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BOARD OF DIRECTORS AGENDA

Friday, June 13, 2008

→→→ 9 a.m. to 12 noon ←←←

SANDAG Board Room

401 B Street, 7th Floor

San Diego

**THIS IS A REGULAR BOARD POLICY MEETING AND A
JOINT SPECIAL MEETING OF THE TRANSPORTATION
COMMITTEE.**

AGENDA HIGHLIGHTS

- **DRAFT FY 2009 TRANSIT AGENCY BUDGETS**
- **TRANSIT FUNDING OPTIONS IN THE SAN DIEGO REGION**
- **AMENDMENTS TO THE REGIONAL COMPREHENSIVE FARE ORDINANCE**

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MISSION STATEMENT

The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus, makes strategic plans, obtains and allocates resources, plans, engineers, and builds public transit, and provides information on a broad range of topics pertinent to the region's quality of life.

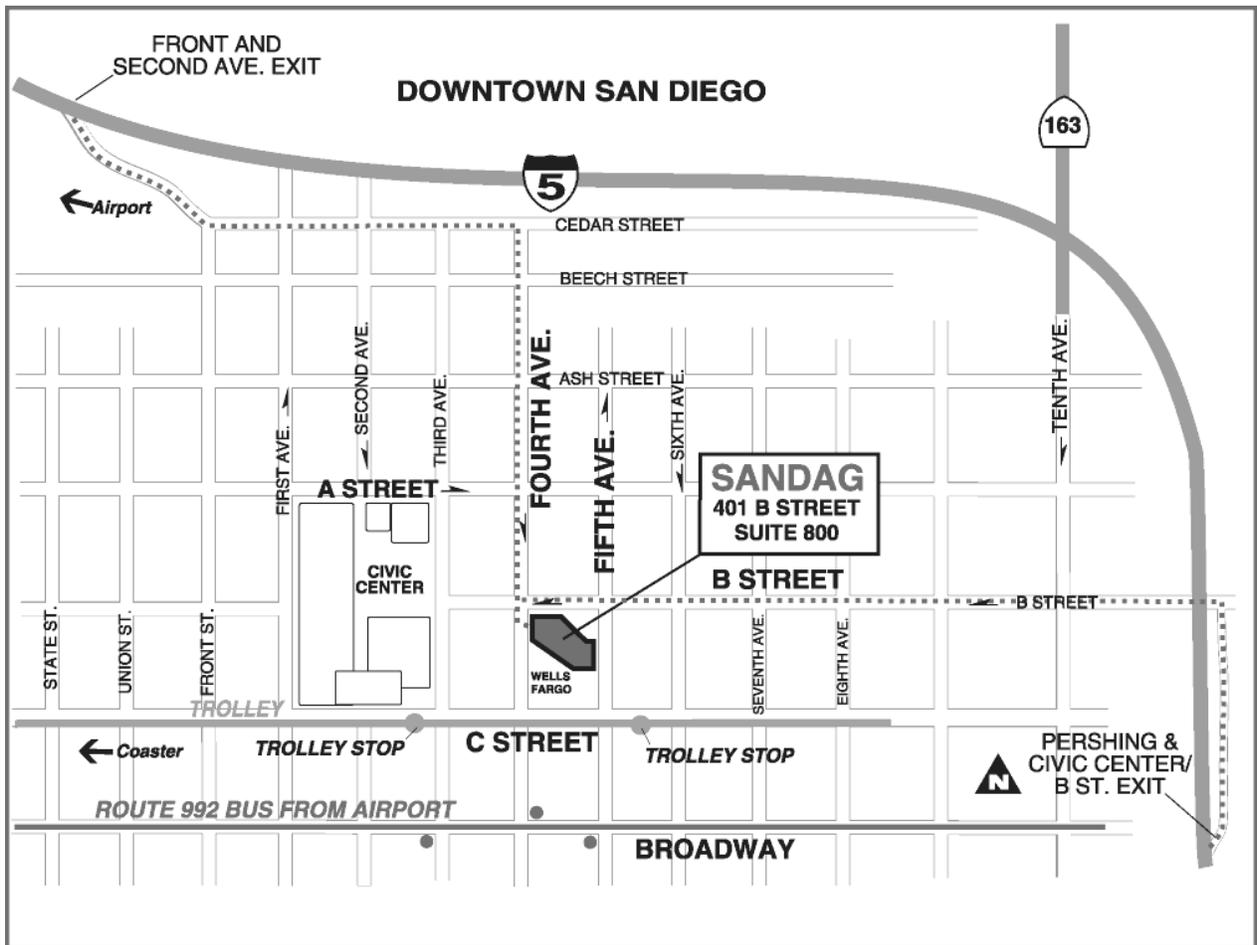


Welcome to SANDAG. Members of the public may speak to the Board of Directors on any item at the time the Board is considering the item. Please complete a Speaker's Slip, which is located in the rear of the room, and then present the slip to the Clerk of the Board seated at the front table. Also, members of the public are invited to address the Board on any issue under the agenda item entitled Public Comments/Communications/Member Comments. Speakers are limited to three minutes. The Board of Directors may take action on any item appearing on the agenda.

This agenda and related staff reports can be accessed at www.sandag.org under Meetings on the SANDAG Web site. Public comments regarding the agenda can be forwarded to SANDAG via the e-mail comment form also available on the Web site. E-mail comments should be received no later than 12 noon, two working days prior to the Board of Directors meeting.

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BOARD OF DIRECTORS AGENDA

Friday, June 13, 2008

*****This is a Regular Board Policy meeting and a joint special meeting of the Transportation Committee*****

ITEM #		RECOMMENDATION
1.	<p data-bbox="256 409 1063 441">PUBLIC COMMENTS/COMMUNICATIONS/MEMBER COMMENTS</p> <p data-bbox="256 483 1185 745">Members of the public shall have the opportunity to address the Board and Transportation Committee on any issue within the jurisdiction of SANDAG. Anyone desiring to speak shall reserve time by completing a "Request to Speak" form and giving it to the Clerk of the Board prior to speaking. Public speakers should notify the Clerk of the Board if they have a handout for distribution to Board and Transportation Committee members. Speakers are limited to three minutes. Board and Committee members also may provide information and announcements under this agenda item.</p>	
REPORTS (2 through 4)		
+2.	<p data-bbox="256 861 1185 924">DRAFT FY 2009 TRANSIT AGENCY OPERATING BUDGETS (Karen King, NCTD; Paul Jablonski, MTS)</p> <p data-bbox="256 934 950 955"><i>**Subject to Transportation Committee action only**</i></p> <p data-bbox="256 997 1185 1302">North County Transit District (NCTD) and Metropolitan Transit System (MTS) will present their FY 2009 Budgets in a consistent, summarized format for review and discussion, including any proposed regionally significant service changes. The FY 2009 transit budgets are based on regional funding estimates provided by SANDAG in February 2008 and other operating revenue identified by the transit agencies. Five-year budget projections also will be presented. The Transportation Committee may take action to approve the NCTD and MTS operating budgets for funding at the June 13, 2008, meeting, or on June 20, 2008, with final budgets subject to approval by the respective transit district boards.</p>	DISCUSSION/ POSSIBLE ACTION
+3.	<p data-bbox="256 1344 1185 1438">SECOND READING, FINDINGS RELATED TO AMENDMENTS, AND ADOPTION OF AMENDMENTS TO THE REGIONAL COMPREHENSIVE FARE ORDINANCE (Dan Levy)</p> <p data-bbox="256 1449 844 1470"><i>**Subject to Board of Directors action only**</i></p> <p data-bbox="256 1522 1185 1787">The second reading of amendments to the Regional Comprehensive Fare Ordinance will be held. The amendments include changes to the fares for both MTS and NCTD and include increases for the COASTER, BREEZE, and SPRINTER as well as changes related to MTS Trolley and MTS Senior/Medicare/Disabled cash fares. The Board also will be asked to make findings related to the proposed amendments under the California Environmental Quality Act and Title VI of the Civil Rights Act. Following the findings and second reading, the Board of Directors will be asked to approve the amendments to the Regional Comprehensive Fare Ordinance.</p>	SECOND READING, ADOPT FINDINGS, APPROVE

- +4. TRANSIT FUNDING OPTIONS IN THE SAN DIEGO REGION (Renée Wasmund, Bob Leiter, Jack Boda, SANDAG) DISCUSSION
Subject to Board of Directors and Transportation Committee action

This item provides a summary of various longer-term and short-term options for providing supplemental funding for transit operations in the San Diego region.

5. UPCOMING MEETINGS

The next meeting of the Board of Directors is scheduled for Friday, June 27, 2008, at 9 a.m.

6. ADJOURNMENT

+ next to an agenda item indicates an attachment

* next to an agenda item indicates a San Diego Regional Transportation Commission item

JOINT MEETING OF THE BOARD OF DIRECTORS AND TRANSPORTATION COMMITTEE

June 13, 2008

AGENDA ITEM NO.: **2**

Action Requested: DISCUSSION/POSSIBLE ACTION

DRAFT 2009 TRANSIT AGENCY OPERATING BUDGETS

File Number 7000100

Introduction

Consistent with its role of as the consolidated transportation agency, SANDAG is responsible for approving the transit agency budgets for funding. The Transportation Committee approved the guiding principles and objectives for development of the FY 2009 transit operating budgets on January 18, 2008, and the Board of Directors approved the transit revenue apportionments on February 25, 2008. The guiding principles and revenue apportionments have been used by the transit agencies in preparing their FY 2009 budgets.

Discussion

As identified in the Transition Plan adopted on February 28, 2003, one of SANDAG's responsibilities is to examine the transit agencies' budgets and the budget process in an effort to obtain efficiencies. To help achieve this goal, SANDAG reviews and updates the guiding principles each year (Attachment 1), and provides funding estimates for those revenues distributed through SANDAG. The transit agencies use this information as input into their budget development process. Attachments 2 through 5 contain narrative and numerical summaries of key budget information as presented by North County Transit District (NCTD) and Metropolitan Transit System (MTS).

Karen King, Executive Director, and Richard Hannasch, Director of Fiscal and Support Services for NCTD, and Paul Jablonski, Chief Executive Officer for MTS, will give oral presentations for their respective agencies.

The Transportation Committee may take action to approve the NCTD and MTS operating budgets for funding at the June 13, 2008, meeting, or on June 20, 2008, with final budgets subject to approval by the respective transit district boards.

GARY L. GALLEGOS
Executive Director

Attachments: 1. Guiding Principles and Objectives
2. NCTD Draft Operations Budget Memo
3. NCTD Draft Total Operating Budget FY 2009
4. MTS Draft Operations Budget Memo
5. MTS Draft Operating Budget Revenue Summary

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Guiding Principles and Objectives

(approved by SANDAG Transportation Committee on January 18, 2008)

The following guiding principles and objectives were developed over the last several years and have been reviewed and updated with input from the NCTD and MTS staff.

1. The overarching goal is to work toward achieving a sustainable level of service, whereby recurring revenues are sufficient to cover recurring expenditures and includes a multi-year operating plan as a foundation. When necessary, this approach allows for incremental service reductions, rather than a one-time severe cut in services.
2. On the revenue side, the fare structure should be reviewed each year as part of the budget process, and SANDAG should aggressively pursue new recurring revenue sources as part of the legislative process. The regional fare structure was significantly amended in October 2007. An ongoing fare study is being conducted to develop a more simplified regional fare structure, and a new revenue sharing agreement, including implementation of the Compass Card program. The recommendations from the fare study are scheduled to be available by the end of FY 2008, which may be incorporated into the next fare structure update.
3. The Regional Short Range Transit Plan (RSRTP) will be developed to establish regional productivity guidelines for service, recognizing that areas with different levels of urban development (e.g., urban vs. rural) would have different services and guidelines. The RSRTP also will provide a five-year blueprint for the enhancement of the regional transit system as it becomes a sustainable operation, and will be updated annually.
4. There should be flexibility to readjust services each year to react to changing circumstances (e.g., passage of new federal transportation legislation, changes in revenue received, and changing ridership patterns).
5. It is the responsibility of SANDAG to prepare fund estimates, including allocations, and to provide this information to the transit operators by March 1 of each year. Information will be shared with MTS and NCTD staff prior to March 1, as it becomes available.
6. The transit operators will use a zero-based budget approach for the annual FY 2009 budget, with the use of high and low ranges for FY 2010 through FY 2013. The FY 2010 to FY 2013 projections shall be presented at a highly summarized level. The transit agencies will coordinate with each other to present the information in a consistent format and level of detail, as previously directed by the Transportation Committee.
7. Preserve current service levels as much as possible and evaluate opportunities for cost efficiencies and opportunities for potential implementation of changes as outlined in the Service Implementation Plans. In FY 2008, a joint RSRTP and federally mandated Coordinated Transit & Human Service Transportation Plan are being prepared.
8. Define recurring operating revenue to include the use of up to the maximum amount of TDA, STA, *TransNet*, and federal formula funds for operations. The level of funds to be used for operations is a decision to be made by the transit agencies as they proceed through the budget process and balance operating and capital needs. Recurring operating revenue shall also include passenger fares and any other operating revenues that the transit agency can demonstrate are stable, reliable, and long-term in nature.
9. Provide budget information, financial reporting, and quarterly performance measurements in a standardized format consistent with TDA reporting requirements.



To: SANDAG TRANSPORTATION COMMITTEE/BOARD OF DIRECTORS

Date: June 13, 2008

Subject: NCTD: DRAFT OPERATIONS BUDGET

Budget Impact

None at this time.

DISCUSSION:

NCTD DRAFT BUDGET REVIEW

The following budget has not yet been approved by the NCTD Board of Directors as of June 13, 2008. This budget has been reviewed by NCTD's Board at three budget workshops held in February, March and April and presented in draft form to the full Board on May 15, 2008. The budget information included in this agenda item should be considered preliminary; however, staff does not anticipate any material changes as presented. A public hearing and final budget approval by the NCTD Board of Directors is scheduled for June 19, 2008.

FY 2008 Operational Highlights

NCTD had another eventful year in FY 2008. The COASTER commuter train's ridership grew by 8% as commuters look for an alternative for using I-5 to get through the corridor. Due to popular demand the COASTER now serves every Padres home game and fans have responded by increasing game day ridership by 10%. The BREEZE bus service was reconfigured to better serve the District's new light rail line, which now serves as the backbone for North County's East-West corridor.

By far the biggest news of the year for NCTD was the grand opening and start of revenue service for the SPRINTER in March 2008. After years of planning, three years of construction and the focus of the entire organization, the District opened its new light rail service to enthusiastic public support and strong ridership. The SPRINTER was delivered for a final cost of \$22 million per mile, an amount dramatically lower than other light rail projects in the country.

Budget Highlights

Historical Budgetary Recap

TDA and TransNet revenues comprise over 46% of NCTD's FY 2009 operating budget. Estimates for FY 2008 TDA and TransNet revenues were revised downward twice. In May 2007, NCTD and MTS were notified that estimates would be revised downward significantly for FY 2008 due to lower sales tax revenue estimates. For NCTD, the impact was a reduction in

funding of over \$4 million. To deal with the budget deficit created by the funding shortfall, NCTD and SANDAG agreed to accelerate additional CMAQ funding into FY 2008 which was reflected in NCTD's amended FY 2008 budget approved by NCTD's Board in September 2007. Since CMAQ funding is nonrecurring revenue, this measure was only a short-term fix. In February 2008, SANDAG released new TDA and TransNet estimates for FY 2008 that included an additional reduction of \$1.7 million in operating revenue to NCTD.

Although NCTD controlled discretionary spending in FY 2008 and forecasts year end expenses to be \$2 million less than budget, the reductions in funding described above coupled with skyrocketing fuel costs resulted in a projected deficit for the year. In anticipation of the deficit, NCTD drew down TDA reserves of \$1,650,000. Efforts to reduce expenses during the year resulted in a net deficit of approximately \$1.3 million leaving a residual of \$350,000 as a surplus.

FY 2009 Overview

NCTD staff held budget workshops for the entire Board in February, March, and April. Normally, the budget workshops are held with the Planning Committee who report budget actions and progress to the full Board. However, reduced sales tax forecasts, state budget actions and escalating fuel costs required NCTD to examine short term and long term actions needed to avoid deficits for FY 2009 and for future years. Strategies to take corrective action introduced critical issues that the Planning Committee felt warranted input from the full Board. The Board recommended decisive action regarding fare increases, service reductions, and personnel adjustments to avoid a projected \$3.5 million deficit and, more importantly, allow NCTD to remain financially viable for future years to come.

The projected FY 2009 deficit of \$3.5 million was worsened by the May revise of the state budget, which reduced NCTD's estimated state funding by an additional \$1.9 million. Also, skyrocketing fuel costs during the past several months forced NCTD to increase the estimated fuel costs for FY 2009 by an additional \$1.5 million. To address these pressing issues, the NCTD Board recommended decisive actions:

- Fare increases to COASTER, BREEZE and SPRINTER that will generate an additional \$1.3 million in revenue
- Phased-in service adjustments to BREEZE service that will produce a net savings of approximately \$1.9 million in FY 2009
- Elimination of FAST demand response service that will produce a net savings of approximately \$800K in FY 2009
- Staffing reductions that will produce savings of approximately \$1.1 million in FY 2009
- Restructuring of SPRINTER debt that will produce an annual savings of approximately \$600K
- Restructuring of COASTER security service that will produce an annual savings of approximately \$250K
- Suspension of the Rail 2 Rail Program that will produce an annual savings of approximately \$125K
- Cost reductions in all departments totaling approximately \$800K

Without these changes to fares, service levels, and staffing, NCTD faced mounting budget deficits over the next several fiscal years, increasing to a projected \$10 million shortfall by FY 2012. Although the service changes will result in a decrease of total revenue service hours in

FY 2009, total system ridership is still projected to increase 778,000 riders to 13,412,000, an increase of over 6% from FY 2008.

The FY 2009 draft budget includes proposed fare increases for the BREEZE, SPRINTER, and COASTER services. For example, BREEZE and SPRINTER day passes are proposed to increase \$.50 to \$4.50. Single trip tickets will remain at \$2.00. COASTER single trip fares will increase \$.50 effective July 1 and another \$.50 effective January 1, 2009. COASTER monthly passes will increase \$14 effective July 1 and another \$14 (\$15 for Zone 1) effective January 1, 2009.

Proposed service reductions include eliminating FAST, NCTD's demand response service. This service currently incurs an annual cost of \$1.1 million yet generates only \$80,000 in annual fare revenue. BREEZE fixed route bus service changes include reducing Saturday service levels on selected routes to Sunday/holiday service levels, discontinuing selected low performing routes, and reducing frequency on other routes. These service changes will be phased in during August 2008 and January 2009 and result in a net cost savings to NCTD of \$1.9 million for FY 2009. For fiscal year 2010, the total net annual cost savings is projected at \$3.4 million.

The FY 2009 budget also includes a staff reduction plan. The service reductions described above impact headcount in operating units. Other personnel actions include ending limited term positions and eliminating administrative positions across the organization, including several senior management positions.

Operating expenditures are budgeted to increase by \$8 million or 9.7% over FY 2008 estimated actual. While this increase appears significant, it is all attributed to the planned incremental cost of providing SPRINTER service for an entire year in FY 2009 and increased fuel costs, reflecting considerable budget restraint and budget reductions in other areas of NCTD. Total fuel costs are projected to increase from \$8 million to \$11.9 million or 47% from FY 2008. Fuel now represents over 13% of NCTD's total operating budget compared to 8% just 2 years ago. The draft FY 2009 budget includes diesel at \$4.05/gallon excluding taxes. CNG fuel costs are stable due to a long term contract through June, 2010 that locks in the commodity cost at \$.64/therm for FY 2009. Compression costs are estimated at approximately \$.44/therm for a total CNG cost of \$1.08/therm.

Ridership for BREEZE service in FY 2009 is projected to decrease 16% compared to FY 2008 estimated actual as a combined result of the proposed fare increases, the elimination of duplicative routes with the SPRINTER, and the service reductions described earlier. ADA Paratransit ridership is projected to decrease 5.7% as more riders complete mobility training to ride fixed route service. COASTER ridership is projected to increase 3.0% from FY 2008 estimated actual. This conservative estimate considers possible lost ridership due to proposed fare increases for the COASTER. SPRINTER ridership, reflecting an entire year of service, is projected to increase over 200% from FY 2008 estimated actual. Even though total revenue service hours are projected to decrease in FY 2009, total system ridership is projected to increase 778,000 riders to 13,412,000, an increase of 6.2% from FY 2008 estimated actuals.

TDA and TransNet funding are based on February 2008 estimates from SANDAG. Federal Funding (Section 5307 and Section 5309) is based on February 2008 estimates provided by SANDAG and published in the Federal Register.

Estimates of state funding have been particularly volatile in the past few months. Based on the governor's budget released in January 2008, SANDAG estimated that NCTD was eligible to receive \$10.5 million in state funding, comprised of \$4.3 million in spillover funding and \$6.2

million in formula funding. Based on past state actions, NCTD chose to be conservative and originally budgeted only the formula funding of \$6.2 million. Of the projected \$6.2 million, \$3.3 million was programmed as the local match for the CIP budget, and \$2.9 million was programmed in the operating budget. Unfortunately, the May revise of the state budget indicates that the \$6.2 million in formula funding will be reduced to \$4.3 million. Accordingly, NCTD has adjusted its STA amount for operations to reflect this reduction from \$2.9 million to \$1.0 million. The \$1.9 million reduction eliminated the planned \$1.8 million surplus budgeted for FY 2009. The surplus was intended to replenish the TDA reserves used in FY 2007/8 to compensate for the downturn in sales tax revenue.

NCTD's unconstrained CIP budget for 2009 is \$39,967,000. However, only \$17,813,000 is available for the current fiscal year, leaving \$22,154,000 unfunded. Capital project needs are unmet every year, widening the funding gap on an accumulated basis. Sources for capital funding must be identified and secured if we are to continue to provide the levels of service our riders expect and if we are to remain viable to help in our region's future mobility needs.

FY 2009 Total Operating Budget – Attachment 5A

The total budgeted revenue for FY 2009 is projected at \$91,785,022 and the total budgeted expenses are projected at \$91,785,022 resulting in a balanced budget for the year. Total revenue is projected at 9.3% higher than FY 2008 estimated actual and total expenses are projected at 9.7% higher than FY 2008 estimated actual.

FY 2009 Revenue Summary – Attachment 5B

Operating Revenue

- 1. Passenger fares** - Total fare revenue is projected to increase \$2,789,290 or 15.6% compared to the FY 2008 estimated actual. This increase is primarily due to fare increases for BREEZE, SPRINTER, and COASTER and due to new fare revenue generated by the SPRINTER operating for an entire year.
- 2. Auxiliary Revenue** – This category includes advertising, shared use, dispatch, and concession revenue. The FY 2009 budget shows a projected increase of \$274,240 or 3.7% which is primarily due to additional concession revenue from SPRINTER stations.
- 3. Non-transportation Revenue** – This category includes lease revenue, permit and administrative fee revenues and other miscellaneous revenues. The category in total is expected to decrease \$73,439 or 4.4% from FY 2008 estimated actual but is \$250,000 higher than the FY 2008 budget. FY 2008 includes a one time amount of \$60K received in proceeds from a Microsoft settlement. FY 2009 includes \$200K in CNG tax rebates, a new revenue source for NCTD.

Grant Revenue

- 4. Federal Formula Funds** – The amount for FY 2009 is based on revenue estimates provided by SANDAG and published in the Federal Register. The apportionment of 5307 formula funds to NCTD for FY 2009 is \$16,213,200 and the apportionment of 5309 funds is \$5,814,900 for a total of \$22,028,100. This revenue is used to both fund capital projects and support operations. The amount allocated to support operations for FY 2009 is \$11,420,000, an increase of \$633,940 or 5.9%.

5. **Other Federal Funding** –Two grants will support and enhance NCTD’s ADA Paratransit service. The MAA (Medi-Cal Administrative Activities) reimbursement program is estimated to provide \$450K for NCTD’s contracted expenses, and the New Freedom Mobility grant will support mobility travel training in the amount of \$44K. A third funding source is JARC (Job Access Reverse Commute) which is estimated at \$156K for FY 2009.
6. **TDA Revenue 4.0** – NCTD’s total allocation of TDA funding is based on revenue estimates provided by SANDAG. For FY 2009, TDA 4.0 allocated to NCTD is \$31,317,000, less \$27,000 for regional planning/capital projects and less \$525,000 for functions transferred to SANDAG, leaving a total of \$30,765,000 for use by NCTD. The total amount for FY 2009 will be used exclusively to support operations. The total increase for FY 2009 compared to FY 2008 estimated actual is projected at \$1,390,874 or 4.7%.

TDA Revenue 4.5 – For FY 2009, TDA 4.5 is also used to support operations but must be used exclusively for disabled and senior services. NCTD’s total projected funding is \$1,591,000 of which \$303,000 will be used for capital and \$1,288,000 for operations.
7. **State Grants – STA** – As noted above, estimates of state funding have been particularly volatile in the past few months. Based on the governor’s budget released in January 2008, SANDAG estimated that NCTD was eligible to receive \$10.5 million in state funding, comprised of \$4.3 million in spillover funding and \$6.2 million in formula funding. Based on past state actions, NCTD chose to be conservative and originally budgeted only the formula funding of \$6.2 million. Of the projected \$6.2 million, \$3.3 million was programmed as the local match for the CIP budget, and \$2.9 million was programmed in the operating budget. Unfortunately, the May revise of the state budget indicates that the \$6.2 million in formula funding will be reduced to \$4.3 million. Accordingly, NCTD has adjusted its STA amount for operations to reflect this reduction from \$2.9 million to \$1.0 million.
8. **Other State Grants** – The amount in this category represents three CalTrans grants. One is a new grant for \$50,000 for Hispanic Outreach related to the introduction of SPRINTER service, one is for \$75,000 for Transit Oriented Development, and the last is a grant for \$8,000 for double track mitigation.
9. **TransNet** – FY 2009 is the first year of TransNet II. Of the total \$11,108,240 budgeted for FY 2009, \$11,064,000 represents NCTD’s FY 2009 allocation and \$44,240 is a TransNet senior mini grant for mobility.
10. **Local operating grants – other** – There is no amount for this category for FY 2009.

