



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

Agenda

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BUDGET DEVELOPMENT COMMITTEE

May 1, 2014
2:00 p.m.

James R. Mills Building
Executive Conference Room
1255 Imperial Avenue, Suite 1000
San Diego, CA 92101

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

ACTION RECOMMENDED

1. ROLL CALL
2. APPROVAL OF MINUTES - April 1, 2014 Approve
3. PUBLIC COMMENTS
4. COMMITTEE DISCUSSION ITEMS
 - a. FY 2015 Operating Budget (Mike Thompson) Approve
Action would receive a report on the proposed combined MTS fiscal year 2015 operating budget; and forward a recommendation to the Board of Directors to recommend staff hold a public hearing on June 20, 2014 with the purpose of reviewing the proposed combined MTS fiscal year 2015 operating budget.
5. ADJOURNMENT

Please SILENCE electronics
during the meeting

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

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



DRAFT

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

April 1, 2014

MINUTES

1. ROLL CALL

Mr. Mathis called the Budget Development Committee (BDC) meeting to order at 9:05 a.m. A roll call sheet listing BDC member attendance is attached.

2. APPROVAL OF MINUTES

Mr. Minto moved to approve the minutes of the March 4, 2014 MTS BDC meeting. Mr. Mathis seconded the motion, and the vote was 3-0 in favor, with Mr. McClellan and Mr. Roberts absent.

3. PUBLIC COMMENTS

There were no public comments.

4.a. MTS: FY 2015 Preliminary Projections (Mike Thompson)

Mr. Thompson gave the Committee a report on the FY15 operating budget assumptions. He discussed the subsidy revenue assumptions on the Federal side and stated that the Federal authorizations through MAP-21 expire at the end of this Federal fiscal year. He explained that Job Access Reverse Commute (JARC) funding changed with MAP-21 last year and will now be included within the 5307 allocation, which is part of MTS's Capital and Preventative Maintenance funding. Mr. Thompson also explained the preventative maintenance funding levels and noted that subsidy is growing on the capital side and slightly decreasing on the operating side. Mr. Jablonski noted that the JARC funding we have been receiving has been for operating dollars and now we will be rolling that funding into MTS's regular capital program. Mr. Thompson discussed the TDA and TransNet subsidy revenue assumptions and said that these projections are done by SANDAG each year. He said that the FY14 projected growth is 5% and the FY15 projected growth is 4% for TDA and TransNet. Mr. Thompson also reviewed the STA subsidy revenue assumptions and explained that these assumptions are projected by the State Controller's Office. The FY14 projection is just under \$20M and the FY15 projection is \$18M.

Mr. Thompson discussed the passenger level revenue assumptions, stating that there has been an average growth in passengers over the last 10 years of about 2.5% annually. He reviewed the service level assumptions and explained that MTS is adding BRT service, which will have 123,000 revenue hours in FY15. Mr. Thompson then discussed the BRT expense assumptions and noted that the net cost of this service will be funded by TransNet operating dollars. He explained the pension expense assumptions and stated that the plan contribution and employee contributions rates are continuing to increase. Mr. Thompson reviewed the energy expense assumptions and said that MTS is currently forecasting the FY15 natural gas commodity average price to be \$4.30, which is a 2.5% increase over the FY14 amended budget levels. He also discussed the electricity expense assumptions as well as the

purchased transportation expense assumptions for FY15. Mr. Thompson reported the FY15 preliminary projections, stating that total revenues are growing by \$10.4M, or 4.1% and total expenses are growing by \$14.1M, or 5.7%, resulting in a preliminary budget deficit of \$2.0 million.

Mr. Thompson explained the biogas energy credits and stated that these credits are an estimate of \$1M of revenue for FY14 and \$2M for FY15, which at this point have not been included in either the operating budget or the capital budget. Lastly, he discussed the contingency reserves and noted that last year the Budget Development Committee put a policy in place to have the reserves reach 12.5% by FY16, and with the growth of expenses projected for FY15, the reserve will be \$4.3M short of that goal. He stated that staff recommends programming \$2-3M towards contingency reserves to help reach the 12.5% goal by FY16.

The April 17, 2014 Finance Workshop has been cancelled and the next BDC meeting will take place on May 1, 2014.

5. Adjournment

Chairman Roberts adjourned the meeting at 9:55 a.m.

