



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
BOARD OF DIRECTORS AGENDA  
REGULAR MEETING  
JANUARY 26, 2024 – 9:00 AM  
HYBRID MEETING**

Members of the public may attend in-person or participate remotely via Zoom.

**METRO Admin Office  
110 Vernon Street  
Santa Cruz, CA**

**Zoom [Link](#)  
Dial In: 1-669-900-6833  
Meeting ID: 823 2842 5369**

The Board of Directors agenda packet can be found online at [www.SCMTD.com](http://www.SCMTD.com) and is available for inspection at Santa Cruz METRO's Administrative Office at 110 Vernon Street, Santa Cruz, CA.

Public comment may be submitted via email to [boardinquiries@scmtd.com](mailto:boardinquiries@scmtd.com). Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in the Board's correspondence that is posted online at the Board meeting packet link. Oral public comments will also be accepted during the meeting through Zoom. Each public comment is limited to three minutes or less. Board and Committee Chairs have the discretion to manage the public comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

The Board may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

**BOARD ROSTER**

Director Kristen Brown  
Director Rebecca Downing  
Director Jimmy Dutra  
Director Shebreh Kalantari-Johnson  
Director Manu Koenig  
Director Donna Lind  
Director Bruce McPherson  
Director Scott Newsome  
Director Larry Pageler  
Director Vanessa Quiroz-Carter\*  
Director Mike Rotkin  
Ex-Officio Director - Vacant  
Ex-Officio Director Alta Northcutt

City of Capitola  
County of Santa Cruz  
City of Watsonville  
City of Santa Cruz  
County of Santa Cruz  
City of Scotts Valley  
County of Santa Cruz  
City of Santa Cruz  
County of Santa Cruz  
City of Watsonville  
County of Santa Cruz  
UC Santa Cruz  
Cabrillo College

\*205 Main Street, Watsonville, CA

Michael Tree  
Julie Sherman

METRO CEO/General Manager  
METRO General Counsel

## **SECTION I: OPEN SESSION**

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

### **1 CALL TO ORDER**

### **2 SWEAR IN NEW DIRECTORS**

### **3 ROLL CALL**

In accordance with Assembly Bill 2449, Board members may participate remotely due to “just cause” or “emergency” circumstances. If applicable, following an announcement, the Board will take action on approving Board members’ emergency teleconference participation.

### **4 ANNOUNCEMENTS**

4.1 Today’s meeting is being broadcast by Community Television of Santa Cruz County.

4.2 Language Line Services is providing Spanish interpretation services, which will be available during “Oral Communications” and for any other agenda item for which these services are needed.

### **5 NOMINATE BOARD OFFICERS AND COMMITTEE ASSIGNMENTS**

Board Chair Shebreh Kalantari-Johnson

### **6 BOARD OF DIRECTORS COMMENTS**

### **7 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**

This time is set aside for Directors and members of the general public to address any item not on the agenda which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked or may ask questions for clarification. All matters of an administrative nature will be referred to staff. Each public comment is limited to three minutes or less. Board and Committee Chairs have the discretion to manage the public comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting. When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

7.1 Email from Elisabeth Tatum dated 12/17/23 with METRO response

7.2 Email from Thairie Ritchie dated 12/26/23 with METRO response

7.3 Email from Clio Bavalee dated 1/2/24 with METRO response

7.4 Email from Nancy Pheifer dated 1/5/24 with METRO response

7.5 Email from Brian Peoples dated 1/21/24

### **8 LABOR ORGANIZATION COMMUNICATIONS**

### **9 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

## CONSENT AGENDA

All items appearing on the Consent Agenda are recommended actions which are considered to be routine and will be acted upon as one motion. All items removed will be considered later in the agenda. The Board Chair will allow public input prior to the approval of the Consent Agenda items.

- 10.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF DECEMBER 2023**  
Chuck Farmer, Chief Financial Officer
- 10.2 ACCEPT AND FILE MINUTES OF:**
  - A. OCTOBER 18, 2023 METRO ADVISORY COMMITTEE MEETING**
  - B. DECEMBER 15, 2023 BOARD OF DIRECTORS REGULAR MEETING**Michael Tree, CEO/General Manager
- 10.3 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF DECEMBER 31, 2023**  
Chuck Farmer, Chief Financial Officer
- 10.4 RESOLUTION APPROVING ACTIONS REGARDING THE PACIFIC STATION NORTH PROJECT**  
Chuck Farmer, Chief Financial Officer, and Julie Sherman, General Counsel
- 10.5 ACCEPT AND FILE: ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2023**  
Chuck Farmer, Chief Financial Officer
- 10.6 ACCEPT AND FILE: THE SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**  
Chuck Farmer, Chief Financial Officer
- 10.7 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS**  
Michael Tree, CEO/General Manager
- 10.8 APPROVE: CONSIDERATION OF DESIGNATING THE CHIEF FINANCIAL OFFICER TO THE CALIFORNIA TRANSIT INDEMNITY POOL (CALTIP) BOARD OF DIRECTORS**  
Michael Tree, CEO/General Manager
- 10.9 APPROVE: CONSIDERATION OF ADOPTING A RESOLUTION APPROVING THE FY24 REVISED CAPITAL BUDGET/PORTFOLIO**  
Kristina Mihaylova, Deputy Finance Director
- 10.10 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO EXECUTE A 4<sup>TH</sup> CONTRACT AMENDMENT WITH CLEVER DEVICES LTD. TO INCREASE THE CONTRACT TOTAL BY \$402,750 FOR ITS AND APC RETROFIT OF 15 BUSES**  
Margo Ross, Chief Operations Officer

**10.11 APPROVE: REQUEST TO ENDORSE SANTA CRUZ COUNTY MEASURE K AND CITY OF SANTA CRUZ MEASURE L**

Board Chair Kalantari-Johnson

**REGULAR AGENDA**

**11 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS:**

**10 YEARS: JEREMY LOVENFOSSE**

**15 YEARS: ERIK BERG**

**20 YEARS: CAROLYN BOWERS**

**GUSTAVO CORTES**

**BONNIE FARRIS**

Board Chair Kalantari-Johnson

**12 RETIREE RESOLUTIONS OF APPRECIATION FOR:  
ANNA MARIE GOUVEIA – OPERATIONS MANAGER: FIXED ROUTE;  
MICHAEL PENO – PARATRANSIT OPERATOR; AND  
DAVID VALDEZ – LEAD VEHICLE SERVICE WORKER**

Board Chair Kalantari-Johnson

**13 APPROVE: CONSIDER A RESOLUTION CALLING A PUBLIC HEARING ON  
FRIDAY, MARCH 22, 2024, DURING THE 9:00 AM REGULAR METRO  
BOARD MEETING AT THE ADMIN OFFICES, 110 VERNON STREET, SANTA  
CRUZ, CA REGARDING THE PHASE II REIMAGINE METRO SERVICE  
PROPOSALS**

John Urgo, Planning and Development Director

**14 CEO ORAL REPORT**

Michael Tree, CEO/General Manager

**SECTION II: CLOSED SESSION**

**15 PUBLIC EMPLOYEE APPOINTMENTS (GOVERNMENT CODE SECTION  
54957); CEO/GM POSITION AND INTERIM CEO/GM POSITION**

**SECTION III: RECONVENE TO OPEN SESSION**

**16 REPORT OF CLOSED SESSION**

Julie Sherman, General Counsel

**17 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, FEBRUARY 23, 2024, AT  
9:00 AM, METRO ADMIN OFFICE, 110 VERNON STREET, SANTA CRUZ, CA**

Board Chair Kalantari-Johnson

**18 ADJOURNMENT**

Board Chair Kalantari-Johnson

## **TITLE 6 - INTERPRETATION SERVICES/TÍTULO 6 - SERVICIOS DE TRADUCCIÓN**

Spanish language interpretation and Spanish language copies of the agenda packet are available on an as-needed basis. Please make advance arrangements with the Executive Assistant at 831-426-6080. Interpretación en español y traducciones en español del paquete de la agenda están disponibles sobre una base como-necesaria. Por favor, hacer arreglos por adelantado con Coordinador de Servicios Administrativos al numero 831-426-6080.

## **ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES**

This document has been created with accessibility in mind. With the exception of certain 3rd party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to [accessibility@scmttd.com](mailto:accessibility@scmttd.com). Upon request, Santa Cruz METRO will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to [boardinquiries@scmttd.com](mailto:boardinquiries@scmttd.com) or submitted by phone to the Executive Assistant at 831-426-6080. Requests made by mail (sent to the Executive Assistant, Santa Cruz METRO, 110 Vernon Street, Santa Cruz, CA 95060) must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

## **PUBLIC COMMENT**

If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at [www.scmttd.com](http://www.scmttd.com) subject to staff's ability to post the document before the meeting.

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**DATE:** January 26, 2024  
**TO:** Board of Directors  
**FROM:** Shebreh Kalantari-Johnson, Board Chair  
**SUBJECT: NOMINATE BOARD OFFICERS AND COMMITTEE ASSIGNMENTS**

**I. RECOMMENDED ACTION**

**That the Board of Directors nominate Directors to the following positions:**

- A. Santa Cruz Metropolitan Transit District (METRO) Board Chair and Vice Chair;**
- B. Director Positions on various METRO Board Standing Committees;**
- C. One Director Position on the Santa Cruz Civic Improvement Corporation (SCCIC) Board; and,**
- D. Representatives and Alternates for the Santa Cruz County Regional Transportation Commission (SCCRTC)**

**II. SUMMARY**

- Article 6 of the Santa Cruz Metropolitan Transit District (METRO) Bylaws provides that the Board of Directors shall annually nominate individuals to the positions of Chair and Vice Chair.
- In 2023, the Board of Directors nominated individuals to stand for election to the Standing Committee positions referenced in this staff report.
- Article III, Section 3.03 of the Santa Cruz Civic Improvement Corporation (SCCIC) Bylaws provides that the Board of Directors shall appoint METRO Directors to the SCCIC Board.
- In order to maintain representation on the Santa Cruz County Regional Transportation Commission (SCCRTC), it is necessary that the Board of Directors elect individuals to the three positions and three alternate positions that are designated for METRO Board Members.
- Elections for the positions referenced in this Staff Report are scheduled to be held at the beginning of the February 23, 2024 Board of Directors meeting.

### **III. DISCUSSION/BACKGROUND**

The terms of the officers and appointees of the Board of Directors in the positions of Chair, Vice Chair and SCCRTC appointees expire in February 2024. One of the SCCIC Directors' terms is set to expire in February 2024.

SCCIC is a non-profit public benefit corporation organized under the non-profit benefit corporation law in the State of California to provide financial assistance to METRO by acquiring, constructing and financing various public facilities, land and equipment and the leasing of facilities, land and equipment for use, benefit and enjoyment of the public served by METRO.

Article III, Section 3.03 of the SCCIC Bylaws provides that METRO's Board of Directors shall appoint METRO Directors to the SCCIC Board.

Staff recommends that the METRO Board of Directors appoint METRO Directors to serve on the SCCIC Board. At this time, one of the appointee's term is expiring.

The METRO Bylaws provide that the Board of Directors shall identify nominees to be considered for election to the positions herein referenced.

Staff recommends that the Board of Directors:

Provide slates for CY 2024 to:

- 1) Elect Directors to the positions of Chair and Vice Chair
- 2) Reconfirm or nominate Directors to positions on the current Standing Committees:
  - a. Finance, Budget, and Audit Standing Committee
  - b. Personnel/Human Resources Standing Committee
  - c. Capital Projects Standing Committee
- 3) Fill one position on the SCCIC
- 4) Elect three representatives and three alternates to the SCCRTC

In accordance with the METRO bylaws, nominations remain open until the positions are filled through election. The election for the referenced positions is scheduled to be held on February 23, 2024.

### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

The actions taken in this report tie to METRO's Stewardship and Accountability responsibility.



**V. FINANCIAL CONSIDERATIONS/IMPACT**

Funding support for the positions identified in this staff report is contained under Admin in the FY24 and FY25 Final Budget adopted June 23, 2023 and in the FY25 and FY26 budget yet to be finalized.

**VI. CHANGES FROM COMMITTEE**

N/A

**VII. ALTERNATIVES CONSIDERED**

None.

**VIII. ATTACHMENTS**

**Attachment A:** Current METRO Board Officers and Appointees

**Attachment B:** Current SCCIC Board Roster

**Attachment C:** Board Nominated Slate(s) Worksheet

Prepared by: Donna Bauer, Executive Assistant

**IX. APPROVALS**

Approved as to fiscal impact:  
Chuck Farmer, CFO

A handwritten signature in blue ink, appearing to be "Chuck Farmer", written over a horizontal line.

Michael Tree,  
CEO/General Manager

A handwritten signature in blue ink, appearing to be "Michael Tree", written over a horizontal line.

Attachment A  
**BOARD CHAIR & VICE CHAIR,  
STANDING AND AD HOC  
COMMITTEE APPOINTMENTS**



**2023 Chair, Vice Chair and Standing Committees**

Chair

SHEBREH KALANTARI-JOHNSON

Vice Chair

KRISTEN BROWN

Capital Projects Standing Committee

*Committee Established 8/26/16*

SCOTT NEWSOME

LARRY PAGELER

VANESSA QUIROZ-CARTER\*

Finance, Budget and Audit Standing Committee

*(4-5 Board Members, as a ground rule)*

*Committee Established 8/26/16*

SHEBREH KALANTARI-JOHNSON

MANU KOENIG

DONNA LIND

MIKE ROTKIN

Personnel/Human Resources Standing Committee

*Committee Established 8/26/16*

SHEBREH KALANTARI-JOHNSON, Current Chair

KRISTEN BROWN, Current Vice Chair

LARRY PAGELER, Immediate Past Chair

REBECCA DOWNING

DONNA LIND\*

# Attachment A



## 2023 Other Committees

### SCCIC Representatives

REBECCA DOWNING  
SHEBREH KALANTARI-JOHNSON  
MANU KOENIG  
BRUCE McPHERSON  
LARRY PAGELER

### SCCRTC Representatives

KRISTEN BROWN  
VANESSA QUIROZ-CARTER  
MIKE ROTKIN

### SCCRTC Alternates (in order)

LARRY PAGELER  
SHEBREH KALANTARI-JOHNSON  
DONNA LIND

## 2023 Ad Hoc Committees

### CEO Goals and Objectives Ad Hoc Committee

*Committee Established 5/19/17*

REBECCA DOWNING\*  
LARRY PAGELER\*  
MIKE ROTKIN\*

### MAC Ad Hoc Committee

*Committee Established 3/24/17*

SHEBREH KALANTARI-JOHNSON\*\*  
LARRY PAGELER\*\*  
REBECCA DOWNING\*\*  
BRUCE MCPHERSON\*\*

### Legislative Ad Hoc Committee

*Committee Established 2/23/18*

*Ad Hoc Committees and Members are designated by the Board Chair.*

*Ad Hoc Committees are created and disbanded each year as their specific assignments are completed, and then reconstituted as needed.*