Non-Operating Revenue

11. The amount for FY 2009 is projected to decrease by \$12,474 from the FY 2008 estimated actual. The decrease is primarily due to less projected investment income.

Non-Recurring Revenue

12. This category reflects the use of CMAQ (Congestion Mitigation and Air Quality) funding in the amount of \$5,500,000. CMAQ funding is available for a three-year period to support operating costs when a new operating mode comes online.

FY 2009 Expense Summary – Attachment 5C

1. **Salaries and Wages** - Salaries and wages for FY 2009 are projected to decrease by \$773,643 or 3% as a result of restructuring and staff reductions.
2. **Employee Benefits** – Benefits are projected to decrease \$952,611 or 7.3% for FY 2009 due to the reasons listed above.
3. **Professional Services/Reimbursements** – The increase for FY 2009 is \$3,365,072 or 26%. This increase is mainly due to a full year of SPRINTER operations which includes additional contracted security services (\$1.1M) and railway maintenance (\$2.0 M). Also included in this category is the reimbursable portion of professional service expenses and various expense allocations.
4. **Fuel and Taxes** – This category includes all lubricants, gasoline, diesel fuel, CNG and related fuel taxes. The increase is \$3,818,284 or 47%. The FY 2009 budget for diesel is currently set at \$4.05/gallon excluding taxes. The FY 2008 budget was \$2.36/gallon. The FY 2009 budget includes 557,000 gallons of diesel for SPRINTER service and a decrease for bus fuel due to reduced BREEZE service. NCTD's total estimated diesel consumption for FY 2009 is 2.4 million gallons; every \$0.10 increase in a gallon of diesel results in a \$260,000 increase in annual fuel expense.

NCTD currently has a 5 year contract for CNG fuel that keeps the commodity price at a fixed price/therm through June, 2010. The FY 2009 price is \$.64/therm plus compression costs of approximately \$.44/therm for a total of \$1.08/therm.
5. **Materials and supplies** – This category includes revenue service vehicle spare parts, office supplies, advertising, and all printed media for NCTD and is projected to increase \$153,735 or 5.0% for FY 2009, primarily due to printed material for the SPRINTER.
6. **Utilities** – The increase for FY 2009 is \$405,710 or 23.5% and is primarily due to an entire year of utilities for the new SPRINTER vehicle maintenance facility and new SPRINTER stations.
7. **Casualty and Liability** – This category is projected to decrease \$1,210,694 or 24.2% from the FY 2008 estimated actual. FY 2008 included several legal actions that are not expected to recur in FY 2009.
8. **Purchased Transportation** – This category shows an increase of \$2,821,247 or 24.6% and is a combination of two items. FAST service will be discontinued in FY 2009 and will reduce purchased transportation by \$900,000. Also, SPRINTER purchased transportation for FY 2009 is for an entire year compared to 3.5 months in FY 2008.

9. **Advertising and Misc.** – This category shows an increase for FY 2009 in the amount of \$165,145 or 32.8%. This change is related to increased marketing costs for the SPRINTER.
10. **Leases and rentals** – This category shows an increase of \$49,942 or 11.2% and is related to increased leasing costs of repeater and other communications sites and the MOW facility.
11. **Workers' Compensation** – This category shows a decrease of \$145,901 or 10.8% from FY 2008 estimated actual.
12. **Debt Service** – This expense in past years represented the costs of administering the auction rate securities for the SPRINTER debt. FY 2009 also includes a full year's interest expense for the debt that was previously capitalized during SPRINTER construction.

Five Year Projections – Attachment 5E

Attachment 5E shows NCTD's operating budget through fiscal year 2013. Passenger fare revenues are projected to increase three to five percent over the next four years, primarily due to increased SPRINTER ridership. Grant revenue is based on SANDAG estimates using mid point revenue projections for TDA and TransNet II funding. STA funding is based on conservative low point estimates provided by SANDAG. Federal formula funding is based on the Federal Register. Most expenses are projected to increase approximately 3% per year with adjustments for renegotiated labor and service contracts. Fuel costs are projected to increase 5% per year. CMAQ funding is scheduled to end in FY 2010, leaving a significant funding gap in FY 2011 and beyond.

**NORTH COUNTY TRANSIT DISTRICT
TOTAL OPERATING BUDGET
DRAFT FY 2009 BUDGET**

Attachment 3A

() indicates unfavorable variance

	FY 2007 Actual	FY 2008 Budget	FY 2008 Estimated Actual	FY 2009 DRAFT Budget	\$ Variance FY09 Budget to FY08 Est. Actual	% Variance FY09 Budget to FY08 Est. Actual
REVENUE						
Passenger Fares	\$ 16,527,926	\$ 18,250,046	\$ 17,886,705	\$ 20,675,995	\$ 2,789,290	15.6%
Other Operating Revenue	8,401,537	8,639,764	8,996,919	9,197,720	200,801	2.2%
Total Operating Revenue	\$ 24,929,463	\$ 26,889,810	\$ 26,883,624	\$ 29,873,715	\$ 2,990,091	11.1%
Grant Revenue ¹	50,215,576	50,600,066	49,451,856	56,392,307	6,940,451	14.0%
Other Non-operating Revenue	82,038	125,033	24,974	19,000	(5,974)	(23.9%)
Non-recurring Revenue	843,337	8,000,000	7,650,000	5,500,000	(2,150,000)	(28.1%)
TOTAL REVENUE	\$ 76,070,414	\$ 85,614,909	\$ 84,010,454	\$ 91,785,022	\$ 7,774,568	9.3%
EXPENSES						
Salaries and Wages	\$ 23,691,377	\$ 25,316,631	\$ 24,810,985	\$ 24,077,342	733,643	3.0%
Employee Benefits	12,549,333	13,034,339	13,077,940	12,125,329	952,611	7.3%
Professional Services/Reimb	11,139,563	15,495,278	12,945,770	16,310,842	(3,365,072)	(26.0%)
Materials and Supplies	8,599,758	9,607,472	10,665,096	14,369,879	(3,704,783)	(34.7%)
Utilities	1,419,684	1,866,000	1,726,532	2,132,242	(405,710)	(23.5%)
Casualty and Liability	3,395,131	4,168,442	5,002,603	3,791,909	1,210,694	24.2%
Taxes	351,335	505,950	562,646	829,882	(267,236)	(47.5%)
Purchased Transportation	9,856,425	12,200,687	11,455,073	14,276,320	(2,821,247)	(24.6%)
Advertising and Misc.	420,814	619,064	503,439	668,584	(165,145)	(32.8%)
Leases and Rentals	385,570	482,805	445,546	495,488	(49,942)	(11.2%)
Workers' Comp	800,601	1,550,000	1,345,901	1,200,000	145,901	10.8%
Debt Related	156,437	768,241	1,116,005	1,507,205	(391,200)	(35.1%)
TOTAL EXPENSES	\$ 72,766,028	\$ 85,614,909	\$ 83,657,536	\$ 91,785,022	\$ (8,127,486)	(9.7%)
ANNUAL SURPLUS (DEFICIT)	\$ 3,304,386	\$ -	\$ 352,918	\$ -		

¹ These amounts based on February 2008 estimates from SANDAG

**NORTH COUNTY TRANSIT DISTRICT
OPERATING BUDGET
REVENUE SUMMARY
DRAFT FY 2009 BUDGET**

Attachment 3B

		() indicates unfavorable variance					
				FY 2008	FY 2009	\$ Variance	% Variance
Notes	FY 2007	FY 2008	Estimated	DRAFT	FY09 Budget to	FY09 Budget to	
	Actual	Budget	Actual	Budget	FY08 Est. Actual	FY08 Est. Actual	
OPERATING REVENUE							
1	\$ 16,527,926	\$ 18,250,046	\$ 17,886,705	\$ 20,675,995	\$ 2,789,290		15.6%
2	7,069,393	7,286,200	7,318,494	7,592,734	274,240		3.7%
3	1,332,144	1,353,564	1,678,425	1,604,986	(73,439)		(4.4%)
	\$ 24,929,463	\$ 26,889,810	\$ 26,883,624	\$ 29,873,715	\$ 2,990,091		11.1%
GRANT REVENUE							
4	\$ 9,139,801	\$ 9,990,000	\$ 10,786,060	\$ 11,420,000	\$ 633,940		5.9%
5	48,731	968,412	790,454	650,615	(139,839)		(17.7%)
6	30,532,992	30,971,180	29,374,126	30,765,000	1,390,874		4.7%
6	1,551,000	1,646,000	1,550,570	1,288,000	(262,570)		(16.9%)
7	3,492,000	1,831,833	1,831,833	1,027,261	(804,572)		(43.9%)
8	143,754	160,000	86,172	133,191	47,019		54.6%
9	5,262,320	5,032,641	5,032,641	11,108,240	6,075,599		120.7%
10	44,978	-	-	-	-		0.0%
	\$ 50,215,576	\$ 50,600,066	\$ 49,451,856	\$ 56,392,307	\$ 6,940,451		14.0%
NON-OPERATING REVENUE							
11	\$ 191,597	\$ 50,000	\$ 22,474	\$ 10,000	\$ (12,474)		(55.5%)
	(109,559)	19,728	2,500	9,000	6,500		260.0%
	-	55,305	-	-	-		0.0%
	\$ 82,038	\$ 125,033	\$ 24,974	\$ 19,000	\$ (5,974)		(23.9%)
NON-RECURRING REVENUE							
12	\$ -	\$ 8,000,000	\$ 6,000,000	\$ 5,500,000	\$ (500,000)		N/A
	843,337	-	1,650,000	-	(1,650,000)		(100.0%)
	\$ 843,337	\$ 8,000,000	\$ 7,650,000	\$ 5,500,000	\$ (2,150,000)		(28.1%)
TOTAL REVENUE							
	\$ 76,070,414	\$ 85,614,909	\$ 84,010,454	\$ 91,785,022	\$ 7,774,568		9.3%

¹ These amounts based on February 2008 estimates from SANDAG

**NORTH COUNTY TRANSIT DISTRICT
OPERATING BUDGET
EXPENSE SUMMARY BY CLASSIFICATION
DRAFT FY 2009 BUDGET**

Attachment 3C

() indicates unfavorable variance

	Notes	FY 2007 Actual	FY 2008 Budget	FY 2008 Estimated Actual	FY 2009 DRAFT Budget	\$ Variance FY09 Budget to FY08 Est. Actual	% Variance FY09 Budget to FY08 Est. Actual
EXPENSES							
Salaries and Wages	1	\$ 23,691,377	\$ 25,316,631	\$ 24,810,985	\$ 24,077,342	\$ 733,643	3.0%
Employee Benefits	2	12,549,333	13,034,339	13,077,940	12,125,329	\$ 952,611	7.3%
Professional Services/Reimbursements	3	11,139,563	15,495,278	12,945,770	16,310,842	\$ (3,365,072)	(26.0%)
Fuel and Taxes	4	6,128,065	7,275,902	8,152,174	11,970,458	\$ (3,818,284)	(46.8%)
Materials and Supplies	5	2,823,028	2,837,520	3,075,568	3,229,303	\$ (153,735)	(5.0%)
Utilities	6	1,419,684	1,866,000	1,726,532	2,132,242	\$ (405,710)	(23.5%)
Casualty and Liability	7	3,395,131	4,168,442	5,002,603	3,791,909	\$ 1,210,694	24.2%
Purchased Transportation	8	9,856,425	12,200,687	11,455,073	14,276,320	\$ (2,821,247)	(24.6%)
Advertising and Misc.	9	420,814	619,064	503,439	668,584	\$ (165,145)	(32.8%)
Leases and Rentals	10	385,570	482,805	445,546	495,488	\$ (49,942)	(11.2%)
Workers' Compensation	11	800,601	1,550,000	1,345,901	1,200,000	\$ 145,901	10.8%
Debt Service	12	156,437	768,241	1,116,005	1,507,205	\$ (391,200)	(35.1%)
TOTAL EXPENSES		\$ 72,766,028	\$ 85,614,909	\$ 83,657,536	\$ 91,785,022	\$ (8,127,486)	(9.7%)

**NORTH COUNTY TRANSIT DISTRICT
OPERATING BUDGET
EXPENSE SUMMARY BY TRANSPORTATION MODE
DRAFT FY 2009 BUDGET**

Attachment 3D

() indicates unfavorable variance

	FY 2007 Actual	FY 2008 Budget	FY 2008 Estimated Actual	FY 2009 DRAFT Budget	\$ Variance FY09 Budget to FY08 Est. Actual	% Variance FY09 Budget to FY08 Est. Actual
EXPENSES						
Fixed Route & FAST	\$ 46,409,439	\$ 47,598,018	\$ 49,717,617	\$ 45,353,036	\$ 4,364,581	8.8%
ADA/Paratransit	3,623,888	3,743,578	3,708,492	3,826,275	\$ (117,783)	(3.2%)
Coaster	17,809,005	17,942,038	17,866,479	20,287,670	\$ (2,421,191)	(13.6%)
Coastal Railroad	3,383,751	2,950,671	2,968,088	2,668,156	\$ 299,932	10.1%
Sprinter	1,012,934	11,822,749	8,381,782	18,990,094	\$ (10,608,312)	(126.6%)
Inland Railroad	527,010	1,557,855	1,015,078	659,791	\$ 355,287	35.0%
TOTAL EXPENSES	\$ 72,766,027	\$ 85,614,909	\$ 83,657,536	\$ 91,785,022	\$ (8,127,486)	(9.7%)

**NORTH COUNTY TRANSIT DISTRICT
OPERATING BUDGET
FIVE-YEAR PROJECTIONS
DRAFT FY 2009 BUDGET**

Attachment 3E

REVENUE:	FY 2008 Estimated Actual	FY 2009 DRAFT Budget	FY 2010 Projected	FY 2011 Projected	FY 2012 Projected	FY 2013 Projected
Passenger fares	17,886,704	20,675,995	21,225,118	21,633,901	22,722,127	23,240,262
Auxiliary revenues	7,318,494	7,592,734	7,744,589	7,822,035	7,939,365	8,098,152
Non-transportation revenues	1,678,425	1,604,986	1,636,991	1,669,633	1,694,478	1,728,266
Operating Revenue	\$ 26,883,623	\$ 29,873,715	\$ 30,606,698	\$ 31,125,569	\$ 32,355,970	\$ 33,066,680
Recurring Non-Operating Revenue	24,974	19,000	19,475	19,962	20,461	20,972
Recurring Grant Revenue¹	49,451,857	56,392,307	60,007,120	62,620,125	65,180,650	67,988,550
TOTAL RECURRING REVENUE	76,360,454	86,285,022	90,633,293	93,765,656	97,557,081	101,076,202
TOTAL RECURRING OPERATING EXPENSES	83,657,536	91,785,022	93,374,064	96,559,014	102,076,745	105,427,863
NON RECURRING REVENUES:						
CMAQ	6,000,000	5,500,000	4,500,000	-	-	-
TDA Carryover	1,650,000					
TOTAL NON RECURRING REVENUES	7,650,000	5,500,000	4,500,000	-	-	-
ANNUAL OPERATING SURPLUS (DEFICIT)	\$ 352,918	\$ -	\$ 1,759,229	\$ (2,793,358)	\$ (4,519,664)	\$ (4,351,661)

¹ These amounts based on February 2008 estimates from SANDAG

NORTH COUNTY TRANSIT DISTRICT
FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM SUMMARY - BASELINE
FISCAL YEARS 2009 - 2012
in 000's

Funding Source	DRAFT Budget FY09	Projected FY10	Projected FY11	Projected FY12	Projected FY13	Projected Five Year
Federal Formula Program 5307	\$16,213	\$17,186	\$17,874	\$18,589	\$19,332	\$89,195
Local Match for 5307	4,053	4,297	4,469	4,647	4,833	22,299
Federal Formula Program 5309 Rail Modernization	5,815	6,164	6,410	6,667	6,934	31,990
Local Match for 5309	1,454	1,541	1,603	1,667	1,734	7,998
5311 (f) rural funds	689	349	356	363	363	2,121
Local match for rural funds	172	87	89	91	91	530
Jobs Access and Reverse commute (JARC)	249	534				783
Local Match for JARC	62	134	-	-	-	196
5307 reprogrammed for San Luis Rey	3,200	-	-	-	-	3,200
Preventive Maintenance/Planning/ADA Paratransit	(14,094)	(14,736)	(15,513)	(16,503)	(16,999)	(77,845)
ACM	-	(188)	(188)	(188)	(188)	(752)
Total Funding Available for Baseline CIP	\$ 17,813	\$ 15,368	\$ 15,100	\$ 15,333	\$ 16,100	\$ 79,713
Total Project Needs	39,967	29,135	16,130	23,733	16,232	125,197
Total Deficit	\$ (22,154)	\$ (13,767)	\$ (1,030)	\$ (8,400)	\$ (132)	\$ (45,484)
% of Funding / Needs	45%	53%	94%	65%	99%	64%
Total Accumulated Deficit		\$ (35,921)	\$ (36,951)	\$ (45,351)	\$ (45,484)	



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To: SANDAG TRANSPORTATION COMMITTEE/BOARD OF DIRECTORS
 Date: June 13, 2008
 Subject: MTS: DRAFT OPERATIONS BUDGET

Budget Impact

None at this time.

DISCUSSION:

MTS BUDGET STATUS REVIEW

Staff is preparing to hold a public hearing and request final budget approval from the MTS Board of Directors on June 12, 2008.

Historical Recap – Operations / Budget

As a recap of the current financial position and objectives for MTS, the following is a review of historical operations and budgetary information over the past few years.

Fiscal Year 2008 Operational Highlights

- Comprehensive Operational Analysis (COA)

The objective of the COA, which began in fiscal year 2006, was to evaluate and restructure MTS services and operations to more efficiently and effectively serve the region's transit needs and meet regional transportation goals within the constraints of the current financial and operating environment. Through this analysis, MTS was able move closer to system sustainability by providing a competitive and integrated network of transit services that focused on customer needs and demand.

The implementation of the COA was broken out into two phases with the final phase completed in March 2007. MTS viewed this significant restructuring as a long-term solution in achieving its transportation goals, and has experienced significant positive results.



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

- Bus Procurements

In January 2008, the MTS Board of Directors approved a five-year contract with New Flyer of America for the procurement of up to 20 35-foot “Super Loop” buses and up to 350 40-foot compressed natural gas (CNG) buses. This negotiated “best value” procurement process resulted in lower costs, better value, and more manufacturer interest.

This multiyear procurement provides for rapid replacement of older vehicles as funding becomes available. MTS will procure approximately 50 40-foot buses within fiscal year 2009, which will replace 1991 diesel and 1995 CNG buses. These new buses will provide MTS a reduction in maintenance costs, increased fuel mileage, and better customer appeal.

Within this procurement, MTS has the opportunity in contract years 2 through 4 to select an option of 40-foot gasoline hybrid-electric vehicles. The propulsion system for this option was developed in Poway, California by ISE Corporation. This is the only commercially available gasoline hybrid-electric drive for buses and produces very low NOx emissions (CARB certified 0.6g/bhp-hr, testing at 0.4g/bhp-hr, goal of reducing to 0.2g/bhp-hr by 2010). MTS could also realize lower maintenance costs than standard diesel buses as Siemens electrical components and energy storage may not require replacement according to the manufacturer.

In April 2008, the MTS Board of Directors approved awarding 26 CNG-powered, 60-foot articulated buses. This procurement was awarded to North American Bus Industries (NABI) who is the only manufacturer to produce a CNG-powered articulated vehicle. These sleek-looking vehicles will be replacing diesel buses that are up to 16 years old and will enable MTS to reduce emissions as well as operating maintenance costs.

- Amalgamated Transit Union (ATU) Agreement

MTS staff negotiated and finalized a 5-year agreement with the Amalgamated Transit Union (ATU) in this tough economic environment. This deal included concessions by ATU in agreeing to change dozens of work rules that will help management run a more cost-effective operation. In exchange, the money generated from these savings will allow MTS the flexibility to increase bus operator pay, maintain current benefit levels, and ensure labor harmony for several more years.

Specifically, MTS was able to negotiate changes that will improve its ability to recruit bus operators and enable management to reduce absenteeism, overtime, and lost work as well as improve bus service to its passengers.

- Five Hundred Million Trolley Passengers

MTS made history on Thursday, May 8, when the five hundred millionth rider, Elsa Padilla of Chula Vista boarded the San Diego Trolley Blue Line for her trip to work. The lucky five hundred millionth rider arrived downtown at approximately 1 p.m. and is a perfect rider representative for Trolley and MTS riders. Ms. Padilla owns a car but chooses to ride with MTS. She lives in Chula Vista along the Blue Line and has been a faithful Trolley rider for 15 years. While it took approximately 27 years to reach five hundred million passengers, MTS projects that it will double its total ridership over the next 12 years and reach its one billionth rider by 2020.

Historical Budgetary Recap

The long-term ongoing goal of the MTS operating budget is to fund operations utilizing recurring revenues. As a frame of reference, the 2005 fiscal year operating budget was funded utilizing \$15 million of nonrecurring revenues with \$8.2 million coming from contingency reserves.

Through significant operational and fiscal management, fiscal year 2007 proved to be the first year in recent history where MTS achieved a balanced operating budget only using recurring revenues. During the budget development, recurring revenues exceeded recurring expenses and the MTS Board of Directors shifted over \$2 million into the Capital Improvement Program (CIP). At fiscal year's end, MTS experienced positive budgetary variances totaling \$7.5 million, which was shifted into the MTS contingency reserve.

Late in the 2007 fiscal year, SANDAG informed MTS that sales tax receipts were lower than anticipated for fiscal year 2007, and that the trend would continue through fiscal year 2008. Lower available home equity and declines in the construction, housing, and auto sectors of the economy contributed to lower-than-anticipated sales tax receipts. This decline impacted MTS's amount of TransNet and Transportation Development Act (TDA) revenues that together make up approximately 47 percent of MTS's operating revenue. The initial projection was an \$8.1 million decrease in TDA and TransNet funding for fiscal year 2008. To balance the 2008 fiscal year budget, adjustments had to be made in all areas of the organization: nonfare revenue, expense savings, benefits, fares, and service. Due to the timing of information regarding this funding shortfall, the implementation of these recommendations was projected to generate \$5.7 million in savings. Carryforward savings from fiscal year 2007 totaling approximately \$2.4 million were projected to be needed to balance the fiscal year 2008 budget.

During the 2008 fiscal year, sales tax revenues continued to decline resulting in another significant reduction in TDA and TransNet subsidy revenues. These funding sources were projected to drop an additional \$6.3 million in fiscal year 2008 (a \$14.4 million reduction compared to fiscal year 2007 levels). MTS projected \$8.8 million of the \$14.4 million shortfall would be saved by the MTS Board-approved initiatives, primarily within nonsubsidy revenue and expenses and also strong fiscal budget management by staff. The MTS Board approved the use of \$5.6 million in carryforward savings from fiscal year 2007 to balance the budget. Staff's latest projections indicate a \$2.5 million to \$3 million favorable variance to budget for fiscal year 2008. This will reduce the carryforward revenue needs for fiscal year 2008 to approximately \$3 million.

While MTS continues to struggle to match recurring revenues with recurring expenses and balance our operating budget, capital needs for the agency continue to grow. The MTS system contains infrastructure worth billions of dollars and as time continues, rehabilitation and replacement of these important assets are critical. MTS continues to have a significant disparity between funding levels and project needs.

While fiscal year 2009 includes a significant funding infusion with Proposition 1B, STA, federal earmarks, Transit Security Grant Program, and CNG fuel credits, MTS's needs were still greater than funding availability. Attachment 3F presents an analysis of the fiscal year 2009 MTS Board-approved CIP and a forecast of the following four fiscal years.

The latest state budget proposal reduced MTS's STA funding levels designated for the fiscal year 2010 CIP by approximately \$48 million. Revenues are expected to range from \$32.4 million in fiscal year 2010 to \$40.1 million in fiscal year 2013. As MTS's capital needs continue over the next four years, staff is projecting just over \$380 million in total needs and forecasting a 58 percent funding-to-needs ratio.

Review of MTS Financial Status

Staff began the fiscal year 2009 budgetary process in November 2007. In April 2008, staff presented a budget shortfall of \$6.5 million to the MTS Budget Development Committee (BDC), MTS Executive Committee (EC), and MTS Board of Directors. This was primarily due to continued reductions in TDA and TransNet revenues. In May 2008, the MTS Board of Directors was presented a scenario and options to close this \$6.5 million shortfall with adjustments to recurring revenue and recurring expenses in four categories: nonfare revenue, personnel, fares, and service.

1. Nonfare Revenue Adjustments – Options included a short-term funding proposal by SANDAG of the Sorrento Valley Coaster Connection and an increase to advertising revenue achieved by exercising the five-year option on the CBS outdoor shelter advertising contract.
2. Personnel Adjustments – The scenario presented included options to eliminate several open positions, continue freezing positions from fiscal year 2008, make additional staff reductions, and cap the annual merit increase pool to 2.5%.
3. Fare Adjustments – Staff presented the new trolley fare structure proposal by SANDAG as well as an increase to the age eligibility for senior fares from 60 to 65.
4. Service Adjustments – The scenario presented included two tiers of route adjustments for FY 09.

The MTS Board of Directors approved the initiatives proposed. As part of the budget closure, the following categories were addressed: State Transit Assistance funding, Sorrento Valley Coaster Connection, trolley fares, service changes, and energy.

State Transit Assistance (STA)

In fiscal year 2007, the total amount of STA funds totaled \$28.6 million. Internally, MTS distributed \$11.0 million to the operating budget (based upon the "recurring" portion of STA) and just over \$17.6 million to the capital budget (based upon the spillover funding and Proposition 42 payback). Spillover and Proposition 42 funds have historically been volatile, unreliable sources of revenue due to State of California legislative actions. In fiscal year 2008, STA funds totaled \$14.6 million. MTS distributed \$9.4 million to the operating budget and \$5.2 million to capital.