Chairman of the Budget Development Committee

Clerk of the Budget Development Committee

Attachment: A. Roll Call Sheet

BUDGET DEVELOPMENT COMMITTEE
METROPOLITAN TRANSIT SYSTEM

ROLL CALL

MEETING OF (DATE) April 1, 2014

CALL TO ORDER (TIME) 9:05 am

RECESS N/A

RECONVENE _____

CLOSED SESSION N/A

RECONVENE _____

ADJOURN 9:55 am

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COLE	<input checked="" type="checkbox"/>	9:00 am	9:55 am
MATHIS	<input checked="" type="checkbox"/>	9:00 am	9:55 am
MCCLELLAN	<input checked="" type="checkbox"/>	9:10 am	9:55 am
MINTO	<input checked="" type="checkbox"/>	9:00 am	9:55 am
ROBERTS	<input checked="" type="checkbox"/>	9:08 am	9:55 am

SIGNED BY THE CLERK OF THE BUDGET DEVELOPMENT COMMITTEE: Julia Jansone

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: Kan Tard

cc: Clerk of the Board
Accounts Payable
Attachment to Original and Draft Minutes

MASTER - Budget Development Committee

Agenda Item No. 4a

MEETING OF THE SAN DIEGO METROPOLITAN TRANSIT SYSTEM BUDGET DEVELOPMENT COMMITTEE

May 1, 2014

SUBJECT:

PROPOSED FISCAL YEAR 2015 OPERATING BUDGET

RECOMMENDATION:

That the MTS Board of Directors:

1. Receive a report on the proposed combined MTS fiscal year 2015 operating budget; and
2. Recommend staff hold a public hearing on June 20, 2014 with the purpose of reviewing the proposed combined MTS fiscal year 2015 operating budget.

Budget Impact

None at this time.

DISCUSSION:

Fiscal Year 2015 Budget Recap

The following is a recap of the fiscal year 2015 budget process:

- In March, staff met with the Budget Development (BDC) and MTS Board. Within these two meetings, staff discussed and received approval of the fiscal year 2014 midyear budget adjustment and the fiscal year 2015 Capital Improvement Program (CIP).
- In April, staff met with BDC and discussed preliminary revenues and expense assumptions for fiscal year 2015, including Federal appropriations, Transportation Development Act (TDA), TransNet and State Transit Assistance (STA) revenues.

Federal appropriations changed due to the new Moving Ahead for Progress in the 21st Century (MAP-21) legislation, which reauthorized surface transportation programs through federal fiscal year 2014. MAP-21 resulted in a net increase of federal revenues for MTS, which primarily impacts the CIP, but it also eliminated



section 5316 funding for Job Access Reverse Commute (JARC). MTS had typically received about \$1.0 million annually to operate specific, qualifying routes, and with the funding eliminated, MTS expects to receive \$600,000 less of operating federal revenue in fiscal year 2015.

Regional sales tax receipts are projected to grow by 5.0% year over year for fiscal year 2014 and by an additional 4.0% in fiscal year 2015. In total, MTS's share of TransNet and TDA revenues are projected to increase by approximately \$3.9 million in fiscal year 2015.

In fiscal year 2014, MTS has received \$9.1 million of STA funding and projects to receive \$19.8 million. The State of California Controller's office projects MTS will receive an additional \$18.0 million for fiscal year 2015. This funding is primarily for the CIP, but a portion will be utilized in the operating budget to continue to fund the service increases put into place during fiscal year 2013 at Board direction.

On the expense side, in June of 2014, the first of the TransNet-funded Bus Rapid Transit (BRT) projects will begin service. Staff presented an increase of 28 full time equivalents in personnel as a result of this new service. Staff also discussed preliminary pension, energy and purchased transportation cost assumptions for fiscal year 2015.

- In this meeting, staff will review a number of finalized assumptions relating to: passenger levels, operating income, personnel assumptions, energy rates and other expense assumptions. Staff will also present a preliminary draft budget for fiscal year 2015.

Fiscal Year 2015 Operating Budget

The fiscal year 2015 total budgeted revenue is projected at \$282,351,000, and total projected expenses are budgeted at \$282,351,000 resulting in a balanced budget for fiscal year 2015.

Fiscal Year 2015 Revenues

Attachment A summarizes the total operating and non-operating revenues in a schedule format. As indicated within the schedule, fiscal year 2015 combined revenues total \$282.4 million, an increase from the fiscal year 2014 amended budget of \$31.8 million (12.7 percent).

Operating revenue totals \$110.5 million, an increase from the fiscal year 2014 amended budget of \$5.6 million (5.3 percent). Passenger revenues are increasing by \$3.0 million (3.1%) due to a projected increase in ridership from organic growth, as well as, growth due to the new BRT service. Other revenue is increasing by \$2.6 million, primarily due to \$2.5 million of energy credits within Administration, which will be used to increase the contingency reserve balance. Attachment B details the operating revenues by MTS Operator.