2/24/2023 Approved at METRO Board Meeting

\*Appointed by Chair Kalantari-Johnson March 2023

\*\*Appointed by Chair Kalantari-Johnson September 2023

# Attachment B



## **SANTA CRUZ CIVIC IMPROVEMENT CORPORATION (SCCIC)**

### **BOARD OF DIRECTORS 2023 - 2024**

	YEAR TERM BEGAN	YEAR TERM ENDS
<b>Bruce McPherson, President</b>	2023	2025
<b>Shebreh Kalantari-Johnson, Vice President</b>	2023	2025
<b>Manu Koenig, Secretary</b>	2023	2025
<b>Larry Pageler, Treasurer*</b>	2023	2024
<b>Rebecca Downing, Director</b>	2023	2025

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Michael Tree, CEO/General Manager

*Each Director holds office for a term of two (2) years from the date of appointment. The Board of Directors holds an annual meeting for the purpose of organization, selection of Directors and officers, and the transaction of other business. Annual meetings of the Board are held on the fourth Friday of March. The meetings are held in the same venue as the Santa Cruz METRO Board of Directors meeting.*

*\* Director Meyers held this seat through December 2022 when her term expired. Director Pageler is filling that vacancy.*

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# BOARD OFFICERS AND APPOINTMENTS



## Elect Board Chair (2023: Shebreh Kalantari-Johnson)

*SLATE 1*

Nominee:

1. Kristen Brown

Nominated by:

Shebreh Kalantari-Johnson

*SLATE 2*

2. \_\_\_\_\_

\_\_\_\_\_

*SLATE 3*

3. \_\_\_\_\_

\_\_\_\_\_

*SLATE 4*

4. \_\_\_\_\_

\_\_\_\_\_



# BOARD OFFICERS AND APPOINTMENTS

## Elect Board Vice Chair (2023: Kristen Brown)

Nominee:

Nominated by:

*SLATE 1*

1. Rebecca Downing

Shebreh Kalantari-Johnson

*SLATE 2*

2. \_\_\_\_\_

\_\_\_\_\_

*SLATE 3*

3. \_\_\_\_\_

\_\_\_\_\_

*SLATE 4*

4. \_\_\_\_\_

\_\_\_\_\_



# BOARD OFFICERS AND APPOINTMENTS



## Reappoint or Nominate 3: Capital Projects Standing Committee

(2023 Members: Scott Newsome, Larry Pageler, & Vanessa Quiroz-Carter)

### 3 Members Total

Nominee:	Nominated by:	<b>SLATE 1</b>
1. <u>Scott Newsome</u>	Shebreh Kalantari-Johnson	
2. <u>Larry Pageler</u>	Shebreh Kalantari-Johnson	
3. <u>Jimmy Dutra</u>	Shebreh Kalantari-Johnson	

Nominee:	Nominated by:	<b>SLATE 2</b>
1. _____	_____	
2. _____	_____	
3. _____	_____	

Nominee:	Nominated by:	<b>SLATE 3</b>
1. _____	_____	
2. _____	_____	
3. _____	_____	

Nominee:	Nominated by:	<b>SLATE 4</b>
1. _____	_____	
2. _____	_____	
3. _____	_____	



# BOARD OFFICERS AND APPOINTMENTS

## Reappoint or Nominate 4 or 5: Finance, Budget & Audit Standing Committee 2023 Members:

### Shebreh Kalantari-Johnson, Manu Koenig, Donna Lind, & Mike Rotkin

#### 4-5 Members Total

Nominee:

1. Shebreh Kalantari-Johnson
2. Manu Koenig
3. Donna Lind
4. Mike Rotkin
5. \_\_\_\_\_

Nominated by:

Shebreh Kalantari-Johnson  
Shebreh Kalantari-Johnson  
Shebreh Kalantari-Johnson  
Shebreh Kalantari-Johnson  
Shebreh Kalantari-Johnson

*SLATE 1*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Nominated by:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*SLATE 2*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Nominated by:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*SLATE 3*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

Nominated by:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*SLATE 4*

# BOARD OFFICERS AND APPOINTMENTS



## Appoint or Nominate 2: Personnel/Human Resources Standing Committee

**Members: Current (2024) Board Chair; Current (2024) Board Vice Chair; Immediate Past Board Chair, Shebreh Kalantari-Johnson, (2023: Rebecca Downing & Donna Lind)**

**5 Members Total**

**Committee Requires Current Board Chair, Current Board Vice Chair and Immediate Past Board Chair as members PLUS two Directors**

*SLATE 1*

Nominee:

Nominated by:

1. Current Board Chair Kristen Brown (2024)
2. Current Vice Chair Rebecca Downing (2024)
3. Shebreh Kalantari-Johnson, Immediate Past Chair (2023)
4. Donna Lind
5. Vanessa Quiroz-Carter

- Shebreh Kalantari-Johnson
- Shebreh Kalantari-Johnson
- Automatic
- Shebreh Kalantari-Johnson
- Shebreh Kalantari-Johnson

*SLATE 2*

Nominee:

Nominated by:

1. Current Board Chair, \_\_\_\_\_ (2024)
2. Current Board Vice Chair, \_\_\_\_\_ (2024)
3. Shebreh Kalantari-Johnson, Immediate Past Chair (2023)
4. \_\_\_\_\_
5. \_\_\_\_\_

- \_\_\_\_\_
- \_\_\_\_\_
- Automatic
- \_\_\_\_\_
- \_\_\_\_\_

Nominee:

Nominated by:

*SLATE 3*

1. Current Board Chair, \_\_\_\_\_ (2024)
2. Current Board Vice Chair, \_\_\_\_\_ (2024)
3. Shebreh Kalantari-Johnson, Immediate Past Chair (2023)
4. \_\_\_\_\_
5. \_\_\_\_\_

- \_\_\_\_\_
- \_\_\_\_\_
- Automatic
- \_\_\_\_\_
- \_\_\_\_\_

# BOARD OFFICERS AND APPOINTMENTS



## Nominate 1: SCCIC Representatives

2023: President, Bruce McPherson; Vice President, Shebreh Kalantari-Johnson; Secretary, Manu Koenig; Treasurer, Larry Pageler; and Rebecca Downing

5 Members Total

Director Larry Pageler, Treasurer (term ends Feb. 2024)





Nominee:	Nominated by: Larry Pageler	
1. Bruce McPherson, President	Term expires 2025	
2. Shebreh Kalantari-Johnson, Vice President	Term expires 2025	
3. Manu Koenig, Secretary	Term expires 2025	
4. <u>Larry Pageler</u> , Treasurer	Term expires 2024	
5. Rebecca Downing, Director	Term expires 2025	
Nominee:	Nominated by:	
1. _____, President	Term expires 2025	
2. _____, Vice President	Term expires 2025	
3. _____, Secretary	Term expires 2025	
4. _____, Treasurer	Term expires 2024	
5. _____, Director	Term expires 2025	
Nominee:	Nominated by:	
1. _____, President	Term expires 2025	
2. _____, Vice President	Term expires 2025	
3. _____, Secretary	Term expires 2025	
4. _____, Treasurer	Term expires 2024	
5. _____, Director	Term expires 2025	

# BOARD OFFICERS AND APPOINTMENTS



## Reappoint or Nominate 3: SCCRTC Representatives (2023 Reps: Kristen Brown, Vanessa Quiroz-Carter, & Mike Rotkin)

### 3 Representatives Total

<p>Nominee:</p> <p>1. <u>Kristen Brown</u></p> <p>2. <u>Mike Rotkin</u></p> <p>3. <u>Larry Pageler</u></p>	<p>Nominated by:</p> <p>Shebreh Kalantari-Johnson</p> <p>Shebreh Kalantari-Johnson</p> <p>Shebreh Kalantari-Johnson</p>	
<p>Nominee:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p>	<p>Nominated by:</p> <p>_____</p> <p>_____</p> <p>_____</p>	
<p>Nominee:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p>	<p>Nominated by:</p> <p>_____</p> <p>_____</p> <p>_____</p>	
<p>Nominee:</p> <p>1. _____</p> <p>2. _____</p> <p>3. _____</p>	<p>Nominated by:</p> <p>_____</p> <p>_____</p> <p>_____</p>	

# BOARD OFFICERS AND APPOINTMENTS



## Reappoint or Nominate 3: SCCRTC Alternates (in order)

### 2023 Alternates: Larry Pageler, Shebreh Kalantari-Johnson, & Donna Lind

-

#### 3 Representatives Total

Nominee:

1. Shebreh Kalantari-Johnson
2. Vanessa Quiroz-Carter
3. Donna Lind

Nominated by:

- Shebreh Kalantari-Johnson
- Shebreh Kalantari-Johnson
- Shebreh Kalantari-Johnson

*SLATE 1*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 2*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 3*

Nominee:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Nominated by:

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

*SLATE 4*

# COMMUNICATIONS TO THE BOARD OF DIRECTORS

**From:** [Pete Rasmussen](#)  
**To:** [REDACTED]  
**Cc:** [Donna Bauer](#); [John Urgo](#)  
**Subject:** Shelter Jr.High School Kids  
**Date:** Friday, January 19, 2024 3:52:26 PM

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Ms. Tatum,

METRO staff from Planning and Facilities met with Bob Postle, the owner of the property directly adjacent to the bus stop.

We explored several potential locations for a shelter for stop #1857 Soquel Dr (Aptos Gateway), including the current location of the bus stop. We determined that, of the locations available, the current location is the best option. However, the surface there is just dirt. A bus shelter requires a concrete shelter pad as a base. Installing a shelter pad would require consultation with the County at a minimum, and may require engineering work due to the location next to a creek. We will begin exploring the feasibility of a shelter at the stop, but please recognize that there are many steps to the process so there is no immediate fix.

Pete Rasmussen  
Transportation Planner  
Santa Cruz METRO

----- Forwarded message -----

**From:** **Elisabeth Tatum** [REDACTED]  
**Date:** Tue, Dec 12, 2023 at 4:36 PM  
**Subject:** This is URGENT because METRO is meeting this Friday. Title: Shelter Jr.High School Kids  
**To:** [editorial@santacruzsentinel.com](mailto:editorial@santacruzsentinel.com) <[editorial@santacruzsentinel.com](mailto:editorial@santacruzsentinel.com)>

PLEASE help place a shelter from the cold, the rain and the darkness for Jr.High School students as they wait for the METRO bus to take them home southward bound.

Sometimes they wait for an hour while the sun goes down and it rains.

For the past forty years ,since I started working at the foot of the Aptos Jr High School, the businesses around mine have gradually put multiple signs up to keep them from finding shelter under their eaves and/or entry ways.

YES, kids at that age can be loud, litter, etc,

etc. "They" are kids. Where are "the adults" to take responsibility for their safety ?

I have contacted METRO, the Santa Cruz Public Works, the Aptos Chamber of Commerce, and Aptos Jr. High. The owner of the property where it is to be placed has also contacted numerous people over at least two decades AND has donated the appropriate place for the shelter.

Soooo, what is the holdup?

Nothing has been done. Furthermore, there actually exists a field with multiple shelters available to ber placed...What is the holdup?

Please respect those from whom you would like to be respected.

# COMMUNICATIONS TO THE BOARD OF DIRECTORS

Start with "this" generation, "this" coming winter break.

ElisabethTatum, LMFT

PS: Multiple south county residents who work in Aptos also depend on this transportation. What makes "them" to be excluded?



# COMMUNICATIONS TO THE BOARD OF DIRECTORS

**From:** [John Urgo](#)  
**To:** [Donna Bauer](#)  
**Subject:** Re: Santa Cruz Metro Winter Schedule  
**Date:** Thursday, December 28, 2023 11:25:27 AM  
**Attachments:** [Outlook-nfejwg0n.png](#)  
[Outlook-htlyzpzf.png](#)  
[Outlook-jwrb5phn.png](#)  
[Outlook-seba1q5y.png](#)  
[Outlook-huz3tysy.png](#)  
[Outlook-4wttudof.png](#)  
[Outlook-owseasz.png](#)

---

Hi Thairie,

Thank you for contacting Santa Cruz METRO. I want to apologize for the inconvenience the current schedule is causing you.

The 8:25 a.m. 3A from Capitola Mall is currently scheduled to arrive at Pacific Station at 8:57 a.m. but from what I understand you need it to arrive sooner so that you can get to your job on time. We will look at adjusting the Route 3 schedule in the morning as this is likely an issue other customers are encountering. Unfortunately this is likely not a change we can implement until the next scheduled service change in March but I will see if we can make an adjustment in February when Pacific Station closes and we move operations to River and Front.

There is a Route 2 departing Capitola Mall 14 minutes before the 8:25 a.m. 3A at 8:11 a.m., which arrives downtown at 8:30 a.m. Even though Route 2 is scheduled to depart every 30 minutes, traffic delays due to morning congestion mean that the next trip doesn't arrive downtown until 9:17 a.m.

The December service change increased service 10%, with much of that increase directed at expanded hours of service on the former 66/68 corridors (new Route 3). In the coming months, the METRO Board of Directors will review a second round of bus service increases that could go into effect starting in June 2024. For more information and to get involved, visit: <https://www.scmttd.com/en/agency-info/planning/reimagine-metro>

Please let me know if you have any additional questions or concerns.

JOHN URGO  
Director, Planning & Development  
T: (831) 420-2537 | [jurgo@scmttd.com](mailto:jurgo@scmttd.com)  
Santa Cruz METRO  
110 Vernon Street, Santa Cruz, CA 95060

# COMMUNICATIONS TO THE BOARD OF DIRECTORS



## One Ride At A Time

[scmtd.com/onerideatotime](http://scmtd.com/onerideatotime)

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**From:** Thairie Ritchie [REDACTED]  
**Sent:** Tuesday, December 26, 2023 9:35 AM  
**To:** boardinquiries <[boardinquiries@scmtd.com](mailto:boardinquiries@scmtd.com)>; admin\_notices <[admin\\_notices@scmtd.com](mailto:admin_notices@scmtd.com)>  
**Subject:** Santa Cruz Metro Winter Schedule

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The Winter Schedule for the Metro has been a major inconvenience since it started before the holidays. I've been more late for work since it started. I catch the 3A/3B at 8:25am, and can't get to work on time before 9am. I can't even catch the 69 or Route 2, because of the schedule change. That service prior to these changes, was getting me to work on time in the morning. I'm really worried working two jobs right now, on this current schedule being a hindrance or cause of being let go from work, from being consistently late. I understand the upcoming construction projects taking place within the new year and being the reason for the route changes, but the service is not helping me and hurting my employment status.

-Thairee

# COMMUNICATIONS TO THE BOARD OF DIRECTORS

**Donna Bauer**

---

**From:** Margo Ross  
**Sent:** Thursday, January 11, 2024 9:34 AM  
**To:** [REDACTED]  
**Cc:** Donna Bauer  
**Subject:** Hydrogen buses  
**Attachments:** 5.3 Comm to BOD - JHillstrom 8.2.23.pdf

Good morning Ms. Bavalee,

My name is Margo Ross COO for Santa Cruz METRO. METRO currently operate electric buses, and staff has explored the usage of electric vehicles for the remainder of the fleet. After careful review of multiple options METRO found hydrogen vehicles met the operating needs of the agency. Additionally, METRO found hydrogen vehicles would allow the agency to operate throughout the county with no interruption to service, and would eliminate the cost of building additional electric charging stations.

Staff received previous inquiries regarding the purchase of hydrogen vehicles and the hydrogen fueling station. I have included pass correspondence from METRO's consultant CTE they are highly regarded in the community of hydrogen fueling.

