 53,000
Rail Ops - SD7 Replacement	-	-	-	10,566	10,566	10,566	31,698
Subtotal	\$ 22,000	\$ -	\$ 31,000	\$ 10,566	\$ 10,566	\$ 10,566	\$ 84,698

FY 2024 CIP - Facility & Construction Projects

- Operating Facilities
 - Each facility includes maintenance building, admin building(s), fueling facilities, yard, etc.
 - Trolley yard & Buildings A, B & C
 - Imperial Avenue Division
 - Kearny Mesa Division
 - South Bay Bus Maintenance Facility
 - East County Bus Maintenance Facility
 - Copley Park Division
 - Passenger Facilities
 - 68 major passenger facilities
 - Each Transit Center/Station may include amenities such as shelters, benches, parking lots and elevators



FY 2024 CIP - Facility & Construction Projects

- 20 projects submitted for FY 2024
 - 17 projects funded, 3 not funded
 - \$10.9M total
 - Example: Trolley Building A Wheel Truing Machine Replacement
 - Full project lists in attachment B

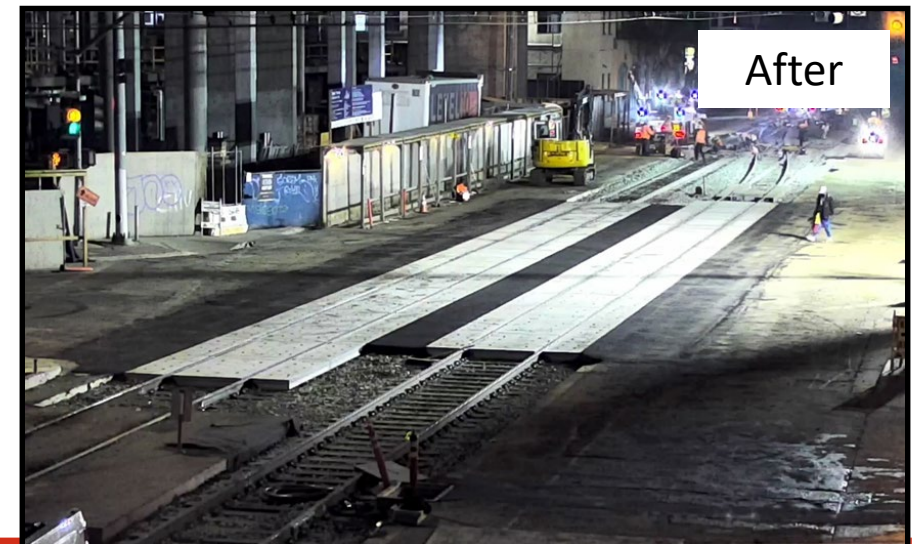
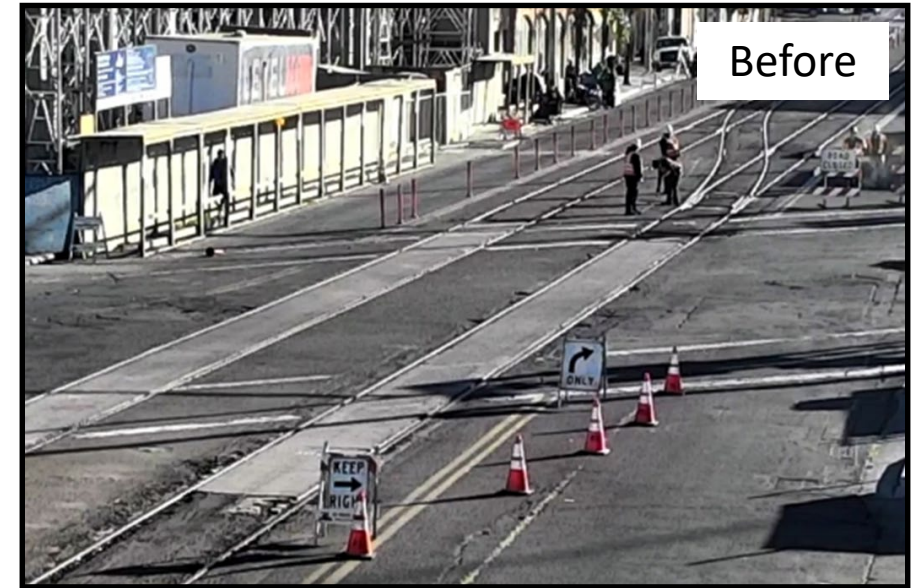


- Funding by year (\$000s):