Subsidy revenue totals \$147.3 million, an increase from the fiscal year 2014 amended budget of \$9.4 million (6.8 percent). This is due to a \$10.1 million increase in TransNet revenues, primarily due to the funding for the new BRT service. All other subsidy types are decreasing by \$700,000 in total. Attachment C details all non-operating revenues by funding source.

Other revenue totaled \$24.5 million, an increase from the fiscal year 2014 amended budget of \$16.7 million. This increase is primarily due to Lease and Leaseback revenues. In 1990 and 1995, MTS entered into two leasing transactions involving light rail vehicles (LRVs). The 1990 agreement involved the sale and leaseback of 41 LRVs, and the 1995 agreement involved the lease and leaseback of 52 LRVs. These transactions provided tax benefits to investors in exchange for a profit. Investments on the cash received cover the cost of the debt in a back-to-back manner. The revenue and debt service expenses are both increasing by \$19.5 million due to the debt payment schedule.

Reserve revenue totals a deficit of \$2.5 million, a decrease from the fiscal year 2014 amended budget of \$2.7 million. This deficit reflects funding being added to the reserve balances; \$2.5 million for the MTS operating contingency reserve funded by the energy credits mentioned above, and the remaining \$26,000 representing projected increases to the Taxicab Administration and San Diego and Arizona Eastern reserve balances.

Fiscal Year 2015 Expenses

Attachment E contains the total revenues as detailed above and the total proposed expenses for the 2015 fiscal year. As indicated within the schedule, fiscal year 2015 combined expenses total \$282.4 million, an increase from the fiscal year 2014 amended budget of \$33.6 million (13.5 percent). Attachment D contains the proposed service levels for fiscal year 2015, showing a 7.2 percent increase in revenue miles.

Within operating expenses, personnel expenses are projected to increase from the fiscal year 2014 amended budget by \$4.6 million (4.0 percent). This increase is due to the new BRT service, MTS pension contribution rates, health and welfare cost increases, as well as general wage increases.

Purchased transportation also is projected to increase from the fiscal year 2014 amended budget by \$6.2 million (10.5 percent) primarily due to contractual rate increases as well as the increased service levels within fixed route and paratransit operations.

Attachment F summarizes the operating expense budgets for each operating division and administrative department.

Attachment G details the energy rate assumptions for the 2015 fiscal year. Staff projects rates for CNG, gasoline, diesel, and electricity at \$0.93 per therm, \$3.15 per gallon, \$3.18 per gallon, and \$0.182 per kWh, respectively. These rate increases plus the additional service result in a projected to increase in energy cost of \$3.0 million (11.9%) from the fiscal year 2014 amended budget.

Debt service costs are projected to increase from the fiscal year 2014 amended budget by \$19.4 million. This increase is due to the lease/leaseback transactions mentioned above.

Adjusting for the new BRT service and lease/leaseback debt payment, expenses are increasing by \$7.2 million or 2.9 percent.



Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619-557-4557, mike.thompson@sdmts.com

- Attachments:
- A. Operating Revenue Summary
 - B. Operating Revenue
 - C. Non-Operating Revenue
 - D. Operating Statistics
 - E. Operating Budget – Consolidated
 - F. Total Operating Budget
 - G. Energy Impact on Operations
 - H. Salary Grade Ranges
 - I. Position Information (Summary)

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
REVENUE SUMMARY
FISCAL YEAR 2015