If I can be of further assistance please reach out.

Thank you,

Margo

Margo Ross  
Chief Operations Officer  
Santa Cruz Metropolitan Transit District  
831-420-2577  
[www.scmttd.com](http://www.scmttd.com)



# COMMUNICATIONS TO THE BOARD OF DIRECTORS

**From:** [REDACTED]  
**Sent:** Tuesday, January 2, 2024 5:21 PM  
**To:** boardinquiries  
**Subject:** Hydrogen Busses are Not a Good Idea

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**I hope that you still have time to cancel the proposed contract with the makers of hydrogen busses and the Santa Cruz Metro bus service. Hydrogen is not the best solution for the fleet either in practical operating terms, and if the goal is to save the planet. It is expensive and inefficient.**

**Even if you had a scenario that your electricity was produced renewably, you need to change electricity into hydrogen to create it, chill it, drive it around in trucks to distribute it, and the bus itself has to turn it into back into electricity to drive. Only 38% of produced energy makes it to vehicle power.**

**The overall efficiency in the power-to-vehicle-drive energy is less than half the level of an electric vehicle, where it is simply wire to wire. 80% of produced energy makes it to vehicle power.**

**Did you give equal time to consideration of an electric fleet?**

**Please become better educated on the details of hydrogen and electric vehicles before you make the mistake of settling on hydrogen.**

**Thanks for your attention to this matter,  
Clio Bavalee**

# Attachment

## WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS



To: Michael Tree  
From: Jaimie Levin, CTE Director of West Coast Operations  
Date: August 20, 2023

Re: Citizen Complaint about SCMTD Fuel Cell Bus Program

Recently, staff of the Santa Cruz Metropolitan Transit District (METRO) received an email from a local citizen arguing that the transit agency should not invest in fuel cell electric technology. Several claims were made that are neither correct nor up to date with respect to fuel cell technology and hydrogen sourcing.

It was stated that hydrogen is “prohibitively expensive” and sourced from refining crude oil. While it is true that currently, retail hydrogen sold for fuel cell cars is very expensive, in excess of \$20 per kilogram, liquid hydrogen (LH2) sold to transit agencies in bulk quantity is between \$9 and \$13 per kilogram, inclusive of the mandated 33% renewable requirement. The target price to achieve parity with diesel fuel is between \$5 and \$7 per kilogram.

The state of California through the “Alliance for Renewable Clean Hydrogen Energy System” (ARCHES, LLC) has developed a comprehensive program to expand renewable hydrogen production in California, from 500 tons per day by 2030 to 47,000 tons per day by 2045 (as reference, 100 transit buses will use approximately 2 to 2.5 tons of hydrogen daily). ARCHES is a finalist to receive up to \$1.25 billion from the U.S. Department of Energy, matched with several billion dollars of funds from California and private industry to scale up the production and distribution of renewable hydrogen utilizing a combination of solar, wind, and biomass to achieve a carbon intensity of zero. Hydrogen will be used to support transportation, heat and power generation, and industrial processes. ARCHES has earmarked multiple renewable hydrogen sources in northern and southern California for public transit buses, at a per kilogram price of less than \$7. Metro’s involvement in the ARCHES program will enable its fuel cell fleet to operate with an affordable, renewable, zero-carbon fuel supply, at a price that is fully expected to be less than that of diesel fuel (please see the attached summaries of the ARCHES program).

With respect to the comment that hydrogen is now produced from “refining crude oil,” that is incorrect. The bulk of hydrogen today is produced from reforming natural gas and renewable natural gas. Since fuel cell electric buses are able to operate at more than twice the fuel efficiency of diesel buses, on a per-mile basis the well-to-wheel CO2 emissions from fuel cell electric buses are approximately one-half the emissions from diesel buses.

While a battery is more efficient than a fuel cell (90% vs. 65%), a fuel cell bus has several distinct advantages that make it considerably more operationally efficient than a battery bus. There are four key benefits:

1. **Greater range** of 300 miles or more
2. **Higher payload** or passenger occupancy because fuel cells are much lighter than batteries
3. **Fast refueling**, quite similar to the time to refuel diesel and CNG buses

# Attachment

## WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

Page 2 of 4

4. **Resiliency** should there be a natural disaster, such as an earthquake or loss of grid power from wild fires (a backup generator – ultimately a stationary fuel cell – can provide sufficient power to refuel your buses with onsite hydrogen storage.

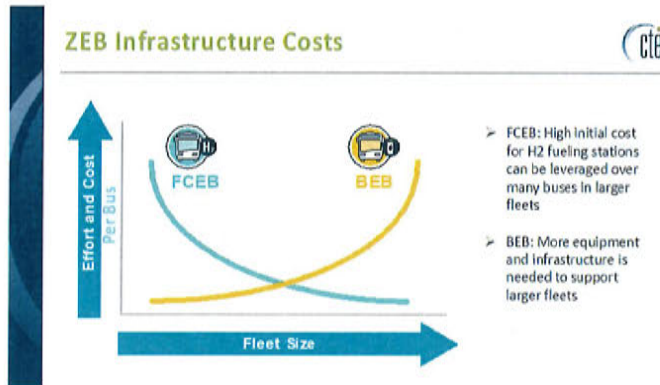
Considering the challenges of providing fueling infrastructure, there are additional advantages to hydrogen refueling technology. There are five key factors that have to be addressed in building infrastructure. CTE refers to this as “PARSE” which is described as follows:

- **P** is for **price** and the delivery of more affordable molecules in parity with conventional fuels. It also includes the cost of maintenance associated with complex equipment;
- **A** is for **area footprint** to minimize the space required to locate a fueling station that can refuel 50, 100, or 200 buses, particularly as it relates to scalability;
- **R** is for the utilization of and transition to **renewable** energy sources to produce hydrogen and the all-important requirements of **redundancy** and **resiliency** to ensure near 100% service reliability and flexibility to react during natural disasters;
- **S** is for the **speed of refueling** to fuel many large-capacity vehicles in the normal 8- to 12-hour fueling window at night. “S” also refers to **scalability** requiring modular systems that will provide the flexibility and capability to expand capacity and throughput as fleets grow and fuel demand increases. Additionally, “S” stands for **supply** to ensure fuel suppliers can meet the daily demands and multiple-day supplies required by transit agencies; and
- **E** is for **equity or the CapEX** to build these stations at a reasonable price, utilizing baseline components for future expansion as agencies scale up the size of their fleets. This also relates to the **Entry-level** startup threshold and the high initial cost to build a station that is needed to fuel one or five buses, but also has the capacity to fuel 20 or more buses.

Foothill Transit is a very good example of the challenges of hydrogen refueling vs. charging infrastructure. Their consultant concluded that building charging infrastructure, including providing megawatts of power to Foothill’s two operating divisions, would be in excess of \$105 million. Recently, Foothill Transit built a new hydrogen refueling station on a footprint of 40’ by 60’ to fuel up to 100 buses, at a cost of \$6.5 million.

AC Transit, which has been a leader in the deployment of fuel cell electric buses and also operates battery-electric buses, initially submitted its zero-emission transition plan to the California Air Resources Board, proposing a fleet mix of 30% fuel cell electric buses and 70% battery-electric buses. Last year they updated that plan to reverse the mix to 70% fuel cell electric and 30% battery-electric. CTE is working with AC Transit, Humboldt Transit Authority, SamTrans, and Livermore-Amador Valley Transit Authority on establishing fuel cell electric bus programs, based largely on the realized aforementioned advantages and benefits.

The graph below provides a conceptual picture of the early challenges to introducing fuel cell electric buses compared to battery-electric buses, but as fleet size increases in numbers, fuel cell electric buses are less costly and more adaptable to a transit agency’s range of operating duty cycles. There is less need to establish sub-fleets to meet all of an agency’s service requirements.



As for the distribution and delivery of hydrogen, the trucks that will eventually be used to transport large volumes of fuel will be zero-emission fuel cell electric trucks. In fact, CTE in partnership with Hyundai is now deploying Class 8 fuel cell electric trucks at the Port of Oakland. These trucks are making deliveries of payloads up to 39,000 lbs. to destinations in the Central Valley, and as far as 200 to 250 miles from the port.

Gasoline tanker trucks that deliver fuel to refueling stations throughout California can transport up to 11,500 gallons of fuel. The largest LH2 delivery trucks carry no more than 4,500 kg of hydrogen. One kilogram of hydrogen is equivalent in energy to a gallon of gasoline.

Regarding the cost of fuel cell electric buses and trucks, UC Davis published its study entitled, "Evaluation of the Economics of Battery-Electric and Fuel Cell Trucks and Buses: Methods, Issues, and Results" in August 2022 (<https://escholarship.org/uc/item/1g89p8dn>), citing the expected reduction in capital and operating costs as manufacturing volumes increase and a robust supply chain evolves with greater demand. The following excerpt is drawn from the Abstract in the UC Davis study:

*"For both battery and fuel cell vehicles, thanks to technology cost reductions, the initial cost generally decreases markedly in the period 2020-2030 and more modestly for 2030-2040. Assuming fairly constant electric prices, declining hydrogen prices, and slowly rising diesel prices, TCOs for the various electrified truck types typically become less than that of the corresponding diesel truck before the initial cost of the electrified trucks gets close to that for the diesel truck. For most battery-electric truck types, TCO competitiveness occurs by 2025. For that year, the payback time for most truck types is 4-6 years and is less than 4 years by 2030. Fuel cell vehicles take longer to pay back due mainly to hydrogen fuel costs remaining above diesel prices on an energy basis. Fuel cell truck payback times of 3-5 years by 2030 can be achieved if the cost of hydrogen in that year is reduced below \$7/kg. Fuel cell buses have payback times of less than one year in 2030. By 2030, the purchase cost of most types of both battery-electric and hydrogen fuel cell trucks is close to that of the corresponding diesel vehicle and TCOs are competitive as long as battery costs and fuel cell costs drop per our expectations along with moderate electricity and hydrogen costs. The cost sensitivity results indicated these conclusions were not significantly changed by reasonable variations in the major cost inputs (battery, fuel cell, hydrogen, electricity and diesel fuel) assumed in the economic analyses.*

# Attachment

## WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

Page 4 of 4

Finally, a reference was made to the cancellation of a fuel cell electric bus order in Montpellier, France. The cancellation resulted from a dispute between the city and Engie, the company that bid on the contract, who utilized a SPV ("Special Purpose Vehicle") investment strategy in partnership with private investors. The order was canceled due to a dispute regarding the ROI demanded by Engie after the city awarded them the contract. It was not canceled because of issues concerning the capabilities of fuel cell technology. The article submitted to Metro staff was published by a very pro-battery-electric publication, whose author made a number of biased and incorrect statements about fuel cells and hydrogen. Fuel cell electric buses have been successfully deployed in Pau, France, and the RATP is now testing fuel cell electric buses in Paris after initially thinking they would only be operating battery-electric buses.

###



# Attachment

## WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS

From: [REDACTED]  
To: [boardinquiries@scmtd.com](mailto:boardinquiries@scmtd.com)  
Subject: please revisit the hydrogen fuel cell bus plan  
Date: Wednesday, August 2, 2023 5:32:19 PM

---

**This Message Is From an Untrusted Sender**

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Hi Metro Board,

Congrats on getting an outstanding grant for clean air buses! I'm really happy about the greening of our fleet, however, I strongly feel that going the fuel cell route vs. batteries is ill advised. I'll quote a neighbor who wrote eloquently:

I am not a fan of this. Fuel cells are just astroturfing by the petrochemical industry as most hydrogen is produced from the refining of crude oil. Sustainable hydrogen production is prohibitively expensive, resource intensive, and California requirements to mix petrochem hydrogen with renewable hydrogen make it more expensive than diesel. Hydrogen is over \$21/kg (a 33% increase from 2 years ago) which is about the equivalent of 2 gallons of diesel which costs \$9.96. Plus Metro is going to have to invest heavily in hydrogen fueling stations. I am not sure if this is a really good idea for Metro. Battery electric buses would be significantly cheaper to energize and operate.

Additionally, hydrogen has to be trucked and delivered to those refueling stations which is itself a very greenhouse gas and pollution intensive operation. Not to mention, it's more trucks on the crowded roads and they're carrying dangerous cargo (liquid hydrogen). We already have perfectly good electric transmission lines to deliver electrons with no additional traffic, no additional diesel pollution and no greenhouse gases. And you don't have to build the hydrogen storage and pumping infrastructure.

Fuel cells were a neat idea 20 years ago but they're just not a practical solution given the 10x decrease in battery costs in the last two decades.

I would be very, very interested to see any analysis that shows any advantage for hydrogen fuel cells. Please share such documents with me!

Montpellier in France planned to go the fuel cell route for their buses and when they looked at the numbers, cancelled the order - <https://electrek.co/2022/01/11/city-cancels-order-50-hydrogen-buses-after-realizing-electric-buses-best/>

Thanks for your time!

John [REDACTED]  
[REDACTED]

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# COMMUNICATIONS TO THE BOARD OF DIRECTORS

**From:** [John Urgo](#)  
**To:** [REDACTED]  
**Cc:** [Donna Bauer](#)  
**Subject:** Re: regarding bus route changes  
**Date:** Monday, January 8, 2024 10:21:11 AM  
**Attachments:** [Outlook-lqnszzjr.png](#)  
[Outlook-dog0fays.png](#)  
[Outlook-3knrz3th.png](#)  
[Outlook-yvkqdd2x.png](#)  
[Outlook-tbplxwec.png](#)  
[Outlook-b4h3qter.png](#)  
[Outlook-oko2g3qz.png](#)

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Hi Nancy,

Thank you for contacting Santa Cruz METRO. I apologize that the recent service changes have inconvenienced you.

The first wave of Reimagine METRO service changes were implemented on December 21, 2023, after a year-long planning and outreach process, with the following goals in mind:

- More service (a 10% increase over Fall and 25% more than Spring 2023)
- Higher frequency service in areas with high transit demand
- Simpler, more direct routes, especially in Watsonville
- Better transfers with shorter wait times and no additional fare

To provide more frequent service in Live Oak and Seabright, the hourly 66 and 68 routes were combined into a single route running every 30 minutes (with the exception of the 3A/3B split through Twin Lakes). The current routing of the 3B is identical to Route 66 between Capitola Mall and Soquel and Poplar; if your destination is on Water, you can transfer for free to Routes 1 or 2, running every 15 minutes, at any stop on Soquel between Park and Frederick/San Juan.

We will consider changes to Route 3 as we plan Phase 2 of Reimagine METRO. For more information, please visit: <https://www.scmttd.com/en/reimagine>

Please feel free to reach out to me directly with additional questions or concerns.

# COMMUNICATIONS TO THE BOARD OF DIRECTORS

JOHN URGO

Director, Planning & Development

T: (831) 420-2537 | [jurgo@scmttd.com](mailto:jurgo@scmttd.com)

Santa Cruz METRO

110 Vernon Street, Santa Cruz, CA 95060



## One Ride At A Time

[scmttd.com/onerideatatime](http://scmttd.com/onerideatatime)

**From:** nancy pheifer [REDACTED]

**Sent:** Friday, January 5, 2024 11:37 AM

**To:** boardinquiries <[boardinquiries@scmttd.com](mailto:boardinquiries@scmttd.com)>

**Subject:** regarding bus route changes

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I have lived and worked in Santa Cruz for twenty six years. I am a regular bus passenger, and use the bus as my main transportation. I am now elderly, and no longer have a car. The new routes have presented some challenges, especially the Route 3. It is much slower than the #66 which I took often to Live Oak area. Now it is a route that zig zags all over town, takes much longer for me to get home, and no longer follows a route that takes me to places I need to go.