By law, STA projections for fiscal year 2009 totaled approximately \$62 million. In order for the governor and legislative bodies to balance the state budget, MTS's allocation of STA funds dropped by \$48 million, which is approximately a 77% reduction. As a result, no STA funds will be incorporated in MTS's fiscal year 2010 capital program.

Sorrento Valley Coaster Connection

Fiscal year 2008 is the last year of the agreement between the Air Pollution Control District (APCD) and MTS for subsidizing the Sorrento Valley Coaster Connection routes. This service costs MTS approximately \$1,139,000 per fiscal year to operate and, in fiscal year 2008, MTS received \$539,000 and \$193,000 in subsidy from APCD and Caltrans respectively.

With the elimination of this funding source, SANDAG and MTS staffs proposed a short term solution for continuing this service for a portion of fiscal year 2009. The proposal includes a new fare of \$1 per trip as well as obtaining Jobs Access Reverse Commute (JARC) funding to help subsidize this service. MTS staff will analyze all aspects of this service and reevaluate long-term solutions for its continuance.

Trolley Fares

As part of SANDAG's regional fare study, a number of proposals concerning trolley fares are being evaluated. The goal of this exercise will be to simplify the fare structure for passengers as well as generate additional fare revenues.

Service Changes

In order to balance recurring expenses with recurring revenues, MTS staff reviewed and compiled a two-tiered list of service adjustments. Tier 1 adjustments include normal course changes aimed at system improvements. Tier 2 adjustments are primarily focused on frequency adjustments on weekends, nights, and holidays aimed at generating operational efficiencies and budget savings.

Energy

As detailed in Attachment 3G, energy prices over the past several fiscal years have continued to rise. The 2005 fiscal year actual rates for CNG and diesel for the MTS system were \$1.06 per therm and \$1.68 per gallon, respectively. In staff's proposed fiscal year 2009 operating budget, the MTS system budgeted rates are \$1.47 per therm for CNG and \$3.29 per gallon for diesel. This is a 39% increase in rates for CNG and a 124% increase in diesel rates compared to fiscal year 2005 actuals. Total MTS energy expenses for fiscal year 2009 are budgeted at \$30.5 million compared to \$20.9 million in fiscal year 2005, a difference of \$9.6 million.

For reference, an increase of \$0.01 per gallon of diesel has an operating impact of approximately \$18,000. An increase of \$0.01 per therm of CNG has an operating impact of approximately \$81,000.

Approximately 87% of all San Diego Transit Corporation operations are operated using CNG.

FY 2009 Overview

As indicated within Attachment 3B, the fiscal year 2009 total budgeted revenues is projected at \$229,672,000, and total projected expenses are budgeted at \$229,672,000, resulting in a balanced budget for fiscal year 2009. These fiscal year 2009 figures include no contingency reserve utilization.

- FY 2009 Revenue

Please refer to Attachment 3A for a summary of fiscal year 2009 budgeted revenues.

- FY 2009 Operating Revenues

Combined passenger revenue for fiscal year 2009 is projected to increase \$4,464,000 (5.9%) compared to midyear-adjusted fiscal year 2008 levels and is primarily due to COA implementation and fare changes. As the COA has been implemented, passenger levels have increased with the improved route structure. As passengers continue to become familiar and comfortable with the changes, ridership and passenger revenue have continued to improve. Phase two of last year's fare adjustments scheduled for January 2009 and the proposed trolley fare adjustments are expected to generate additional passenger revenues.

- FY 2009 Other Revenues

Total other revenue is budgeted to increase by \$1,334,000 (18.1%). This is primarily due to additional advertising revenues projected within the fiscal year, including shelter advertising through CBS Outdoor as discussed previously, as well as a full year's worth of advertising revenue on MTS's South Bay buses.

- FY 2009 Subsidy Revenues

Subsidy revenues are currently budgeted to increase by \$3,434,000 or 2.6 percent. As indicated within Attachment 3A, this fiscal year utilizes no reserve revenues, outside of San Diego and Arizona Eastern Railway Company and Taxicab Administration, as they are self-funded operations.

- FY 2009 Expenses

Please refer to Attachments 3B and 3C for functional, related fiscal year 2009 budgeted expenses and Attachment 3D for an operational look at fiscal year 2009 budgeted expenses.

- FY 2009 Combined Expenses

Fiscal year 2009 combined expenses total \$229,672,000, which is a decrease from midyear-amended fiscal year 2008 of \$9,325,000 (-3.9%). Excluding nonpension bond debt-service expenses and reserve contributions (Attachment 3C), the operational expense increase totals \$3,772,000. This operating increase is only 1.7% and includes \$2.3 million (8.3%) in additional energy expenses.

Five-Year Forecast

Attachment 3E provides a look at MTS operations through fiscal year 2013. Passenger revenues are projected to increase by approximately 2.4% over the next four years. Early sales tax projections for FY 10 show a slight increase of approximately 2.5%, which impacts MTS's TDA and TransNet subsidy revenues. Expenses are projected to increase by approximately 3% over the following four fiscal years, primarily due to expected continued operating expense increases, including energy costs.

Summary

Despite the significant challenge of a \$21 million funding shortfall in TDA and TransNet over the past two fiscal years coupled with a reduction of approximately \$21 million in STA due to the latest State of California's budget proposal, MTS has balanced the operating budget utilizing recurring operating revenues.

- Attachments:
- A. MTS Operating Budget – Revenue Summary
 - B. MTS Operating Budget – Consolidated (Functional Format)
 - C. MTS Operating Budget – Combined MTS Budget (Functional Format Excluding Debt Service)
 - D. MTS Operating Budget – Proposed 2008 Budget (Divisional / Operational Format)
 - E. MTS Operating Budget – Five-Year Financial Projection
 - F. MTS Capital Budget – Five Year CIP Forecast
 - G. MTS Operating Budget – Energy Analysis FY 2009

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
REVENUE SUMMARY
FISCAL YEAR 2009**

	<u>BUDGET FY08</u>	<u>PROJECTED FY08</u>	<u>BUDGET FY09</u>	<u>DOLLAR CHANGE BUDGET/ PROJECTED</u>	<u>% CHANGE BUDGET/ PROJECTED</u>
OPERATING REVENUE					
PASSENGER REVENUE	73,361,866	75,231,715	79,696,081	4,464,366	5.9%
ADVERTISING REVENUE	955,000	1,466,000	3,210,000	1,744,000	119.0%
CONTRACT SERVICE REVENUE	30,000	30,000	28,000	(2,000)	-6.7%
OTHER INCOME	2,902,179	5,890,848	5,482,914	(407,934)	-6.9%
Total Operating Revenue	<u>77,249,045</u>	<u>82,618,564</u>	<u>88,416,995</u>	<u>5,798,431</u>	<u>7.0%</u>
SUBSIDY REVENUE					
FEDERAL REVENUE	24,358,166	24,448,240	25,102,497	654,257	2.7%
TRANSPORTATION DEVELOPMENT ACT (TDA)	75,746,723	71,186,470	70,668,906	(517,563)	-0.7%
STATE TRANSIT ASSISTANCE (STA)	9,393,706	9,428,706	13,326,730	3,898,024	41.3%
STATE REVENUE - OTHER	2,192,858	2,097,051	2,000,000	(97,051)	-4.6%
TRANSNET	18,507,000	16,794,800	21,479,466	4,684,666	27.9%
FEDERAL CMAQ FOR MISSION VALLEY EAST	5,149,292	5,149,292	0	(5,149,292)	-100.0%
OTHER LOCAL SUBSIDIES	1,367,918	967,918	928,918	(39,000)	-4.0%
Total Subsidy Revenue	<u>136,715,663</u>	<u>130,072,476</u>	<u>133,506,517</u>	<u>3,434,041</u>	<u>2.6%</u>
Subtotal Recurring/Nonrecurring Revenue	<u>213,964,708</u>	<u>212,691,040</u>	<u>221,923,512</u>	<u>9,232,472</u>	<u>4.3%</u>
RESERVE REVENUE	4,374,153	5,620,405	160,126	(5,460,279)	-97.2%
Subtotal Recurring/Nonrecurring Revenue (incl. Reserves)	<u>218,338,861</u>	<u>218,311,445</u>	<u>222,083,638</u>	<u>3,772,193</u>	<u>1.7%</u>
OTHER REVENUE					
LEASE/LEASEBACK REVENUES	11,415,186	11,415,186	7,588,385	(3,826,801)	-33.5%
DEBT SERVICE REVENUES	9,270,884	9,270,884	0	(9,270,884)	-100.0%
Total Other Revenues	<u>20,686,070</u>	<u>20,686,070</u>	<u>7,588,385</u>	<u>(13,097,685)</u>	<u>-63.3%</u>
GRAND TOTAL REVENUES	<u>239,024,931</u>	<u>238,997,515</u>	<u>229,672,023</u>	<u>(9,325,492)</u>	<u>-3.9%</u>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET - CONSOLIDATED
FISCAL YEAR 2009
in (\$000's)**

	FY08 APPROVED BUDGET	FY08 AMENDED BUDGET	FY09 PROPOSED BUDGET	\$ VARIANCE FY09 BUDGET TO FY08 AMENDED	% VARIANCE FY09 BUDGET TO FY08 AMENDED
Fare Revenue	\$ 73,362	\$ 75,232	\$ 79,696	\$ 4,464	5.9%
Other Revenue	3,887	7,387	8,721	1,334	18.1%
Total Operating Revenue	\$ 77,249	\$ 82,619	\$ 88,417	\$ 5,798	7.0%
Non-Operating Revenue	161,776	156,379	141,255	(15,124)	-9.7%
Total Revenue	\$ 239,025	\$ 238,998	\$ 229,672	\$ (9,325)	-3.9%
Labor	\$ 63,488	\$ 63,120	\$ 63,433	\$ 313	0.5%
Fringe	38,211	36,826	38,394	1,569	4.3%
Services	16,617	16,999	16,869	(129)	-0.8%
Purchased Transportation	56,550	55,432	55,813	382	0.7%
Materials	7,353	7,586	7,513	(73)	-1.0%
Energy	25,504	28,134	30,466	2,331	8.3%
Risk Management	4,634	4,408	3,619	(789)	-17.9%
General and Administrative	1,105	1,030	1,007	(23)	-2.2%
Vehicle/Facility Lease	446	347	569	222	64.1%
Debt Service	25,117	25,117	11,989	(13,127)	-52.3%
Total Costs	\$ 239,025	\$ 238,998	\$ 229,672	\$ (9,325)	-3.9%
Overhead Allocation	-	0	-	(0)	-100.0%
Total Revenue Less Total Costs	\$ (0)	\$ 0	\$ 0	\$ (0)	-81.2%
Net Operating Subsidy	\$ (161,776)	\$ (156,379)	\$ (141,255)	\$ 15,124	-9.7%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
COMBINED MTS BUDGET
FISCAL YEAR 2009**

	Net Operating Mid-Year Budget FY08	RTMS AFC LRV	Net Operating Mid-Year Budget FY 08	Budget FY 09	LRV	Net Operating Budget FY 09	Dollar Variance	Percent Variance
TOTAL OPERATING REVENUES	82,618,564		82,618,564	88,416,995		88,416,995	5,798,430	7.0%
TOTAL NON-OPERATING REVENUE	150,758,546	20,686,070	130,072,476	141,094,901	7,588,385	133,506,516	3,434,040	2.6%
TOTAL RESERVES	5,620,405		5,620,405	160,126		160,126	(5,460,278)	-97.2%
TOTAL COMBINED REVENUES	238,997,515	20,686,070	218,311,445	229,672,022	7,588,385	222,083,637	3,772,192	1.7%
TOTAL PERSONNEL EXPENSES	99,945,676		99,945,676	101,827,356		101,827,356	1,881,681	1.9%
TOTAL PURCHASED TRANSPORTATION	55,431,652		55,431,652	55,813,186		55,813,186	381,534	0.7%
TOTAL OUTSIDE SERVICES	16,998,669		16,998,669	16,869,177		16,869,177	(129,491)	-0.8%
TOTAL MATERIALS AND SUPPLIES	7,586,286		7,586,286	7,512,800		7,512,800	(73,485)	-1.0%
TOTAL ENERGY	28,134,371		28,134,371	30,465,538		30,465,538	2,331,167	8.3%
RISK MANAGEMENT	4,407,912		4,407,912	3,619,090		3,619,090	(788,822)	-17.9%
GENERAL AND ADMINISTRATIVE	1,029,548		1,029,548	1,006,559		1,006,559	(22,989)	-2.2%
DEBT SERVICE	25,116,648	20,686,070	4,430,578	11,989,438	7,588,385	4,401,053	(29,525)	-0.7%
VEHICLE / FACILITY LEASE	346,754		346,754	568,877		568,877	222,123	64.1%
TOTAL OPERATING EXPENSES	238,997,514	20,686,070	218,311,444	229,672,022	7,588,385	222,083,637	3,772,193	1.7%
TOTAL REVENUES LESS TOTAL EXPENSES	1	-	1	0	-	0	(1)	

SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TOTAL OPERATING BUDGET
PROPOSED FY 2008 BUDGET
(in \$000's)

	FY 2008 Mid Year Expense Budget	FY 2009 Current Expense Budget	Difference	Percent Variance
Operations				
Internal Bus Operations	77,686	78,671	985	1.3%
Rail Operations	54,549	54,670	121	0.2%
Contract Services - Fixed Route	48,518	50,037	1,519	3.1%
Contract Services - Paratransit	12,643	13,194	552	4.4%
Chula Vista Transit	7,353	7,406	53	0.7%
Coronado Ferry	143	148	4	3.0%
Administrative Pass Through	344	344	-	0.0%
Combined Operations	201,237	204,470	3,233	1.6%
Combined Other Operations	930	973	43	4.6%
Combined Administrative	16,145	16,641	496	3.1%
Combined Debt Service	20,686	7,588	(13,098)	-63.3%
Combined Grand Total	238,998	229,672	(9,325)	-3.9%
COMBINED OPERATIONS	201,237	204,470	3,233	1.6%
COMBINED OPERATIONS - OTHER	930	973	43	4.6%
COMBINED ADMINISTRATION	16,145	16,641	496	3.1%
	218,311	222,084	3,772	1.7%

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
FIVE YEAR FINANCIAL PROJECTIONS
FISCAL YEAR 2009**

	APPROVED BUDGET FY08	AMENDED BUDGET FY08	PROPOSED BUDGET FY09	PROJECTED FY10	PROJECTED FY11	PROJECTED FY12	PROJECTED FY13
OPERATING REVENUE - BASE	77,249,045	82,618,564	88,416,995	90,385,000	92,393,000	94,452,000	96,563,000
TOTAL OPERATING REVENUES	77,249,045	82,618,564	88,416,995	90,385,000	92,393,000	94,452,000	96,563,000
RECURRING SUBSIDY FUNDING	136,715,663	130,072,476	133,506,517	136,664,861	141,003,418	145,290,418	149,742,418
TOTAL RECURRING REVENUES	213,964,708	212,691,040	221,923,512	227,049,861	233,396,418	239,742,418	246,305,418
BASE COMBINED OPERATOR TRANSP. SERVICES	200,095,928	201,236,531	204,469,691	210,264,734	216,572,676	223,069,856	229,761,952
ADMINISTRATIVE EXPENSES	17,261,287	16,145,066	16,641,404	17,140,646	17,654,866	18,184,512	18,730,047
OTHER ACTIVITIES	981,647	929,847	972,541	991,992	1,011,832	1,032,069	1,052,710
TOTAL RECURRING EXPENSES	218,338,862	218,311,444	222,083,637	228,397,372	235,239,374	242,286,437	249,544,709
ANNUAL RECURRING EXCESS (DEFICIT) OF REVENUE OVER EXPENSES	(4,374,154)	(5,620,404)	(160,125)	(1,347,511)	(1,842,956)	(2,544,019)	(3,239,291)
NON RECURRING REVENUES	4,374,153	5,620,404	160,122	160,000	160,000	160,000	160,000
NET DEBT SERVICE/LEASE REVENUE/(EXPENSE)	-	-	-	-	-	-	-
ANNUAL EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	(1)	(0)	(3)	(1,187,511)	(1,682,956)	(2,384,019)	(3,079,291)

**San Diego Metropolitan Transit System
Capital Improvement Program (CIP)
Fiscal Years 2009 - 2013
CIP Forecast**

	<u>Proposed FY09</u>	<u>Projected FY10</u>	<u>Projected FY11</u>	<u>Projected FY12</u>	<u>Projected FY13</u>	<u>FY09 to FY13</u>
Total Revenues						
Recurring Dedicated CIP Revenues	59,854.5	62,248.7	64,738.7	67,328.2	70,021.3	324,191.4
Non-Recurring Revenues	6,500.0	-	-	-	-	6,500.0
CNG Fuel Credits	4,940.7	-	-	-	-	4,940.7
STA Funding	5,496.4	-	-	-	-	5,496.4
Transit Security Grant Program	1,200.0	-	-	-	-	1,200.0
Proposition 1B	27,787.9	-	-	-	-	27,787.9
Total Capital Revenues	105,779.5	62,248.7	64,738.7	67,328.2	70,021.3	370,116.4
Less: "Off the Top" Expenses						
SANDAG Planning Studies	(805.4)	(837.6)	(871.1)	(906.0)	(942.2)	(4,362.4)
Preventative Maintenance	(29,000.0)	(29,000.0)	(29,000.0)	(29,000.0)	(29,000.0)	(145,000.0)
Total "Off The Top" Expenses	(29,805.4)	(29,837.6)	(29,871.1)	(29,906.0)	(29,942.2)	(149,362.4)
Adjusted Available CIP Revenues	75,974.1	32,411.1	34,867.5	37,422.2	40,079.1	220,754.0
Total Project Needs	136,232.6	85,351.3	53,095.0	61,710.2	44,275.8	380,664.9
Total Deficit	(60,258.5)	(52,940.2)	(18,227.4)	(24,288.0)	(4,196.7)	(159,910.9)
% of Funding / Needs	55.8%	38.0%	65.7%	60.6%	90.5%	58.0%
Accumulated Deficit	(60,258.5)	(113,198.8)	(131,426.2)	(155,714.2)	(159,910.9)	
Accumulated % Funding / Needs	55.8%	48.9%	52.2%	53.7%	58.0%	

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM
OPERATING BUDGET
ENERGY ANALYSIS
FISCAL YEAR 2009**

	<u>Actual FY 05</u>	<u>Actual FY 06</u>	<u>Amended FY 07</u>	<u>Amended FY 08</u>	<u>Proposed FY 09</u>
Diesel Rates	1.68	2.32	2.27	2.62	3.29
CNG Rates	1.06	1.31	1.22	1.29	1.47
Total Energy	20,871	25,781	26,268	28,134	30,466
Cumulative Effect	-	4,909	5,397	7,263	9,594
Cumulative %	-	23.5%	25.9%	34.8%	46.0%

JOINT MEETING OF THE BOARD OF DIRECTORS AND TRANSPORTATION COMMITTEE

June 13, 2008

AGENDA ITEM NO.: **3**

**Action Requested: SECOND READING,
ADOPT FINDINGS, APPROVE**

SECOND READING, FINDINGS RELATED TO AMENDMENTS,
AND ADOPTION OF AMENDMENTS TO THE
REGIONAL COMPREHENSIVE FARE ORDINANCE

File Number 3002300

Introduction

On June 6, 2008, the Transportation Committee held the first reading of the proposed amendments to the Regional Comprehensive Fare Ordinance (Ordinance). A summary of the proposed fare changes is included as Attachment 1, and the proposed amendments to the fare ordinance are in Attachment 2.

A second reading and adoption of findings related to CEQA and Title VI are required by the Board of Directors before it can approve the amendments.

The Board is being asked to carry out the proposed actions because the transit agencies have requested an expedited approval process and ordinance readings must be conducted at a regular versus special meeting.

Discussion

The version of the Ordinance presented to the Board for second reading incorporates the results from all motions and amendments made by the Transportation Committee at the first reading. With approval at this meeting, the amendments to the fare ordinance will become effective on July 1, 2008, or as identified in the Ordinance. If approved, work will begin on preparing new public information including an updated Fare Facts Brochure, and designing and ordering new ticket and pass media.

CEQA Findings

The California Environmental Quality Act (CEQA) Resolution is provided as Attachment 4 to the report. SANDAG will file a notice of exemption with the County of San Diego based on this resolution, which concludes that the fare increases are needed to meet operational expenses. Fare increases are exempt from CEQA as provided in the State Code (pub. Res. Code 21080 subd b (8)), if they are needed to meet operational expenses.

Recommendation

The Board of Directors is asked to:

1. Conduct second reading; and
2. Approve Resolution 2008-30 that finds an exemption under CEQA; and
3. Adopt the findings (Attachment 3) regarding Title VI; and
4. Approve the proposed amendments to the Regional Comprehensive Fare Ordinance.

Title VI Findings

Title VI of the federal Civil Rights Act and related federal regulations provide for analysis to be done to determine if there are any disproportionate impacts on low income or minority racial groups prior to the implementation of any fare changes.

The Title VI assessment report was completed on the proposed fare changes outlined in Attachment 1. The analysis found that Title VI issues potentially arise only with the proposed Trolley and ADA fare changes.

Trolley Fares – The Transportation Committee endorsed a \$2.50 flat fare for the trolley with free transfers between trolley lines as its preferred alternative. Because of the high level of low income/minority (LIM) populations using the Trolley, the Title VI report shows that there are disparate impacts on LIM riders with this alternative. As a result, two alternatives were analyzed and compared to the preferred alternative from the Transportation Committee: (1) a \$2.25 flat fare without free trolley transfers and, (2) a \$2.50 flat fare without free trolley transfers. The Title VI report concludes that all three alternatives have disparate impacts on LIM riders, but that the \$2.50 flat fare with free trolley transfers best meets the public interest and on balance has a lower disparate impact. It results in a more user-friendly fare structure, results in lower fare evasion, and speeds the boarding/ticketing process during high passenger volume special events. These factors, and others that are detailed in Attachment 3, establish there are substantial, legitimate justifications for the preferred alternative.

ADA Paratransit Fares – The Title VI report also shows that the proposed changes to the ADA Complementary Paratransit fares would not create disparate Title VI impacts assuming transit operators do not raise ADA fares higher than \$5.00. Any additional fare increases would require a Title VI analysis prior to implementation.

The other proposed fare changes do not create any disparate impacts on LIM populations.

Public Comments

A copy of the public comments on the proposed Ordinance amendments is provided as Attachment 5.

GARY GALLEGOS
Executive Director

Attachment: 1. Summary of Proposed Fare Changes
2. Amended Regional Comprehensive Fare Ordinance
3. Title VI Report
4. Resolution 2008-30
5. Public Comments

Key Staff Contact: Dan Levy, (619) 699-6942, dle@sandag.org

Proposed Fare Levels

Fare Element	01-Jul-08	01-Sep-08	01-Jan-09
NCTD COASTER			
1 Zone Regular Cash Fare	\$4.50		\$5.00
2 Zone Regular Cash Fare	\$5.00		\$5.50
3 Zone Regular Cash Fare	\$5.50		\$6.00
4 Zone Regular Cash Fare	\$6.00		\$6.50
1 Zone Monthly Pass	\$129.00		\$144.00
2 Zone Monthly Pass	\$140.00		\$154.00
3 Zone Monthly Pass	\$156.00		\$170.00
4 Zone Monthly Pass	\$168.00		\$182.00
S/M/D Cash	50% of Regular Cash		50% of Regular Cash
S/M/D Monthly Pass	\$42.00		\$45.50
Youth Pass	\$84.00		\$91.00
NCTD BREEZE/SPRINTER			
Regular Monthly Pass	\$59.00		
College Monthly Pass	\$49.00		
Regular Day Pass	\$4.50		\$5.00
NCTD LIFT/MTS Access			
NCTD LIFT & MTS Access Fares	All fares: double fixed route regular fare		
NCTD LIFT Reduced Fare I.D. Holders	Ride BREEZE & SPRINTER free		
MTS Sorrento Valley COASTER Connection			
Regular Cash Fare		\$1.00	
S/M/D Cash Fare		\$0.50	
Regular Monthly Pass		\$40.00	
S/D/M Monthly Pass		\$10.00	
Youth Pass		\$20.00	
MTS Trolley			
Regular Cash Fares		\$2.50 trolley only transfers \$1.25 Downtown	
Regional Premium Monthly Pass			
Youth Pass			\$45.00
S/M/D			\$22.50
Senior/Medicare/Disabled (S/M/D)			
Trolley		\$1.25	
Premium Express		\$2.50	
Express		\$1.25	
Urban Bus		\$1.10	
Downtown Trolley		\$0.60	
Community Bus		\$0.50	
Local Bus			\$1.10
MTS/NCTD 14-Day Local/Corridor Rolling Pass			
			\$41.00
MTS/NCTD 30-Day Rolling Pass			
			\$68.00

SAN DIEGO ASSOCIATION OF GOVERNMENTS COMPREHENSIVE FARE ORDINANCE

An Ordinance Establishing a Regional Fare Pricing Schedule

The San Diego Association of Governments (SANDAG) ordains as follows:

SECTION 1: FINDINGS

This Ordinance is adopted to implement a Comprehensive Fare Ordinance setting forth a fare structure for all public transit service providers in San Diego County.