AI No 4a: Attachment A

	<u>ACTUAL FY13</u>	<u>AMENDED BUDGET FY14</u>	<u>PROPOSED BUDGET FY15</u>	<u>\$ CHANGE BUDGET/ AMENDED</u>	<u>% CHANGE BUDGET/ AMENDED</u>
Operating Revenue					
Passenger Revenue	\$ 93,493,239	\$ 96,890,066	\$ 99,925,576	\$ 3,035,510	3.1%
Advertising Revenue	972,189	1,125,000	1,050,000	(75,000)	-6.7%
Contract Service Revenue	900	0	0	0	-
Other Income	4,963,102	6,869,720	9,501,827	2,632,107	38.3%
Total Operating Revenue	<u>\$ 99,429,430</u>	<u>\$ 104,884,786</u>	<u>\$ 110,477,403</u>	<u>\$ 5,592,617</u>	<u>5.3%</u>
Subsidy Revenue					
Federal Revenue	\$ 42,008,759	\$ 46,248,688	\$ 51,012,465	\$ 4,763,777	10.3%
Transportation Development Act (TDA)	68,147,570	57,780,380	53,627,792	(4,152,588)	-7.2%
State Transit Assistance (STA)	3,127,607	4,264,150	3,632,936	(631,214)	-14.8%
State Revenue - Other	1,473,067	1,600,000	1,600,000	0	-
Transnet	24,599,914	26,248,289	36,299,327	10,051,037	38.3%
Other Local Subsidies	2,443,684	1,775,144	1,176,485	(598,659)	-33.7%
Total Subsidy Revenue	<u>\$ 141,800,601</u>	<u>\$ 137,916,652</u>	<u>\$ 147,349,005</u>	<u>\$ 9,432,353</u>	<u>6.8%</u>
Other Revenue					
Other Funds	\$ 7,504,923	\$ 7,566,990	\$ 27,051,013	\$ 19,484,023	257.5%
Reserves Revenue	3,364,913	212,633	(2,526,444)	(2,739,077)	-1288.2%
Total Other Revenues	<u>\$ 10,869,836</u>	<u>\$ 7,779,623</u>	<u>\$ 24,524,569</u>	<u>\$ 16,744,946</u>	<u>215.2%</u>
GRAND TOTAL REVENUES	<u><u>\$ 252,099,867</u></u>	<u><u>\$ 250,581,061</u></u>	<u><u>\$ 282,350,977</u></u>	<u><u>\$ 31,769,916</u></u>	<u><u>12.7%</u></u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
OPERATING REVENUE
FISCAL YEAR 2015

AI No 4a: Attachment B

	ACTUAL FY13	AMENDED BUDGET FY14	PROPOSED BUDGET FY15	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
<u>Passenger Revenue</u>					
Internal Bus Operations	\$ 28,621,361	\$ 27,670,601	\$ 26,768,186	\$ (902,415)	-3.3%
Rail Operations - Base	35,553,838	40,611,107	41,577,585	966,478	2.4%
MCS - Fixed route	24,469,119	23,810,039	27,738,976	3,928,936	16.5%
MCS - Paratransit	2,007,302	2,129,309	2,290,584	161,274	7.6%
Chula Vista Transit	2,841,619	2,669,010	1,550,246	(1,118,764)	-41.9%
Total Passenger Revenue	<u>\$ 93,493,239</u>	<u>\$ 96,890,066</u>	<u>\$ 99,925,576</u>	<u>\$ 3,035,510</u>	<u>3.1%</u>
<u>Advertising Revenue</u>					
Administration	\$ 972,189	\$ 1,125,000	\$ 1,050,000	\$ (75,000)	-6.7%
Total Advertising Revenue	<u>\$ 972,189</u>	<u>\$ 1,125,000</u>	<u>\$ 1,050,000</u>	<u>\$ (75,000)</u>	<u>-6.7%</u>
<u>Contract Service Revenue</u>					
Internal Bus Operations	\$ 900	\$ -	\$ -	\$ -	-
Total Contract Service Revenue	<u>\$ 900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
<u>Other Income</u>					
Internal Bus Operations	\$ 4,877	\$ 5,000	\$ 5,000	\$ -	-
Rail Operations	574,282	684,000	704,000	20,000	2.9%
Administrative	3,342,347	5,180,720	7,668,827	2,488,107	48.0%
Taxicab	883,985	865,000	989,000	124,000	14.3%
SD&AE	159,583	135,000	135,000	-	-
Total Other Income	<u>\$ 4,963,102</u>	<u>\$ 6,869,720</u>	<u>\$ 9,501,827</u>	<u>\$ 2,632,107</u>	<u>38.3%</u>
TOTAL OPERATING REVENUE	<u>\$ 99,429,430</u>	<u>\$ 104,884,786</u>	<u>\$ 110,477,403</u>	<u>\$ 5,592,617</u>	<u>5.3%</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