We then have to stop at the Metro station which is time consuming. I have to think that the bus is no longer serving the community, the working people, the disabled, the elderly. The priority seems to be catering to what is convenient for the UCSC students. Please take another look at route #3. Consider another separate route to serve the campus students. Please consider that this is system may need to be reviewed and revised. Thank you for your time.

Sincerely, Nancy Pfeifer

# COMMUNICATIONS TO THE BOARD OF DIRECTORS

From: Brian Peoples [REDACTED]  
Sent: Sunday, January 21, 2024 8:33 AM  
To: boardinquiries@scmtd.com>  
Subject: Agenda item - oral communications

**PLEASE DO NOT VOTE FOR KRISTEN BROWN FOR 2<sup>ND</sup> DISTRICT SUPERVISOR:**

Trail Now has interviewed all candidates for 2<sup>nd</sup> District Supervisor and we plan to issue a recommended candidate soon. This week, we met with Kristen Brown. Kristen has worked for many years in the public sector and has served, for the past 7 years, on the Capitola City Council.

During our meeting, we discussed the Capitola Trestle. Kristen stated that she does NOT support converting the historic Capitola Trestle into a trail. She does not support railbanking. This is shocking as former RTC Executive Director Guy Preston recommended many times that the most cost effective and legal process to build the Coastal Trail is to implement federal railbanking. Kristen believes that the historic Capitola Trestle should remain unused until it is torn down and replaced for future passenger rail.

The fact that Kristen does not listen to transportation policy experts is alarming and a possible indicator on how she will approach and address other important community policies.

We are asking our supporters NOT to vote for Kristen Brown for 2<sup>nd</sup> District Supervisor.

Stay tuned for our recommended candidate.

# COMMUNICATIONS TO THE BOARD OF DIRECTORS



**#1: Billion Dollar Train**

# COMMUNICATIONS TO THE BOARD OF DIRECTORS



## #2: Recommending Detour



**#3: Train Over Trail**



# COMMUNICATIONS TO THE BOARD OF DIRECTORS



**#4: Train Washout By Ocean**

2

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ADDITIONAL COMMUNICATIONS  
DISTRIBUTED TO THE BOARD  
1/26/24

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**From:** [Pete Rasmussen](#)  
**To:** [REDACTED]  
**Cc:** [Donna Bauer](#); [John Urgo](#)  
**Subject:** METRO bus stop at 7th Ave and Bonnie St  
**Date:** Thursday, January 25, 2024 12:24:14 PM

---

Terence and Sondra Cohelan,

The bus stop location at 7<sup>th</sup> Ave & Bonnie Street was selected for many reasons, including the following:

- It is convenient for bus riders to have bus stops in both directions located nearby so that when they are dropped off they can see where they need to go to be picked up for their return trip. There was an existing stop at 7<sup>th</sup> Ave & Bonnie Street in the opposite direction so it made sense to pair that with one on the opposite side of 7<sup>th</sup> Ave.
- The median island and crosswalk signal were installed specifically to improve safety for people crossing 7<sup>th</sup> Ave. For that reason, it makes more sense to locate the stop close to this intersection rather than at Carmel Street, which does not have a signal or a median pedestrian refuge, and requires that a pedestrian cross a greater distance due to the additional street width.

With that being said, a bus stop was placed here because a new route was created to bypass Murray Street while the Murray Street (Harbor) bridge was going to be repaired and would only allow traffic in one direction during construction. METRO has now learned that the City of Santa Cruz is delaying the bridge repair project for an unknown amount of time. Therefore, in the short term, METRO is returning to the previous route that utilizes Lake Ave through the harbor rather than 7<sup>th</sup> Ave south to E. Cliff Drive. However, once the Murray Street bridge repair project eventually does start, METRO may put this bus stop at 7<sup>th</sup> and Bonnie back in service.

Pete Rasmussen

Santa Cruz METRO Planning

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**From:** sondra cohelan [REDACTED]  
**Sent:** Monday, January 22, 2024 3:48 PM  
**To:** boardinquiries <[boardinquiries@scmtd.com](mailto:boardinquiries@scmtd.com)>  
**Subject:** METRO BUS STOP placed at horrible location

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Dear METRO BUS People,

On December 31, 2023, I sent the following letter regarding the placement of the Bus Stop at 7th Avenue and Bonnie Street to several METRO Bus Board members and with little response. I am once more sending this letter with hopes that you will take a good look at the concerns that both my neighbors and I have regarding this METRO BUS STOP location.

Dean METRO BUS Board Members,

I was surprised when a Metro Bus Stop was installed by my home on 7th Avenue, as there was no prior notice to the neighborhood residents of this public installation, This Bus Stop should NOT be placed on the corner of 7th Avenue and Bonnie Street for these reasons:

1. The intersection at 7th Avenue and Bonnie Street is dangerous and has had accidents, injuries, and deaths.
2. A safety crossing light and Island were installed at this intersection, as people and vehicles have been hit, injured and killed while crossing.
3. The Island divide narrows both the vehicle and bicycle lanes before and at this intersection, The placement of the METRO Bus Stop here blocks and uses both vehicle and bicycle lane.
4. A Wide Green Bicyclist's Lane is on 7th Avenue, providing needed bicyclist safety, this bicyclists lane is now being used by the Metro Bus to stop unload and load passengers, blocking both the bicycle lane and the vehicle lane, stopping all traffic,
5. There is no room for a turnout bus space at this site, causing the METRO BUS to block and use both vehicle and bicycle traffic lanes, stopping and causing congestion on this highly used avenue.
6. There is a RED painted curb where the Metro Bus stop is designated to stop. The RED curb runs form the corner of Bonnie St up 7th Ave. It is there to provide safe visibility for vehicles turning from Bonnie St. onto 7th Avenue and has prevent collisions.
7. The sidewalk space is minimal at the corner the grandfathered in home was built on the property line with no set back, making the entrance and exit of the home's residents and the bus passengers tight and uncomfortable.

I STRONGLY appeal to you to please have the Metro Bus Stop placed one block up, at the corner of Carmel Street and 7th Avenue, where it is not a congested intersection and wide enough for a bus turnout and it will not stop the flow of traffic. There are also crosswalks on both Carmel Street and 7th Avenue, it is a safer location for the Metro Bus passengers and traffic.

Very Sincerely,  
Terrence & Sondra Cohelan

██████████  
Santa Cruz, CA 95062  
██████████

**From:** [REDACTED]  
**To:** [boardinquiries](#)  
**Subject:** for New METRO GM  
**Date:** Tuesday, January 23, 2024 9:48:52 AM

---

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Dear Board Members,

We appreciated Mike Tree's accomplishments in just two years. Setting the goal of doubling ridership, redesigning routes and improving frequency are badly needed. Hiring a new General Manager could be the most important decision the Board makes. We ask that the Board involve METRO employees and community members in the process of hiring a new GM.

Thank you,

Rick Longinotti, Chair  
Campaign for Sustainable Transportation

Rick Longinotti, MFT  
<https://ricklonginotti.com/>

My book is available to order:

**That Loving Feeling: A Couples Guide to Transform Hurt & Criticism into Kindness & Gratitude**

at your local independent bookstore,

[Amazon](#) or [GroktheWorld](#)

**From:** [REDACTED]  
**To:** [boardinquiries](#)  
**Subject:** new Director  
**Date:** Tuesday, January 23, 2024 12:01:02 PM

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Ladies and Gentlemen, I really appreciate the work Mike Tree has done in his short tenure at Metro. I hope that you will listen to input from the community in the hiring of a new director, who, in my opinion, should be willing and able to pick up where Mike left off.

Thank you.

Roland Saher



**From:** [REDACTED]  
**To:** [boardinquiries](#)  
**Subject:** Include METRO Employees & Community Input in New General Manager Selection  
**Date:** Tuesday, January 23, 2024 12:08:59 PM

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Dear Board Members,

I am sorry to see Mike Tree leave. He made a difference in just two years with setting the goal of doubling ridership, redesigning routes and improving frequency which are badly needed.

Hiring a new General Manager could be the most important decision the Board makes. I sincerely hope that the Board will involve METRO employees and community members in the process of hiring a new GM.

Thank you,

Jacquelyn Griffith

**From:** [REDACTED]  
**To:** [boardinquiries](#)  
**Subject:** Please get community involved in hiring new General Manager.....  
**Date:** Tuesday, January 23, 2024 12:39:31 PM

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Dear Board Members,

We appreciated Mike Tree's accomplishments in just two years. Setting the goal of doubling ridership, redesigning routes and improving frequency are badly needed. Hiring a new General Manager could be the most important decision the Board makes. We ask that the Board involve METRO employees and community members in the process of hiring a new GM.

Thank you, Sarah Ringler

**From:** [REDACTED]  
**To:** [boardinquiries](#)  
**Subject:** New Metro Director--request for collaboration  
**Date:** Tuesday, January 23, 2024 11:21:23 PM

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Dear Metro Board Members,

I wish the only the best for Metro's departing General Manager. I'll be very sorry to see Micheal Tree leave--his efforts have made significant changes for the better for Santa Cruz Metro. Just yesterday I boarded Bus 3a to UCSC from my home in Live Oak and was so impressed with the route and the opportunity to take only one bus from Live Oak to UCSC and McHenry library. I took the 3a back to my home, too. I'm not a student, but a retired teacher and plan to use this route again.

Mr. Tree's other inspired changes--setting aspirational goals for double ridership, improving frequency, renumbering and redesigning routes, all have improved a Metro service that sorely needs visionary thinking.

Let's stay the course for improving Metro. With Mr. Tree's accomplishments fresh in our minds, please allow community members and Metro employees a voice in the hiring process of a new General Manager. Through our collaborative work Metro can be a respected, well utilized and supportive service for our community, one of which we can all be proud. Your success in hiring a skilled, dynamic and responsive General Manager will be bolstered with community engagement and participation from interested riders and workers. I hope you pursue a collaborative hiring process for our new General Manager.

Best regards,

Bob Morgan

**From:** [REDACTED]  
**To:** [boardinquiries](#)  
**Subject:** Feedback on Reimagine METRO Service Changes  
**Date:** Wednesday, January 24, 2024 7:54:24 PM  
**Attachments:** [Santa Cruz - WTC before Reimagine Metro.png](#)  
[Santa Cruz - WTC after Reimagine Metro.png](#)

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Hello,

Now that it has been some time since the Reimagine METRO service changes have gone into effect, I have to say that I am disappointed with this roll out and lack of response / interest (submitted a ticket via the SCMTD website regarding the below issues on 12/21 and have yet to hear back) from Santa Cruz METRO on valid concerns that have been raised. As a resident of the City of Santa Cruz who relies exclusively on the bus to get to work, run errands, and visit family/friends throughout the county, these service changes have made it difficult to get where I need to go in a timely manner. The attached 3A/3B screenshots are just an example of what I've had to deal with on a near daily basis since the implementation of the first wave. Changes to this bus line **MUST** be made to ensure it is running per schedule. I've been chatting with bus operators specifically regarding this line and they've agreed that consolidating what was previously three routes (66/68/10) into one has been disastrous.

Additionally, rerouting all lines that go to Watsonville (1, 2, 90X) from the Santa Cruz Metro Center on Water instead of Soquel Ave has resulted in a longer overall trip (see attached), as well as a longer walk for riders who live east of Soquel Ave. While tenable for myself to walk 15 minutes (one way, so 30 minutes total including time spent walking to the bus stop & on the way back home) to what is now the closest stop on Water / N Branciforte, there are elderly neighbors of mine that simply cannot do this. It will show as an option on Google Maps & the Transit app that taking the 3A / 3B to a stop that connects with either the 1 or 2 is the best option, but again the 3A/3B lines rarely operate on time - especially towards the Capitola Mall from UC Santa Cruz. **Please restore either the 1 or 2 to run on Soquel Ave instead of both of these routes running on Water.** This should be done at a minimum as both the 69A & 69W used to run on Soquel Ave, with the 71 running on Water.

Lastly, it is my understanding that Santa Cruz Metro will be undergoing an additional round of service changes sometime in June and I truly hope that better communication with riders will be instituted for these changes. For the first two to three weeks of the service changes, most buses were still displaying the outdated route numbers which led to a whole lot of confusion and resulted in people not able to get where they needed to - particularly on lines 1 & 2 as they were either displaying the 69A or 69W route numbers, both of which went to the Capitola Mall but only line 2 goes to the Capitola Mall now. Also ran into several confused riders on Soquel Ave who had been waiting to go home to Watsonville, but did not realize that the buses there had gotten cut.

As someone who believes in the potential of Santa Cruz METRO, please institute needed changes as soon as possible to once again make the bus system in our county reliable.

Sincerely,  
Elizabeth

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**DATE:** January 26, 2024  
**TO:** Board of Directors  
**FROM:** Chuck Farmer, Chief Financial Officer  
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL  
DETAIL FOR THE MONTH OF DECEMBER 2023**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the preliminary approved Check Journal Detail for the month of December 2023**

**II. SUMMARY**

- This staff report provides the Board of Directors (Board) with a preliminary approved Check Journal Detail for the month of December 2023.
- The Finance Department is submitting the check journal for Board acceptance and filing.

**III. DISCUSSION/BACKGROUND**

This preliminary approved Check Journal Detail provides the Board with a listing of the vendors and amounts paid out on a monthly cash flow basis (Operating and Capital expenses).

All invoices submitted for the month of December 2023 have been processed, the checks have been issued and signed by the Deputy Finance Director.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report aligns to METRO's Financial Stability, Stewardship & Accountability strategic plan.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

The check journal presents the invoices paid in December 2023 for Board review, agency disclosure and transparency.

**VI. CHANGES FROM COMMITTEE**

N/A.

**VII. ALTERNATIVES CONSIDERED**

None.