SECTION 2: REGIONAL TRANSIT SERVICE DEFINITIONS

- 2.1 ADA:** Americans with Disabilities Act, as defined in Title 49, Part 37, of the United States Code.
- 2.2 ADA Complementary Paratransit Service:** Specialized curb-to-curb transportation services provided to persons who qualify as eligible for such services under the guidelines of the ADA. Except for commuter bus, commuter rail, or intercity rail systems, each public entity operating a fixed-route system shall provide complementary paratransit or other special service to individuals with disabilities (who cannot access or use fixed-route transit due to a qualifying disability) that is comparable to the level of service provided to individuals without disabilities who use the fixed-route system.
- 2.3 ADA Complementary Paratransit Zone:** A zone is the geographical area defined by fixed boundaries within which particular fares are established. The boundaries for the zones are determined by each of the contracting agencies for the local operator of the paratransit service. The zones are as follows:
- Zone 1: Central San Diego
 - Zone 2: Mid-County: Poway, Rancho Bernardo, Rancho Peñasquitos, Carmel Mountain Ranch, and Sabre Springs
 - Zone 3: East County: La Mesa, El Cajon, Santee, Lakeside, Lemon Grove, Spring Valley, and parts of Alpine
 - Zone 4: South Bay: Chula Vista, Coronado, National City, Imperial Beach, Palm City, Nestor, Otay Mesa, and San Ysidro
 - Zone 5: North County Transit District (NCTD) Service Area
- 2.4 BREEZE:** NCTD bus service.

- 2.5 Bus:** Rubber-tired transit vehicles operated by Chula Vista Transit (CVT), Metropolitan Transit System (MTS), National City Transit (NCT), and NCTD.
- 2.6 Bus Rapid Transit:** A form of rapid transit operated wholly or partly on exclusive bus lanes, guideways, or managed lanes.
- 2.7 Child:** Any person five years of age or under.
- 2.8 COASTER:** Commuter rail service operated by NCTD in the I-5 corridor.
- 2.9 College Student:** Any person enrolled as a student with a current enrollment in a participating accredited San Diego area post-secondary school. Valid picture ID includes proof of enrollment in an areawide post secondary school. MTS and NCTD may at their option further define the eligibility of students to purchase College discounted passes through sales agreements negotiated with each participating post secondary school.
- 2.10 Premium Express:** Bus service with stops only at major transit centers, residential centers and activity centers; generally traveling 50 percent or more of the one-way trip miles on freeways; averaging at least 20 miles per hour, with an average passenger trip length of over 10 miles; and using commuter coaches.
- 2.11 Commuter Rail Service:** Commuter rail transit vehicles (COASTER) operated by NCTD.
- 2.12 Compass Card:** - The Compass Card is an electronic fare medium based on contactless smart card technology. The Compass Card can hold either transit products or cash for use on regional transit services. Transit products include but are not limited to monthly passes (all types), student semester passes, multi-Day Pass, and special event period passes.
- The Compass Card utilizes wireless technology to interface with Compass validator devices on regional buses, rail platforms and regional ticket vending machines. Patrons using or validating their Compass Card will need to touch or tap their card on one of the above mentioned validator devices.
- 2.13 DART-Direct Access to Regional Transit:** A curb to curb demand responsive bus service to local destinations and to transfer points with regional transit service.
- 2.14 Dedicated Transportation Service:** In relation to social service agencies or other organizations, a dedicated transportation service is defined as paratransit vehicle usage that is set apart for and guaranteed to an agency for the transportation of its eligible clients. The vehicle, for a particular time frame, is for the definite use of these persons and a ride is unavailable to other eligible persons within the community.
- 2.15 Disabled:** Any person with a permanent or temporary mental or physical disability as defined by the ADA. Acceptable proof of disabled fare eligibility shall be a Senior/Disabled/~~Medicate~~Medicare Compass Card, an MTS identification card, Medicare Card, NCTD disabled identification card, State of California Department of Motor Vehicles (DMV) disabled identification card, or DMV placard identification card. This definition applies to persons who seek to purchase and/or use a Senior/Disabled/Medicare monthly

pass or Senior/Disabled/Medicare ~~cash~~ fare for fixed-route transit or general public demand-responsive services.

- 2.16 Express Service:** Bus service with limited stops including, but not limited to, major transit centers, residential centers and activity centers; has more than six stops outside Centre City or at collector end of route; generally traveling less than (50 percent of the one-way trip miles on freeways; and averaging at least 12 miles per hour, with an average passenger trip length of approximately 10 miles or under; and uses standard coaches or transit buses as designated by MTS or NCTD.
- 2.17 FAST:** Curb to curb service operated on demand by NCTD in specific areas of North County using and accepting the same fares, passes and interagency transfers as regular BREEZE routes.
- 2.18 Flex-Route:** Flex-route service is a point-deviation service in which vehicles stop at designated bus stops (points) at scheduled times, but during the time between two scheduled stops, drivers pick up and drop off passengers with advanced reservations over a dispersed area.
- 2.19 LIFT:** LIFT provides curb-to-curb service for people with disabilities who are unable to use regular lift-equipped buses and vans in North County.
- 2.20 Light Rail:** Electric light rail transit vehicles (trolley) operated by MTS or Diesel light rail transit vehicles (SPRINTER) ~~to be~~ operated by NCTD.
- 2.21 Local Service:** Bus service on local roads serving neighborhood destinations and feeding transit centers in the immediate area as designated by MTS or NCTD.
- 2.22 MTS:** Metropolitan Transit System operates services in all areas of San Diego County outside the jurisdiction of NCTD.
- 2.23 MTS Shuttle Service:** Local bus service on roads serving neighborhood destinations and feeding transit centers in the immediate area as designated by either MTS or NCTD.
- 2.24 NCTD:** North County Transit District operating services in Northern San Diego County. North County services include the BREEZE, LIFT, FAST, COASTER, the SPRINTER and their contract operators.
- 2.25 Pass by Mail:** A service offered by SANDAG and NCTD that permits individual passengers to order passes to be delivered by postal mail.
- 2.26 Personal Care Attendant:** In relation to the ADA complementary paratransit service, a personal care attendant is a person who is designated by the ADA eligible passenger to aid in their mobility. The person may be a friend, family member, or paid employee. A personal care attendant is not charged a fare on the ADA complementary paratransit service vehicle on which she/he accompanies the ADA eligible passenger. The need for and use of a personal care attendant must be indicated at the time of eligibility certification.

- 2.27 Premium Express Service:** Any transit service operated by MTS or NCTD that charges a higher fare than is required for Regular Service. Premium services include NCTD COASTER and MTS Premium service.
- 2.28 Regular Service:** Fixed route bus service including MTS Local, MTS Urban, MTS Express, MTS Circulators and Shuttles, and NCTD BREEZE as well as Trolley and SPRINTER Rail services.
- 2.29 Rural Bus Service:** Bus service operated by MTS providing limited daily or weekly service linking rural Northeastern or Southeastern San Diego County to a multimodal transit center or major shopping center generally provided on a two-lane highway or roadway with one-way vehicle trip lengths ranging from 15 to 80 miles.
- 2.30 Senior:** Any person 60 years of age or older. Acceptable proof of senior fare eligibility shall be a Medicare Card, a valid driver's license, a State of California Senior identification card, or an MTS identification card in the MTS area, or an NCTD identification card in the NCTD area. This definition applies to persons who seek to purchase and/or use a Senior/Disabled/Medicare monthly pass or Senior/Disabled/Medicare ~~cash~~ fare on fixed-route transit or general public demand-responsive services.
- 2.31 SPRINTER:** Diesel Multiple Unit service ~~to be~~ operated by NCTD in a light rail mode in the Oceanside-Escondido corridor.
- 2.32 Station:** A light rail, bus rapid transit or commuter rail passenger stop. For the purposes of this ordinance, all the stops within Centre City San Diego are considered one station.
- 2.33 Sworn Peace Officers:** MTS and NCTD operators will allow all local (San Diego County), state, and federal sworn peace officers, in uniform or in civilian clothes, to ride on scheduled bus and train routes without charge. This privilege does not apply to special events for off-duty officers.
- 2.34 Transfers:** The action by passengers in which they leave one bus, train, or other transit vehicle and board a subsequent bus, train, or other transit vehicle to complete their trips.
- 2.35 Trolley:** Light rail transit service operated by MTS.
- 2.36 TVM:** Ticket Vending Machine commonly found at Trolley, SPRINTER, Commuter Rail and Bus Rapid Transit Stations, and used for the sale of single and multi-trip fare products.
- 2.37 Upgrade:** An additional fare required to enhance the value of an original fare (upon transfer) or a pass to travel on a higher fare service.
- 2.38 Urban Service:** Moderate speed bus service primarily on arterial streets with frequent stops as designated by MTS or NCTD.
- 2.39 Youth:** Any person 6-18 years of age (inclusive). Acceptable proof of youth fare eligibility in the region shall be an MTS Youth identification card, a valid driver's license, or current school photo identification card (through high school only).

SECTION 3: REGIONAL PASSES AND TICKETS

3.1 Regional Bus and Trolley Monthly Passes

The price of a Regional Monthly Pass shall be based on service type. Local Urban Bus, Express Bus, and San Diego Trolley passes shall be \$64.00 (\$68 effective January 1, 2009). Premium Express passes shall be \$90.00. A Regional Monthly pass shall entitle the person to whom the pass is issued to unlimited rides, during the month for which the pass is designated, on any equal or lower priced, regularly scheduled services provided by MTS and NCTD. See Section 5.7-8 for use on ~~MTS Rural~~Designated Rural services. See Section 5.12-14 for use on the COASTER. See Section 5.6-7 for use on DART.

3.2 Regional Senior/Disabled/Medicare Bus and Trolley Monthly Passes

The price of a regional Senior/Disabled/Medicare monthly pass is \$16.00 (\$17.00 effective January 1, 2009) and shall entitle the Senior, ~~or Disabled,~~ or Medicare passenger to unlimited trips, during the month for which the pass is designated, on any regularly scheduled services provided by those operators identified in this Ordinance except the COASTER ~~and or MTS Rural~~Designated Rural ~~Bus.~~ ~~See Section 5.7 for use on MTS Rural services~~Designated Rural services. See Section 5.12-14 for use on the COASTER. See Section 5.6-7 for use on DART. An additional ~~cash~~ upgrade is required to ride DART and the COASTER.

The price of a Premium Express monthly pass for Senior/Disabled/Medicare shall be \$22.50 effective January 1, 2009.

3.3 Regional Youth Bus and Trolley Monthly Passes

The price of a youth monthly pass is \$32.00 (\$34.00 effective January 1, 2009) and shall entitle the youth passenger to unlimited trips, during the month for which the pass is designated, on any regularly scheduled services provided by those operators identified in this Ordinance except the COASTER ~~or or MTS Rural~~Designated Rural ~~services.~~ ~~See Section 5.7 for use on MTS Rural~~Designated Rural services. See Section 5.12-14 for use on the COASTER. See Section 5.6-7 for use on DART.

The price of a Premium Express monthly pass for Youth shall be \$45 effective January 1, 2009.

3.4 Regional COASTER Monthly Pass

Effective July 1, 2008

Regular: 1 Zone: ~~\$115~~129.00, 2 Zone: ~~\$126~~140.00, 3 Zone: ~~\$142~~156.00, 4 Zone: ~~\$154~~168.00

Youth: All zones: ~~\$77~~84.00

Senior/~~&~~Disabled/Medicare: All zones: ~~\$38.5~~42.00

NCTD shall publish in its Rider's Guide a listing of which COASTER stations are located in each Zone.

Effective January 1, 2009:8

Regular: 1 Zone: \$144.00, 2 Zone: \$154.00, 3 Zone: \$170.00, 4 Zone: \$182.00

Youth: All zones: \$91.00

Senior/~~&~~Disabled/Medicare: All zones: \$45.50

3.5 Half Price Bus and Trolley Passes

Half price Regional Passes may be purchased from The Transit Store from the 15th to the 24th of each month. These passes are valid from the 15th of the month to the end of the month.

Effective January 1, 2009, the Half Price Pass shall be replaced with a 14-day pass priced at \$41.00.

3.6 30-Day Rolling Pass

Effective January 1, 2009, each Regional Pass listed in Section 3 shall be replaced with a 30-Day Rolling Pass. A 30-Day Rolling Pass shall be valid for unlimited rides for 30 days beginning on the first day the pass is validated.

SECTION 4: REGIONAL DAY PASSES

4.1 Regional Day Pass

Regional Day Passes shall be available at all TVMs and onboard all bus services operated by MTS and NCTD. The Regional Day Pass shall be valid for unlimited travel on any MTS or NCTD regular service for the person to whom it issued until the end of the service day on which it was issued. The price for Regional Day Passes shall be \$5.00 for a one day pass. Multiple day passes shall be available for use on consecutive days. A two day pass is \$9.00, a three day pass is \$12 and a four day pass is \$15.

The Regional Day Pass is not eligible for travel on NCTD or MTS Premium services; however, it entitles the bearer to purchase a "Transfer ~~with Pass~~from Transit" ticket for the COASTER at COASTER TVMs.

4.2 Regional Premium Day Pass

Regional Premium Day Passes shall be available at all TVMs and onboard all bus services operated by MTS and NCTD. The Regional Premium Day Pass shall be valid for unlimited travel on any MTS or NCTD regular or Premium service except as noted below for the person to whom it issued until the end of the service day on which it was issued.

The Regional Premium Day Pass is not eligible for free travel on the COASTER or ~~MTS Rural/Designated Rural~~ service. The Regional Premium Day Pass entitles the bearer to purchase a "Transfer ~~with Pass~~from Transit" ticket for the COASTER at COASTER TVMs. Passengers holding a Regional Premium Day Pass must pay the appropriate (Adult or Senior/Disabled/Medicare) ~~MTS Rural/Designated Rural~~ cash-upgrade.

Regional Premium Day ~~passes~~ Passes will be sold for \$11.00 except that passengers who pay a ~~MTS Rural~~ Designated Rural fare will be issued a pass on demand at no cost. Passengers on ADA Complementary Paratransit services who wish to transfer to Regular or Premium ~~s~~ Services will be issued a Premium Regional Day pass at no charge. All rules for use and upgrades for the purchased Regional Premium Day Pass apply to all free Regional Premium Day Passes.

~~4.2~~ **NCTD BREEZE DAY PASS**

~~NCTD BREEZE Day Passes are valid for unlimited travel on BREEZE, SPRINTER, and FAST services by the person to whom it was issued until the end of the service day on which it was issued. The price for a NCTD BREEZE Day Pass shall be \$4.00 for adults and \$2.00 for Seniors, Disabled, and Medicare passengers. Not valid on MTS services.~~

SECTION 5: REGIONAL ~~CASH~~ FARES

5.1 MTS Shuttle Fares

MTS shuttle ~~cash~~ fare: \$1.00

5.2 MTS Local Services

MTS local service ~~cash~~ fare: \$2.00. The fare shall be increased to effective 1/1/2007 and \$2.25 effective January 1, 1/1/2009.

5.3 MTS Urban Services

MTS urban services ~~cash~~ fare: \$2.25

5.4 MTS Express

MTS Express: \$2.50

5.5 MTS Premium Express:

Premium Express : \$5.00 ~~(Effective 1/1/2008)~~

5.56 MTS Senior/Disabled/Medicare ~~Cash~~ Fares

~~Senior/Disabled: \$1.00~~ The Senior/Disabled/Medicare single trip fare shall be one-half of the adult ~~cash~~ fare for each type of fixed--route service.

5.67 MTS DART

The price of a one-way trip on MTS DART shall be as follows:

MTS DART (Scripps Ranch, Rancho Bernardo) Regular/Adult \$3.00
 MTS DART Senior/Disabled \$1.50

*All other prepaid fare media upgrade \$0.50. (*Includes all monthly passes, Day Pass passes, and all other MTS prepaid fare media.)

5.78 MTS Designated Rural Cash-Fares

The Board of Directors of MTS or NCTD may at their discretion designate any bus route operating primarily in a rural area to be a Designated Rural Route for purposes of establishing a rural fare. Designated Rural cash-fares are based on a zone system. Zone boundaries run north-south from and has boundaries at the San Diego – Riverside County line, due south to Ramona (Ramona Station), Alpine (Tavern Road and Alpine Boulevard), and Tecate border crossing (Tecate Road and Thing Road). The table provided below exhibits the one-way cash-fare for travel within 1 and 2 zones applicable to regular passengers and Senior/Disabled/Medicare passengers. Tokens shall be accepted at face value and change will not be provided where token value exceeds fare.

Senior and Disabled cash-fares shall be 50 percent of the regular cash-fare.

	Regular Passenger Fare		Senior/Disabled/Medicare Fare	
	Within 1 Zone	Within 2 Zones	Within 1 Zone	Within 2 Zones
Cash-Fare Only	Total Fare \$5.00	Total Fare \$10.00	Total Fare \$2.50	Total Fare \$5.00
COASTER or Regional Monthly Pass	\$4.00	\$8.00	\$2.00	\$4.00
Age 5 years and under	Free	Free	Free	Free

San Diego County Premium Juror Day Passes shall be accepted for a single zone rural trip.

Rural passengers may request a MTS Day Pass or Premium Day Pass upon payment of their cash-fare. The MTS Day Pass or Premium Day Pass will be issued at no additional cost and is not valid for use on ~~MTS Rural~~ Designated Rural services.

5.9 ADA Paratransit Services Cash-Fares (MTS Access or NCTD LIFT)

The cash-fare for ADA Paratransit per ride for ADA Certified passengers for one complete trip, origin to destination regardless of any need to transfer between ADA operators or zones, shall be double the local fixed-route fare of the typical fixed-route service linking the origin and destination based on a determination by MTS or NCTD. Such determination must be made by calculating the regular fixed-route fare including transfers for a trip of similar length, at a similar time of day, on the operator's fixed-route system.

MTS ADA tickets are valid only for use on MTS ADA services. NCTD ADA tickets are valid only for use on NCTD ADA services.

There is no charge to transfer from any ADA Paratransit service to any Local, Community, Corridor, or Regional bus or rail service. A transfer slip will be issued by the driver of the ADA Paratransit service.

Passengers transferring from any Local, Community, Corridor, or Regional bus or rail service must pay a supplement if the fare paid on the Local, Community, or Regional service is less than the fare on the ADA Paratransit service they are boarding. The supplement required will be the applicable ADA Paratransit fare less the amount of any fare paid on the Community, Local, Corridor, or Regional route.

Passengers transferring from fixed route to ADA Paratransit service will only receive a transfer credit if the fare paid on the fixed-route service is a fare for which a paper receipt or Day Pass is issued. This includes single and return trip rail tickets, or bus and rail day passes. If a single trip cash-fare is deposited into a fixed-route farebox, the ADA passenger will be required pay the full fare when boarding a subsequent ADA vehicle as receipts are not issued for single trip cash-fares deposited into the farebox.

One personal care attendant may ride free with each ADA passenger riding an ADA Paratransit or transit vehicle if the requirement for an attendant is identified on the ADA certification.

5.10 NCTD Reduced Fare Identification Card on BREEZE and SPRINTER

Passengers holding a valid NCTD issued Paratransit Reduced Fare Identification Card may ride BREEZE, FAST, or SPRINTER services without payment of any fare. A personal care attendant may also ride free accompanying the passenger with a Reduced Fare Identification Card if the requirement for an-personal-care attendant is identifiednoted on the Paratransit Reduced Fare Identification Card.

Zone 1 (MTS Access):	—————	\$4.50
Zone 2 (MTS Access):	—————	\$3.50
Zone 3 (MTS Access):	—————	\$3.50
Zone 4 (MTS Access):	—————	\$3.50
Zone 5 (NCTD LIFT):	—————	\$4.00
10-Ticket Book for Zone 1	—————	\$45.00
Coupon Book for Zones 2-4	—————	\$40.00
10-Ticket Book for Zone 5:	—————	\$40.00

5.1011 Trolley One-Way Cash Fares

Senior/Disabled:	—————	\$1.00
Centre City:	—————	\$1.25
1 station:	—————	\$1.50
2 stations:	—————	\$1.75
3 stations:	—————	\$2.00
4-10 stations:	—————	\$2.25
11-19 stations:	—————	\$2.50

~~20+ stations: \$3.00~~ Effective September 1, 2008, the fare for a single, one-way trip shall be \$2.50 for an adult and free transfers shall be permitted between Trolley lines. Tickets shall be valid for two hours from time of purchase. ~~between any two stations on a single Trolley line shall be \$2.25 for an adult. Each trip with a single ride ticket must be completed within 2 hours of the time a ticket is purchased or validated~~

A one-way is defined as a one-way trip in a direction away from the station of issue. The one-way ticket is valid for two hours and must be valid during the entire trolley trip. Round-trip tickets may be sold at two times the price of a single-ride ticket. A round-trip ticket shall entitle the person to whom the ticket is issued one round trip, which may be used at any time throughout the operating day.

5.1012 Round-Trip Trolley Cash Fares Downtown Zone

- ~~Round trip 2 @ \$1.00: \$2.00 (Senior/Disabled/Medicare fare)~~
- ~~Round trip 2 @ \$1.25: \$2.50 (Centre City Only fare)~~
- ~~Round trip 2 @ \$1.50: \$3.00~~
- ~~Round trip 2 @ \$1.75: \$3.50~~
- ~~Round trip 2 @ \$2.00: \$4.00~~
- ~~Round trip 2 @ \$2.25: \$4.50~~
- ~~Round trip 2 @ \$2.50: \$5.00~~
- ~~Round trip 2 @ \$3.00: \$6.00~~

The adult price of a trip on the Trolley originating and terminating at any two stations between American Plaza and 12th and Imperial shall be \$1.25.

~~A round trip ticket shall entitle the person to whom the ticket is issued one round trip, which may be used at any time throughout the operating day.~~

5.1113 NCTD BREEZE, FAST, SPRINTER, and NCTD COASTER Connection Services:

Cash:	Senior/ and Disabled/ <u>Medicare</u> single boarding	\$1.00
Day Pass:	Senior/ and Disabled/ <u>Medicare</u> unlimited use for one day	\$2.00 <u>\$2.50*</u>
Cash:	Single boarding	\$2.00
Day Pass:	One day's unlimited use on BREEZE, SPRINTER, and FAST	\$4.00 <u>\$5.00*</u>

*BREEZE/SPRINTER Day Pass will be discontinued on December 31, 2008.

5.1214 COASTER Regular Cash Fares and Tickets

Effective July 1, 2008

No. of Zones	Single Trip Transfer From Transit	Regular Single Trip
1 Zone	\$2.00 <u>\$2.50</u>	\$4.00 <u>\$5.00</u>
2 Zones	\$2.50 <u>\$3.00</u>	\$4.50 <u>\$5.50</u>
3 Zones	\$3.00 <u>\$3.50</u>	\$5.00 <u>\$6.00</u>
4 Zones	\$3.50 <u>\$4.00</u>	\$5.50 <u>\$6.50</u>

Senior/~~&~~ Disabled/Medicare COASTER Fares~~8~~

1 Zone	\$ 1.00 <u>25</u>	\$ 2.00 <u>25</u>
2 Zones	\$ 1.25 <u>50</u>	\$ 2.25 <u>50</u>
3 Zones	\$ 1.50 <u>75</u>	\$ 2.50 <u>75</u>
4 Zones	\$ 1.75 <u>2.00</u>	\$ 2.75 <u>3.00</u>

Effective January 1, 2009

<u>No. of Zones</u>	<u>Single Trip Transfer From Transit</u>	<u>Regular Single Trip</u>
<u>1 Zone</u>	<u>\$3.00</u>	<u>\$5.00</u>
<u>2 Zones</u>	<u>\$3.50</u>	<u>\$5.50</u>
<u>3 Zones</u>	<u>\$4.00</u>	<u>\$6.00</u>
<u>4 Zones</u>	<u>\$4.50</u>	<u>\$6.50</u>

Senior/~~&~~ Disabled/Medicare COASTER Fares

<u>1 Zone</u>	<u>\$1.50</u>	<u>\$2.50</u>
<u>2 Zones</u>	<u>\$1.75</u>	<u>\$2.75</u>
<u>3 Zones</u>	<u>\$2.00</u>	<u>\$3.00</u>
<u>4 Zones</u>	<u>\$2.25</u>	<u>\$3.25</u>

NCTD shall publish in its Rider's Guide the name of each COASTER Station and the zone in which it is located.

An ~~an~~ cash upgrade ("Transfer from Pass~~Transit~~") ticket is required for all regional day and monthly passes. ADA Paratransit riders may transfer to the COASTER free of charge).

~~Persons holding valid COASTER monthly passes may ride any Amtrak Pacific Surfliner within the origin and destination zones of their passes. The Rail 2 Rail program is subject to annual renewal with the National Railroad Passenger Corporation (Amtrak).~~

5.1315 Rail 2 Rail

The Rail 2 Rail program is subject to annual renewal with the National Railroad Passenger Corporation (Amtrak). Persons holding valid Amtrak tickets may ride any COASTER train between Oceanside and San Diego within the origin/destination stations listed on the ticket. The program includes riders on Amtrak Thruway buses between Oceanside and San Diego on a space available basis. ~~The Rail 2 Rail program is subject to annual renewal with the National Railroad Passenger Corporation (Amtrak).~~

5.1416 Children

Children age five (5) and under ride free on all fixed route and general public dial a ride services operated by MTS and NCTD. The number of free children permitted per paying adult, senior, or youth fare shall be determined by NCTD or MTS.

5.17 Multi-Trip Tickets

NCTD or MTS may, at their option, bundle and sell packs of at least ten multiple single-trip tickets for any service they operate. The ticket bundles may be sold at a discount of up to 10 percent of the face value.

5.18 Sorrento Valley Coaster Connection

The single trip Sorrento Valley Coaster Connection (SVCC) fare shall be \$1.00 for Adults and \$0.50 for Senior/Disabled/Medicare.

The price for a monthly pass for the SVCC shall be \$40.00 for Adults, \$20.00 for Youth, and \$10.00 for Senior/Disabled/Medicare.

All Regional Day Passes or Monthly Passes will be accepted onboard the SVCC. COASTER passes and BREEZE/SPRINTER passes will not be valid for payment of the SVCC fare.

