

DRAFT

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

March 4, 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 April 4, 2013 MTS BDC meeting. Mr. McClellan seconded the motion, and the vote was 3-0 in favor.

3. PUBLIC COMMENTS

There were no public comments.

4.a. MTS: Appointment of Committee Chairman and Vice Chairman

Mr. Mathis moved to nominate Mr. Roberts as Committee Chairman and Mr. Minto as Vice Chairman.

Action Taken

The vote for Mr. Roberts as Committee Chairman was 3-0 in favor with Mr. Roberts abstaining. The vote for Mr. Minto as Vice Chairman was 3-0 in favor with Mr. Minto abstaining.

4.b. Fiscal Year 2014 Capital Improvement Program (Mike Thompson)

Mr. Jablonski gave an overview of the Operating and Capital Budget background. He stated that BRT service will be added this summer and that there were no other service needs at this time. Mr. Jablonski also noted that FY14 would utilize no non-recurring funding. Mike Thompson, Director of Financial Planning and Analysis, gave the Committee a presentation on the MTS Fiscal Year 2015 Capital Improvement Program (CIP).

Mr. Thompson talked about the development of the FY15 Capital Improvement Program and the projects priority list along with the capital funding levels required for each project, with \$104,067,000 total funding available. He also provided a list of Capital Project Categories and assigned a level of funding and percentage of total funding assigned to each category. He reported that there are 55 projects needing funding through the CIP. He then discussed the projected revenues for the CIP for FY15 through FY19. Discussion ensued between the Committee members regarding current and future Capital Projects.

Action Taken

Mr. McClellan moved to forward the following recommendation to the MTS Board for Fiscal Year 2015 Capital Improvement Program: (1) approve the fiscal year 2015 Capital Improvement Program (CIP) with the estimated federal and nonfederal funding levels. 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 Sections 5307 and 5337 applications for the MTS fiscal year 2015 CIP; (3) approve the transfer of \$357,409 from previous CIP projects to the fiscal year 2015 CIP; (4) recommend that the SANDAG Board of Directors approve the amendment of the Regional Transportation Improvement Program (RTIP) in accordance with the fiscal year 2015 CIP recommendations. Mr. Minto seconded the motion, and the vote was 4-0 in favor.

4.c. MTS: FY 2013 Midyear Adjustment

Mr. Thompson gave the Committee a report of the FY14 midyear budget adjustment and discussed the non-operating revenue and operating revenue. He explained that the passenger revenue remains favorable. Mr. Thompson discussed the FY14 midyear revenue summary and explained that the total revenue is increasing by \$2,400,000, or an increase of 1.0%. He explained the expense assumptions summary and stated overall total expenses are increasing by \$560,000 or an increase of 0.2%. Mr. Thompson stated that the total revenue less expenses is a \$1,800,000 favorable variance. He reviewed the reserve balance and explained that the projected balance on June 30, 2014 would be \$28,412,000. He also stated that the goal is to have a contingency reserve balance of 12.5% of operating expense budget by FY16.

Action Taken

Mr. Minto moved to forward a recommendation to the MTS Board of Directors to approve the Combined MTS FY2014 Midyear Budget Amendment, including using the excess revenues over expenses to increase contingency reserves. Mr. McClellan seconded the motion, and the vote was 4-0 in favor.

4.d. MTS: FY 2015 Operating Budget

Mr. Thompson discussed the FY2015 open items, including the I-15 BRT and Mid-City Rapid, Compass Card Back Office transition from SANDAG and the FY2015 budget timeline. Mr. Jablonski discussed the FY2015 open item regarding staffing. He stated that the management pension contribution for FY14 increased to 4% beginning January 1, 2014. He noted that there will be a total pension contribution increase of 8% with a 2% increase in FY15 and a 2% increase in FY16. Mr. Jablonski also discussed management salary grade increases tied to CPI and the management salary merit pool/performance incentive program.

5. Adjournment

Chairman Roberts adjourned the meeting at 10:05 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) March 4, 2014

CALL TO ORDER (TIME) 9:05 am

RECESS N/A

RECONVENE _____

CLOSED SESSION N/A

RECONVENE _____

ADJOURN 10:05 am

BOARD MEMBER	(Alternate)	PRESENT (TIME ARRIVED)	ABSENT (TIME LEFT)
COLE	<input type="checkbox"/>		
MATHIS	<input checked="" type="checkbox"/>	9:00 am	10:05 am
MCCLELLAN	<input checked="" type="checkbox"/>	9:00 am	10:05 am
MINTO	<input checked="" type="checkbox"/>	9:00 am	10:05 am
ROBERTS	<input checked="" type="checkbox"/>	9:10 am	10:05 am

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

CONFIRMED BY OFFICE OF THE GENERAL COUNSEL: Karl Carde

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

MASTER - Budget Development Committee



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Agenda

Item No. 4a

MEETING OF THE METROPOLITAN TRANSIT SYSTEM BUDGET DEVELOPMENT COMMITTEE

April 1, 2014

SUBJECT:

MTS: FY 2015 PRELIMINARY PROJECTIONS

RECOMMENDATION:

That the Budget Development Committee receive a report regarding the preliminary projection for the fiscal year 2015 operating budget and provide guidance on budgetary closure.

Budget Impact

None at this time.

DISCUSSION:

Staff will present a preliminary forecast for the upcoming fiscal year 2015 operating budget, including preliminary income projections and high level expense assumptions.

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

Paul C. Jablonski
Chief Executive Officer

Key Staff Contact: Mike Thompson, 619.557.4557, mike.thompson@sdmts.com