**VIII. ATTACHMENTS**

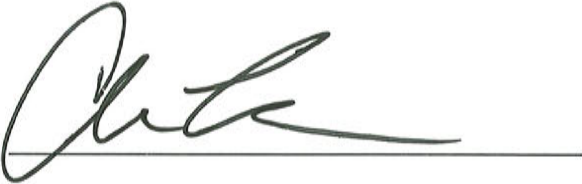
**Attachment A:** Check Journal Detail for the month of December 2023

Prepared by: Holly Alcorn, Accounting Specialist



**IX. APPROVALS**

Chuck Farmer, CFO



Michael Tree CEO/General Manager



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# Attachment A

CHK #	CHK DATE	CHKAMT	VENDOR ID	VENDOR NAME	TRAN#	DESCRIPTION	AMOUNT	COMMENT
82992	12/5/2023	\$ (150.00)	002700	SANTA CRUZ COUNTY ENVIROMENTAL	119939	1902 PAC AVE INSPECT	\$ (150.00)	**VOID
85939	12/14/2023	\$ (3.00)	E929	GUILD, WESLEY	123842	TVM TESTING	\$ (3.00)	**VOID
86320	12/20/2023	\$ (20.68)	M317	TRENT, VICKI	9009355	MEDICAL SUPPLIMENTAL	\$ (20.68)	**VOID
87234	12/4/2023	\$ 53.00	E902	ABREGO, NATHANAEL	125378	CLP REIMBURSEMENT	\$ 53.00	
87235	12/4/2023	\$ 89.00	E1183	AGUILAR, ANGELA	125363	CLP REIMBURSEMENT	\$ 89.00	
87236	12/4/2023	\$ 4,762.60	382	AIRTEC SERVICE INC.	125345	HVAC MAINTENANCE SVC	\$ 277.05	
87236	12/4/2023	\$ 4,762.60	382	AIRTEC SERVICE INC.	125423	HVAC MAINT SBF	\$ 237.16	
87236	12/4/2023	\$ 4,762.60	382	AIRTEC SERVICE INC.	125424	HVAC MAINT OPS	\$ 3,317.00	
87236	12/4/2023	\$ 4,762.60	382	AIRTEC SERVICE INC.	125425	HVAC MAINT VER	\$ 931.39	
87237	12/4/2023	\$ 31.67	003596	AMAZON CAPITAL SERVICES, INC.	125384	REPAY CM TAKEN TWICE	\$ 31.67	
87238	12/4/2023	\$ 2,000.00	003676	ANDREW J. O'KEEFE II	125338	WKLY PRODUCTION SVCS	\$ 2,000.00	
87239	12/4/2023	\$ 1,729.20	001D	AT&T	125355	10/13-11/12PT TO PT1	\$ 1,729.20	
87240	12/4/2023	\$ 4,334.92	001348	ATHENS INSURANCE SERVICE, INC.	125411	12/2023 MONTHLY FEE	\$ 4,334.92	
87241	12/4/2023	\$ 89.00	E1184	BAZARNICK, SELENE	125364	CLP REIMBURSEMENT	\$ 89.00	
87242	12/4/2023	\$ 2,852.40	003713	BENNETT TRUCK TRANSPORT	125385	2404 VEH#11016 DEL	\$ 1,004.80	
87242	12/4/2023	\$ 2,852.40	003713	BENNETT TRUCK TRANSPORT	125386	2404 VEH#11018 DEL	\$ 923.80	
87242	12/4/2023	\$ 2,852.40	003713	BENNETT TRUCK TRANSPORT	125387	2404 VEH#11023 DEL	\$ 923.80	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125350	LIME-A-WAY SMC	\$ 13.74	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125351	GORILLA GLUE WTC	\$ 8.15	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125352	FENCE REPAIR MMF	\$ 22.40	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125427	SMOKE ALARM MMF	\$ 80.82	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125428	SHELVINGMATERIAL PRC	\$ 306.00	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125429	SHELVINGMATERIAL PRC	\$ 77.16	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125430	SILICONE VER	\$ 25.15	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125431	LIME-A-WAY MMF	\$ 13.74	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125432	HEX KEY SET PRC	\$ 32.76	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125433	DRILL BIT SET OPS	\$ 27.52	
87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125434	REBAR TIE WIRE VER	\$ 6.18	

10.1A.1

# Attachment A

87243	12/4/2023	\$ 636.17	107A	BFS GROUP LLC	125435	HEADLIGHT SMC	\$	22.55
87244	12/4/2023	\$ 89.00	E1185	BRAGER, JUSTIN	125365	CLP REIMBURSEMENT	\$	89.00
87245	12/4/2023	\$ 112.30	149	CALIFORNIA NEWSPAPERS P'SHIP	125545	13 WEEK RENEWAL SUBS	\$	112.30
87246	12/4/2023	\$ 167.00	003658	CAPDEPON, KATHERINE	125499	VEH#801 SMOG CERT	\$	41.75
87246	12/4/2023	\$ 167.00	003658	CAPDEPON, KATHERINE	125502	VEH#PC1111 SMOG CERT	\$	41.75
87246	12/4/2023	\$ 167.00	003658	CAPDEPON, KATHERINE	125504	VEH#PC1105 SMOG CERT	\$	41.75
87246	12/4/2023	\$ 167.00	003658	CAPDEPON, KATHERINE	125506	VEH#PC1101	\$	41.75
87247	12/4/2023	\$ 89.00	E1186	CASAREZ, MARY	125366	CLP REIMBURSEMENT	\$	89.00
87248	12/4/2023	\$ 195.01	001159	CATTO'S GRAPHICS, INC.	125309	PARACRUZ VEH DECALS	\$	195.01
87249	12/4/2023	\$ 52,311.66	003661	CELTIS VENTURES, INC.	125440	10/2023ONE RIDE TIME	\$	18,191.25
87249	12/4/2023	\$ 52,311.66	003661	CELTIS VENTURES, INC.	125441	Q4 2023 SOCIAL MEDIA	\$	5,145.00
87249	12/4/2023	\$ 52,311.66	003661	CELTIS VENTURES, INC.	125442	10/2023ONERIDE MEDIA	\$	1,902.08
87249	12/4/2023	\$ 52,311.66	003661	CELTIS VENTURES, INC.	125443	10/2023 MISC CAMPAGI	\$	3,276.88
87249	12/4/2023	\$ 52,311.66	003661	CELTIS VENTURES, INC.	125444	10/2023 BRANDREFRESH	\$	2,848.13
87249	12/4/2023	\$ 52,311.66	003661	CELTIS VENTURES, INC.	125445	10/2023 REIMAGINE	\$	17,762.50
87249	12/4/2023	\$ 52,311.66	003661	CELTIS VENTURES, INC.	125446	10/2023KIDS RIDEFREE	\$	2,940.00
87249	12/4/2023	\$ 52,311.66	003661	CELTIS VENTURES, INC.	125447	10/2023KIDFREE MEDIA	\$	245.82
87250	12/4/2023	\$ 8,753.57	003320	CENTER FOR TRANSPORTATION AND	125282	1937 ELEC BUS DEPLOY	\$	2,472.24
87250	12/4/2023	\$ 8,753.57	003320	CENTER FOR TRANSPORTATION AND	125388	1937 ELEC BUS DEPLOY	\$	6,281.33
87251	12/4/2023	\$ 900.00	002109	CITY OF SANTA CRUZ/PARKING	125361	MONTHLY PARKING INV	\$	900.00
87252	12/4/2023	\$ 686.76	733	CLAREMONT EAP	125335	11/2023 EAP PREMIUM	\$	686.76
87253	12/4/2023	\$ 53,960.81	001124	CLEAN ENERGY	125300	11/03/23 LNG CHGS	\$	11,533.67
87253	12/4/2023	\$ 53,960.81	001124	CLEAN ENERGY	125389	10/20 LNG CHARGES	\$	9,720.16
87253	12/4/2023	\$ 53,960.81	001124	CLEAN ENERGY	125391	08/2023 FIXED FEE	\$	20,628.00
87253	12/4/2023	\$ 53,960.81	001124	CLEAN ENERGY	125392	CM ORG#CEW12614435	\$	(19,931.00)
87253	12/4/2023	\$ 53,960.81	001124	CLEAN ENERGY	125393	07/2023 FIXED FEE	\$	20,628.00
87253	12/4/2023	\$ 53,960.81	001124	CLEAN ENERGY	125394	CM ORG#CEW12614433	\$	(19,931.00)
87253	12/4/2023	\$ 53,960.81	001124	CLEAN ENERGY	125448	10/24/2023 LNG CHGS	\$	9,629.68
87253	12/4/2023	\$ 53,960.81	001124	CLEAN ENERGY	125449	11/07/2023 LNG CHGS	\$	11,533.67
87253	12/4/2023	\$ 53,960.81	001124	CLEAN ENERGY	125450	11/10/2023 LNG CHGS	\$	10,149.63
87254	12/4/2023	\$ 1,710.85	075	COAST PAPER & SUPPLY INC.	125451	JANITORIAL SPLY VER	\$	100.51
87254	12/4/2023	\$ 1,710.85	075	COAST PAPER & SUPPLY INC.	125452	JANITORIAL SPLY MMF	\$	1,431.17
87254	12/4/2023	\$ 1,710.85	075	COAST PAPER & SUPPLY INC.	125453	JANITORIAL SPLY MMF	\$	78.66
87254	12/4/2023	\$ 1,710.85	075	COAST PAPER & SUPPLY INC.	125454	JANITORIAL SPLY OPS	\$	100.51
87255	12/4/2023	\$ 943.54	163	COMMUNITY PRINTERS, INC.	125455	PHOTOTEX SIGNS MKTG	\$	413.95
87255	12/4/2023	\$ 943.54	163	COMMUNITY PRINTERS, INC.	125456	HOLIDAY CARDS MKTG	\$	529.59
87256	12/4/2023	\$ 452.00	367	COMMUNITY TELEVISION OF	125331	10/27BOARD MTG CVRG	\$	452.00

# Attachment A

87257	12/4/2023	\$ 3,229.44	003668	CROSSLINE SUPPLY, LLC	125390	INVENTORY ORDER	\$	81.94
87257	12/4/2023	\$ 3,229.44	003668	CROSSLINE SUPPLY, LLC	125457	INVENTORY ORDER	\$	1,850.70
87257	12/4/2023	\$ 3,229.44	003668	CROSSLINE SUPPLY, LLC	125458	INVENTORY ORDER	\$	1,296.80
87258	12/4/2023	\$ 250.00	E1009	CUMMINS, EDWARD	125413	BOOT REIMBURSEMENT	\$	250.00
87259	12/4/2023	\$ 8,302.14	003116	CUMMINS, INC	125459	VEH#2333 PART ORDER	\$	105.07
87259	12/4/2023	\$ 8,302.14	003116	CUMMINS, INC	125460	INVENTORY ORDER	\$	286.26
87259	12/4/2023	\$ 8,302.14	003116	CUMMINS, INC	125461	VEH#11012 PART ORDER	\$	295.86
87259	12/4/2023	\$ 8,302.14	003116	CUMMINS, INC	125462	INVENTORY ORDER	\$	2,199.05
87259	12/4/2023	\$ 8,302.14	003116	CUMMINS, INC	125463	VEH#4204 PART ORDER	\$	23.12
87259	12/4/2023	\$ 8,302.14	003116	CUMMINS, INC	125464	VEH#1302 ECM CALIBRA	\$	5,392.78
87260	12/4/2023	\$ 14,752.26	003274	EAST BAY TIRE CO.	125310	REVENUE TIRES	\$	2,744.04
87260	12/4/2023	\$ 14,752.26	003274	EAST BAY TIRE CO.	125311	REVENUE TIRES	\$	305.40
87260	12/4/2023	\$ 14,752.26	003274	EAST BAY TIRE CO.	125465	REVENUE TIRES	\$	56.65
87260	12/4/2023	\$ 14,752.26	003274	EAST BAY TIRE CO.	125466	REVENUE TIRES	\$	6,860.10
87260	12/4/2023	\$ 14,752.26	003274	EAST BAY TIRE CO.	125467	REVENUE TIRES	\$	2,106.88
87260	12/4/2023	\$ 14,752.26	003274	EAST BAY TIRE CO.	125468	REVENUE TIRES	\$	1,372.02
87260	12/4/2023	\$ 14,752.26	003274	EAST BAY TIRE CO.	125469	REVENUE TIRES	\$	1,307.17
87261	12/4/2023	\$ 4,417.25	003485	EMPLOYNET, INC	125395	BACKGROUND CHECK	\$	65.00
87261	12/4/2023	\$ 4,417.25	003485	EMPLOYNET, INC	125471	TEMP W/E 11/05/2023	\$	1,125.00
87261	12/4/2023	\$ 4,417.25	003485	EMPLOYNET, INC	125474	TEMP W/E 11/12/2023	\$	1,200.00
87261	12/4/2023	\$ 4,417.25	003485	EMPLOYNET, INC	125476	TEMP W/E 11/12/2023	\$	1,020.00
87261	12/4/2023	\$ 4,417.25	003485	EMPLOYNET, INC	125477	TEMP W/E 11/19/2023	\$	1,007.25
87262	12/4/2023	\$ 89.00	E1187	ESPITIA, NAOMI	125367	CLP REIMBURSEMENT	\$	89.00
87263	12/4/2023	\$ 652.95	E672	ESTRADA, URIEL	125332	BID REIMBURSEMENT	\$	652.95
87264	12/4/2023	\$ 1,194.36	001297	FASTENAL COMPANY INC	125301	INV&VEND MACH ORDER	\$	130.65
87264	12/4/2023	\$ 1,194.36	001297	FASTENAL COMPANY INC	125396	INVTRY/VEND MACH ORD	\$	237.66
87264	12/4/2023	\$ 1,194.36	001297	FASTENAL COMPANY INC	125397	NON-INVENTORY ORDER	\$	50.70
87264	12/4/2023	\$ 1,194.36	001297	FASTENAL COMPANY INC	125398	INVTRY/VEND MACH ORD	\$	187.53
87264	12/4/2023	\$ 1,194.36	001297	FASTENAL COMPANY INC	125399	INVTRY/SAFETY ORDER	\$	207.68
87264	12/4/2023	\$ 1,194.36	001297	FASTENAL COMPANY INC	125479	NON-INVENTORY ORDER	\$	45.03
87264	12/4/2023	\$ 1,194.36	001297	FASTENAL COMPANY INC	125480	INV/VEND MACH ORDER	\$	285.37
87264	12/4/2023	\$ 1,194.36	001297	FASTENAL COMPANY INC	125481	VEND MACH ORDER	\$	49.74
87265	12/4/2023	\$ 55,712.21	002295	FIRST ALARM SECURITY & PATROL	125426	10/2023 SECURITY	\$	55,712.21
87266	12/4/2023	\$ 3,428.01	003431	FIRST ALARM	125346	FIREALARM REPAIR MMF	\$	2,179.51
87266	12/4/2023	\$ 3,428.01	003431	FIRST ALARM	125347	FIREALARM REPAIR OPS	\$	190.00
87266	12/4/2023	\$ 3,428.01	003431	FIRST ALARM	125348	10/1-12/31 FIRE SBF	\$	430.50
87266	12/4/2023	\$ 3,428.01	003431	FIRST ALARM	125349	10/1-12/31 FIRE MMF	\$	438.00

