

RESOLUTION NO. 218768

JUN 29 1977
R. 77-2409

WHEREAS, in accordance with the Operating Agreement between The City of San Diego ("City") and the San Diego Transit Corporation ("Transit Corporation"), said Transit Corporation submitted to City a Proposed Transit Budget for Fiscal Year 1978; and

WHEREAS, said Proposed Transit Budget for Fiscal Year 1978 has been reviewed in detail by the City Manager and the Transportation and Land Use Committee of the San Diego City Council; and

WHEREAS, said review has indicated that the Proposed Transit Budget for Fiscal Year 1978 as originally submitted by the Corporation required revisions; and

WHEREAS, on June 9, 1977, Transit Corporation submitted a revised Proposed Transit Budget for Fiscal Year 1978 in accordance with the recommendations of the Transportation and Land Use Committee; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that a preliminary budget of \$29,181,457 of the San Diego Transit Corporation for Fiscal Year 1978, as more particularly set forth in Document No. 760323 on file in the Office of the City Clerk, be and is hereby approved subject to the submittal by San Diego Transit Corporation of a final Fiscal 1978 Budget prior to August 7, 1977.

PROVIDED, HOWEVER, that said budget is based on no fare increases during Fiscal Year 1978 with the exception of charging a premium fare for express service.

PROVIDED, FURTHER, that both the preliminary and final budgets are based on a continuation of Council's past practice of levying the full 10¢ special transportation property tax for Fiscal 1978 and that any revenues that may accrue in excess of that necessary to balance the Transit Corporation budget and to fund other Council-approved budgets funded from this revenue source, be retained in the Public Transportation Reserve Fund (2571) to assure a source of funds for subsequent years' needs.

BE IT FURTHER RESOLVED, that Transit Corporation be and it is hereby requested to comply with certain recommendations made by the City Manager and the Transportation and Land Use Committee Consultant which are:

a. Before Transit Corporation proposes any general fare increases in the future, it should first carefully analyze existing standards for route retention and should also carefully consider the alternative of no increase in service on existing routes or extension of service into new areas with resources saved from discontinuances of little-utilized service, unless such increases or extensions can be accomplished at no additional expense.

b. Transit Corporation should initiate an immediate and thorough review of its existing accounting, budgeting, and financial planning processes, in order that:

(1) Expenditure classifications be expanded to a level of detail comparable with those of the City's and compatible with the federally required F.A.R.E. accounting system.

(2) Future budget submittals be submitted by March 1st of each year and be fully detailed, documented, and justified prior to submission to the City Manager with FICA Expenditures, Pension Expenses and Fringe Benefits budgeted as Personnel Expenses and prorated to each Transit Corporation Department.

(3) Productivity measures identified by the State Auditor General in a report titled, "Financing and Evaluating Public Transit Systems in California, January, 1977," be implemented by Transit Corporation as soon as possible and integrated with the budgetary process.

c. Transit Corporation should, in the future, institute major organizational and staffing changes only in accordance with the approved annual budget or as otherwise subsequently approved by the City Council.

d. Transit Corporation review and report to Council within 60 days on the following matters:

(1) The feasibility of budgeting for Sick Leave and Vacation Payoffs on an accrual basis.

(2) The costs and services provided by the contract administrator for the Health and Welfare Labor-Management Trust.

(3) The potential savings of increasing the general liability insurance deductible from \$100,000 to \$1,000,000.

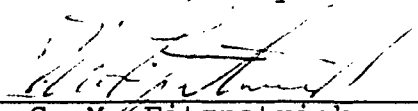
BE IT FURTHER RESOLVED, that the Council, having reviewed several alternatives, requests that the San Diego Transit Corporation utilize the Five-Year Financial Plan Fiscal Years 1978-82, a copy of which has been filed as Document No. 760324 in the Office of the City Clerk, as a guideline for future fiscal planning.

BE IT FURTHER RESOLVED, that:

1. The City Manager is directed to prepare a Request for Proposals ("RFP") for an independent management and operational audit of the Transit Corporation, with such audit reportable to the Council and funded by the Public Transportation Reserve. At such time as the Manager presents said RFP to Council, a cost and completion date estimate should also be provided.

2. The City Manager is directed to determine whether it would be feasible for this audit to include consideration of the potential for consolidation of certain Transit Corporation administrative functions with those provided by the City in order to reduce Corporation administrative costs. If the City Manager determines that it is not feasible for the consultant performing the management audit to provide this analysis, the Manager should report on the most feasible manner to have such a consolidation study performed.

APPROVED: JOHN W. WITT, City Attorney

By 
C. M. Fitzpatrick
Senior Chief Deputy

CMF:vl:474.6
6/15/77
Or. Dept.: T&LU Comm.

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Passed and adopted by the Council of The City of San Diego on JUN 29 1977,
 by the following vote:

Councilmen	Yeas	Nays	Excused	Absent
Gil Johnson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maureen F. O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lee Hubbard	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leon L. Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Floyd L. Morrow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tom Gade	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Joel M. Strobl	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jess D. Haro	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Pete Wilson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

PETE WILSON
 Mayor of The City of San Diego, California.

EDWARD NIELSEN
 City Clerk of The City of San Diego, California.

By *Allyn D. Nevitt*, Deputy.

(Seal)

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 1977 JUN 15 AM 9:53
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Office of the City Clerk, San Diego, California

Resolution Number 218768 Adopted JUN 29 1977