SECTION 6: REGIONAL MONTHLY PASS UPGRADES AND TRANSFERS

6.1 Regional Pass Upgrades

Passengers holding a valid Regional Adult Monthly pass may take an unlimited number of trips for the period of validity of the pass on any MTS or NCTD service except Premium Services. Passengers with a Regional Pass may purchase a COASTER ~~Cash~~ fare by selecting the "Transfer ~~with Pass~~from Transit" option. Monthly Regional pass holders may not use the pass on MTS Premium Express. Regional Monthly Pass holders will receive a discount of \$1.00 per zone on ~~MTS Rural~~Designated Rural ~~s~~Services.

6.2 Senior/Disabled/Medicare and Youth Pass Upgrades

There shall be no ~~cash~~ upgrades required on Senior/Disabled/Medicare or youth monthly passes for travel on any regularly scheduled services provided by those operators identified in this ordinance except:

~~An upgrade of \$2.00 per zone for Seniors/Disabled for passengers transferring to MTS Rural Bus Services.~~

~~An upgrade of \$4.00 per zone for Youth passengers transferring to MTS Rural Bus Services.~~

~~An for an upgrade based on zones for passengers transferring to the COASTER.~~

6.3 Bus, SPRINTER, Trolley Transfers

Passengers wishing to transfer between MTS Regular or between MTS and NCTD Regular services must pay a ~~cash~~ fare upon boarding each service, or be in possession of a valid Regional Day Pass or valid Regional Premium Day Pass. Passengers transferring between NCTD Regular Services may use a NCTD BREEZE Day Pass. This section does not apply to transfers directly between one Trolley line and another Trolley line.

6.4 MTS and NCTD Transfers

Passengers who wish to transfer between the BREEZE and MTS must pay the appropriate ~~cash~~ fare for each boarding unless they are in possession of a day pass or monthly pass valid for the vehicle they are boarding. Passengers holding a Regional Day Pass or Premium Day Pass must select the "Transfer ~~with Pass~~from Transit" button on COASTER ticket vending machines and pay the required fare.

Passengers with a valid COASTER ticket may board any MTS Bus or Trolley within the validity period of their ticket. Effective July 1, 2009, a COASTER ticket will not be accepted as payment toward any fare on MTS services.

6.5 BREEZE Social Service Day Pass

The BREEZE Social Service Day Pass is not accepted for travel on MTS.

6.6 TRANSFERS to and from ADA Service

Passengers wishing to transfer between MTS ADA ~~Complementary~~ Paratransit services and regular or premium transit services must be in possession of a Regional Premium Day Pass. A Regional Premium Day Pass will be issued on demand at no cost to any eligible ADA certified passenger onboard a Paratransit vehicle. ~~NCTD ADA Paratransit passengers may transfer at no cost to BREEZE or SPRINTER using a transfer issued onboard the ADA Paratransit Service.~~

Eligible passengers with a validated COASTER ticket may transfer to an ADA ~~complementary~~ Paratransit service vehicle without the payment of an upgrade charge.

Eligible ADA passengers may transfer to ADA ~~Complementary~~ Paratransit service with a Trolley ticket. Upon boarding the ADA vehicle they will be required to pay an upgrade so that the total fare for the trip on Trolley and ADA Paratransit is equivalent to the applicable ADA fare.

~~Eligible ADA passengers may transfer to ADA Complementary Paratransit service with a SPRINTER ticket. Upon boarding the ADA vehicle they will be required to pay an upgrade so that the total fare for the trip on SPRINTER and ADA Paratransit is equivalent to the applicable ADA fare.~~

~~BREEZE Drivers may issue transfers to ADA eligible passengers who wish to transfer from the BREEZE to NCTD ADA Complementary Paratransit. Passengers presenting a transfer when boarding an NCTD ADA Complementary Paratransit bus must pay an upgrade so that the~~

~~total fare for the trip on bus and ADA Paratransit is equivalent to the applicable NCTD ADA fare.~~

SECTION 7: TRANSFERS WITH OTHER TRANSIT OPERATORS WITHIN OR OUTSIDE SAN DIEGO COUNTY

7.1 METROLINK Trip Tickets and Monthly Passes

METROLINK Trip Tickets and Monthly Passes are valid as full boarding fare on all NCTD bus ~~routes and the SPRINTER~~ ~~es on all routes directly~~ serving the Oceanside Transit Center ~~and the SPRINTER~~. METROLINK tickets and passes are not valid for transferring between NCTD routes or between NCTD and MTS. METROLINK tickets are not valid for transfers to the COASTER. The rules governing the acceptance of these are as follows:

- a. **Monthly Pass:** This pass MUST have the correct current month, ~~and~~ year, and list Oceanside as a valid city printed on it to be valid.
- b. **Ten-Ride Ticket:** This ticket has a validation printing area for each of ten (10) rides on METROLINK. In order to be valid to board an NCTD bus at Oceanside, the current date must appear in one of the boxes numbered 1 - 10.
- c. **Round-Trip Ticket:** This ticket must be imprinted with the current date and is valid until the time shown on that date on buses operating to and from the Oceanside Transit Center.
- d. **One-Way Ticket:** This ticket must be imprinted with the current date and is valid until the time shown on that date, to board a bus departing the Oceanside Transit Center only.

7.2 NCTD and Orange County Transit-Transportation Authority (OCTA) Transfers

The following transfer agreement is in effect with OCTA between its Route 1 and Route 191 and BREEZE Route 395:

- a. **BREEZE Route 395 to OCTA Route 1 or Route 191:** The passenger will pay the appropriate NCTD single ~~cash~~ fare (or Day Pass fare) and be issued an interagency transfer onboard the 395. This transfer or Day Pass will be accepted by OCTA drivers as full fare for one boarding. In addition, NCTD BREEZE Passes and Regional Passes will be accepted by OCTA as full fare for one boarding on its system.
- b. **OCTA Route 1 or Route 191 to BREEZE Route 395:** An OCTA passenger may transfer from an OCTA bus to NCTD Route 395 by displaying a valid OCTA Day Pass, or a valid OCTA Monthly Pass. No further fare upgrade will be required. The OCTA Day Pass or Monthly Pass is good for one boarding only on NCTD service. Therefore, the OCTA Day Pass or OCTA Monthly Pass is valid only on Route 395 in San Clemente, as this is the only route that connects with OCTA. Passengers continuing on other routes in Oceanside will need to pay a single ~~cash~~ fare or purchase an NCTD Day Pass.

SECTION 9: PARTICIPATION IN THE REGIONAL FARE SYSTEM

The policy for participation in the regional fare system by transit providers shall be as follows:

- Private operators participating in the regional fare system must operate a fixed route and fixed, published schedule.
- Operators must serve an area or need not currently served by an existing operator.
- Any publicly subsidized operator should be incorporated into the regional fare system to the extent feasible and practical.
- Any transit provider handling regional transit fare media shall have a secure handling procedure for all media. Fare media shall be handled as cash-value media, with appropriate security provided for acceptance, inspection, storage, distribution, and disposal.

SECTION 10: OTHER REGIONAL FARE MEDIA AND PROGRAMS

10.1 Regional Universal Tokens

Universal tokens ~~shall~~may be available for \$2.25 each, and in multiples of 20 (\$45.00) or 40 (\$90.00), and shall entitle the person holding the universal token to up to a \$2.25 ~~cash~~-fare value trip on any MTS or NCTD regular bus, or Trolley service (not including COASTER, SPRINTER or ADA Pparatransit services). Some Bus and Trolley services may require an ~~cash~~ upgrade in conjunction with the universal token.

10.2 Classroom Day Pass - Bus and Trolley

Classroom Day Pass, valid for one day during nonpeak hours on NCTD and MTS, may be issued to school and youth groups (up to 18 years of age) on an advance sales basis only. Each group shall consist of a minimum of 15 people. One chaperone per every five students may ride at the Classroom Day Pass price. The price of Classroom Day Pass shall be \$1.50 per person.

10.3 Classroom Day Pass - COASTER

The COASTER Classroom Day Pass provides special round trip fare on selected trains only of \$3.00 per person. Additional fare of \$1.50 is required for transfer to MTS Bus or Trolley. Travel during nonpeak hours Monday through Friday. Maximum of 135 student and adults per group on a scheduled train. Not all trains are available at the group rate. Classroom Day Passes es that provide use of the COASTER, BREEZE, and FAST services are \$4.50 per person.

10.4 MTS Hotel Scratch One-Day Pass

The Hotel Scratch One-Day Pass is a one-day MTS Day Pass priced at a standard one-day price but with scratch off instead of punched month, day, and year boxes. The Day Pass has a unique serial number code, and the customer may not return or exchange a Day Pass. Only hotels with a pass sales agreement can sell this type of Day Pass.

10.5 NCTD Social Service Agency Day Pass

The NCTD Social Service Agency Day Pass is a one-day NCTD Day Pass, sold in packs of ten priced at \$4045.00, which is validated by Social Service agencies by ~~punching~~ scratching off the proper day, month, and year. It is sold only to qualified social service agencies who agree to dispense the Day Pass according to NCTD requirements. The Social Service Agency Day Pass has a unique serial number code, and the customer may not return or exchange a Social Service Agency Day Pass. For transfers to MTS, review section 6.4-d.

10.6 San Diego County Juror Day Passes

Any Court in San Diego County following successful partnership negotiations with SANDAG/MTS/NCTD may purchase special fare media to be distributed to jurors who turn in their Jury Summons at a Court house in San Diego County. The following special juror fare media are available for purchase:

Juror Regional Day Pass valid for all Regular MTS and NCTD services. The price per day for this pass shall be 85 percent of the Regional Day Pass.

Juror Regional Premium Day Pass valid for travel on NCTD and MTS Regular and Premium Services except 2 Zone Rural Bus services. The price of this pass shall be 85 percent of a Premium Day Pass. Use of this pass for a 2 Zone rural trip will require payment of a \$5.00 upgrade for adults, and \$4.00 for seniors in each direction.

SECTION 11:

11.1 MTS Pass, Token, and Ticket Sales Commission:

The commission is the amount of money that is retained from the retail purchase price by an authorized pass sales outlet including Transit Store on the sale of each monthly pass, token, Prepaid Ticket, or Day Pass. The following chart shows the Pass Sales Commissions for the region:

FARE MEDIA	PRICE	AMOUNT (\$)	AMOUNT (%)	<u>EFFECTIVE DATE</u>
Monthly Pass	\$64.00	\$0.64	1.0%	1/1/08
Monthly or 30-Day Pass	\$68.00	\$0.68	1.0%	1/1/09
Monthly Senior/Disabled Premium	\$22.50	\$0.34	1.5%	1/1/09
Monthly Youth Premium	\$45.00	\$0.67	1.5%	1/1/09
Monthly or 30-Day Pass	\$90.00	\$1.35	1.5%	1/1/08
Monthly Pass Senior/Disabled	\$16.00	\$0.24	1.5%	1/1/08
Monthly Pass Youth	\$32.00	\$0.48	1.5%	1/1/08
Monthly or 30-Day Pass Senior/Disabled	\$17.00	\$0.25	1.5%	1/1/09
14 Day Pass	\$41.00	\$0.62	1.5%	1/1/09
Monthly or 30-Day Pass Youth	\$34.00	\$0.51	1.5%	1/1/09
\$2.25 Token 20-Pack	\$45.00	\$0.45	1.0%	
\$2.25 Token 40-Pack	\$90.00	N/A	N/A	

One-Day Pass	\$5.00	\$0.25	5.0%
Two-Day Pass	\$9.00	\$0.50	5.55%
Three-Day Pass	\$12.00	\$0.75	6.25%
Four-Day Pass	\$15.00	\$1.00	6.67%
Hotel Scratch One-Day Pass	\$5.00	\$0.25	5.0%
Northbound San Ysidro Ticket	\$2.50	\$0.13	5.0%

11.2 Regional Group Advance Day Pass Sales

Group event day passes, valid for one to seven days, may be issued to groups (minimum quantity = 100) only on a 21-day or longer advance sales basis. The price of group event advance sales passes shall be as follows:

One-Day Pass:	\$4.50
Two-Day Pass:	\$8.00
Three-Day Pass:	\$11.00
Four-Day Pass:	\$14.00
Five-Day Pass:	\$16.00
Six-Day Pass:	\$18.00
Seven-Day Pass:	\$20.00

The group event day pass shall entitle the person to whom the pass is issued unlimited rides during the corresponding number of consecutive days for which the pass is valid on any regularly scheduled services provided by NCTD or MTS. Use on ~~a MTS operated~~ Designated Rural Bus services will require payment of \$4.00 per zone upgrade.

Group event day passes for special events may be purchased in bulk in advance at discounted rates as follows or as otherwise agreed to by the SANDAG Board:

100-999 passes:	Regular advanced day pass price
1,000-1,999 passes:	5 percent discount per pass
2,000-2,999 passes:	10 percent discount per pass
3,000+ passes:	15 percent discount per pass
4,000+ passes:	20 percent discount per pass

11.3 MTS College Semester/Monthly Pass

MTS shall sell a College Semester Pass and a College Monthly Pass. The College Semester Pass shall be payable in advance, and sold only during the term's registration period. The College Semester Pass and College Monthly shall have the same validity as a Regional Monthly Pass. MTS at its sole discretion may add bonus days to the validity of any College Pass.

The price of a College Semester Pass shall be priced per day for a college semester of not less than 63 days. The price shall be based on a 35 percent discount on the Regional Monthly Pass, divided by 31 and multiplied by the number of days in ~~the semesterschool~~ year. MTS shall divide the total amount per school year into two, three, or four equal installments to correspond to the college calendars. The period of validity of a Semester Pass may not be less than two calendar months.

A College Monthly pass shall be priced at a 20 percent discount of a Regional Monthly Pass.

The semester and monthly college student pass is to be sold only at schools, colleges, and universities that have signed a sales agreement with MTS defining eligibility and other criteria deemed necessary by MTS.

11.4 MTS ACCESS and NCTD LIFT Service Ticket Books:

All ADA prepaid fare media will only be good-valid only on the system for which it was developed. Each system shall have the flexibility to price the tickets at a level that is consistent with the ADA fare that is charged in the operating area.

~~11.5 Northbound San Ysidro Trolley Ticket~~

~~The Northbound Trolley Ticket, dispensed from the San Ysidro kiosk, is good for a one-way, northbound trip on the San Diego Trolley for a maximum fare ride of \$2.50 (up to 19 stations from San Ysidro on any San Diego Trolley route). The ticket is punched by the San Ysidro vendor at the point of sale for the hour, minute, month, date, and year of travel and expires 120 minutes after the time punched.~~

11.65 Ecompass Group Sales Pass Program

This program is for businesses or groups with 25 or more employees or members who purchase Bus and Trolley monthly passes and who are willing to purchase 25 passes or more for a minimum of three months. The price would be set based on participation in the program for a year for the specified number of monthly passes. Only one trial program is permitted per employer or group. The trial program agreement must be for a specific fiscal year. Advance payment for the total number of Trial Program passes is required. The discount is available for an employer or group purchasing 300 or more passes for an annual (12 months) program. The program can be pro-rated to accommodate the time left in the fiscal year. The program agreement and payment must be for a specific fiscal year. Advance payment for the total number of annual monthly passes is required.

The price of the employer or group sales pass program shall be tiered according to the number of annual regular adult passes purchased. The discount offered shall be as follows:

Employer/Group Program Pricing		
<u>Annual Quantity</u>	<u>Average Users</u>	<u>Month Discount</u>
1. 300 to 600 passes/year	25 - 50	10%
2. 601 to 1,200 passes/year	51 - 100	15%
3. 1,201 to 3,000 passes/year	101 - 250	20%
4. 3,001 or more passes/year	251 or more	25%

The standard \$64 (\$68) prediscouted Monthly Pass is valid on all regular Metropolitan Transit System (MTS) buses, the San Diego Trolley, and NCTD BREEZE, SPRINTER, and FAST services.

~~Cash~~ Upgrades apply when using this pass on MTS Premium Express Bus, ~~MTS Rural Designated Rural~~ Service, and the COASTER.

11.76 Temporary, Promotional, and Experimental Fares

The two transit agencies shall have the ability to set temporary, promotional and experimental fares. Temporary, promotional, and experimental fares are defined as fares implemented for no more than twelve months for seasonal events or for marketing purposes. These fares because of their short term/temporary nature would not need to be included in the Comprehensive Fare Ordinance or require a public hearing.

SECTION 12: NCTD ONLY FARE MEDIA & PROGRAMS

12.1 BREEZE Monthly Pass (NCTD): ~~\$5~~459.00

This monthly pass valid on BREEZE, SPRINTER, and FAST services for unlimited trips during the one calendar month it is issued. It is not valid for travel on MTS.

12.2 BREEZE College Pass

This monthly pass is valid on BREEZE, SPRINTER, and FAST services for unlimited trips by college students during the one calendar month it is issued. NCTD may sell discounted BREEZE monthly passes to any post secondary educational institution (college) in its service area with whom NCTD signs an agreement establishing terms and conditions. The price for monthly passes sold to post secondary educational institutions shall be \$10.00 per month less than the regular BREEZE Monthly pass. It is not valid for travel on MTS.

12.3 ~~BREEZE/SPRINTER/BREEZE~~ Day Pass

NCTD fareboxes and SPRINTER ticket vending machines issue a Day Pass when the passenger deposits ~~\$4.00-50~~ (or ~~\$2.00-25~~ for Senior/Disabled/Medicare upon proper key entry by the operator). The Day Pass is valid for unlimited travel on all NCTD BREEZE bus routes, the SPRINTER, and NCTD FAST services until 11:59 p.m. (or last bus of the day) on the date of issue. It is not valid for travel on MTS.

The NCTD ~~SPRINTER/BREEZE~~ Day Pass is valid as a transfer for one connecting bus trip on OCTA services.

~~The NCTD Breeze/Sprinter~~ ~~SPRINTER/BREEZE Day Pass shall not be sold after December 31, 2008.~~

~~12.4 Social Service Agency Day Pass~~

~~NCTD one-day pass valid for unlimited travel on all NCTD BREEZE bus routes, SPRINTER, and NCTD FAST Service until 11:59 p.m. or last bus of the day on the date of issue. For transfers to MTS please see section 6.4.d.~~

~~12.5 LIFT 10 Ride Ticket Books~~

~~NCTD sells 10 Ride Ticket Books to eligible ADA-certified agencies and eligible ADA-certified passengers for \$40.00.~~

SECTION 13: REGIONAL TICKET AND PASS ADMINISTRATION

This section shall cover the administration of printing, sales, boarding counts, revenue collection, and revenue allocation for regular, senior/disabled, Day Pass, all tickets, and tokens. All figures for the Adult pass include the College Semester/Monthly Pass. This section does not apply to general public or Senior/Disabled/Medicare dial-a-ride operators.

13.1 SANDAG Responsibilities

SANDAG shall ensure that each operator submits Monthly Pass boarding counts by category (adult - all zones combined, senior/disabled, and youth), all ticket counts (by ticket type), and tokens and transfer upgrades to SANDAG on a monthly basis. In addition, SANDAG shall ensure that those operators operating Express and Commuter Express routes submit pass-boarding counts by route. SANDAG shall also ensure that appropriate operators submit transfer upgrade activity counts.

- 13.2** SANDAG shall distribute the proportion of revenues from all regional fare media, including but not limited to, tokens. Adult Monthly Passes, Senior/Disabled/Medicare and Youth Monthly Passes, College Semester/Monthly Passes, and ticket sales are to be allocated to each operator on a county wide basis in accordance with Exhibit 1.
- 13.3** SANDAG shall determine the proportion of revenues from Senior/Disabled/Medicare and Youth Monthly Pass sales to be allocated to each operator on a countywide basis in accordance with Exhibit 1.
- 13.4** SANDAG shall determine the proportion of revenues from all ticket sales to be allocated to each operator on a countywide basis in accordance with the formula shown in Exhibit 1.
- 13.5** SANDAG shall submit the Monthly Pass summary counts and allocation percentages by category (Adult, Senior/Disabled, Youth, and College Semester/Monthly) and all pass levels and all ticket counts (by type) for each operator. SANDAG shall disburse the Monthly Pass, Day Pass, upgrades, and ticket sales revenue collected to the various operators in accordance with the calculated percentages. SANDAG shall complete said percentages and counts for the previous month by the 25th day of the month following.
- 13.6** SANDAG shall prepare a yearly summary of Monthly Passes, tokens, and ticket riders (by operator).
- 13.7** SANDAG shall fund and administer the design and printing of regional passes, tokens, and tickets. The design of which shall be subject to approval by the operators.
- 13.8** SANDAG shall fund the regional prepaid fare program encompassing the distribution and sales reconciliation of Monthly Passes (for Adults by price, Senior/Disabled, and Youth), Day Pass Passes, tokens, all tickets, pass-by-mail program media. A Pass Sales Manager employed by SANDAG will be the coordinator of this fare program.

- 13.9** SANDAG shall determine the Day Pass pass sales revenue to be allocated to MTS, NCTD, and any participating private operator based on the number of boardings by operator. Allocation to a private operator shall be determined and updated each calendar year based on Day Pass usage surveys.
- 13.10** SANDAG shall prepare a monthly summary of *TransNet* Local Transportation Sales Tax subsidies for Senior/Disabled/Medicare and Youth Passes, or any other local jurisdiction subsidy by the end of the month.
- 13.11** SANDAG shall prepare a monthly summary of regional Monthly Pass (for Adult by price, Senior/Disabled, and Youth), Day Pass Pass, and all ticket revenue distribution, including subsidies, and shall submit a copy of these data, SANDAG summary counts, and allocation percentages to each operator.
- 13.12** SANDAG shall keep a separate fund for all pass and ticket sales revenue received.
- 13.13** SANDAG shall issue a check monthly to each operator for its portion of Adult Monthly Passes, Senior/Disabled/Medicare Passes, Youth Passes, Day Pass Passes, all tickets, *TransNet* Local Transportation Tax subsidies (MTS area operators only). The pass and ticket revenue check shall reflect the net amount to be received by each operator after adjustment is made to allocate transfer fares paid on first vehicles as described in Exhibit 1. Checks for a particular month's revenue shall be issued by SANDAG for all funds received, and any applicable interest earned, during the previous month. These checks shall be issued within ten working days from the beginning of the month of the SANDAG report. A reconciling report shall be sent to each operator showing which month the money is from and any adjustments needed (e.g., bad checks, theft, or error).
- 13.14** SANDAG shall bill local jurisdictions monthly for any subsidy payments that may result from a reduced price monthly pass program established by that jurisdiction and apportion such revenue to the appropriate operators.

SECTION 14: OPERATOR RESPONSIBILITIES

- 14.1** Each operator shall determine pass riders by category: Adult (all zones combined), Senior/Disabled/Medicare and Youth, ticket riders by type, and tokens. Operators shall determine other prepaid fare media (Day Passes, Classroom Day Pass) as feasible, based on current farebox technology in use. Those operators operating Express, Commuter Express routes shall count pass boardings by route for Express, and Commuter Express services. Buses shall be equipped to permit operators to maintain a daily count of each category, type of rider, and upgrades. A daily record shall be maintained and kept on file for a one-year period. Such records shall be made available to SANDAG at its request. For the purpose of ticket revenue allocation, the tickets shall be counted as follows:
- A ticket received for fare payment is counted as a ticket for revenue allocation.
 - A Day Pass pass, ticket usage, and upgrades on the San Diego Trolley shall be determined on a sampling basis as prescribed by SANDAG.

- 14.2** Each operator shall prepare a monthly summary of pass riders (by category and route, where applicable), all tickets, token riders (by type), and upgrades using the formula in Exhibit 1, and submit the summary of the previous month to SANDAG by the 23rd day of the month following.
- 14.3** Each operator shall permit SANDAG to be the arbiter in case of questions regarding pass counts, and SANDAG shall justify its decision to the operator(s) in question.

SECTION 15: IDENTIFICATION CARDS

- 15.1** MTS Transit identification cards for senior, disabled, and youth riders shall be available at The Transit Store at a price of \$6.00. A \$4.00 fee will be charged for a lost or stolen replacement card.
- 15.2** NCTD reduced fare ID cards are available free from NCTD Customer Service. A \$5.00 replacement fee is charged for replacement cards after the first free card.

SECTION 16: COMPASS CARD

- 16.1** SANDAG, the administrator of the Compass Card Program, may require a nonrefundable fee to acquire a Compass Card. The fee shall not exceed \$5.00.

Compass Card users may elect to register their card. If registered, users will be entitled to one fee free replacement if the card is lost or stolen. Additionally, registered users of the Compass Card are entitled to balance protection. Registered users will be reimbursed their cash or transit product at the time the card is reported lost or stolen. Reimbursement will be provided on a new Compass Card or through the refund process outlined in Paragraph 17.6. An unregistered user shall have no right to reimbursement or refund of a Compass Card balance even if the card is lost or stolen.

Compass Card users may opt not to participate in the registration program, but shall be required to pay the above-mentioned fee and will not receive the benefits of registration. Whether or not a user pays a fee or participates in the registration program, the Compass Card shall be the property of SANDAG and may be revoked and/or confiscated by SANDAG, MTS, or NCTD personnel.

- 16.2** Compass Card users who have a transit product stored on their card must validate their card on each transit service that they ride, each and every time they use the service. Compass Card users must validate their cards via on-board validators on buses or station platform validators for rapid transit services such as COASTER, Trolley, SPRINTER, and BRT services.

Patrons who fail to validate their Compass Card in the manner describe above will be deemed to not be in possession of valid fare and subject to applicable fines and penalties.

- 16.3** Use of a Compass Card with a "stored value" is defined as use of any Compass Card for a debit transaction for transit service when transit cash has been placed on the card.

Compass Card users must present their card to the appropriate deduction device when entering fixed fare transit services (e.g. fixed route bus, SPRINTER) and present their card to the appropriate validator device when entering and exiting zone-based transit services (COASTER, Trolley).

Patrons who fail to present their Compass Card while entering transit services in the manner describe above, will be deemed to not be in possession of valid fare and subject to applicable fines and penalties.

Patrons who fail to present their Compass Card while exiting zone-based transit services in the manner describe above, will be charged the highest rate for that service mode.

