

SAN DIEGO METROPOLITAN TRANSIT DEVELOPMENT BOARD

ORDINANCE NO. 7

An Ordinance Establishing a Reserve for LRT Capital Projects
and a Method of Governing the Management, Investment,
Accounting, Collection, and Disbursement of Such an Account

The Board of Directors of the San Diego Metropolitan Transit Development Board (MTDB) do ordain as follows:

Section 7.1: Findings.

MTDB is charged with the development of fixed guideway mass transportation systems within its area. Such systems require considerable local funds to match state and federal grants. As the riding public is the ultimate beneficiary of system expansion, it is deemed appropriate to set aside a portion of fare revenue for this purpose.

Section 7.2: Establishment of Account.

MTDB will establish an LRT Capital Projects Account, the funding of which will be a contractual condition agreed to by MTDB and the designated light rail transit (LRT) operator.

The LRT Capital Projects Account shall be funded through an annual payment to MTDB by the LRT operator. The LRT operator will make such payment from monies derived from fare revenue (excluding federal, state, and local subsidies or other income).

Section 7.3: Funding Formula.

The funding formula is based on revenue increases due to the Fiscal Year 1985 Trolley fare structure change exclusive of the increase in fare revenues due to additional system riders. The actual increase for Fiscal Year 1985 was \$327,109. The base year (originally Fiscal Year 1984) may be changed by the Board when making fare changes. Such an action will take the form of a change to this Ordinance.

The calculation of the actual amount to be paid is to be performed as follows:

- A. $(\text{Current FY ridership} - \text{FY 84 ridership}) \times \text{Average fare/rider} =$
Fare revenue attributable to increased ridership (rather than fare structure change)
- B. $\text{Current FY total fare revenue} - \text{FY 84 total fare revenue} =$
Fare revenue attributable to both increased ridership and fare structure change
- C. $\text{Total fare revenue increase (B)} - \text{Fare revenue increase due to increased ridership (A)} =$ Fare revenue increase due to fare structure change

Example: Assume 10.96% increase in ridership from FY 84 to FY 85

- (A) $(5,974,090 - 5,383,869) \times (.79) = \$466,274.59$
- (B) $\$4,747,034 - \$3,953,650 = \$793,384$
- (C) $\$793,384 - \$466,275 = \$327,109$

Section 7.4: Timing of Payment to MTDB by LRT Operator.

Full payment by LRT operator will occur within one month of the issuance of the LRT operator's audited financial report for the fiscal year, but in no event more than six months after the close of the fiscal year.

Section 7.5: Fund Investment.

Monies extant in the LRT Capital Projects Account shall be invested in accordance with Article 9, Chapter 4, Division 11 of the Public Utilities Code commencing with Section 120470.

Section 7.6: Fund Administration.

The MTDB Director of Administration/Controller, as Treasurer of the Board, will be the fund custodian, under the direction of the General Manager. The LRT Capital Projects Account will be administered in accordance with generally accepted accounting principles. The LRT Capital Projects Account will be audited annually and reported as a part of MTDB's annual audit.

Section 7.7: Interest.

Interest earned on invested monies of the LRT Capital Projects Account shall become a part of the LRT Capital Projects Account.

Section 7.8: Disbursement of Monies.

Funds of the LRT Capital Projects Account will be disbursed by the Treasurer of the Board at the direction of the Board. All authorized expenditures shall require majority concurrence of the full Board and shall be limited to capital additions to the San Diego Light Rail Transit System.

Section 7.9: Ordinance Amendment.

The provisions of this Ordinance may be amended only by ordinance with the concurrence of a majority of all Board members at the first Board meeting at least 60 days following formal introduction of the amendments at a Board meeting.

Section 7.10: Emergency Use.


Monies from the LRT Capital Projects Account may be used for purposes other than capital additions to the San Diego Light Rail Transit System only in the event of a fiscal emergency, as determined by the MTDB General Manager and forwarded to the Board for consideration, deemed to be a sudden or unforeseen event which creates or could result in a dangerous situation necessitating

immediate expenditure of public funds to protect life, health, property, or fiscal solvency. Two-thirds affirmative vote of the full Board shall be obtained to declare such a use. Monies used from the LRT Capital Projects Account in a fiscal emergency shall be reimbursed in full, and a repayment plan shall be adopted within 60 days of the Board's emergency declaration.

Section 7.11: Public Notice.

This Ordinance shall be effective 30 days after the second reading and before the expiration of 15 days after its passage, this Ordinance shall be published once with the names of the members voting for and against the same in a newspaper of general circulation published in the County of San Diego.

PASSED, APPROVED, AND ADOPTED this 19th day of December 1985.




Chairman
San Diego Metropolitan
Transit Development Board

This Ordinance was adopted by the following vote:


AYES:	Bartell, Burns, Cooper, Emery, Ewen, Jones, McCandliss, Mills, Nagel, Reber, Russell, Struiksma, Williams, and McCarty, alternate for McColl.
NAYES:	None
ABSENT:	Martinez
ABSTAINING:	None

ATTEST my hand and the seal of the Metropolitan Transit Development Board
this 19th day of December 1985.



Clerk of the Board
San Diego Metropolitan
Transit Development Board

Approved as to form:



General Counsel
San Diego Metropolitan
Transit Development Board

BFD:ss
ORDINANCE
11/18/85

Adopted: December 19, 1985