# Attachment A

87266	12/4/2023	\$ 3,428.01	003431	FIRST ALARM	125482	ALARM REPAIR OPS	\$	190.00
87267	12/4/2023	\$ 674.73	002962	FIS	125362	10/2023MERCHANT FEES	\$	674.73
87268	12/4/2023	\$ 28,878.90	002952	FLYERS ENERGY, LLC	125400	10/1-10/15 REV FUEL	\$	11,564.17
87268	12/4/2023	\$ 28,878.90	002952	FLYERS ENERGY, LLC	125401	10/1-10/15NONREVFUEL	\$	2,578.87
87268	12/4/2023	\$ 28,878.90	002952	FLYERS ENERGY, LLC	125484	11/1-11/15 REV FUEL	\$	12,060.12
87268	12/4/2023	\$ 28,878.90	002952	FLYERS ENERGY, LLC	125486	11/1-11/15NONREVFUEL	\$	2,675.74
87269	12/4/2023	\$ 53.78	003279	FRONTIER COMMUNICATIONS - 3025	125488	11/16-12/15SKY-RIVER	\$	53.78
87270	12/4/2023	\$ 550.00	003662	GALLAGHER BENEFIT SERVICES,INC	125493	CLASS & COMP WORK	\$	550.00
87271	12/4/2023	\$ 89.00	E1188	GARCIA HERNANDEZ, EDGAR	125368	CLP REIMBURSEMENT	\$	89.00
87272	12/4/2023	\$ 89.00	E1189	GHAI, ROHIT	125369	CLP REIMBURSEMENT	\$	89.00
87273	12/4/2023	\$ 4,603.10	117	GILLIG LLC	125302	INVENTORY ORDER	\$	65.25
87273	12/4/2023	\$ 4,603.10	117	GILLIG LLC	125312	VEH#0621 PART ORDER	\$	1,700.33
87273	12/4/2023	\$ 4,603.10	117	GILLIG LLC	125494	INVENTORY ORDER	\$	2,738.36
87273	12/4/2023	\$ 4,603.10	117	GILLIG LLC	125495	INVENTORY ORDER	\$	99.16
87274	12/4/2023	\$ 570.00	003316	GLOBAL WATER TECHNOLOGY INC	125402	10/2023 OPS	\$	285.00
87274	12/4/2023	\$ 570.00	003316	GLOBAL WATER TECHNOLOGY INC	125403	09/2023 OPS	\$	285.00
87275	12/4/2023	\$ 25.59	282	GRAINGER	125339	RATCHET SET	\$	25.59
87276	12/4/2023	\$ 150.00	E649	GUTIERREZ, ALMA	125377	DMV EXAM REIMBURSEME	\$	150.00
87277	12/4/2023	\$ 12,830.03	002979	HUNT & SONS, INC.	125304	INVENTORY ORDER	\$	12,830.03
87278	12/4/2023	\$ 38,671.36	003395	JARRETT WALKER & ASSOC LLC	125507	10/2023 REIMAGINING	\$	38,671.36
87279	12/4/2023	\$ 1,850.00	T354	JJ KANE AUCTIONEERS	125404	REPLACE VOID #80556	\$	1,850.00
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125283	CM ORG#K-2325822	\$	(233.57)
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125284	INVENTORY ORDER	\$	36.26
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125285	INV & NON-INV ORDER	\$	57.43
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125286	VEH#PC1101 PART ORD	\$	295.06
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125287	INVENTORY ORDER	\$	53.01
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125288	INVENTORY ORDER	\$	375.06
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125289	REBILL INV#T-2347646	\$	52.77
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125290	CM ORG#K-2341749	\$	(295.06)
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125291	CM ORG#T-2345992	\$	(53.01)
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125292	INVENTORY ORDER	\$	23.91
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125293	INVENTORY ORDER	\$	53.60
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125294	INVENTORY ORDER	\$	19.24
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125295	INVENTORY ORDER	\$	19.24
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125296	NON INVENTORY ORDER	\$	30.44
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125297	CM ORG#K-2357131	\$	(19.24)
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125298	INVENTORY ORDER	\$	827.08

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87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125299	INV & NON INV ORDER	\$	823.18
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125509	CM ORG#K-2010924	\$	(559.36)
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125511	CM ORG#K-2116663	\$	(314.64)
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125512	CM ORG#K-2284725	\$	(157.32)
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125513	VEH#103 PART ORDER	\$	250.83
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125514	VEH#103 PART ORDER	\$	279.48
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125515	INVENTORY ORDER	\$	37.47
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125516	VEH#103 PART ORDER	\$	56.86
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125517	VEH#401 PART ORDER	\$	81.78
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125518	INVENTORY ORDER	\$	347.20
87280	12/4/2023	\$ 2,244.02	1117	KELLEY'S SERVICE INC.	125519	INVTY ORDER/CORE CR	\$	156.32
87281	12/4/2023	\$ 256.50	852	LAW OFFICES OF MARIE F. SANG	125520	CL#23003232	\$	256.50
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125305	CAMERA REPAIR	\$	184.50
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125306	INVENTORY ORDER	\$	125.49
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125414	2404 VEH#11026CAMERA	\$	895.30
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125415	2404 VEH#11026CAMERA	\$	292.60
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125416	2404 VEH#11026CAMERA	\$	297.84
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125417	2404 MIC CABLE/PLUG	\$	304.43
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125418	2404 MIC & CABLING	\$	1,474.65
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125419	2404 BNC F CONNECTOR	\$	53.39
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125420	2404 MIC CABLE&PLUG	\$	1,616.90
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125421	2404 MIC CABLE&PLUG	\$	294.99
87282	12/4/2023	\$ 5,855.66	003362	LUMINATOR TECH GROUP GLOBAL,	125422	2404 ARTIC BUS CABLE	\$	315.57
87283	12/4/2023	\$ 20.00	E435	MARQUEZ, RAYMUNDO	125412	#PC1711 FUEL REIMB	\$	20.00
87284	12/4/2023	\$ 89.00	E1190	MARTINEZ HERNANDEZ, HECTOR	125370	CLP REIMBURSEMENT	\$	89.00
87285	12/4/2023	\$ 2,391.00	003368	MDC SYSTEMS CORP	125521	GAS SENSOR CALIB MMF	\$	2,391.00
87286	12/4/2023	\$ 189.31	001052	MID VALLEY SUPPLY INC.	125313	INVENTORY ORDER	\$	189.31
87287	12/4/2023	\$ 210.00	002982	MIRANDA, CHRISTIAN	125550	BILINGUAL EVALUATION	\$	210.00
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM	125344	TOWEL,MOP,UNIFORMS	\$	25.91
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM	125522	TOWELS,MATS PARACRUZ	\$	18.50
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM	125523	RAYGOZA UNIFORM REP	\$	27.00
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM	125524	CURRERA UNIFORM REP	\$	27.00
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM	125525	ZAMARIPPA UNFRM REP	\$	27.00
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM	125526	TOWELS FUEL STATION	\$	156.00
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM	125527	TOWEL,MOP,UNIFORMS	\$	31.85
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM	125528	UNFRM SPLY VMU/VSW	\$	390.16
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM	125529	TOWEL,MOP,MAT MMF	\$	41.75

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87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM		125531	L.ROCHA UNIFORM REP	\$	30.82
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM		125532	M.THORN UNIFORM REP	\$	27.00
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM		125534	J.CURREA UNIFORM REP	\$	27.00
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM		125538	TOWELS FUEL STATION	\$	156.00
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM		125539	TOWEL,MOP,UNIFORM	\$	31.85
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM		125543	UNFRM SPLY VMU/VSW	\$	385.53
87288	12/4/2023	\$ 1,445.12	041	MISSION UNIFORM		125546	TOWE,MOP,MAT MMF	\$	41.75
87289	12/4/2023	\$ 952.81	001711	MOHAWK MFG. & SUPPLY CO.		125314	INVENTORY ORDER	\$	952.81
87290	12/4/2023	\$ 403.90	E045	MONTESINO, EDUARDO		125381	PRINTING REIMBURSEME	\$	319.51
87290	12/4/2023	\$ 403.90	E045	MONTESINO, EDUARDO		125382	MEAL REIMBURSEMENT	\$	84.39
87291	12/4/2023	\$ 700.00	003542	NATALIE NIEMAN		125553	HOLIDAY ASSET DESIGN	\$	700.00
87292	12/4/2023	\$ 339.38	004	NORTH BAY FORD LINC-MERCURY		125325	INVENTORY ORDER	\$	100.95
87292	12/4/2023	\$ 339.38	004	NORTH BAY FORD LINC-MERCURY		125326	CM ORG#290670	\$	(189.61)
87292	12/4/2023	\$ 339.38	004	NORTH BAY FORD LINC-MERCURY		125327	INVENTORY ORDER	\$	100.95
87292	12/4/2023	\$ 339.38	004	NORTH BAY FORD LINC-MERCURY		125328	VEH#PC1709 PART ORD	\$	127.12
87292	12/4/2023	\$ 339.38	004	NORTH BAY FORD LINC-MERCURY		125547	INVENTORY ORDER	\$	17.74
87292	12/4/2023	\$ 339.38	004	NORTH BAY FORD LINC-MERCURY		125548	INVENTORY ORDER	\$	182.23
87293	12/4/2023	\$ 4,093.70	009	PACIFIC GAS & ELECTRIC		125555	10/24-11/21 ELEC SBF	\$	2,779.95
87293	12/4/2023	\$ 4,093.70	009	PACIFIC GAS & ELECTRIC		125556	10/10-11/12 PARACRUZ	\$	1,313.75
87294	12/4/2023	\$ 3,652.75	003376	PASSPORT SOFTWARE INC		125557	ACA FULL SVC 2023	\$	3,652.75
87295	12/4/2023	\$ 89.00	E1191	PENN, YVONNE		125371	CLP REIMBURSEMENT	\$	89.00
87296	12/4/2023	\$ 374.00	003506	PHILIP J CROUCH		125558	INVENTORY ORDER	\$	374.00
87297	12/4/2023	\$ 290.50	481	PIED PIPER EXTERMINATORS, INC.		125407	07/2023 PEST SVC VER	\$	65.00
87297	12/4/2023	\$ 290.50	481	PIED PIPER EXTERMINATORS, INC.		125530	11/2023 PEST SMC	\$	65.00
87297	12/4/2023	\$ 290.50	481	PIED PIPER EXTERMINATORS, INC.		125533	11/2023 PEST SMC MKT	\$	55.50
87297	12/4/2023	\$ 290.50	481	PIED PIPER EXTERMINATORS, INC.		125535	11/2023 PEST SMC TAQ	\$	40.00
87297	12/4/2023	\$ 290.50	481	PIED PIPER EXTERMINATORS, INC.		125536	11/2023 PEST VERNON	\$	65.00
87298	12/4/2023	\$ 572,017.50	003443	PROTERRA OPERATING COMPANY,INC		125537	1937 RHOMBUS CHGR	\$	114,403.50
87298	12/4/2023	\$ 572,017.50	003443	PROTERRA OPERATING COMPANY,INC		125540	1937 RHOMBUS CHGR	\$	114,403.50
87298	12/4/2023	\$ 572,017.50	003443	PROTERRA OPERATING COMPANY,INC		125541	1937 RHOMBUS CHGR	\$	114,403.50
87298	12/4/2023	\$ 572,017.50	003443	PROTERRA OPERATING COMPANY,INC		125542	1937 RHOMBUS CHGR	\$	114,403.50
87298	12/4/2023	\$ 572,017.50	003443	PROTERRA OPERATING COMPANY,INC		125544	1937 RHOMBUS CHGR	\$	114,403.50
87299	12/4/2023	\$ 351.50	215	RICOH USA, INC. TX		125342	COPIER SCM	\$	351.50
87299	12/5/2023	\$ (351.50)	215	RICOH USA, INC. TX		125342	COPIER SCM	\$	(351.50)
87300	12/4/2023	\$ 711.87	003010	RJMS CORPORATION		125329	FORKLIFT 700 REPAIR	\$	711.87
87301	12/4/2023	\$ 33.00	E1192	ROMERO CAMPOS, ELVA		125372	CLP REIMBURSEMENT	\$	33.00
87302	12/4/2023	\$ 89.00	E1193	SABA, NICHOLAS		125373	CLP REIMBURSEMENT	\$	89.00

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# Attachment A

87303	12/4/2023	\$ 27,000.00	003716	SAN DIEGO METRO TRAN DEV BOARD	125405	2404 #11016,018,023	\$ 27,000.00
87304	12/4/2023	\$ 315.00	002700	SANTA CRUZ COUNTY ENVIRONMENTAL	125406	1902 REPORT REVIEW	\$ 315.00
87305	12/4/2023	\$ 110,000.00	002917	SANTA CRUZ METRO TRANSIT W/C	125409	PREFUND CL#22011402	\$ 55,000.00
87305	12/4/2023	\$ 110,000.00	002917	SANTA CRUZ METRO TRANSIT W/C	125410	PREFUND CL#2000103163	\$ 55,000.00
87306	12/4/2023	\$ 469.52	079	SANTA CRUZ MUNICIPAL UTILITIES	125357	10/1-10/31 IRRIG VER	\$ 231.30
87306	12/4/2023	\$ 469.52	079	SANTA CRUZ MUNICIPAL UTILITIES	125358	10/1-10/31 IRRIG SBF	\$ 238.22
87307	12/4/2023	\$ 9,694.88	001307	SANTA CRUZ STAFFING, LLC	125336	TEMP W/E 11/12/2023	\$ 933.21
87307	12/4/2023	\$ 9,694.88	001307	SANTA CRUZ STAFFING, LLC	125340	TEMP W/E 11/05/2023	\$ 1,124.06
87307	12/4/2023	\$ 9,694.88	001307	SANTA CRUZ STAFFING, LLC	125341	TEMP W/E 11/12/2023	\$ 1,005.95
87307	12/4/2023	\$ 9,694.88	001307	SANTA CRUZ STAFFING, LLC	125343	TEMP W/E 11/05/2023	\$ 1,012.50
87307	12/4/2023	\$ 9,694.88	001307	SANTA CRUZ STAFFING, LLC	125356	TEMP W/E 11/12/2023	\$ 1,417.50
87307	12/4/2023	\$ 9,694.88	001307	SANTA CRUZ STAFFING, LLC	125549	TEMPW/E11/5&11/12/23	\$ 1,209.00
87307	12/4/2023	\$ 9,694.88	001307	SANTA CRUZ STAFFING, LLC	125551	TEMP W/E 11/19/2023	\$ 1,000.91
87307	12/4/2023	\$ 9,694.88	001307	SANTA CRUZ STAFFING, LLC	125552	TEMP W/E 11/19/2023	\$ 1,046.25
87307	12/4/2023	\$ 9,694.88	001307	SANTA CRUZ STAFFING, LLC	125554	TEMP W/E 11/19/2023	\$ 945.50
87308	12/4/2023	\$ 512.57	002459	SCOTTS VALLEY WATER DISTRICT	125359	10/1-10/31 IRRIG SVT	\$ 173.40
87308	12/4/2023	\$ 512.57	002459	SCOTTS VALLEY WATER DISTRICT	125360	10/1-10/31 WATER SVT	\$ 339.17
87309	12/4/2023	\$ 43,824.40	003625	SELF INSURED SERVICES COMPANY	125333	11/2023 VSP	\$ 8,190.00
87309	12/4/2023	\$ 43,824.40	003625	SELF INSURED SERVICES COMPANY	125334	11/2023 DENTAL	\$ 35,634.40
87310	12/4/2023	\$ 89.00	E1167	LARA GOMEZ, SEVERIANO	125376	CLP REIMBURSEMENT	\$ 89.00
87311	12/4/2023	\$ 3,581.12	003292	SLINGSHOT CONNECTIONS LLC	125470	TEMP W/E 11/12/2023	\$ 1,501.76
87311	12/4/2023	\$ 3,581.12	003292	SLINGSHOT CONNECTIONS LLC	125473	TEMP W/E 11/12/2023	\$ 1,155.20
87311	12/4/2023	\$ 3,581.12	003292	SLINGSHOT CONNECTIONS LLC	125475	TEMP W/E 11/19/2023	\$ 924.16
87312	12/4/2023	\$ 554.07	003690	SNAP-ON INDUSTRIAL, A DIVISION	125307	SHOP TOOL	\$ 554.07
87313	12/4/2023	\$ 2,710.00	003611	SONIA MENDEZ-PACHECO	125436	CARPET CLEANING PRC	\$ 810.00
87313	12/4/2023	\$ 2,710.00	003611	SONIA MENDEZ-PACHECO	125437	CARPET CLEANING SMC	\$ 450.00
87313	12/4/2023	\$ 2,710.00	003611	SONIA MENDEZ-PACHECO	125438	CARPET CLEANING VER	\$ 1,100.00
87313	12/4/2023	\$ 2,710.00	003611	SONIA MENDEZ-PACHECO	125439	CARPET CLEANING OPS	\$ 350.00
87314	12/4/2023	\$ 808.19	003621	SPORTWORKS GLOBAL LLC	125478	INVENTORY ORDER	\$ 808.19
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125315	INVENTORY ORDER	\$ 22.50
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125316	INVENTORY ORDER	\$ 2,881.53
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125317	INVENTORY ORDER	\$ 23.97
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125318	INVENTORY ORDER	\$ 767.37
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125319	INVENTORY ORDER	\$ 3,998.40
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125320	INVENTORY ORDER	\$ 119.59
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125321	INVENTORY ORDER	\$ 897.30
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125322	VEH#11026 PART ORDER	\$ 4.46