- 16.4** Users of the Compass Card must produce the Compass Card for inspection by authorized MTS, SANDAG, NCTD, security or law enforcement staff on demand.
- 16.5** The San Diego Compass Card is intended as a fare payment device on MTS services and NCTD services and any non-authorized use of the card is strictly forbidden. Persons found to be using the Compass Card in a fraudulent manner may have their Compass Card confiscated, their account suspended, and any remaining cash value in the account may be eligible for a refund following the procedure in Section 17.6.
- 16.6** Refunds of transit products on Compass Cards will not be provided.

Refunds of cash value remaining on voluntarily surrendered cards and confiscated cards will be considered on an individual basis for holders of registered Compass Cards only. Registered Compass Card holders seeking a refund must complete an application form available from the Transit Store or NCTD Customer Service, and follow the submission instructions on the application. SANDAG reserves the right to refuse any request for refund, or to make a partial refund. SANDAG also reserves the right to deduct a processing fee of not more than 10 percent on any refund.

Refunds will be issued as a credit on the same card as the original purchase if made by credit card. Original payments made by cash, check or debit card will be refunded by check.

SECTION 17: EFFECTIVE DATE OF AMENDMENTS

17.1 ~~Unless otherwise specifically identified within this Ordinance, all amendments to t~~This Ordinance shall go into effect 15 days after final approval by the SANDAG Board of Directors ~~on the dates specified below.~~

~~Amendments pertaining to the SPRINTER shall go into effect upon start up of revenue service of the SPRINTER.~~

~~All other amendments made as of October 19, 2007, shall go into effect on January 1, 2008, unless identified as coming into effect on January 1, 2009.~~

PASSED AND ADOPTED by the San Diego Association of Governments, this ____ day of ~~June, 2007-2008~~ by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

STATE OF CALIFORNIA

COUNTY OF SAN DIEGO

I, Clerk of the Board of SANDAG, do hereby certify that the foregoing is a true copy of an Ordinance adopted by the SANDAG Board of Directors on June 13~~October 19~~, 2008~~7~~, at the time and by the vote stated above, which said Ordinance is on file in the office of SANDAG.

DATED: ~~October 19, 2007~~ _____, 2008

Clerk of the Board

Exhibit 1

REVENUE SHARING AGREEMENTS

ADULT PASS
REVENUE ALLOCATION FORMULA

PROCEDURE DESCRIPTION

This formula shall be applied to all regional monthly passes sold at \$64 effective January 1, 2008) (\$68 effective January 1, 2009). The \$90 passes are not part of the formula except that 5 percent of the total revenue from the \$90 passes is retained for the region and combined with the \$64 (\$68) revenue. (The five-percent rate represents the transfer rate on the Premium Express routes that accept the \$90 passes. MTS keeps all the remaining \$90 pass revenue.) The base pass revenue is then allocated to each operator that accepts the \$64 (\$68) passes based on the revenue the operator's percentage of regional pass boardings for all adult passes.

PASS REVENUE ALLOCATION PROCEDURES

Step 1

1a. The total number of \$64 (\$68) adult passes sold * \$64 (\$68) + 5 percent of \$90 Adult pass revenue = monthly pass base revenue.

1b. The total number of \$64 (\$68) pass riders on all routes operated by operator "x" / the total number of \$64 (\$68) pass riders on all routes operated by all operators = proportion of \$64 (\$68) pass base revenue allocated to operator "x."

1c. $1a * 1b = \$64 (\$68)$ base pass revenue allocated to operator "x."

Step 2

2a. The total \$90 pass revenue (minus the 5 percent included in the \$64 (\$68) pass base) is allocated to those MTS services that accept \$90 passes.

Note:

Any interest accrued by SANDAG as a result of the holding of pass revenues before allocation to the transit operators shall be paid to the operators.

REGULAR AND PREMIUM REGIONAL DAY PASS
REVENUE ALLOCATION FORMULA

PROCEDURE DESCRIPTION FOR REGIONAL DAY PASS

This procedure shall in effect until such time as the SPRINTER/BREEZE Day Pass is no longer being sold, at which time a new revenue sharing formula shall be adopted.

The total number of Regional Day Passes issued by MTS and NCTD shall be collected and verified.

Each boarding on a MTS bus or NCTD bus with a Regional Day Pass shall be recorded and the total number of boardings shall be reported to SANDAG.

A monthly survey of Trolley riders and a quarterly survey of SPRINTER riders shall be conducted using the statistical procedures developed by SANDAG. From this survey the monthly or quarterly number of Regional Day Pass passengers shall be determined.

The NCTD percentage share of Day Pass revenue shall be calculated by dividing the number of NCTD Regional Day Pass boardings by the total (MTS + NCTD) number of boardings each reporting period. The MTS percentage share of Day Pass revenue shall be calculated by dividing the number of MTS Regional Day Pass boardings by the total (MTS + NCTD) number of boardings each reporting period.

The total revenue from the distribution of all Regional Day Passes shall be determined by adding the revenue received from 1, 2, 3, and 4 day Regional Day Passes and 1 – 7 day Regional Group Advance Day Passes. The revenue allocation for MTS shall be the total revenue times the percentage of Regional Day Pass Boardings on MTS. The revenue allocation for NCTD shall be the total revenue times the percentage of Regional Day Pass Boardings on NCTD.

PROCEDURE DESCRIPTION FOR REGIONAL PREMIUM DAY PASS

This procedure shall in effect until such time as a Regional Premium Day Pass valid for travel on the COASTER is introduced and at which time a new revenue sharing formula shall be adopted..

The total number of Premium Day Passes issued by MTS and NCTD shall be collected and verified.

Each boarding on a MTS bus or NCTD bus with a Premium Day Pass shall be recorded and the total number of boardings shall be reported to SANDAG.

A monthly survey of Trolley riders and a Quarterly survey of Sprinter riders shall be conducted using the statistical procedures developed by SANDAG. From this survey the monthly or quarterly number of Premium Day Pass passengers shall be determined.

The NCTD percentage share of Day Pass revenue shall be calculated by dividing the number of NCTD Premium Day Pass boardings by the total (MTS + NCTD) number of boardings each reporting period. The MTS percentage share of Day Pass revenue shall be calculated by dividing the number of MTS Premium Day Pass boardings by the total (MTS + NCTD) number of boardings each reporting period.

The total revenue from the distribution of all Premium Day Passes shall be determined by adding the revenue received from 1 day Premium Day Passes. The revenue allocation for MTS shall be the total revenue times the percentage of Premium Day Pass Boardings on MTS. The revenue allocation for NCTD shall be the total revenue times the percentage of Premium Day Pass Boardings on NCTD.

SENIOR/DISABLED/~~MEDICARE~~ AND YOUTH
PASS REVENUE ALLOCATION FORMULA

1. The total number of pass riders (by category) on all routes operated by operator "x," divided by the total number of pass riders (by category) on all routes operated by all operators equals the proportion of pass revenue (by category) allocated to operator "x."
2. Revenue distribution for Senior/Disabled/~~Medicare~~ and Youth passes will be capped at a level of \$5.5 million *TransNet* funding annually (effective through ~~June 30, 2008~~ _____).

Note:

Any interest accrued by SANDAG as a result of the holding of pass revenues before allocation to the transit operators shall be paid to the operators.

TICKET REVENUE ALLOCATION FORMULA

All revenue from ticket sales is allocated in the method described below, regardless of the relationship between ticket sales and use.

1. Each operator's monthly percent share of revenue from sales of and Special Events Scratch-off Tickets (conventions, etc.) is determined by the percentage of Day Trippers reported as collected by each operator.
2. All of the revenue (100 percent) Tourism Industry Hotel Ticket is allocated to San Diego Trolley Inc.
3. All of the revenue (100 percent) for the \$2.50 Northbound Trolley Ticket (sold only at San Ysidro/Tijuana Trolley Station) is allocated to San Diego Trolley, Inc. (SDTI).
4. Each operator's percentage share of San Diego County Juror Ticket revenue is calculated annually based on the previous year's rates of redemption, as reported by operators. Revenues are allocated and dispersed quarterly. SANDAG Pass Sales Manager retains one percent of the quarterly sales revenue for administrative costs.

Note:

Any interest accrued by SANDAG as a result of the holding of ticket sales revenues before allocation to the transit operators shall be paid to the operators.

REGIONAL TOKEN PROGRAM

1. PROGRAM ADMINISTRATION

- 1.1 SANDAG is responsible for the design and minting of regional transit tokens. Token collection (from operators), counting, and distribution to sales outlets is the responsibility of SANDAG.
- 1.2 Tokens are sold only at The Transit Store, at a price of \$2.25 each.
- 1.3 One type of tokens is currently in circulation and accepted as valid fare media. This is:
 - .900 inch silver-colored token with a gold-colored insert in the middle. Reads “Metropolitan Transit System” with MTS logo on one side, “ONE URBAN FARE” minted on the reverse. (Minted in 2001/2002.)
- 1.4 Tokens are accepted as valid fare payment on MTS and North County Transit District (NCTD).
- 1.5 Tokens shall be treated as a cash fare. A token inserted into a ticket vending machine shall be replaced with a printed ticket of a \$2.25 value (or higher, if upgraded). Tokens are not accepted as valid fare media in the COASTER or SPRINTER ticket vending machines.

2. TOKEN REVENUE ALLOCATION

- 2.1 The monthly token boardings for all participating operators will be calculated by the actual tokens received.
- 2.2 All tokens received will be reported to SANDAG monthly.
- 2.3 All token sales revenue will be remitted to SANDAG.
- 2.4 Operators shall sort tokens from other currency and deliver in a sealed envelope to SANDAG on a monthly basis for reimbursement. The envelope should be marked on the outside with the operator name and the number of tokens enclosed. SANDAG will reimburse the operator for each token submitted based on the calculated value of each token at the time of sale using a first in-first out methodology. SANDAG will reimburse operators following submittal of tokens in the monthly distribution report.

Note:

Any interest accrued by SANDAG as a result of the holding of token sales revenues before allocation to the transit operators shall be paid to the operators.

COASTER REVENUE SHARING AGREEMENT

Five percent of net COASTER Revenue, including single tickets, round-trip tickets, ten-trip tickets, and monthly passes shall be allocated by North County Transit District to MTS.

NCTD shall advise SANDAG of the total COASTER net revenue and pay 5 percent to SANDAG. Direct payments to participating agencies (i.e., Trolley for special event coordination) shall be deducted from the 5 percent net revenue submitted to SANDAG. Based on the data provided by NCTD, SANDAG shall forward the 5 percent share to MTS once each year in the year end distribution (June).

MTS shall have the responsibility for allocating the revenue to the transit operators within the MTS organization. SANDAG will direct the funds based on the MTS allocation. SANDAG will conduct a survey at least every three years of COASTER transfers patterns. MTS may elect to use the survey of transfer patterns to determine how the COASTER revenue is allocated among operators.

Note:

Any interest accrued by SANDAG as a result of the holding of COASTER revenues before allocation to the transit operators shall be paid to the operators.

TITLE VI FARE PROPOSAL EVALUATION FOR THE SAN DIEGO REGION

June 2008



401 B Street, Suite 800 • San Diego, CA 92101-4231 • (619) 699-1900

BOARD OF DIRECTORS



The 18 cities and county government are SANDAG serving as the forum for regional decision-making. SANDAG builds consensus; plans, engineers, and builds public transit; makes strategic plans; obtains and allocates resources; and provides information on a broad range of topics pertinent to the region's quality of life.

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As of May 9, 2008

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* Chapter order intentional to reflect the corresponding chapters outlined in the May 13, 2007, Federal Transit Administration (FTA) Circular (FTA C 4702.1A).

INTRODUCTION

This Federal Civil Rights Title VI analysis has been prepared to evaluate amendments to the Regional Comprehensive Fare Ordinance scheduled for implementation in July 2008 and January 2009. The amended ordinance would be approved by the San Diego Association of Governments (SANDAG) and implemented by the Metropolitan Transit System (MTS) and the North County Transit District (NCTD). The analysis assesses how the proposal will affect different transit rider populations and determines if any of the proposed fare changes will result in disproportionately negative impacts and adverse effects on minority and low-income (LIM) populations within the San Diego region.

Background and Responsibility

With the approval of Senate Bill (SB) 1703 in 2003, the planning and programming functions of the MTS and NCTD were consolidated under SANDAG. Contained within these functions is the responsibility for developing a Regional Fare Policy, including setting fares for transit services in the region through a Comprehensive Fare Ordinance. The MTS and NCTD Board of Directors have requested a fare increase to partially mitigate a revenue shortfall caused by reduced tax revenue, increased fuel costs, and reduced subsidies from the State.

Title VI Requirements

Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) states that: "No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance." The scope of Title VI was expanded by the Civil Rights Restoration Act of 1987 (P.L. 100-209) to include all of a recipient's and contractor's programs or activities whether federally assisted or not.

The February 11, 1994, Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations" added low-income populations to minority populations and required that disproportionately adverse impacts be identified and addressed. Environmental justice applies to all programs, policies, and activities being evaluated and is consistent with Title VI of the Civil Rights Act of 1964. Executive Order 12898 also requires public involvement and mandates that transportation agencies ensure there is no exclusion from participation, no denial of benefits, and no discrimination in the services that they provide to LIM populations.

The August 11, 2000, Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency" introduced the requirement to provide "meaningful access to Limited English Proficient (LEP) persons" (Chapter IV, Part 4). Executive Order 13166 requires Federal agencies to examine the services they provide, identify any need for services to those with Limited English Proficiency (LEP), and develop and implement a system to provide those services so that LEP persons can have meaningful access to them. To fulfill this requirement, FTA recipients must take responsible steps to ensure meaningful access to the benefits, services, information, and other important portions of their programs and activities for individuals who are LEP.

This Title VI assessment was prepared by SANDAG.

EXECUTIVE ORDER 13166

GENERAL REQUIREMENTS AND GUIDELINES

Limited English Proficiency

Limited English Proficiency (LEP) is a term used to describe individuals who are not proficient in the English language. Executive Order 13166 “Improving Access to Services for Persons With Limited English Proficiency (August 2000),” is directed at implementing the protections afforded by Title VI of the Civil Rights Act of 1964 and related regulations. Accordingly, it prohibits recipients of Federal financial assistance from discriminating based on national origin by failing to provide meaningful access to service for individuals who are LEP. These protections require that LEP persons be provided with an equal opportunity to benefit from or have access to services that are normally provided in English.

SANDAG defines LEP persons as those individuals who do not speak English as their primary language and who have limited ability to read, write, speak, or understand English. These non-English speaking persons in San Diego County have been identified based on data obtained from the Census 2000, which included response categories such as “Language Spoken at Home and the Ability to Speak English.” Those who responded to the Census by stating that they speak English “not well” or “not at all” are considered to be LEP individuals.

To ensure meaningful access to LEP persons, SANDAG certifies compliance with the United States Department of Transportation (USDOT) “Policy Guidance Concerning Recipients’ Responsibilities to Limited English Proficient (LEP) Persons.” The policy guidance includes a “Safe Harbor” provision where the USDOT considers the written translation of vital documents in languages other than English (for eligible LEP language groups consisting of 5 percent or more of the population) to be strong evidence of compliance with the recipient’s written-translation obligations under Title VI.

In the San Diego Region, SANDAG strives to ensure that LEP services are provided for languages that meet or exceed this 5 percent threshold. Written translations are provided for each eligible LEP language group that constitutes 5 percent or more of the population likely to be served by public transit. This 5 percent trigger serves as the benchmark for continued translations of languages over time. Written language services consist of the written-translation of the following vital documents: (1) All fare-related signs in bus, trolley, and train stations; and, (2) Notices of public hearings regarding recipients’ proposed transportation plans, projects, or changes, reductions, denial, or termination of services or benefits.

Table 1 highlights the Census data for “Language Spoken at Home and the Ability to Speak English” in the MTS and NCTD service areas, as well as for the region as a whole. Based on the Census 2000 data, Spanish is the only language in the San Diego Region that meets or exceeds the 5 percent LEP trigger in the combined categories of English spoken “not well” or “not at all.” Within the MTS service area, the total population who speak English “not well” or “not at all” is 5 percent, within the NCTD service area the total population who speak English “not well” or “not at all” is 7 percent and in the entire San Diego Region, the total population who speak English “not well” or “not at all” is 6 percent. Vital documents related to the Fare Ordinance amendments proposed for implementation in July 2008 and January 2009 were provided in Spanish to meet the requirements of Executive Order 13166.

Table 1
Language Spoken at Home and the Ability to Speak English[†]
(Population age 5 and older)

Prominent Household Language	Ability to Speak English	MTS		NCTD		Regional Total	
		Total	Percent	Total	Percent	Total	Percent
English	Speak English Only	1,234,316	65%	518,328	71%	1,752,644	67%
Spanish		410,137	22%	161,441	22%	571,578	22%
	Speak English "well"	314,871	17%	108,904	15%	423,775	16%
	Speak English "not well" or "not at all"	95,266	5%	52,537	7%	147,803	6%
Asian/Pacific Island		163,249	9%	22,182	3%	185,431	7%
	Speak English "well"	134,730	7%	19,138	3%	153,868	6%
	Speak English "not well" or "not at all"	28,519	2%	3,044	0%	31,563	1%
Other		81,899	4%	23,660	3%	105,559	4%
	Speak English "well"	72,574	4%	22,036	3%	94,610	4%
	Speak English "not well" or "not at all"	9,235	0%	1,624	0%	10,859	0%

[†] Based on Census 2000 data

EXECUTIVE ORDER 12898 PROGRAM SPECIFIC REQUIREMENTS AND GUIDELINES FOR RECIPIENTS SERVING LARGE URBANIZED AREAS

Methodology for Fare Analysis

In order to comply with Executive Order 12898, which mandates the inclusion of “minority and low-income populations (LIM)” in the analysis of environmental justice, SANDAG first defined the LIM populations in the San Diego region by transit district service area; and for the region as a whole. LIM populations were defined by Census Tract and a LIM Census Tract was identified as any Census Tract where the total percentage of the LIM population was greater than the LIM percentage for the service area as a whole. Based upon the Census data, SANDAG determined the LIM averages to be 51 percent in the Metropolitan Transit System (MTS) service area, 40 percent in the North County Transit District (NCTD) service area, and 49 percent regionwide (shown in Table 2). A complete table of LIM populations by Census Tract in the San Diego region can be found in Appendix A of this document.

**Table 2
Total LIM Population by Census Tract in the San Diego Region**

Service Area	Total Population	Total LIM	
		#	%
MTS	2,017,725	1,045,141	51%
NCTD	796,108	332,995	40%
Regional Total	2,813,833	1,378,136	49%

To conduct this Title VI assessment for proposed changes to the current fare structure, information generated from the SANDAG 2002 Onboard Ridership Survey was analyzed to understand the region’s transit ridership in relation to fare usage patterns and LIM populations. Using the information from ridership surveys allows for a more thorough evaluation while simultaneously indicating whether LIM riders are more likely to use the mode of service, payment type, or payment media that would be subject to the proposed fare adjustments.

By using the data derived from the ridership surveys, staff was able to create a regional ridership profile that better defines the proportion of LIM and Non-LIM populations who use public transit in the region. In the MTS service area, 77 percent of riders are considered to be LIM, while 65 percent of NCTD riders are LIM. The regionwide average is 73 percent. In order to provide a reasonable comparison, SANDAG utilized the ridership survey LIM average to assess Title VI impacts, instead of using the LIM averages by Census Tract included in Table 2. Table 3 provides the overview of LIM populations based on ridership as described above. [†]

[†] Ridership surveys were not available for ADA Paratransit service riders. As a result, Census 2000 crosstab data was used which confirmed that the disabled population of San Diego County was more likely to be in poverty than the general population.

**Table 3
Total LIM Population by Ridership Surveys in the San Diego Region**

Service Area	Total Surveys [†]	Total LIM	
		#	%
MTS	21,073	16,319	77%
NCTD	10,556	6,849	65%
Regional Total	31,629	23,168	73%

[†] Based on Valid Surveys

In order to provide the Title VI evaluation, a complete analysis of transit modes and fare payment type/media was conducted using the data derived from the onboard survey. Specific route types (i.e. local, urban, express, etc.) as well as specific pass types (i.e. adult monthly, premium express, etc.) were categorized based on method of payment (cash or pass) and ridership status (LIM vs. Non-LIM). In general, Title VI impacts would be likely when fare increases occur on routes (or groups of routes) that support a larger than average percentage of LIM riders. It should be noted that for the purposes of this report, staff has assumed that the passenger demographics and travel behavior have not changed since the 2002 survey was conducted. A copy of the SANDAG 2002 Onboard Transit Survey is included in Appendix B of this document.

Data Collection

To collect the information for the Onboard Passenger Survey, surveyors rode onboard buses, Trolleys, and the COASTER, offering survey forms to passengers as they boarded the vehicle. Surveys were self-administered; however, the surveyors were available for questions. When passengers completed the questionnaires, they were collected and tracked by route, date, trip time, and direction. The data then was coded, entered, and analyzed. MTS routes and NCTD routes had a slightly different survey form (see Appendix B). While slightly different, the survey questions were worded so that the forms could be combined in the analysis. An average of 314 completed questionnaires per route were collected and efforts were made to survey in both directions and during all time-periods (A.M. Peak, Midday, P.M. Peak, and Other).

LIM riders were those individuals who stated on the survey that they considered themselves anything other than white (non-Hispanic) and/or they indicated that their household income was below \$30,000. The \$30,000 threshold was determined through an application of average household size combined with the federal poverty guidelines. Ridership surveys from the NCTD area were used to determine the average household size (4.00 persons per household), while data from the MTS service area was unavailable. However, Census data for both service areas exhibited similarities which made the application of NCTD household size to the region logical. Since the federal poverty threshold in 2002 was set at \$27,588 for a family of four[‡] (when the survey was performed), any respondent who stated that their household income was "Under \$10,000," between \$10,000 and \$19,999, and between "\$20,000 and \$29,999," and were considered "low-income" for the purposes of this evaluation.

[‡] The poverty threshold is based on 150% of the poverty level from federal SAFETEA-LU (Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) guidance.

From the survey responses given, the data then was analyzed by transit mode (bus and Trolley) and payment type (cash, pass, transfers) to determine the absolute number and percentage of LIM riders that could be impacted from any of the proposed fare alternatives. A complete table containing this LIM evaluation by route and payment types can be found in Appendix C of this document.

While every attempt was made to evaluate each component of the proposed fare changes, a few minor categories were not available or needed to be adjusted based on the limitations of the available data. Specifically, a thorough evaluation of Senior, Disabled and Medicare (SDM) riders (monthly pass holders and cash riders) was not available since the data enabled only the identification of seniors within this category. Additionally, several of the proposed fare changes (including changes to day passes, and SVCC[§] COASTER Connection fares) were not available since the survey form did not enable identification of these ridership subsets or the service/fare product was not available at the time the survey was conducted. Additionally, youth monthly pass changes (available to youth ages six through 18) were not evaluated since the survey did not include individuals under 13 years old.

Description of the Fare Ordinance Amendments

The following amendments to the Fare Ordinance were evaluated by SANDAG to determine if the fare changes would have disproportionately adverse effects on LIM populations in the San Diego region. This includes changes to July 2008 and January 2009 cash fares, regional pass fares, and other discounted pass fares. Table 4 provides an overview of the existing fare structure (cash and pass), while Tables 5 and 6 detail the Ordinance changes to fares in both 2008 and 2009. Absent state or federal appropriations or substantial cutbacks in routes or personnel with consequential cutbacks in operations, a fare increases for MTS and NCTD services are a business necessity to meet budget needs for fiscal year 2009 and future fiscal years. Operations deficits will occur at both MTS and NCTD if the proposed fare amendments are not adopted.

Cash Fares

Cash fare changes evaluated for Title VI purposes include changes to MTS Express SDM fares (2008), MTS Urban SDM fares (2008), MTS Premium Express SDM fares (2008), COASTER Regular and SDM fares (2008 and 2009), SVCC COASTER Connection fares (2008), MTS Trolley fares, MTS Access fares (2008) and NCTD LIFT fares (2008). With the exception of MTS Trolley, MTS Access and NCTD LIFT services, none of the proposed fare changes were found to trigger any Title VI impacts.

Given the majority LIM population of both the Trolley and ADA paratransit (MTS Access and NCTD LIFT) ridership, there are potential impacts to LIMs for proposed fare increases for these services. Under Title VI, SANDAG can implement a fare increase that would have disproportionately high and adverse effects on LIMs provided that SANDAG demonstrates that the action meets a substantial need that is in the public interest and that alternatives would have more severe adverse effects than the preferred alternative.

As a result, an alternatives analysis was prepared for both of these service categories. The alternatives selected for the Trolley include a flat fare with three possible alternatives: a \$2.25 fare with each line considered a separate service with no transfers between lines (except at Old Town), a \$2.50 fare with each line considered a separate service with no transfers between lines (except at Old Town) and a \$2.50 fare allowing transfers between Trolley lines. These alternatives are further analyzed below under the heading "Title VI Impact Assessment."

[§] Sorrento Valley COASTER Connection

Given the high LIM ridership on the ADA paratransit services, SANDAG also analyzed whether a prohibited Title VI impact would occur if the Fare Ordinance language was amended to allow the transit operators to charge up to double the one-way fare for ADA paratransit services, as permitted by federal law. The analysis established that as long as the transit operators charge as much as double the current fixed-route fare without going above the following maximums, no prohibited Title VI impact would result: 1) \$4.50 for NCTD LIFT and MTS Urban Paratransit service (2008), and \$5.00 in 2009; and 2) double the current fixed route fare with a maximum cap of \$4.00 (2008) for MTS Suburban Paratransit service, which could be rolled into MTS Urban Paratransit service in 2009.