AI No 4a: Attachment C

**OPERATING BUDGET
NON OPERATING REVENUE
FISCAL YEAR 2015**

	ACTUAL FY13	AMENDED BUDGET FY14	PROPOSED BUDGET FY15	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
<u>FEDERAL</u>					
FTA 5307 - Planning	\$ 20,550	\$ -	\$ -	\$ -	-
FTA 5307/5309 - Preventative Maintenance	40,046,760	40,853,050	46,000,000	5,146,950	12.6%
FTA 5307 - ADA PM	-	3,887,480	4,097,465	209,985	5.4%
FTA 5307 - Fuel PM	-	-	-	-	-
JARC	1,309,802	1,078,158	428,000	(650,158)	-60.3%
FTA 5311 / 5311(f) - Rural	434,837	430,000	487,000	57,000	13.3%
Total Federal Funds	<u>\$ 42,008,759</u>	<u>\$ 46,248,688</u>	<u>\$ 51,012,465</u>	<u>\$ 4,763,777</u>	<u>10.3%</u>
<u>TRANSPORTATION DEVELOPMENT ACT (TDA)</u>					
TDA - Article 4.0 MTS Area	\$ 63,725,363	\$ 53,153,970	\$ 48,817,652	\$ (4,336,318)	-8.2%
TDA - Fuel PM	-	-	-	-	-
TDA - Article 4.5 (ADA)	3,985,719	4,189,922	4,320,225	130,304	3.1%
TDA - Article 8.0	436,488	436,488	489,914	53,426	12.2%
Total TDA Funds	<u>\$ 68,147,570</u>	<u>\$ 57,780,380</u>	<u>\$ 53,627,792</u>	<u>\$ (4,152,588)</u>	<u>-7.2%</u>
<u>STATE TRANSIT ASSISTANCE (STA)</u>					
STA - Formula	3,127,607	4,264,150	3,632,936	(631,214)	-14.8%
Total State Funds	<u>\$ 3,127,607</u>	<u>\$ 4,264,150</u>	<u>\$ 3,632,936</u>	<u>\$ (631,214)</u>	<u>-14.8%</u>
<u>STATE REVENUE - OTHER</u>					
Caltrans	\$ -	\$ -	\$ -	\$ -	-
MediCal	1,473,067	1,600,000	1,600,000	-	-
Total State Funds	<u>\$ 1,473,067</u>	<u>\$ 1,600,000</u>	<u>\$ 1,600,000</u>	<u>\$ -</u>	<u>-</u>
<u>TRANSNET</u>					
TransNet - 40% Operating Support	\$ 20,960,384	\$ 22,554,000	\$ 23,353,000	\$ 799,000	3.5%
TransNet - Access ADA	701,867	744,000	766,000	22,000	3.0%
TransNet - Superloop	2,647,356	2,600,289	2,716,213	115,923	4.5%
TransNet - BRT	290,307	350,000	9,464,114	9,114,114	2604.0%
Total TransNet Funds	<u>\$ 24,599,914</u>	<u>\$ 26,248,289</u>	<u>\$ 36,299,327</u>	<u>\$ 10,051,037</u>	<u>38.3%</u>
<u>OTHER LOCAL</u>					
City of San Diego	\$ 459,102	\$ 459,102	\$ 459,102	\$ -	-
SANDAG - Inland Breeze	1,000,000	1,000,000	500,000	(500,000)	-50.0%
Other - 4S Ranch	120,478	98,570	-	(98,570)	-100.0%
SANDAG - Murphy Canyon	-	-	-	-	-
Other	789,426	217,472	217,472	-	-
CNG Rebates	74,677	-	-	-	-
Other Local Funds	<u>\$ 2,443,684</u>	<u>\$ 1,775,144</u>	<u>\$ 1,176,574</u>	<u>\$ (598,570)</u>	<u>-33.7%</u>
<u>LEASE-LEASEBACK / RESERVES</u>					
Lease-Leaseback	\$ 7,504,923	\$ 7,566,990	\$ 27,051,013	\$ 19,484,023	257.5%
Reserve Utilization	3,364,913	212,633	(2,526,444)	(2,739,077)	-1288.2%
Total Lease-Leaseback / Reserves	<u>\$ 10,869,836</u>	<u>\$ 7,779,623</u>	<u>\$ 24,524,569</u>	<u>\$ 16,744,946</u>	<u>215.2%</u>
TOTAL NON OPERATING REVENUE	<u>\$ 152,670,437</u>	<u>\$ 145,696,275</u>	<u>\$ 171,873,663</u>	<u>\$ 26,177,388</u>	<u>18.0%</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
OPERATING STATISTICS
FISCAL YEAR 2015