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87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125323	VEH#11027 PART ORDER	\$	22.91
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125324	INVENTORY ORDER	\$	86.26
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125483	INVENTORY ORDER	\$	507.49
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125485	VEH#11018 PART ORDER	\$	609.86
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125487	VEH#11023 PART ORDER	\$	103.92
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125489	INVENTORY ORDER	\$	196.62
87315	12/4/2023	\$ 10,282.47	003285	THE AFTERMARKET PARTS CO LLC	125490	INVENTORY ORDER	\$	40.29
87316	12/4/2023	\$ 327.48	166	THE HOSE SHOP, INC	125303	STOCK ORDER	\$	121.94
87316	12/4/2023	\$ 327.48	166	THE HOSE SHOP, INC	125491	VEH#9817 PARTS ORDER	\$	93.65
87316	12/4/2023	\$ 327.48	166	THE HOSE SHOP, INC	125492	INVENTORY ORDER	\$	111.89
87317	12/4/2023	\$ 2,785.88	003242	THE JANEK CORPORATION	125497	ELECTR INVENT ORDER	\$	2,785.88
87318	12/4/2023	\$ 1,880.83	001800	THERMO KING OF SALINAS, INC	125308	INVENTORY ORDER	\$	1,880.83
87319	12/4/2023	\$ 1,620.81	E1098	TREE, MICHAEL	125380	TRAVEL REIMBURSEMENT	\$	1,620.81
87320	12/4/2023	\$ 650.28	043	TROWBRIDGE ENTERPRISES	125330	OFFICE SUPPLY	\$	457.75
87320	12/4/2023	\$ 650.28	043	TROWBRIDGE ENTERPRISES	125498	OFFICE SUPPLIES	\$	59.28
87320	12/4/2023	\$ 650.28	043	TROWBRIDGE ENTERPRISES	125500	OFFICE SUPPLIES	\$	69.06
87320	12/4/2023	\$ 650.28	043	TROWBRIDGE ENTERPRISES	125501	OFFICE SUPPLIES	\$	42.36
87320	12/4/2023	\$ 650.28	043	TROWBRIDGE ENTERPRISES	125503	OFFICE SUPPLIES	\$	21.83
87321	12/4/2023	\$ 25,906.30	057	U.S. BANK	125383	XXXX-XXXX-XXXX-5971	\$	25,906.30
87322	12/4/2023	\$ 88.62	007	UNITED PARCEL SERVICE	125505	FREIGHT	\$	88.62
87323	12/4/2023	\$ 53.00	E432	VALDEZ, RUBEN	125379	CLP REIMBURSEMENT	\$	53.00
87324	12/4/2023	\$ 2,298.48	434	VERIZON WIRELESS	125337	10/2-11/1MKTG TABLET	\$	60.04
87324	12/4/2023	\$ 2,298.48	434	VERIZON WIRELESS	125354	10/2-11/1TABLETS MMF	\$	577.80
87324	12/4/2023	\$ 2,298.48	434	VERIZON WIRELESS	125408	8/2-9/1/23 PARACRUZ	\$	830.32
87324	12/4/2023	\$ 2,298.48	434	VERIZON WIRELESS	125508	10/2-11/1/23TBLT PRC	\$	830.32
87325	12/4/2023	\$ 89.00	E1194	WARD, JUSTIN	125374	CLP REIMBURSEMENT	\$	89.00
87326	12/4/2023	\$ 89.00	E1195	ZARATE GARCIA, JOSE	125375	CLP REIMBURSEMENT	\$	89.00
87327	12/4/2023	\$ 619.39	003530	ZORO TOOLS, INC.	125353	HEPA FILTER MMF	\$	619.39
87328	12/7/2023	\$ 625,200.00	001051	CITY OF SANTA CRUZ ECON DEV	125566	1902 PAC STN REDEV	\$	625,200.00
87329	12/11/2023	\$ 29.40	003151	ABC BUS INC	125559	INVENTORY ORDER	\$	29.40
87330	12/11/2023	\$ 8,645.00	003711	ADARIDE.COM LLC	125560	PARACRUZ ELIGIBILITY	\$	8,645.00
87331	12/11/2023	\$ 48,879.90	382	AIRTEC SERVICE INC.	125561	1906D GOLFCUB HVAC	\$	48,879.90
87332	12/11/2023	\$ 99.23	003596	AMAZON CAPITAL SERVICES, INC.	125562	OFFICE SUPPLY	\$	83.93
87332	12/11/2023	\$ 99.23	003596	AMAZON CAPITAL SERVICES, INC.	125563	WALL HOOKS MMF	\$	15.30
87333	12/11/2023	\$ 7,512.68	001D	AT&T	125564	10/19-11/18MAIN ACCT	\$	5,978.67
87333	12/11/2023	\$ 7,512.68	001D	AT&T	125565	10/19-11/19OCN TO LP	\$	786.48
87333	12/11/2023	\$ 7,512.68	001D	AT&T	125567	10/19-11/18OPS ELVTR	\$	201.33

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87333	12/11/2023	\$ 7,512.68	001D	AT&T	125568	11/01-11/30PT TO PT2	\$	546.20
87334	12/11/2023	\$ 86.20	107A	BFS GROUP LLC	125569	CONTACT CEMENT OPS	\$	12.88
87334	12/11/2023	\$ 86.20	107A	BFS GROUP LLC	125570	CONTACT CEMENT OPS	\$	8.15
87334	12/11/2023	\$ 86.20	107A	BFS GROUP LLC	125571	BUSSTOP MAINT FIELD	\$	65.17
87335	12/11/2023	\$ 125.25	003658	CAPDEPON, KATHERINE	125610	VEH#103 SMOG CERT	\$	41.75
87335	12/11/2023	\$ 125.25	003658	CAPDEPON, KATHERINE	125611	VEH#PC1501 SMOG CERT	\$	41.75
87335	12/11/2023	\$ 125.25	003658	CAPDEPON, KATHERINE	125612	VEH#PC1715 SMOG CERT	\$	41.75
87336	12/11/2023	\$ 399.14	667	CITY OF SCOTTS VALLEY	125574	9/16-11/15 SEWER SVT	\$	399.14
87337	12/11/2023	\$ 2,043.16	130	CITY OF WATSONVILLE UTILITIES	125575	10/12-11/14 FIRE WTC	\$	40.59
87337	12/11/2023	\$ 2,043.16	130	CITY OF WATSONVILLE UTILITIES	125576	GARBAGE WTC	\$	1,355.73
87337	12/11/2023	\$ 2,043.16	130	CITY OF WATSONVILLE UTILITIES	125577	10/12-11/14WATER WTC	\$	114.09
87337	12/11/2023	\$ 2,043.16	130	CITY OF WATSONVILLE UTILITIES	125578	10/12-11/14IRRIG WTC	\$	96.08
87337	12/11/2023	\$ 2,043.16	130	CITY OF WATSONVILLE UTILITIES	125579	10/12-11/14WATER WTC	\$	436.67
87338	12/11/2023	\$ 3,214.23	909	CLASSIC GRAPHICS	125580	VEH#2211 BODY REPAIR	\$	3,214.23
87339	12/11/2023	\$ 49,040.22	001124	CLEAN ENERGY	125581	10/02/23LNG CHGS SBF	\$	20,628.00
87339	12/11/2023	\$ 49,040.22	001124	CLEAN ENERGY	125582	11/13/23LNG-B CHGS	\$	5,203.48
87339	12/11/2023	\$ 49,040.22	001124	CLEAN ENERGY	125583	11/14/23 LNG-B CHGS	\$	11,694.79
87339	12/11/2023	\$ 49,040.22	001124	CLEAN ENERGY	125584	11/17/23 LNG-B CHGS	\$	11,513.95
87340	12/11/2023	\$ 2,890.00	003034	COASTAL LANDSCAPING INC.	125585	12/2023 LANDSCAPING	\$	2,890.00
87341	12/11/2023	\$ 273.67	003701	CREATIVE BUS SALES, INC	125586	INVENTORY ORDER	\$	273.67
87342	12/11/2023	\$ 1,418.51	E1022	CRUMMIE, DAWN	125587	TRAVEL REIMBURSEMENT	\$	1,418.51
87343	12/11/2023	\$ 42,350.86	002104	DEPT OF INDUSTRIAL RELATIONS-SIP	125588	7/2023-6/2024 ASSMNT	\$	42,350.86
87344	12/11/2023	\$ 1,510.43	003341	DYNAMIC SECURITY TECH INC	125589	ADA BUTTON VERNON	\$	1,510.43
87345	12/11/2023	\$ 6,161.38	003274	EAST BAY TIRE CO.	125590	REVENUE TIRES	\$	4,487.67
87345	12/11/2023	\$ 6,161.38	003274	EAST BAY TIRE CO.	125591	WHEEL CHECK	\$	1,673.71
87346	12/11/2023	\$ 1,128.00	003485	EMPLOYNET, INC	125592	TEMP W/E 11/19/2023	\$	720.00
87346	12/11/2023	\$ 1,128.00	003485	EMPLOYNET, INC	125593	TEMP W/E 11/26/2023	\$	408.00
87347	12/11/2023	\$ 322.21	001297	FASTENAL COMPANY INC	125594	NON-INVENTORY ORDER	\$	122.87
87347	12/11/2023	\$ 322.21	001297	FASTENAL COMPANY INC	125595	NON-INVENTORY ORDER	\$	199.34
87348	12/11/2023	\$ 177.62	003640	FERGUSON US HOLDINGS, INC.	125596	BATHROOM REPAIR PRC	\$	177.62
87349	12/11/2023	\$ 925.00	003662	GALLAGHER BENEFIT SERVICES,INC	125597	DATA COLLECT/ANALYSI	\$	925.00
87350	12/11/2023	\$ 6,416.95	117	GILLIG LLC	125598	VEH#4206 PART ORDER	\$	743.00
87350	12/11/2023	\$ 6,416.95	117	GILLIG LLC	125599	INVENTORY ORDER	\$	349.37
87350	12/11/2023	\$ 6,416.95	117	GILLIG LLC	125600	INVENTORY ORDER	\$	405.92
87350	12/11/2023	\$ 6,416.95	117	GILLIG LLC	125601	INVENTORY ORDER	\$	77.19
87350	12/11/2023	\$ 6,416.95	117	GILLIG LLC	125602	INVENTORY ORDER	\$	3,875.13
87350	12/11/2023	\$ 6,416.95	117	GILLIG LLC	125603	INVENTORY ORDER	\$	966.34

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87351	12/11/2023	\$ 864.43	282	GRAINGER	125604	SAFETY RAIN BOOTS	\$	45.40
87351	12/11/2023	\$ 864.43	282	GRAINGER	125605	DOOR KICKPLATES MMF	\$	391.30
87351	12/11/2023	\$ 864.43	282	GRAINGER	125606	SAFETY INVTRY ORDER	\$	163.39
87351	12/11/2023	\$ 864.43	282	GRAINGER	125607	CAUTION SIGNS MMF	\$	45.74
87351	12/11/2023	\$ 864.43	282	GRAINGER	125608	BATHROOM REPAIR PRC	\$	122.36
87351	12/11/2023	\$ 864.43	282	GRAINGER	125609	RESTROOM REPAIR SMC	\$	96.24
87352	12/11/2023	\$ 739.84	003553	IMD FLUID SYSTEM TECHNOLOGIES	125655	INVENTORY ORDER	\$	739.84
87353	12/11/2023	\$ 588.86	914	J.J.R ENTERPRISES,INC.	125572	LEXMARK TONER IT	\$	213.04
87353	12/11/2023	\$ 588.86	914	J.J.R ENTERPRISES,INC.	125573	LEXMARK TONER IT	\$	375.82
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125613	INVENTORY ORDER	\$	82.13
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125614	ORG#2373040&2373236	\$	(162.76)
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125615	INVENTORY ORDER	\$	136.72
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125616	CM ORG# K-2374258	\$	(53.71)
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125617	INVENTORY ORDER	\$	414.07
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125618	INVENTORY ORDER	\$	51.37
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125619	INVENTORY ORDER	\$	17.55
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125620	INVENTORY ORDER	\$	114.17
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125621	VEH#PC1712 PART ORDR	\$	260.30
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125622	NON-INVENTORY ORDER	\$	50.25
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125623	VEH#PC1712 PART ORDR	\$	79.97
87354	12/11/2023	\$ 1,005.24	1117	KELLEY'S SERVICE INC.	125624	NON-INVENTORY ORDER	\$	15.18
87355	12/11/2023	\$ 221.78	E182	LOGIUDICE, JASON	125625	BOOT REIMBURSEMENT	\$	221.78
87356	12/11/2023	\$ 27,334.35	003362	LUMINATOR TECH GROUP GLOBAL,	125626	2404 ARTICBUS CMRAS	\$	26,897.35
87356	12/11/2023	\$ 27,334.35	003362	LUMINATOR TECH GROUP GLOBAL,	125627	CAMERA REPAIR	\$	218.50
87356	12/11/2023	\$ 27,334.35	003362	LUMINATOR TECH GROUP GLOBAL,	125628	CAMERA REPAIR	\$	218.50
87357	12/11/2023	\$ 23,090.92	003017	MANSFIELD OIL CO OF GAINSVILLE	125629	11/08/23 DIESEL FUEL	\$	23,090.92
87358	12/11/2023	\$ 1,376.59	001052	MID VALLEY SUPPLY INC.	125630	JANITORIAL SPLY MMF	\$	1,376.59
87359	12/11/2023	\$ 41.75	041	MISSION UNIFORM	125631	TOWEL,MOP,MAT MMF	\$	41.75
87360	12/11/2023	\$ 1,046.19	003573	NICKELL FIRE PROTECTION, INC.	125632	FIRE SPRNKLR REP OPS	\$	1,046.19
87361	12/11/2023	\$ 31,129.37	002940	OJO TECHNOLOGY, INC.	125633	2405 SEC CAM UPGRADE	\$	24,527.76
87361	12/11/2023	\$ 31,129.37	002940	OJO TECHNOLOGY, INC.	125634	2405 SEC CAM UPGRADE	\$	6,601.61
87362	12/11/2023	\$ 20,708.89	009	PACIFIC GAS & ELECTRIC	125635	10/27-11/29/23 OPS	\$	5,353.64
87362	12/11/2023	\$ 20,708.89	009	PACIFIC GAS & ELECTRIC	125636	10/24-11/22/23VERNON	\$	5,364.57
87362	12/11/2023	\$ 20,708.89	009	PACIFIC GAS & ELECTRIC	125637	10/24-11/22/23 MMF	\$	6,020.96
87362	12/11/2023	\$ 20,708.89	009	PACIFIC GAS & ELECTRIC	125638	10/27-11/29/23 SMC	\$	3,778.36
87362	12/11/2023	\$ 20,708.89	009	PACIFIC GAS & ELECTRIC	125639	10/25-11/22/23GASSBF	\$	191.36
87363	12/11/2023	\$ 1,393.90	003020	QUEST DIAGNOSTIC INC.	125640	11/2023DOT DRUG TEST	\$	1,393.90