State of Good Repair Categories	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Facility & Construction Projects - Bus	\$ 3,217	\$ 2,184	\$ 3,650	\$ 2,650	\$ 1,995	\$ 3,150	\$ 16,846
Facility & Construction Projects - Rail	3,846	-	2,134	110	470	1,400	7,960
Facility & Construction Projects - Pass.	3,850	-	17,567	21,963	1,896	3,336	48,612
Subtotal	\$ 10,913	\$ 2,184	\$ 23,351	\$ 24,723	\$ 4,361	\$ 7,886	\$ 73,418

FY 2024 CIP - Rail Infrastructure Projects

- Large capital investment in rail infrastructure
 - Nearly \$5B in total system assets
 - Last 10 years and Mid-Coast is almost \$3B alone
 - Requires significant upkeep
- Rail Infrastructure projects
 - Track - directly related to the physical rail
 - Rail and Ties
 - Grade Crossings
 - Special track work (crossovers, diamonds, frogs, etc.)
 - Maintenance of Wayside (MOW)
 - Bridges / Elevated track
 - Drainage
 - Electrification - Catenary and Substations
 - Signaling



FY 2024 CIP - Rail Infrastructure Projects

- 17 projects submitted for FY 2024
 - 14 projects funded, 3 not funded
 - \$19.1M total
 - Example: Trackwork replacement
 - Full project lists in attachment B



- Funding by year (\$000s):

State of Good Repair Categories	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Rail Infrastructure - Track	\$ 10,080	\$ 1,440	\$ 46,443	\$ 20,728	\$ 17,322	\$ 8,211	\$ 104,224
Rail Infrastructure - MOW	9,000	-	23,480	23,280	22,180	21,300	99,240
Subtotal	\$ 19,080	\$ 1,440	\$ 69,923	\$ 44,008	\$ 39,502	\$ 29,511	\$ 203,464

FY 2024 CIP - Other Equipment & Installation Projects

- 14 projects submitted for FY 2024
 - Ops equipment replacement
 - Service vehicles for Bus and Rail
 - Maintenance/cleaning equipment
 - Admin needs
 - IT systems
 - IT infrastructure/network
 - Example: MTS Data Center requires on going refresh of servers, network and data storage equipment
- 12 funded, 2 not funded
- Full project lists in attachment B
- Totals by year (\$000s):



State of Good Repair Categories	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Other Equipment & Installation - Ops	\$ 561	\$ 1,150	\$ 8,904	\$ 2,469	\$ 2,289	\$ 4,079	\$ 19,451
Other Equipment & Installation - Admin	5,019	-	5,125	10,481	2,325	2,495	25,445
Subtotal	\$ 5,580	\$ 1,150	\$ 14,029	\$ 12,950	\$ 4,614	\$ 6,574	\$ 44,895

FY 2024 CIP - Five Year Forecast - SGR (\$000s)

State of Good Repair Categories	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Bus Revenue Vehicles	\$ 60,917	\$ -	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,917
Rail Revenue Vehicles	22,000	-	31,000	10,566	10,566	10,566	84,698
Facility & Construction Projects - Bus	3,217	2,184	3,650	2,650	1,995	3,150	16,846
Facility & Construction Projects - Rail	3,846	-	2,134	110	470	1,400	7,960
Facility & Construction Projects - Pass.	3,850	-	17,567	21,963	1,896	3,336	48,612
Rail Infrastructure - Track	10,080	1,440	46,443	20,728	17,322	8,211	104,224
Rail Infrastructure - MOW	9,000	-	23,480	23,280	22,180	21,300	99,240
Other Equipment & Installation - Ops	561	1,150	8,904	2,469	2,289	4,079	19,451
Other Equipment & Installation - Admin	5,019	-	5,125	10,481	2,325	2,495	25,445
Subtotal	\$ 118,490	\$ 4,774	\$ 198,303	\$ 152,246	\$ 119,043	\$ 114,537	\$ 707,392

- **FY 2024 Funding of \$118.5M for State of Good Repair projects**
 - SGR alone averages over \$141M per year over this five year period
 - \$608M in recurring revenue streams forecasted for the next five years

FY 2024 CIP - Other Initiatives

- Innovative Clean Transit Infrastructure
 - Investments required to comply with current CA regulations
 - Includes the proposed Clean Transit Advancement Campus (Division 6)
 - Overhead charging infrastructure at each existing division
 - Charging equipment, backup generators, batteries
 - To accommodate existing operations requires incremental phases over the next 20 years
 - Totals by year (\$000s):