AI No 4a: Attachment D

	ACTUAL FY13	AMENDED BUDGET FY14	PROPOSED BUDGET FY15	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
<u>Revenue Miles</u>					
Internal Bus Operations	8,556,650	8,694,616	9,858,205	1,163,589	13.4%
Rail Operations - Base	7,757,337	8,488,071	8,488,071	-	0.0%
MCS - Fixed Route	8,307,035	8,479,610	9,636,222	1,156,612	13.6%
MCS - Paratransit	3,289,872	3,492,409	3,785,778	293,369	8.4%
Chula Vista Transit	1,036,512	1,063,758	612,858	(450,900)	-42.4%
Total	28,947,406	30,218,464	32,381,135	2,162,671	7.2%
<u>Total Miles</u>					
Internal Bus Operations	9,895,974	10,124,587	11,448,244	1,323,657	13.1%
Rail Operations - Base	7,808,501	8,571,980	8,571,980	-	0.0%
MCS - Fixed Route	10,072,508	10,349,620	11,520,305	1,170,685	11.3%
MCS - Paratransit	4,572,600	4,761,824	5,166,045	404,220	8.5%
Chula Vista Transit	1,151,424	1,204,611	686,893	(517,718)	-43.0%
Total	33,501,007	35,012,622	37,393,467	2,380,844	6.8%
<u>Revenue Hours</u>					
Internal Bus Operations	786,875	796,263	816,176	19,913	2.5%
Rail Operations - Base	471,959	501,008	501,008	-	0.0%
MCS - Fixed Route	770,824	786,569	915,705	129,136	16.4%
MCS - Paratransit	188,762	192,479	210,294	17,815	9.3%
Chula Vista Transit	100,421	103,642	58,923	(44,718)	-43.1%
Total	2,318,841	2,379,962	2,502,107	122,145	5.1%
<u>Total Hours</u>					
Internal Bus Operations	834,125	846,197	870,290	24,093	2.8%
Rail Operations - Base	476,244	506,496	506,496	-	0.0%
MCS - Fixed Route	826,294	850,599	977,621	127,022	14.9%
MCS - Paratransit	266,275	272,612	296,583	23,971	8.8%
Chula Vista Transit	105,977	109,905	62,582	(47,323)	-43.1%
Total	2,508,915	2,585,809	2,713,573	127,764	4.9%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET**

AI No 4a: Attachment E

CONSOLIDATED INCOME STATEMENT

FISCAL YEAR 2015

in (\$000s)

	ACTUAL FY13	AMENDED BUDGET FY14	PROPOSED BUDGET FY15	\$ CHANGE BUDGET/ AMENDED	% CHANGE BUDGET/ AMENDED
Passenger Revenue	\$ 93,493	\$ 96,890	\$ 99,926	\$ 3,036	3.1%
Other Revenue	5,936	7,995	10,552	2,557	32.0%
Total Operating Revenues	\$ 99,429	\$ 104,885	\$ 110,477	\$ 5,593	5.3%
Total Non-Operating Revenue	152,670	145,695	171,874	26,179	18.0%
Total Revenues	\$ 252,100	\$ 250,579	\$ 282,351	\$ 31,772	12.7%
Personnel Expenses	111,375	115,957	120,586	4,628	4.0%
Personnel-Dexia Pension Debt	12,800	-	-	-	-
Outside Services	16,816	20,983	21,050	67	0.3%
Purchased Transportation	56,253	58,965	65,153	6,187	10.5%
Materials And Supplies	8,477	9,566	10,190	624	6.5%
Energy	23,429	25,593	28,639	3,046	11.9%
Risk Management	3,344	4,870	4,438	(432)	-8.9%
General And Administrative	2,027	2,173	2,022	(151)	-6.9%
Vehicle / Facility Lease	1,171	1,106	1,323	217	19.6%
Debt Service	9,778	9,543	28,951	19,408	203.4%
Total Operating Expenses	\$ 245,470	\$ 248,756	\$ 282,351	\$ 33,595	13.5%
Total Revenues Less Total Expenses	6,630	1,824	(0)	(1,824)	-
Net Operating Subsidy	\$ (146,041)	\$ (143,871)	\$ (171,874)	\$ (28,003)	-19.5%

**San Diego Metropolitan Transit System
Operating Budget**

AI No 4a: Attachment F

Total Operating Expenses

Fiscal Year 2015

(in \$000's)