Pass Fares

The current regional pass fares are \$64.00 for a regular regional pass, \$90.00 for a premium regular express pass, \$16.00 for a regional SDM pass, \$32.00 for a Regional Youth pass, \$54.00 for an NCTD BREEZE/SPRINTER Regular Monthly pass, \$115.00 to \$154.00 for a COASTER Regular Monthly pass, \$11.00 for a Premium Express day pass, \$5.00 for a Regular-Regional Day pass, \$4.00 for an NCTD Regular Day pass, and \$2.00 for an NCTD SDM Day pass. There are currently no Regular-Regional SDM Day passes or 14-day passes of any kind other than the half-month Regional pass, which can be purchased on the 15th day of each month.

Changes to the Fare Ordinance evaluated for Title VI purposes, included increases to NCTD BREEZE Monthly passes (2008); MTS Premium Express SDM and Youth Monthly passes (2008); COASTER Regular, SDM, and Youth Monthly passes (2008 and 2009); MTS Rural Regular, SDM and Youth Monthly passes (2008); SVCC Regular, SDM and Youth Monthly COASTER pass supplement (2008); Regular, SDM and Youth Regional Monthly passes (2009); and the institution of a 14 consecutive day Regular-Regional pass (2009). Day pass changes evaluated include increases to NCTD BREEZE Regular Day passes (2008 and 2009); and applicability of the Regular-Regional Day pass to SVCC COASTER Connection services (2008).

Other Discounted Pass Fares and Fare-Related Programs

Other discounted pass fares and fare-related programs included in the updated Fare Ordinance involve changes to the BREEZE College Monthly Pass and the temporal cycle of the Regular, SDM, and Youth Monthly passes. None of the above mentioned discount pass fares or changes to other fare-related programs are evaluated in this report given the lack of available survey data for the affected populations. Assuming that the youth ridership data would be consistent with the general population data and the senior ridership data would be consistent with SDM, however, the proposed amendments would be consistent with Title VI requirements.

**Table 4
Existing Fare Structure**

Service Category	Service	Single Ride Fare [†]		Day Pass		14-Day Pass [‡]		30-Day Pass		
		Regular/ Youth	Senior/ Disabled	Adult/ Youth	Senior/ Disabled	Adult	Senior/ Disabled	Adult [†]	Senior/ Disabled	Youth
Local	MTS Bus (Local/Urban)	\$2.00-2.25	\$1.00	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	BREEZE	\$2.00	\$1.00	\$4.00	\$2.00	N/A	N/A	\$54.00+	\$16.00	\$32.00
Corridor	Trolley [‡]	\$1.50-\$3.00	\$1.00	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	SPRINTER	\$2.00	\$1.00	\$4.00	\$2.00	N/A	N/A	\$54.00+	\$16.00	\$32.00
	MTS Express	\$2.50	\$1.00	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
Regional	MTS Premium Express	\$5.00	\$1.00	\$11.00	N/A	NA	N/A	\$90.00	\$16.00	\$32.00
	COASTER [§]	\$4.00-5.50	\$2.00-2.75	N/A	N/A	N/A	N/A	\$115-154	\$38.50	\$77.00
Rural	MTS (2 zones)	\$5.00-10.00	\$2.50-5.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	NCTD	\$2.00	\$1.00	N/A	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
Community	MTS Shuttle	\$1.00	\$1.00	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	MTS Downtown	\$1.25	\$1.00	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	NCTD FAST	\$2.00	\$1.00	\$4.00	\$2.00	N/A	N/A	\$54.00*	\$16.00	\$32.00
	SVCC COASTER Connector	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paratransit	MTS Access Urban	\$4.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	NCTD LIFT	\$4.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	MTS Access Suburban	\$3.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Indicates change from previous year

[†] No transfers between vehicles or services; separate fare (or pass) required for each boarding

[‡] Regional half-month pass currently good for the last half-month only

[§] COASTER – 4 zones

^{*} NCTD-only; Regional/MTS passes also accepted on BREEZE, SPRINTER, and NCTD Rural service; no NCTD-only S/D or Youth passes; no NCTD-only 14-Day Pass

College passes: College Monthly Pass (MTS) = \$51.20; BREEZE College Pass = \$39.00 to \$44.00; College Semester Pass = \$1.34/day

**Table 5
July 2008 Fare Structure Alternative**

Service Category	Service	Single Ride Fare [†]		Day Pass		14-Day Pass		30-Day Pass		
		Adult/ Youth	Senior/ Disabled	Adult/ Youth	Senior/ Disabled	Adult	Senior/ Disabled	Adult	Senior/ Disabled	Youth
Local	MTS Bus (Local/Urban)	\$2.00-2.25	\$1.00-1.10	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	BREEZE	\$2.00	\$1.00	\$4.50	\$2.25	N/A	N/A	\$59.00*	\$16.00	\$32.00
Corridor	Trolley [‡] (Alt 1)**	\$2.25	\$1.10	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	Trolley [‡] (Alt 2)**	\$2.50	\$1.25	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	Trolley [‡] (Alt 3)**	\$2.50	\$1.25	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	MTS Express	\$2.50	\$1.25	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
Regional	MTS Premium Express	\$5.00	\$2.50	\$11.00	N/A	NA	N/A	\$90.00	\$22.50	\$45.00
	COASTER [§]	\$4.50-6.00	\$2.25-3.00	N/A	N/A	N/A	N/A	\$129-168	\$42.00	\$84.00
Rural	MTS (2 zones)	\$5.00-10.00	\$2.50-5.00	N/A	N/A	N/A	N/A	\$90.00	\$22.50	\$45.00
	NCTD	\$2.00	\$1.00	N/A	N/A	N/A	N/A	\$59.00	\$16.00	\$32.00
Community	MTS Shuttle	\$1.00	\$1.00	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	MTS Downtown	\$1.25	\$1.00	\$5.00	N/A	N/A	N/A	\$64.00	\$16.00	\$32.00
	SVCC COASTER Connector**	\$1.00	\$0.50	\$5.00	\$2.50	N/A	N/A	\$40.00	\$10.00	\$20.00
Paratransit	MTS Access Urban	\$4.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	NCTD LIFT	\$4.50	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	MTS Access Suburban	\$4.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Indicates change from existing fare structure

[†] No transfers between vehicles or services; separate fare (or pass) required for each boarding; 5 percent bonus when loading \$10.00 or more on Compass Card

[‡] Trolley Alternatives: (1) \$2.25 with no "zones," each line considered separate service; however, free transfer between Trolley lines at Old Town only; (2) \$2.50 with transfers allowed between Trolley lines; (3) \$2.50 with no "zone," each line considered separate service; however, free transfer between Trolley lines at Old Town only.

[§] COASTER – 4 zones (same as current structure)

* NCTD-only; Regional/MTS passes also accepted on BREEZE and SPRINTER; no NCTD-only S/D or Youth passes, no NCTD-only 14-Day Pass

** Actual 2008 implementation pending discussion with operators

^{||} Double the current fixed-route fare but with a fare maximum

College passes: College Monthly Pass (MTS) = \$51.20, BREEZE College Pass = \$49.00; College Semester Pass = \$1.34/day

**Table 6
January 2009 Fare Structure Alternative**

Service Category	Service	Single Ride Fare [†]		Day Pass		14-Day Pass		30-Day Pass		
		Adult/Youth	Senior/Disabled	Adult/Youth	Senior/Disabled	Adult	Senior/Disabled	Adult	Senior/Disabled	Youth
Local	MTS Bus (Local/Urban)	\$2.25	\$1.10	\$5.00	N/A	\$41.00	N/A	\$68.00	\$17.00	\$34.00
	BREEZE	\$2.00	\$1.00	\$5.00	N/A	\$41.00	N/A	\$59.00*	\$17.00	\$34.00
Corridor	Trolley [‡] (Alt 1)	\$2.25	\$1.10	\$5.00	N/A	\$41.00	N/A	\$68.00	\$17.00	\$34.00
	Trolley [‡] (Alt 2)	\$2.50	\$1.25	\$5.00	N/A	\$41.00	N/A	\$68.00	\$17.00	\$34.00
	Trolley [‡] (Alt 3)	\$2.50	\$1.25	\$5.00	N/A	\$41.00	N/A	\$68.00	\$17.00	\$34.00
	SPRINTER	\$2.00	\$1.00	\$5.00	\$2.50	\$41.00	N/A	\$59.00	\$17.00	\$34.00
	MTS Express	\$2.50	\$1.25	\$5.00	N/A	\$41.00	N/A	\$68.00	\$17.00	\$34.00
Regional	MTS Premium Express	\$5.00	\$2.50	\$14.00**	N/A	N/A	N/A	\$90.00	\$22.50	\$45.00
	COASTER [§]	\$5.00-6.50	\$2.50-3.25	\$14.00**	N/A	N/A	N/A	\$144-182	\$45.50	\$91.00
Rural	MTS (2 zones)	\$5.00-10.00	\$2.50-5.00	N/A	N/A	N/A	N/A	\$90.00	\$22.50	\$45.00
	NCTD	\$2.00	\$1.00	N/A	N/A	\$41.00	N/A	\$59.00	\$17.00	\$34.00
Community	MTS Shuttle	\$1.00	\$1.00	\$5.00	N/A	\$41.00	N/A	\$68.00	\$17.00	\$34.00
	MTS Downtown	\$1.25	\$1.00	\$5.00	N/A	\$41.00	N/A	\$68.00	\$17.00	\$34.00
	SVCC COASTER Connector	\$1.00	\$0.50	\$5.00	\$2.50	N/A	N/A	\$40.00	\$10.00	\$20.00
Paratransit	MTS Access Urban	\$5.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	NCTD LIFT	\$5.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	MTS Suburban	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Indicates change from July 2008 fare structure

[†] No transfers between vehicles or services; separate fare (or pass) required for each boarding; 5 percent bonus when loading \$10.00 or more on Compass Card

[‡] Trolley Alternatives: (1) \$2.25 with no "zones," each line considered separate service; however, free transfer between Trolley lines at Old Town only; (2) \$2.50 with transfers allowed between Trolley lines; (3) \$2.50 with no "zone," each line considered separate service; however, free transfer between Trolley lines at Old Town only.

[§] COASTER – 4 zones (same as current structure)

* NCTD-only; Regional/MTS passes also accepted on BREEZE, SPRINTER, and NCTD Rural service; no NCTD-only S/D or Youth passes, no NCTD-only 14-Day Pass

^{||} Double the current fixed-route fare but with a fare maximum

College passes: College Monthly Pass (MTS) = \$51.20, BREEZE College Pass = \$49.00; College Semester Pass = \$1.34/day

TITLE VI IMPACT ASSESSMENT

With the exception of ADA paratransit and MTS Trolley services, there were no potential prohibited Title VI issues or impacts discovered through the analysis of either time period (July 2008 and January 2009). Therefore, this section of the report only includes a description of the analysis for ADA paratransit and MTS Trolley cash (non-pass) fares.

MTS and NCTD Fare Alternative Evaluation – 2008 and 2009

ADA Paratransit Services

The proposed Fare Ordinance amendments allow for doubling the fixed-route fare but, do not include a set fare maximum. There are no impacts from not including a maximum fare but there would be potential impacts if a transit agency increased the ADA fares beyond the current proposed range of \$4.00 to \$4.50 (2008) and \$5.00 (2009). Therefore, any ADA fare increases beyond these levels would require an additional Title VI analysis.** This conclusion was reached based on a sample of daily ridership from MTS service which currently ranges between \$3.50 and \$4.50.

Title VI Findings Summary for ADA Services:

There would be no disproportionate impacts on protected populations with the ADA fare alternative with no maximum fare, provided that fare levels do not exceed the current fare proposal, with fares ranging from \$4.00 to \$4.50 (2008) and \$5.00 (2009). Any ADA fare increases beyond these levels would require an additional Title VI analysis.

MTS Trolley Service

An increase in the fares charged for MTS Trolley service is needed to meet MTS operational budget needs. A status quo alternative would require cutbacks in personnel, maintenance, and service that would cause more severe impacts to LIM riders. Furthermore, the current Trolley fare structure is based on zones, which causes confusion and fare evasion, neither of which are in the public interest. At its meeting on June 6, 2008, the Transportation Committee supported the option of charging a \$2.50 flat fare with free transfers between trolleys (“preferred alternative”). Under this alternative, some fares would increase by between 11 percent and 67 percent, with others unchanged or reduced between 0 percent and 17 percent.

Two other flat fare alternatives were evaluated for MTS Trolley service. The first alternative is a \$2.25 fare that would not allow transfers between Trolley lines. Passengers between lines would be required to pay an additional fare. This alternative carries a potential of increasing fares by between 13 and 50 percent for some riders, while reducing the fare for others by up to 25 percent, with the remainder experiencing no fare change. The second flat fare alternative involves a flat fare of \$2.50, but does not allow free transfers to other Trolley lines. Under this alternative, some fares

** With no maximum, the average fare would be \$7.32 for MTS Suburban ADA service (currently \$3.50) and \$9.61 for MTS Urban ADA service (currently \$4.50). This represents 109 percent and 114 percent increases respectively, which is significantly more than the percentage increases from other proposed fares and would constitute a Title VI disproportionate impact if implemented.

would increase by between 11 percent and 185 percent, with others unchanged or reduced between 0 percent and 17 percent.

These results show that all three increased Trolley fare alternatives would have a disproportionately high and adverse effect on LIMs. Under Title VI, if a proposed fare increase would cause a disproportionately high and adverse effect on LIMs, SANDAG must demonstrate that its preferred alternative meets a substantial need that is in the public interest and that other alternatives would have more severe adverse effects than the preferred alternative. Although based on the above numbers alone the preferred alternative has a more adverse impact on LIM riders than the \$2.25 alternative, the \$2.25 fare will perpetuate confusion for the public because they will have to purchase a new ticket for transfers to another Trolley line and this is sometimes difficult for riders because of the timing of the Trolley arrivals at Trolley station transfer points. It is in the public interest to make the Trolley system more user-friendly. The preferred alternative will decrease the MTS budget deficit, and have a less severe impact than the \$2.50 flat fare alternative without Trolley transfers. The preferred alternative provides additional benefits, including: reduction of Trolley fare evasion by persons who do not pay the right fare under the current zone system or who would not pay for the transfers under the alternatives that do not allow free transfers. The preferred alternative would also speed up the boarding/ticketing process during special events with high passenger volumes. In these respects and in others, the preferred alternative provides material benefits to LIM riders and riders in general that would not occur if either the \$2.25 or \$2.50 fare without transfers alternative was chosen.

Title VI Findings Summary for Trolley:

Substantial legitimate justifications exist for implementing the preferred alternative although it has some negative impact on LIMs. On balance, the preferred alternative meets substantial needs that are in the public interest and other alternatives would have more severe adverse effects on LIMs. Therefore, the preferred alternative is permitted under Title VI.

**Table 7
Existing Cash Fare Structure vs. 2008 Cash Fare Alternatives**

Service Category	Service	Existing	July 2008	% Price Change from Existing	Service Area LIM %	LIM %	% Difference (Service Area LIM vs. Actual LIM %)	LIM or Non-LIM Route	Disproportionate LIM Impact?
Corridor	Trolley (Alt 1) [†]	\$1.50-\$2.00	\$2.25	+13% to +50%	77%	83%	5%	LIM	YES
	Trolley (Alt1) [†]	\$2.25-\$3.00	\$2.25	-25% to 0%	77	86%	9%	LIM	
	Trolley (Alt 2) ^{† Preferred}	\$1.50-\$2.25	\$2.50	+11% to +67%	77%	85%	8%	LIM	YES
	Trolley (Alt 2) ^{† Preferred}	\$2.50-\$3.00	\$2.50	-17% to 0%	77%	85%	8%	LIM	
	Trolley (Alt 3) [†]	\$1.50-\$2.25	\$2.50	+11% to +185%	77%	85%	8%	LIM	YES
	Trolley (Alt3) [†]	\$2.50-\$3.00	\$2.50	-17% to 0%	77%	85%	8%	LIM	

[†] Trolley Alternatives: (1) \$2.25 with no "zones," each line considered separate service; however, free transfer between Trolley lines at Old Town only; (2) \$2.50 with transfers allowed between Trolley lines; (3) \$2.50 with no "zone," each line considered separate service; however, free transfer between Trolley lines at Old Town only.



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RESOLUTION

NO. 2008-30

FINDINGS IN SUPPORT OF NOTICE OF EXEMPTION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT RELATING TO PROPOSED AMENDMENTS TO THE REGIONAL COMPREHENSIVE FARE ORDINANCE

WHEREAS, changes to the Regional Comprehensive Fare Ordinance are necessary to increase revenue to bridge recently identified funding shortfalls facing Metropolitan Transit System (MTS) and North County Transit District (NCTD); and

WHEREAS, SANDAG's Transportation Committee has been authorized in Board Policy No. 001 to conduct hearings regarding fare setting and approve comprehensive fare ordinance amendments and has held such public hearings regarding the proposed amendments to the Regional Comprehensive Fare Ordinance; and

WHEREAS, the SANDAG Board of Directors wishes to render written findings in support of the determination that the amendments to the Regional Comprehensive Fare Ordinance do not require an environmental impact report before it approves the amendments; and

WHEREAS, if a project falls within a category exempt by administrative regulation under the California Environmental Quality Act (CEQA) no further agency evaluation of environmental impact is required; and

WHEREAS, establishment of fares and fare increases are exempt from CEQA pursuant to an exemption for fees charged by a public agency for the purpose of meeting operating expenses pursuant to Public Resources Code, § 21080, subd. (b)(8); and California Code of Regulations Title 14, § 15273, subd. (a); and

WHEREAS, if SANDAG does not quickly take action to increase fares on behalf of the transit operators, the operators will be forced to cut additional services in order to balance their budgets and meet the funding shortfalls. It has been made clear that the revenues obtained from the fare increase will be used for operations purposes rather than for capital improvements;

NOW THEREFORE

BE IT RESOLVED that SANDAG makes the following findings:

NCTD and MTS have an urgent need to increase fares in order to fill a revenue gap created by the combined effects of the FY 2009 State Budget, lower than expected sales tax revenues, and higher fuel costs. The fare increases need to be implemented to meet the operating expenses of the transit operators.

PASSED AND ADOPTED this 13th of June 2008.

CHAIRPERSON

ATTEST: _____

SECRETARY

MEMBER AGENCIES: Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach, Vista, and County of San Diego.

ADVISORY MEMBERS: California Department of Transportation, Metropolitan Transit System, North County Transit District, Imperial County, U.S. Department of Defense, San Diego Unified Port District, San Diego County Water Authority, Southern California Tribal Chairmen's Association, and Mexico.

Public Comments on Proposed Fare Changes (received via email or voice mail)

No.	Date	Time	Email/Voicemail	Name	Comment
1	05/14/2008	10:14AM	Email	Lita McConroy	Customer is dissatisfied with the raising of fares and the reduction of routes.
2	05/15/2008	7:58 AM	Email	Matthew Stecker	Customer believes that if fares are raised for coaster connection in Sorrento valley, people will be driven away from using this type of public transit. Despite the fact that gas prices are up, this rise in cost will not be low enough to offset the convenience of riding in a car.
3	05/15/2008	8:36 AM	Email	Christine Faschini	Customer comments that having the hearings during working hours, limits the sheer amount of people who can attend the meetings.
4	05/15/2008	8:38 AM	Email	Christine Faschini	Customer comments that she has been riding the coaster for 10 years, and her monthly pass has only been checked six times. She believes that there should be more systems to hold customers accountable for buying a ticket.
5	05/15/2008	8:41 AM	Email	Christine Faschini	Customer would like to know if the rumor that a coaster conductors do not give tickets because that would mean that they would have to go to court to contest on their free days.
6	05/15/2008	8:45 AM	Email	Christine Faschini	Customer believes that many of the budgetary problems that the coaster is dealing with is because that patrons are not held accountable to buy a ticket. She believes that the system here should be similar to Washington DC where there are ticket counters and turnstiles before patrons can board the train.
7	05/15/2008	8:49 AM	Email	Joseph Tuchscherer	Customer comments that it would be financially difficult to have an increase in both coaster monthly pass as well as the svcc monthly pass. He comments that if these were both to increase, he would have no choice but to stop riding.
8	05/15/2008	9:55 AM	Email	Sheri Day	Customer comments that a raise of \$14 twice in seven months is too much of a raise for the working poor. She comments that the rolling 30 consecutive day pass for the Compass card is confusing. Lastly, she agrees that senior/disabled prices should be raised, because she feels they should do their fair share also.
9	05/15/2008	11:28 AM	Email	Shane Lutz	Customers comments that he began to ride the train to save money on gas and car maintenance, but with the proposal of increased fares, riding his car to work would be cheaper.
10	05/15/2008	1:32 PM	Email	Heather Lutz	Customer comments that riding the coaster and taking the free shuttle was a way to save money on gas and avoid traffic congestion. But with the rising fares it would be more convenient to ride her car, thus adding to the traffic congestion of the area. She questions how is everyone suppose to 'go green' if it's too expensive?
11	05/15/2008	1:42 PM	Email	Kimberly McIntyre	Customer comments that the \$40 fare hikes are unfair because it is only a 1 mile ride up the hill to the Sorrento valley station. She feels that the budget overages should be mitigated by reducing the number of almost empty mid day trains and forcing youth and seniors to pay the same rates as all the other patrons. Lastly, she comments that these types of fare hikes are why average citizens cannot 'go green.'
12	05/15/2008	6:47 PM	Email	Diana	Customer would like to speak to a SANDAG representative.
13	05/16/2008	8:24 AM	Email	Susan Kincade	Customer comments that the rider alert is unclear if there is a savings in purchasing the compass pass. She would like to know if it is cheaper to buy the pass for a monthly, or buy single tickets every day.
14	05/16/2008	8:36 AM	Email	John Cissna	Customer comments that the fare increase by \$68 dollars, which is a 59% increase for patrons using one zone is unfair. He also believes that it is unfair that seniors and students pay 75% less than everyone else. Customer also feels there should be a regular shuttle services to the Coaster station.
15	05/16/2008	10:36 AM	Email	William Blakeslee	Customer comments that he is a senior citizen who has relied on using the coaster train at Old town to get to work in north county. In the past, he has been able to ride in his car 3 miles to the station and pay \$38 dollars for a monthly pass. But now, with rising fuel costs and an increase in fares he doesn't know how he will be able to afford it? Also, he comments that the rider alert is very unclear as to the exact increase in fares. He asks how do you calculate 25% of the new 4 zone coaster pass? He asks for clarification.

No.	Date	Time	Email/Voicemail	Name	Comment
16	05/16/2008	11:33 AM	Email	Lamees Mansur	Customer comments that increases in prices is distressful for seniors. She also comments the rider alert is unclear with exactly how much the fares will increase. She comments what is 25% of the new 4 zone pass? She comments that it should be more clear in the alert, by saying what is the current price and how much will it increase? She wonders how normal citizens will be able to afford this fares increases. She believes that the fares should be decreasing, not increasing. She would like a SANDAG employee to call her back about the exact fare increases for ADA complimentary passes and senior fares.
17	05/16/2008	12:42 PM	Email	Christopher Carmichael	Customer comments that he believes the fare hikes are fair, although he believes that there is too much anticipation for the compass cards and no results yet.
18	05/16/2008	9:54 PM	Email	Bill Overman	Customer is concerned that the raised fares will affect paratransit riders
19	05/16/2008	1:42 PM	Voicemail	Jeff London	Customer comments that senior/medical/ disabled fare being doubled is unfair, because they live on fixed incomes and general relief programs such as food stamps. He comments that instead of increasing fares, SANDAG should petition to get more funding for transit, or more food stamps for disabled/Medicare/senior citizens.
20	05/17/2008	1:37 PM	Email	Peter Lau	Customer would like to know if the new fare change will affect the currently monthly bus and trolley passes.
21	05/17/2008	7:45 AM	Voicemail	Wendy Thomas	Customer would like to know how the senior pass fares will be changed?
22	05/17/2008	7:39 PM	Voicemail	Charles Keisar	Customer would like to verify the amendment to the fare proposal. He would like to be called back as soon as possible.
23	05/18/2008	8:54 AM	Email	Ron LaClair	Customer is concerned that will the rising fuel costs, and also increase in transit fares, ridership will decrease. He notices that in the past couple weeks, ridership has increased, and if these raises still are processed, this may deter many patrons. He believes both the first and second fee hikes are unreasonable for the working middleclass, and a decrease in a coaster monthly pass to \$28 dollars would be more reasonable.
24	05/19/2008	11:38 AM	Email	William Huggins	Customer comments that the increase in both coaster monthly pass and the svcc shuttle, will be a total of 48% increase--which she feels is unacceptable.
25	05/19/2008	12:18 PM	Email	Diann Pierson	Customer comments that the \$1 fare will delay the shuttle both ways. She also feels that patrons who ride the shuttle to other stops should have to pay an extra fare for different zones, similar to the coaster shuttle system.
26	05/19/2008	1:23 PM	Email	Tim Scott	Customer comments that the svcc shuttle is a very vital service because it is close to his office, and he hopes that these fares will not be raised. He also agrees that the compass card would really be helpful to many patrons.
27	05/20/2008	9:46 AM	Email	Christina	Customer comments that if the fares increase, people will start driving to work again.
28	05/20/2008	9:50 AM	Email	Gulam Jamal	Customer comments that she is a new patron to the Coaster and the Coaster shuttle, and thoroughly enjoys it. She understands why the first fare raise must be made, but not the second.
29	05/20/2008	10:03 AM	Email	Marc Kozai	Customer believes that raising the fares would deter people from using public transportation. He comments that instead of raising all fares, some bus routes, that he sees empty many times should be cut. He also comments that the coaster shuttle is vital to those that live in north county, and those fares should not be raised.
30	05/20/2008	11:02 AM	Email	Kimberly Huynh	Customer comments that the point of mass transit is that it should be cheaper than driving. She feels if these fares are raised, they will almost be equal. She agrees with the raise in svcc shuttle fees, but not in the raise in coaster fares.
31	05/20/2008	12:56 PM	Email	Gary Brown	Customer comments that if these fares are raised, he will no long use the coaster. He comments that one year ago, he paid \$43 for the 10-tripper, which was eliminated. Now with these fare increases, he will have to pay \$75 for the same 5 trips. He believes that instead of fare increases, the coaster should check for tickets more often.