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Bus Ops - Clean Transit Advancement Campus	\$ 36,797	\$ 38,203	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ 300,000
Bus Ops - Clean Transit Advancement Campus - CTAC Planning	1,000	-	-	-	-	-	1,000
Bus Ops - East County Division Battery Storage	212	-	-	-	-	-	212
Bus Ops - East County Division Overhead Charging Master Plan	517	-	1,090	6,080	8,680	-	16,367
Bus Ops - IAD BEB Charging Infrastructure	2,350	-	-	-	-	-	2,350
Bus Ops - Imperial Ave Division Overhead Charging Infrastructure	10,080	-	4,090	-	1,000	4,800	19,970
Bus Ops - Kearny Mesa Division Overhead Charging Infrastructure	1,325	-	9,275	5,890	-	-	16,490
Bus Ops - Copley Park Division Overhead Charging Infrastructure			510	2,180	1,005	1,005	4,700
Bus Ops - South Bay Division Overhead Charging Infrastructure			3,080	7,420	4,400	-	14,900
Bus Ops - Potential Hydrogen and ZEB Upgrades	-	-	250	1,370	5,345	5,220	12,185
Subtotal	\$ 52,281	\$ 38,203	\$ 93,295	\$ 97,940	\$ 95,430	\$ 11,025	\$ 388,174

FY 2024 CIP - Other Initiatives

- 4 projects submitted for FY 2024
 - 3 projects funded
 - Social Equity Listening Tour project implementation
 - 12th & Imperial Transit Center
 - Green Line Double Tracks at Imperial

- Totals by year (\$000s):

Project Name	FY 2024 Funded	FY 2024 Unfunded	FY 2025	FY 2026	FY 2027	FY 2028	5 Year Total
Admin - Social Equity Listening Tour	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Bus Ops - 12th & Imperial Transit Center	1,335	-	12,315	-	-	-	13,650
Bus Ops - Southwestern Rapid	-	-	1,000	11,000	-	-	12,000
Rail Ops - Green Line IMT Double Tracks	500	-	-	-	-	-	500
Subtotal	\$ 3,835	\$ -	\$ 13,315	\$ 11,000	\$ -	\$ -	\$ 28,150

FY 2024 CIP - Five Year Summary (\$000s)

	Proposed FY24	Projected FY25	Projected FY26	Projected FY27	Projected FY28	Total FY24 to FY28
State of Good Repair	\$ 123,264	\$ 198,303	\$ 152,246	\$ 119,043	\$ 114,537	\$ 707,392
Other Initiatives	94,319	106,610	108,940	95,430	11,025	416,324
Total Project Needs	\$ 217,583	\$ 304,913	\$ 261,186	\$ 214,473	\$ 125,562	\$ 1,123,716
Available CIP Revenues	\$ 174,606	\$ 171,352	\$ 128,919	\$ 129,228	\$ 131,586	\$ 735,692
Total Deficit	\$ (42,977)	\$ (133,560)	\$ (132,268)	\$ (85,245)	\$ 6,025	\$ (388,025)
% of Funding / Needs	80.2%	56.2%	49.4%	60.3%	104.8%	65.5%
Accumulated Deficit	\$ (42,977)	\$ (176,537)	\$ (308,805)	\$ (394,049)	\$ (388,025)	

FY 2024 CIP - Takeaways

- Challenges ahead in meeting unconstrained list of projects
 - Significant shortfall in funding levels relative to needs
- Agency Objectives
 - State of Good Repair as first priority – keeping system safe, reliable, etc.
 - ZEB Infrastructure at existing bus facilities
 - Clean Transit Advancement Campus (CTAC)
 - ZEB Acceleration (dependent on CTAC)
 - Also potential increase in vehicle requirements in excess of existing levels due to range
 - Service expansion (dependent on CTAC)
- Funding to achieve SGR / new objectives
 - Aggressive grant and earmark campaigns

FY 2024 CIP - Staff Recommendation

That the Budget Development Committee forward a recommendation that the Board of Directors:

1. Approve the fiscal year 2024 Capital Improvement Program (CIP) with the estimated federal and nonfederal funding levels (Attachments A and B). As the federal appropriation figures are finalized and/or other project funding sources become available, allow the Chief Executive Officer (CEO) to identify and adjust projects for the adjusted funding levels;
2. Recommend that the San Diego Association of Governments (SANDAG) Board of Directors approve the submittal of Federal Section 5307, 5337 and 5339 applications for the MTS fiscal year 2024 CIP (shown in Attachment A);
3. Recommend that the SANDAG Board of Directors approve amendment number 3 of the 2023 Regional Transportation Improvement Program (RTIP) in accordance with the fiscal year 2024 CIP recommendations.