	AMENDED FY14	Allocation Differences	ADJUSTED FY14	PROPOSED FY15	\$ VARIANCE	Percent Variance
Operations						
Internal Bus Operations	81,472	-	\$ 81,472	\$ 84,501	\$ 3,030	3.7%
Rail Operations	53,295	-	53,295	55,949	2,654	5.0%
Contract Services - Fixed Rout	49,300	-	49,300	57,565	8,265	16.8%
Contract Services - Paratransit	14,948	-	14,948	16,206	1,258	8.4%
Chula Vista Transit	6,272	-	6,272	3,928	(2,344)	-37.4%
Coronado Ferry	183	-	183	190	7	4.0%
Administrative Pass Through	344	-	344	344	-	0.0%
Combined Operations	205,814	-	\$ 205,814	\$ 218,684	\$ 12,870	6.3%
Other Operations						
Taxicab Administration	940	-	\$ 940	\$ 856	\$ (84)	-8.9%
San Diego & Arizona Eastern	164	-	164	130	(33)	-20.4%
Combined Other Operations	1,104	-	\$ 1,104	\$ 986	\$ (117)	-10.6%
Administrative						
Board of Directors	59	-	\$ 59	\$ 64	\$ 6	9.4%
BOD Admin	154	-	154	202	48	30.9%
Bus Bench / Bus Shelter	136	-	136	129	(7)	-5.2%
Compass Card	2,147	-	2,147	2,205	59	2.7%
Executive	622	-	622	657	35	5.7%
Finance	1,538	-	1,538	1,498	(40)	-2.6%
Fringes	5,661	-	5,661	5,633	(28)	-0.5%
General	9,852	-	9,852	29,751	19,899	202.0%
Human Resources	1,571	-	1,571	1,597	26	1.6%
Information Technology	3,907	-	3,907	3,924	18	0.5%
Land Management	534	-	534	525	(8)	-1.6%
Legal	295	-	295	383	89	30.0%
Marketing	1,405	-	1,405	1,580	175	12.5%
Operations Planning	720	-	720	769	50	6.9%
Procurement	809	-	809	887	78	9.6%
Revenue	-	-	-	-	-	0.0%
Risk	596	-	596	623	27	4.5%
Security	9,495	-	9,495	9,595	100	1.1%
Stores	1,393	-	1,393	1,408	15	1.0%
Telephone Information Service	595	-	595	885	290	48.7%
Transit Store	352	-	352	366	14	3.9%
Combined Administrative	41,838	-	\$ 41,838	\$ 62,681	\$ 20,843	49.8%
Combined Grand Total	248,756	-	\$ 248,756	\$ 282,351	\$ 33,595	13.5%

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

AI No 4a: Attachment G

Operating Budget**Energy Impact on Operations****Fiscal Year 2015**

	CNG	Gasoline	Diesel	Electricity
Unit of Measure	Therm	Gallon	Gallon	KwH
FY15 Projected Rate	\$ 0.93	\$ 3.15	\$ 3.18	\$ 0.182
Annual Usage	8,040,000	1,160,000	920,000	57,990,000
Cost Impact of \$0.01 Rate Increase	\$ 80,400	\$ 11,600	\$ 9,200	\$ 579,900
Annual Miles	19,130,000	6,710,000	3,230,000	8,570,000
Average Cost per Mile	\$ 0.39	\$ 0.54	\$ 0.91	\$ 1.23

Historical Rate Trend

	FY10 Actual	FY11 Actual	FY12 Actual	FY13 Actual	FY14 Midyear	FY15 Proposed
Diesel	\$ 2.41	\$ 2.91	\$ 3.39	\$ 3.38	\$ 3.28	\$ 3.18
Gasoline	2.70	3.35	3.53	3.50	3.25	3.15
CNG	1.096	0.955	0.837	0.774	0.840	0.926
Electricity	0.168	0.164	0.158	0.154	0.176	0.182

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

AI No 4a: Attachment H

Operating Budget

Proposed Salary Grade Ranges

Fiscal Year 2015

Range	EE Count	Existing			Proposed *		
		Minimum	Midpoint	Maximum	Minimum	Midpoint	Maximum
01	12.2	\$ 20,567	\$ 26,172	\$ 31,777	\$ 20,567	\$ 26,378	\$ 32,190
02	6.0	\$ 23,652	\$ 30,097	\$ 36,542	\$ 23,652	\$ 30,335	\$ 37,017
03	7.0	\$ 27,200	\$ 34,612	\$ 42,024	\$ 27,200	\$ 34,885	\$ 42,570
04	3.0	\$ 31,280	\$ 39,804	\$ 48,328	\$ 31,280	\$ 40,118	\$ 48,956
05	25.0	\$ 35,972	\$ 45,774	\$ 55,577	\$ 35,972	\$ 46,136	\$ 56,299
06	41.5	\$ 41,512	\$ 52,824	\$ 64,136	\$ 41,512	\$ 53,241	\$ 64,970
07	29.0	\$ 47,531	\$ 60,483	\$ 73,436	\$ 47,531	\$ 60,961	\$ 74,391
08	101.0	\$ 53,356	\$ 69,270	\$ 85,183	\$ 53,356	\$ 69,823	\$ 86,290
09	32.0	\$ 61,093	\$ 79,313	\$ 97,534	\$ 61,093	\$ 79,947	\$ 98,802
10	30.0	\$ 69,951	\$ 90,813	\$ 111,676	\$ 69,951	\$ 91,539	\$ 113,127
11	10.0	\$ 80,093	\$ 103,981	\$ 127,869	\$ 80,093	\$ 104,812	\$ 129,532
12	12.0	\$ 91,707	\$ 119,059	\$ 146,411	\$ 91,707	\$ 120,011	\$ 148,315
13	3.0	\$ 102,985	\$ 136,353	\$ 169,720	\$ 102,985	\$ 137,456	\$ 171,927
14	3.0	\$ 113,284	\$ 149,988	\$ 186,692	\$ 113,284	\$ 151,201	\$ 189,119
15	4.0	\$ 124,612	\$ 164,987	\$ 205,361	\$ 124,612	\$ 166,322	\$ 208,031
16	1.0	\$ 334,922	\$ 334,922	\$ 334,922	\$ 334,922	\$ 334,922	\$ 334,922