No.	Date	Time	Email/Voicemail	Name	Comment
32	05/20/2008	3:10 PM	Email	Warren Dale	Customer comments that he would like to see the svcc shuttle continue, and not to have a monthly coaster pass be 30 consecutive days, because he feels this is more of a hassle. Customer comments that if these fare hikes continue, the coaster shuttle should have extended hours. His co-workers do not take the coaster shuttle as of right now, because it does not run in off hours, when many times his co-workers have to ride the coaster.
33	05/20/2008	3:59 PM	Voicemail	N/A	Customer is calling on behalf of ADA paratransit changes. He would like a call back about the changes that will occur for passes and monthly rider fees. The customer is calling on behalf of his wife who is a paratransit user.
34	05/20/2008	9:14 AM	Voicemail	Peggy Russel	Customer is inquiring as to how much the fee would be for a senior that would be able to ride all transit services. She would like to know the name of the pass for a senior and the costs of all fees.
35	05/20/2008	9:33 AM	Voicemail	Sheila Christine	Customer comments that the 30 day consecutive Coaster pass will be troublesome for people who work for company subsidized monthly transit passes. She would like a call back for some clarification.
36	05/20/2008	2:47 PM	Voicemail	Mr. Hooker	Customer comments that doing away from a calendar month for the monthly passes would be hard for senior citizens and disabled citizens who are on fixed incomes. He comments that an increase in cash fares seems fair, but not for monthly passes.
37	05/20/2008	10:57 AM	Email	Jesse Hammond	Customer believes that an increase in fares will only deter people from using public transit. She wonders why the Coaster does not sell ad space on the train, just like New York and Boston do.
38	05/21/2008	8:05 AM	Email	Heather Lutz	Customer comments that the percentage of Coaster patrons has risen 9% since last year, and now fares are being increased. She believes that people are getting greedy, and that the fare raises are unfair.
39	05/21/2008	8:52 AM	Email	Dave Beadle	Customer comments that the fare raises will prevent companies such as his own (Qualcomm) from paying into a commuter benefits program where company subsidy with pre-tax and post tax payroll deductions are made. He strongly urges that these fees are not raised before the deadline to make adjustments on June 10, 2008.
40	05/21/2008	9:36 AM	Email	Robert Gannon	Customer comments there should be some increase in fares--but at a reasonable rate. He does not agree with the 50% increase in fares for Coaster and SVCC shuttle, and believes that ridership will falter if these fares are implemented. He believes in affordable mass transit, and hopes that these fare hikes are re-considered.
41	05/21/2008	9:27 AM	Email	Michael Nelson	Customer comments that the increase in over 50% for Coaster fares would be highly detrimental to ridership. He comments on an article that he read in North County Times that indicated that SANDAG spends 4 million dollars per year on marketing. He believes that this budget should be reduced, and that money be put into transit. Also, he feels that the service to Petco park should be cut because not enough people use it. Lastly, he comments that if these fares go into implementation his company (one of the largest in San Diego) will begin sponsoring a van pool as an alternative to the Coaster.
42	05/21/2008	10:14 AM	Email	Lance Hetherington	Customer comments that he hopes that the svcc shuttle and coaster fares are not raised. He also comments that he would use the coaster more often if it was a little cheaper, and had extended hours to downtown SD.
43	05/21/2008	10:16 AM	Email	Melinda Scott	Customer comments that monthly passes should cover the entire month whether that be 29 or 31. She does not agree with the raise in fares, since they just increased a few months ago. Lastly, she feels that seniors should get a discount on a all day pass
44	05/21/2008	10:48 AM	Email	Chris Fulmer	Customer believes: fare increases are too large, premium day pass is a great idea, round trip tickets for the coaster should
45	05/21/2008	11:15 AM	Email	Mark Morel	Customer comments that he has been a daily patron of the Coaster and Coaster connection for seven year, but if these fare increases are implemented, he will abandon this transit method.
46	05/21/2008	11:43 AM	Email	Joshua	Customer believes that prices should not be raised, because this will add to congestion on the freeways.
47	05/21/2008	12:43 AM	Email	Shirley Phillips	Customer comments that North County times report an increase by 9% in Coaster ridership, but if the fares are increased, ridership will decrease. He believes that only one fare increase would be reasonable, instead of two.

No.	Date	Time	Email/Voicemail	Name	Comment
48	05/21/2008	1:35 PM	Email	Violet Rosales	Customer comments that the increase in fees would be an additional hardship for patrons, especially since the 978 bus is always full and standing room.
49	05/21/2008	8:58 AM	Voicemail	N/A	Customer would like to know if he can still purchase a monthly pass at Vons? He believes that this will be more confusing, if passes are 30 consecutive days instead of a calendar month.
51	05/21/2008	2:29 PM	Email	Roxanne Olson	Customer is passionately against the raising of prices and vows to not use the Coaster if fares are raised.
52	05/21/2008	3:01 PM	Email	Diana Brown	Customer would like SANDAG to consider not raising the fares for the Coaster shuttle, and also would like the pay per trip option to be reinstated.

**PUBLIC COMMENTS AT MAY 30, 2008 TRANSPORTATION COMMITTEE IN NORTH COUNTY,
UNDER GENERAL COMMENTS:**

Thomas Arvin, a member of the public spoke regarding the difficulty of the public to attend public hearings scheduled at 10:00 a.m. on a weekday. He suggested that the transit agencies set up booths at the transit stations to talk to the public on site.

Pat Berry, a member of the public stated that she is an AARP safe driver instructor and commented that her agency encourages their students to learn about public transit before they lose their driving privileges. She stated that the SPRINTER and BREEZE services are clean and the safety and security are excellent but that the schedules are difficult to read and ticket agents are not always educated about selling passes for transit.

**PUBLIC COMMENTS AT MAY 30, 2008 TRANSPORTATION COMMITTEE, UNDER ITEM 2 PUBLIC
HEARING:**

Don Betts, a member of the public stated his opposition to the proposed fare changes.

Christine K. Faschini, a member of the public submitted the following written questions and read them into the record: (1) where can the annual financial reports for the COASTER and shuttle programs be obtained?; (2) How much of the annual shortfall in revenue is estimated to be due to nonpaying COASTER passengers?; (3) Where did this basically honor system of passenger ticket usage come from? Can you identify a prior successful model and why didn't other systems like in Los Angeles or D.C be used as a model?; (4) Assuming the price of gas will not go down and the COASTER ridership will go up, what provisions are being made to expand park and ride capabilities at the various stations? For example, the parking lot at Poinsettia is maxed out yet building is going up all around it ensuring that there will be no room for expansion. Passengers going to afternoon Padres games have to park on the dirt embankments next to the tracks due to lack of parking space.

Mike Winter, a member of the public commented that the public outreach on the COASTER regarding the fare changes did not allow enough time for the public to respond. He stated that holding the public hearing at 10:00 a.m. did not allow for the public to attend and the meeting should have been held in the evening to allow for more public attendance. He stated his opposition to the fare increases.

Ann Balancio, a member of the public stated her opposition to the fare increases in the Sorrento Valley area and the implementation of a fee for the shuttle. She stated that many riders on her route have expressed that they would not be riding transit anymore but would be taking their cars and asked if staff considered loss of ridership with the fee increase.

Kurt Luhrsen, representing NCTD stated that the NCTD Board of Directors supports a fare increase for the day pass to \$4.50 and have used that number in its budget planning process. NCTD feels that increase will provide sufficient funding and any further increase is not warranted and so they do not support an increase to \$5.00. He stated that NCTD has reviewed the implementation of a surcharge for the Sorrento Valley Coaster connection and

the Board believes this is a stop gap measure for nine months and that SANDAG needs to find a permanent funding source for this service. Additionally, the Board feels that the smart card must be fully functional by the time the surcharge is implemented so passengers can pay the surcharge with the smart card. NCTD would like a survey of passengers before and after the surcharge to monitor the success or failure of the surcharge and to garner public comments.

Thomas Arvin, a member of the public stated his support for the 14-day pass but commented that it was not available in North County and asked why those who did not have the 14-day pass available would be penalized by paying 60 percent more due to the fare increase. He commented that the \$5 day pass supported by SANDAG instead of the \$4.50 supported by NCTD would be implemented July 1, 2008, not in August as supported by NCTD.

Misty Nicol, a member of the public, stated that the public hearing should be held in the evening so that more public can attend and provide comments and she asked why a student discount is not offered for the COASTER.

Susan Frank, a member of the public commented that she is a COASTER rider because the COASTER shuttle provides transportation from the station to her place of work. She stated her opposition to the cost increase for the COASTER shuttle connection. She commented that the shuttle service is contracted and that is unfortunate that the contractor underbid the service and can't fund the cost without the fare implementation but in her opinion, passengers should not be penalized for the contractor underbidding for the service.

Patrick MacIntosh, a member of the public asked if disabled fares would be available for the SPRINTER and local buses and asked if the COASTER pass would also cover the SPRINTER or would he need to purchase an additional monthly pass for the SPRINTER. He stated that the fare structure is difficult to understand. Mr. MacIntosh also commented that the fare machines do not recognize the new bill currency and need to be updated.

Renee Stanton, a member of the public stated her opposition to the fare increase. She expressed her difficulties in making her connection from the bus to the SPRINTER. She stated that the schedule needs to be adjusted to meet passenger needs before any fare increases are made.

R. Algee, a member of the public expressed his desire to attend the NCTD public meetings and alleged that NCTD security always turns him away.

PUBLIC COMMENTS AT JUNE 6, 2008 TRANSPORTATION COMMITTEE, UNDER GENERAL COMMENTS:

Fred Williams, a member of the public commented that the transit agencies should offer ticketless purchasing of tickets over mobile phone technology which would lower costs and increase revenue. He also commented that the public transit signs need to be more clear and easier to read so passengers have a better idea of where the routes run. Signs should have more than just a bus number but should also include the start and stop location.

Clive Richard, a member of the public commented regarding the potential consolidation of the two transit agencies. He also commented that we need to find a way to fund transit.

Don Stillwell, a member of the public submitted written comments and read them into the record regarding how several problems and potential solutions for re-routing and re-scheduling buses.

Chuck Lungerhausen, a member of the public submitted written comments and read them into the record regarding the fare increases due to the State raid on public transportation and transit funding.

Kathy Evans-Calderwood, a member of the public commented that the May 16, 2008, minutes quoted her incorrectly regarding the research she submitted to SANDAG. Her intention was to say that the committee needs to read the report and do their own homework not that the report does the homework for you. Her other comment was also not correctly reflected but made her comments seem cavalier. She meant to say that the fare boxes do not take the new bills which creates disparate impact to those passengers carrying only a minimum amount of money because that is all the money they have and because they have the new bills these passengers are not allowed to purchase tickets and are turned away. She expressed her displeasure in the response by MTS and stated that the transit agencies need to find a solution as soon as possible.

PUBLIC COMMENTS ON JUNE 6, 2008 TRANSPORTATION COMMITTEE, UNDER ITEM 4A FARE PUBLIC HEARING:

David Fischer, a member of the public stated his opposition to the fare increases and commented that the Sorrento Valley passengers were being singled out with the implementation of the \$40 fare for the shuttle. He commented that the passes were not sufficient to allow him access to both MTS and NCTD routes.

Constance Bradburn, a member of the public stated her opposition to the fare increases, commented that the increases impact her financially, and stated her opposition to bundling fares for disabled with seniors and youth. She stated her opposition to eliminating transfers. She stated her support for the rolling 30-day bus pass.

Soiree-Leone Sinclair, a member of the public stated her opposition to the implementation of the shuttle fare in Sorrento Valley and commented regarding the changes in transit routes and their negative impact on the public.

Rose Chapin, a member of the public stated her opposition to the fare increases and reduction in service routes.

Michelle Beathe, a member of the public submitted written comments and stated that many buses are running late and if the fares are increasing the service should improve and routes should not be cut.

Linda Smith, a member of the public expressed her concern in cutting routes and stops for the number 10 bus. She also stated that the transit agencies are buying new buses and they should not be cutting services and raising rates if they can afford new buses.

Melanie Azvedo, a member of the public stated her opposition to the fare increases and the purchase of new buses.

Maria Cortez, a member of the public stated her opposition to the fare increases after already raising the cost of the passes in January. She stated that the buses are dirty and the service is limited.

Char Warrick, a member of the public stated that she was representing several groups of people who could not attend the hearing and stated her opposition to the elimination of the half month pass, elimination of transfers, and to the fare increases. She stated that the rolling 30-day pass was confusing to her.

Mary Bartholomew, a member of the public stated her appreciation of public transit services. She stated that monthly pass holders provide the majority of income for the transit agencies. She commented that the increase in gas prices has caused more people to take transit and stated that now the buses are too crowded. She commented that only a few stops have trash receptacles. She suggested that maps be provided to monthly pass holders, and that the transit agencies should offer one, two and three week passes for visitors.

Robert Fitzgerald, a member of the public commented that while there is a need for an increase in revenue, this is an opportunity to provide new services to riders. He commented that the SD Commute web site is difficult to use. He commented that the transit agencies need to provide a more comfortable, efficient system and connect the services in the north with those in the south.

Nicholas Reed, a member of the public stated his support of the fare increases and that he was one of those at the workshops who suggested the rolling 30-day pass. He commented that while the fare increases are not difficult for him they are for many. He expressed his support for a day pass for seniors and the \$7 day pass for the COASTER.

Kathy Evans-Calderwood, a member of the public submitted copies of a census document for City Heights Community Planning Area of San Diego and commented that the census contradicts the information provided in today's report. She stated her opposition to the fare increases and the negative and disparate impact on low income passengers.

Leighton Larraine, a member of the public stated her support of the other speakers' comments in opposition of the fare increase and service changes, and commented on the changes over the years to transit services. She requested the members of the committee ride transit themselves.

Gil Garcia, a member of the public made several suggestions based on his observations riding transit. He stated that the transit agencies should try to make the trolley more appealing by using volunteers to reduce costs, serve alcohol on trains in the evenings and breakfast in the mornings, and to make sure riders to the Padres games have actually

purchased tickets. He commented that if the committee members ride transit they should let the passengers know who they are and take comments from the public.

David Beadle, a member of the public commented that he represents the 200 plus COASTER riders and expressed his opposition to the fare increase. He suggested a public, private partnership between MTS, NCTD and companies in the Sorrento Valley area to fund the COASTER connection services and transit in that area in general.

PUBLIC COMMENTS ON JUNE 6, 2008 TRANSPORTATION COMMITTEE, UNDER ITEM 4B FARE ORDINANCE FIRST READING:

Robert Noche, a member of the public commented that setting fares at \$5.00 would help balance the NCTD budget and asked if there would still be bus service on the I-15 after completion of the project. He commented on the reduction in service for bus route 20.

Joyce Brown, a member of the public submitted written comments and stated that she was representing Jay Powell of the City Heights Development Corporation. She stated that the letter is a restatement of comments previously made to the committee and asked the members to take these comments into consideration before making any final decisions. She commented that if SANDAG is undergoing a Fare Study that should be done in the next few months, they should have waited to propose fare increases until the Fare Study was complete. She commented that she is a member of several organizations that are lobbying the State for funding for transit and public transportation.

Lorraine Leighton, a member of the public requested that a senior/disabled day pass be created and stated her opposition to the elimination of the second half of the month pass. She stated that the agencies need to instruct their drivers not to question whether a passenger is disabled.

JOINT MEETING OF THE BOARD OF DIRECTORS AND TRANSPORTATION COMMITTEE

June 13, 2008

AGENDA ITEM NO.: **4**

Action Requested: DISCUSSION

TRANSIT FUNDING OPTIONS IN THE SAN DIEGO REGION

File Number 7000100

Introduction

As described in Agenda Item No. 2 (Draft 2009 Transit Agency Operating Budgets), both North County Transit District (NCTD) and the Metropolitan Transit System (MTS) are experiencing increasing difficulty in balancing their operations budgets due to changes in available transit revenues and operating cost pressures over the past several years. In May, a request was made by Transportation Committee members to conduct a discussion of possible options for providing supplemental funding for transit operations in the San Diego region. This joint meeting of the Board of Directors and the Transportation Committee was scheduled in response to this request.

Discussion

Staffs from SANDAG, NCTD, and MTS have worked to develop several funding concepts that could potentially address the structural budgetary issues facing transit operations. The potential sources of funding listed in Attachment 1 include possible actions that could provide longer-term, recurring revenue for transit operations and several short-term actions that may provide one-time, nonrecurring revenue to address more immediate, pressing needs. The Board of Directors and the Transportation Committee are asked to review and discuss the concepts.

GARY L. GALLEGOS
Executive Director

Attachment: 1. Transit Operator Funding Options

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Transit Operator Funding Options
June 13, 2008
LONG-TERM OPTIONS (Items 1-4)

No.	Potential Source of Funds	Estimated Funds	Description	Analysis
1	<i>TransNet</i> New Major Corridor Transit Capital Projects and Operations	Variable, depending on deferral of capital investments and/or service expansion	<ul style="list-style-type: none"> • 8.1% reserve of funds for new transit capital projects operations included in the 40-year program, based on several assumptions (start date of service, cost of operation, farebox recovery rates, etc.) • Seven projects/service upgrades have been delayed and two have been accelerated, resulting in minimal calculated savings • Several transit projects included in the Congestion Relief Program (Major Transportation Corridor Improvements) contained within the <i>TransNet</i> Extension Ordinance could be reviewed for deferral and/or downscoping • Would require performance of more detailed analysis of the funding effects of delaying additional projects/services 	<p>Pros:</p> <ul style="list-style-type: none"> • Would ensure preservation of existing system prior to supporting new or expanded services • Could use funding that was intended for future operations of both new services and expansion of existing services <p>Cons:</p> <ul style="list-style-type: none"> • Would require amendment to <i>TransNet</i> Extension Ordinance • Could eliminate the concept of matching capital improvements with their associated operations cost early in 40-year program • Could reduce funds based on estimates that were developed prior to recent increases in fuel and operations costs • Could delay expansion of existing services and/or reduce level of service for new transit projects
2	Raise Senior Age from 60 to 65 years in <i>TransNet</i> Ordinance	\$1.5 million for Metropolitan Transit System (MTS) and \$250,000 for North County Transit District (NCTD) if put in place immediately	<ul style="list-style-type: none"> • Changes the age required to qualify for Senior discounts for transit passes 	<p>Pros:</p> <ul style="list-style-type: none"> • Would be consistent with several other regions and federal guidelines • Could phase new requirement in over time to limit possible effects <p>Cons:</p> <ul style="list-style-type: none"> • Would require amendment to <i>TransNet</i> Ordinance • Could have possible negative impact on future sales tax initiative • Would change eligibility requirements early in 40-year program

No.	Potential Source of Funds	Estimated Funds	Description	Analysis
3	Transit Sales Tax Measure Prior to Future Comprehensive Sales Tax Measure in 2010	One-half percent sales tax rate generates approximately \$250 million per year	<ul style="list-style-type: none"> Place single-issue measure on ballot prior to November 2010 	<p>Pros:</p> <ul style="list-style-type: none"> Could test the willingness of the voters to support the regional transit system Authority to put transportation-related measure on ballot exists <p>Cons:</p> <ul style="list-style-type: none"> Would incur costs of developing an initiative for ballot Limited time and resources to properly develop and support initiative Could have possible negative impact on future sales tax initiative
4	Use Comprehensive Fare Study as an Opportunity to Improve Farebox Recovery on Select Routes while Complying with Title VI Requirements	Variable, depending on plan implementation	<ul style="list-style-type: none"> Comprehensive Fare Study draft is due in fall 2008. Could include an analysis of the ability to assess different transit markets and develop associated pricing structures. 	<p>Pros:</p> <ul style="list-style-type: none"> Could result in increased revenues for overall transit system Due to fuel price increases and heightened awareness of environmental issues, timing may be right to test the ability to improve farebox recovery rates <p>Cons:</p> <ul style="list-style-type: none"> Would require time to develop and test new pricing structures Unknown revenue potential Unknown impacts

ONE TIME, SHORT-TERM, NON-RECURRING OPTIONS (Items 5-12)

#	Potential Source of Funds	Estimated Funds	Description	Analysis
5	SANDAG Planning Funds	<p>SANDAG FY 2009 Overall Work Program (OWP) includes:</p> <ul style="list-style-type: none"> • \$3.6 million per year Transportation Development Act (TDA) for development and planning • \$2.2 million per year TDA and \$0.6 million per year Federal Transit Administration (FTA) from MTS per Senate Bill (SB) 1703 • \$0.5 million per year TDA from NCTD per SB 1703 • \$2.5 million per year FTA funds generated by Regional Vanpool Program 	<ul style="list-style-type: none"> • SANDAG TDA funds used for development and planning • SB 1703 added requirement to transfer funds for consolidated functions (FTA plus TDA) • TDA funds used to leverage an equal amount of state and federal funds for transportation development and planning • Funded examples include: <ul style="list-style-type: none"> ○ Assistance to Transit Operators – \$1.4 million ○ Planning resources to MTS/NCTD – \$325,000 ○ Quality of Life planning and funding – \$159,000 • Regional Vanpool Program generates \$6 million to \$7 million in annual FTA funds for the region; \$2.5 million is retained by SANDAG with the balance passed to MTS/NCTD benefiting capital/operations 	<p>Pros:</p> <ul style="list-style-type: none"> • Could potentially free up flexible TDA/FTA funding for transit operations and/or capital needs <p>Cons:</p> <ul style="list-style-type: none"> • Would result in loss of leveraging opportunities for equal amounts of state and federal matching funds • Critical support services would not be performed • Could result in loss of ability to integrate transit activities into Regional Comprehensive Plan implementation strategies (e.g. Smart Growth Incentive Program) and could delay transit project development activities
6	Use of SANDAG OWP Contingency Funds	Up to \$5.3 million	<ul style="list-style-type: none"> • FY 2009 contingency represents 10% of the overall OWP budget (Board policy requires 5%) 	<p>Pros:</p> <ul style="list-style-type: none"> • Contingency made up of flexible TDA funds that could support transit operations and/or capital needs <p>Cons:</p> <ul style="list-style-type: none"> • Would limit ability to respond to issues that arise (e.g. airport planning, additional Regional Transportation Plan (RTP) costs, and study of seasonal rail platform at Del Mar Fairgrounds in FY 2008) • Would limit ability to address claims and/or litigation • Would limit ability to leverage unexpected funding opportunities

#	Potential Source of Funds	Estimated Funds	Description	Analysis
7	TDA/ <i>TransNet</i> Bicycle Funds	None in FY 2009 Approximately \$7 million/year in future fiscal years	<ul style="list-style-type: none"> FY 2009 funds committed to projects already constructed or under development (Inland Rail Trail, Lake Hodges Bridge, etc.) Although no FY 2009 funds available, future years will generate additional funds 	<p>Pros:</p> <ul style="list-style-type: none"> Frees up flexible <i>TransNet</i> funding that could support transit operations and/or capital needs <p>Cons:</p> <ul style="list-style-type: none"> Would reduce regional and local bicycle capital investments Would require amendment to <i>TransNet</i> Extension Ordinance Would redirect dedicated bicycle funding early in 40-year program
8	NCTD SPRINTER Refinancing Proceeds	Current SPRINTER budget has \$5.35 million in TDA funds available (when combined with item no. 9)	<ul style="list-style-type: none"> Of the original issuance of \$114 million of debt in 2004, \$80 million has been retired, leaving a remaining balance of \$34 million; accordingly, the debt service reserve balance can be reduced 	<ul style="list-style-type: none"> Concept has been implemented
9	More <i>TransNet</i> Extension funds in SPRINTER Project	Current SPRINTER budget has \$5.5 million in State Transit Assistance (STA) funds available (when combined with item no.8)	<ul style="list-style-type: none"> Board of Directors amended <i>TransNet</i> Extension Ordinance to add the SPRINTER and allocated \$24 million in <i>TransNet</i> funds as part of \$99 million budget augmentation Could change the mix of funding types to add more <i>TransNet</i> funding 	<p>Pros:</p> <ul style="list-style-type: none"> Adding more <i>TransNet</i> funds to the budget would free up more flexible TDA and/or STA funds for operations <p>Cons:</p> <ul style="list-style-type: none"> Would ultimately reduce amount available for future double-tracking of the SPRINTER or other capital projects and possibly delay their implementation Would result in incremental increase to <i>TransNet</i> Plan of Finance deficit by advancing additional funds
10	Defer and/or downscope NCTD Capital Improvement Projects	Variable, depending on projects identified	<ul style="list-style-type: none"> Projects could be deferred or downscoped to reduce costs 	<ul style="list-style-type: none"> Concept has been implemented: Federal formula funds committed to preventative maintenance are already at maximum and non-mission critical projects have not been identified

#	Potential Source of Funds	Estimated Funds	Description	Analysis
11	Defer and/or downscope MTS Capital Improvement Projects	Variable, depending on projects identified	<ul style="list-style-type: none"> Projects could be deferred or downscoped to reduce costs 	<p>Pros:</p> <ul style="list-style-type: none"> Could free up federal formula funds for preventative maintenance and/or TDA/STA for operations Would focus on deferral (not elimination) of non-mission critical capital projects <p>Cons:</p> <ul style="list-style-type: none"> Would take limited funding away from capital program
12	Remaining Funds from Original <i>TransNet</i> Program	Approximately \$20 million, less a reserve for Mission Valley East Light Rail Transit claims settlement	<ul style="list-style-type: none"> Expected funding left at the end of original <i>TransNet</i> Program (assumed to be added to Mid-Coast capital project budget) Could amend the original Ordinance again to adjust the 60/40 capital-operations split to apply higher percentage toward operations 	<p>Pros:</p> <ul style="list-style-type: none"> Makes use of available capital funds to address operational needs <p>Cons:</p> <ul style="list-style-type: none"> Requires amendment of original <i>TransNet</i> Ordinance Could reduce funds available for Mid-Coast Transit project Would result in incremental increase to <i>TransNet</i> Extension Plan of Finance deficit by advancing additional funds