* Adjusted based on Consumer Price Index change for the San Diego Region

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
POSITION INFORMATION (SUMMARY FORMAT)
FISCAL YEAR 2015 PROPOSED BUDGET
SECTION 10.03**

	Midyear Budget	Position	Net Positions Requiring	Proposed	Frozen
	FY 2014	Shifts	Funding Adjs	FY 2015	Positions
	FTE's	FTE's	FTE's	FTE's	FTE's
<u>MTS Administration</u>					
BOD ADMINISTRATION	3.0	0.0	0.0	3.0	0.0
COMPASS CARD	11.0	0.0	0.0	11.0	0.0
EXECUTIVE	3.0	0.0	0.0	3.0	0.0
FINANCE	21.0	0.0	0.0	21.0	0.0
HUMAN RESOURCES	15.0	0.0	0.0	15.0	0.0
INFORMATION TECHNOLOGY	19.0	0.0	0.0	19.0	0.0
LEGAL	1.0	0.0	0.0	1.0	0.0
MARKETING	9.5	0.0	0.0	9.5	0.0
PLANNING	12.0	0.0	0.0	12.0	-1.0
PROCUREMENT	12.0	0.0	0.0	12.0	-1.0
RIGHT OF WAY	3.0	0.0	0.0	3.0	0.0
RISK	4.0	0.0	0.0	4.0	0.0
SECURITY	43.0	0.0	0.0	43.0	0.0
STORES (Admin)	2.0	0.0	0.0	2.0	0.0
STORES (BUS)	13.0	0.0	1.0	14.0	0.0
STORES (RAIL)	8.0	0.0	0.0	8.0	0.0
TELEPHONE INFORMATION SERVICES	21.0	0.0	0.0	21.0	0.0
TRANSIT STORES	6.0	0.0	0.0	6.0	0.0
Subtotal MTS Administration	206.5	0.0	1.0	207.5	-2.0
<u>Bus Operations</u>					
CONTRACT SERVICES	7.5	0.0	1.0	8.5	0.0
EXECUTIVE (BUS)	4.0	0.0	0.0	4.0	0.0
MAINTENANCE	174.0	0.0	12.0	186.0	0.0
MAINTENANCE-FACILITY	5.0	0.0	0.0	5.0	0.0
PASSENGER SERVICES	6.5	0.0	0.0	6.5	-1.0
REVENUE (BUS)	13.0	0.0	0.0	13.0	0.0
SAFETY	1.0	0.0	0.0	1.0	0.0
TRAINING	9.5	0.0	0.0	9.5	0.0
TRANSPORTATION (BUS)	545.0	0.0	15.0	560.0	0.0
Subtotal Bus Operations	765.5	0.0	28.0	793.5	-1.0
<u>Rail Operations</u>					
EXECUTIVE (RAIL)	7.5	0.0	0.0	7.5	0.0
FACILITIES	67.0	0.0	0.0	67.0	-1.0
LIGHT RAIL VEHICLES	88.0	0.0	0.0	88.0	0.0
MAINTENANCE OF WAYSIDE	38.0	0.0	0.0	38.0	0.0
REVENUE (RAIL)	41.2	0.0	0.0	41.2	0.0
TRACK	18.0	0.0	0.0	18.0	-1.0
TRANSPORTATION (RAIL)	210.3	0.0	0.0	210.3	0.0
Subtotal Rail Operations	470.0	0.0	0.0	470.0	-2.0
<u>Other MTS Operations</u>					
TAXICAB	10.0	0.0	0.0	10.0	0.0
Subtotal Other MTS Operations	10.0	0.0	0.0	10.0	0.0
Grand Total	1,452.0	0.0	29.0	1,481.0	-5.0