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87364	12/11/2023	\$	22.07	536	RIVERSIDE LIGHTING, INC.	125641	LIGHT REPAIR WTC	\$	22.07
87365	12/11/2023	\$	884.53	003154	ROMAINE ELECTRIC CORP	125642	INVENTORY ORDER	\$	884.53
87366	12/11/2023	\$	113,132.19	002917	SANTA CRUZ METRO TRANSIT W/C	125671	11/2023 REPLENISH	\$	113,132.19
87367	12/11/2023	\$	11,269.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125643	10/10-11/8/23 VERNON	\$	693.90
87367	12/11/2023	\$	11,269.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125644	10/10-11/8/23 OPS	\$	428.71
87367	12/11/2023	\$	11,269.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125645	10/10-11/8/23 MMF	\$	1,768.10
87367	12/11/2023	\$	11,269.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125646	10/10-11/8MULTIBUSST	\$	1,155.72
87367	12/11/2023	\$	11,269.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125647	10/10-11/8 IRRIG SBF	\$	4,022.17
87367	12/11/2023	\$	11,269.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125648	10/10-11/8 IRRIG MMF	\$	15.42
87367	12/11/2023	\$	11,269.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125649	10/10-11/8 BREAKROOM	\$	62.16
87367	12/11/2023	\$	11,269.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125650	10/10-11/8/23 SMC	\$	2,937.88
87367	12/11/2023	\$	11,269.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125651	10/10-11/8/23PAC ISL	\$	185.50
87368	12/11/2023	\$	626.59	001307	SANTA CRUZ STAFFING, LLC	125652	TEMP W/E 11/26/2023	\$	626.59
87369	12/11/2023	\$	330.75	003292	SLINGSHOT CONNECTIONS LLC	125653	TEMP W/E 11/12/2023	\$	145.53
87369	12/11/2023	\$	330.75	003292	SLINGSHOT CONNECTIONS LLC	125654	TEMP W/E 11/19/2023	\$	185.22
87370	12/11/2023	\$	4,320.10	003285	THE AFTERMARKET PARTS CO LLC	125656	INVENTORY ORDER	\$	17.59
87370	12/11/2023	\$	4,320.10	003285	THE AFTERMARKET PARTS CO LLC	125657	INVENTORY ORDER	\$	909.34
87370	12/11/2023	\$	4,320.10	003285	THE AFTERMARKET PARTS CO LLC	125658	INVENTORY ORDER	\$	541.88
87370	12/11/2023	\$	4,320.10	003285	THE AFTERMARKET PARTS CO LLC	125659	INVENTORY ORDER	\$	2,481.56
87370	12/11/2023	\$	4,320.10	003285	THE AFTERMARKET PARTS CO LLC	125660	VEH#11023 PART ORDER	\$	51.37
87370	12/11/2023	\$	4,320.10	003285	THE AFTERMARKET PARTS CO LLC	125661	VEH#1302 PART ORDER	\$	318.36
87371	12/11/2023	\$	4,680.37	001506	TOM LOPES DISTRIBUTING, INC	125668	INVENTORY ORDER	\$	4,680.37
87372	12/11/2023	\$	829.24	043	TROWBRIDGE ENTERPRISES	125662	TRAINING SPLY OPS	\$	700.64
87372	12/11/2023	\$	829.24	043	TROWBRIDGE ENTERPRISES	125663	OFFICE SUPPLY	\$	128.60
87373	12/11/2023	\$	60.08	007	UNITED PARCEL SERVICE	125664	FREIGHT	\$	60.08
87374	12/11/2023	\$	4,602.07	434	VERIZON WIRELESS	125665	10/23-11/22 BUS WIFI	\$	4,602.07
87375	12/11/2023	\$	7,788.13	001353	VISION COMMUNICATIONS	125666	2303 1937	\$	4,867.60
87375	12/11/2023	\$	7,788.13	001353	VISION COMMUNICATIONS	125667	2404 RADIO INSTALLS	\$	2,920.53
87376	12/11/2023	\$	108.00	T379	WHITING, KATE SMITH	125669	PARACRUZ #8637 REFND	\$	108.00
87377	12/11/2023	\$	136.00	003290	WORKFORCEQA, LLC	125670	10/2023DOT/DRUG TEST	\$	136.00
87378	12/18/2023	\$	13.90	002941	AA SAFE & SECURITY CO	125687	DISPLAYCASE KEYS VER	\$	13.90
87379	12/18/2023	\$	702.55	003151	ABC BUS INC	125688	INVENTORY ORDER	\$	702.55
87380	12/18/2023	\$	53.00	E157	ABREGO, EULALIO	125674	CDL RENEW REIMBURSE	\$	53.00
87381	12/18/2023	\$	943.25	003330	ACTION TOWING & ROAD SVC CORP	125689	VEH#PC1712 TOW	\$	943.25
87382	12/18/2023	\$	1,101.14	003596	AMAZON CAPITAL SERVICES, INC.	125691	UTILITY CARTS MMF	\$	534.22
87382	12/18/2023	\$	1,101.14	003596	AMAZON CAPITAL SERVICES, INC.	125692	CARD READER OPS	\$	53.92
87382	12/18/2023	\$	1,101.14	003596	AMAZON CAPITAL SERVICES, INC.	125693	OFFICE SUPPLY MMF	\$	137.70

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87382	12/18/2023	\$ 1,101.14	003596	AMAZON CAPITAL SERVICES, INC.	125694	RETROFIT PRC VANS	\$	69.76
87382	12/18/2023	\$ 1,101.14	003596	AMAZON CAPITAL SERVICES, INC.	125695	REP/MAINT SPLY MMF	\$	119.26
87382	12/18/2023	\$ 1,101.14	003596	AMAZON CAPITAL SERVICES, INC.	125696	AC WALL ADAPTER IT	\$	18.56
87382	12/18/2023	\$ 1,101.14	003596	AMAZON CAPITAL SERVICES, INC.	125697	ADAPTER & CABLES IT	\$	167.72
87383	12/18/2023	\$ 34.38	002861	AMERICAN MESSAGING SVCS, LLC	125698	ON-CALL PAGERS SVC	\$	34.38
87384	12/18/2023	\$ 354.83	107A	BFS GROUP LLC	125699	JANITOR STG SMC	\$	154.14
87384	12/18/2023	\$ 354.83	107A	BFS GROUP LLC	125700	CABLE TIES VER	\$	169.02
87384	12/18/2023	\$ 354.83	107A	BFS GROUP LLC	125701	PANEL INSTALL SMC	\$	31.67
87385	12/18/2023	\$ 67.74	E1118	BOIS, MICHAEL	125673	SUPVSR MTG REIMBURSE	\$	67.74
87386	12/18/2023	\$ 167.00	003658	CAPDEPON, KATHERINE	125705	VEH#804 SMOG CERT	\$	41.75
87386	12/18/2023	\$ 167.00	003658	CAPDEPON, KATHERINE	125706	VEH#1502 SMOG CERT	\$	41.75
87386	12/18/2023	\$ 167.00	003658	CAPDEPON, KATHERINE	125707	VEH#803 SMOG CERT	\$	41.75
87386	12/18/2023	\$ 167.00	003658	CAPDEPON, KATHERINE	125708	VEH#1404 SMOG CERT	\$	41.75
87387	12/18/2023	\$ 5,250.00	001324	CAPITALEdge ADVOCACY, INC.	125709	12/2023LEGISLATE SVC	\$	5,250.00
87388	12/18/2023	\$ 169.76	003633	CINTAS CORPORATION NO.2	125710	FIRSTAID RESTOCK VER	\$	169.76
87389	12/18/2023	\$ 686.76	733	CLAREMONT EAP	125713	12/2023 EAP PREMIUM	\$	686.76
87390	12/18/2023	\$ 32,252.09	001124	CLEAN ENERGY	125711	11/21/23 LNG CHGS	\$	11,624.09
87390	12/18/2023	\$ 32,252.09	001124	CLEAN ENERGY	125712	11/29/23 MAINT SVC	\$	20,628.00
87391	12/18/2023	\$ 853.90	075	COAST PAPER & SUPPLY INC.	125714	TP DISPENSER OPS	\$	201.02
87391	12/18/2023	\$ 853.90	075	COAST PAPER & SUPPLY INC.	125715	JANITORIAL SUPPLY	\$	652.88
87392	12/18/2023	\$ 15,633.99	588	CTSIPA (CALTIP)	125704	11/2023 CODE=5100	\$	15,633.99
87393	12/18/2023	\$ 10,432.88	003116	CUMMINS, INC	125716	VEH#11016 PART ORDER	\$	5,012.96
87393	12/18/2023	\$ 10,432.88	003116	CUMMINS, INC	125717	INVENTORY ORDER	\$	42.67
87393	12/18/2023	\$ 10,432.88	003116	CUMMINS, INC	125718	INVENTORY ORDER	\$	94.01
87393	12/18/2023	\$ 10,432.88	003116	CUMMINS, INC	125719	INVENTORY ORDER	\$	126.10
87393	12/18/2023	\$ 10,432.88	003116	CUMMINS, INC	125720	VEH#11012 PART ORDER	\$	4.36
87393	12/18/2023	\$ 10,432.88	003116	CUMMINS, INC	125721	VEH#1205 PART ORDER	\$	5,152.78
87394	12/18/2023	\$ 405.44	001501	D & G SANITATION	125722	11/20-12/19/23 FIELD	\$	405.44
87395	12/18/2023	\$ 4,833.07	003274	EAST BAY TIRE CO.	125723	REVENUE TIRES	\$	2,744.04
87395	12/18/2023	\$ 4,833.07	003274	EAST BAY TIRE CO.	125724	REVENUE TIRES	\$	508.87
87395	12/18/2023	\$ 4,833.07	003274	EAST BAY TIRE CO.	125725	REVENUE TIRES	\$	1,580.16
87396	12/18/2023	\$ 89.00	E1196	EDWARDS, TREVOR	125675	CLP REIMBURSEMENT	\$	89.00
87397	12/18/2023	\$ 2,940.00	003485	EMPLOYNET, INC	125726	TEMP W/E 11/26/2023	\$	720.00
87397	12/18/2023	\$ 2,940.00	003485	EMPLOYNET, INC	125727	TEMP W/E 12/03/2023	\$	1,200.00
87397	12/18/2023	\$ 2,940.00	003485	EMPLOYNET, INC	125728	TEMP W/E 12/03/2023	\$	1,020.00
87398	12/18/2023	\$ 2,455.00	003153	ENVIRONMENTAL LOGISTICS INC	125729	10/20/23 NONHAZ SBF	\$	2,455.00
87399	12/18/2023	\$ 2,720.64	432	EXPRESS SERVICES INC.	125730	TEMP W/E 10/22/2023	\$	906.88

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87399	12/18/2023	\$ 2,720.64	432	EXPRESS SERVICES INC.	125731	TEMP W/E 10/29/2023	\$	906.88
87399	12/18/2023	\$ 2,720.64	432	EXPRESS SERVICES INC.	125732	TEMP W/E 11/05/2023	\$	906.88
87400	12/18/2023	\$ 697.49	001297	FASTENAL COMPANY INC	125733	INV/VEND MACH ORDER	\$	103.51
87400	12/18/2023	\$ 697.49	001297	FASTENAL COMPANY INC	125734	NON-INVENTORY ORDER	\$	24.72
87400	12/18/2023	\$ 697.49	001297	FASTENAL COMPANY INC	125735	NON-INVENTORY ORDER	\$	44.10
87400	12/18/2023	\$ 697.49	001297	FASTENAL COMPANY INC	125736	INV/VEND MACH ORDER	\$	525.16
87401	12/18/2023	\$ 89.00	E1198	FERNANDEZ ROCHA, GUADALUPE	125677	CLP REIMBURSEMENT	\$	89.00
87402	12/18/2023	\$ 89.00	E1197	FERNANDEZ, RICARDO	125676	CLP REIMBURSEMENT	\$	89.00
87403	12/18/2023	\$ 56,361.61	002295	FIRST ALARM SECURITY & PATROL	125690	11/2023 SECURITY	\$	56,361.61
87404	12/18/2023	\$ 11,258.52	002952	FLYERS ENERGY, LLC	125737	11/15-11/30 REV FUEL	\$	9,127.11
87404	12/18/2023	\$ 11,258.52	002952	FLYERS ENERGY, LLC	125738	11/15-11/30 NON-REV	\$	2,131.41
87405	12/18/2023	\$ 3,000.00	003705	FREEDOM ASSOCIATES, LLC	125739	01/2024 RENT FREEDOM	\$	3,000.00
87406	12/18/2023	\$ 89.00	E1199	GALPER, CLIFF	125678	CLP REIMBURSEMENT	\$	89.00
87407	12/18/2023	\$ 2,078.57	117	GILLIG LLC	125740	INVENTORY ORDER	\$	860.41
87407	12/18/2023	\$ 2,078.57	117	GILLIG LLC	125741	INVENTORY ORDER	\$	1,147.22
87407	12/18/2023	\$ 2,078.57	117	GILLIG LLC	125742	INVENTORY ORDER	\$	70.94
87408	12/18/2023	\$ 96,658.00	002123	GIRO, INC.	125743	01/01-12/31/2024	\$	96,658.00
87409	12/18/2023	\$ 285.00	003316	GLOBAL WATER TECHNOLOGY INC	125744	11/2023 WTRTREAT OPS	\$	285.00
87410	12/18/2023	\$ 11,292.44	003428	GOVERNMENTJOBS.COM, INC.	125793	12/27/23-12/26/24	\$	11,292.44
87411	12/18/2023	\$ 515.12	282	GRAINGER	125745	REP/MAINT SPLY MMF	\$	442.05
87411	12/18/2023	\$ 515.12	282	GRAINGER	125746	REP/MAINT SPLY MMF	\$	73.07
87412	12/18/2023	\$ 990.71	001097	GREENWASTE RECOVERY, INC.	125749	11/01-11/30/2023 SVT	\$	478.61
87412	12/18/2023	\$ 990.71	001097	GREENWASTE RECOVERY, INC.	125750	11/01-11/30/2023 PRC	\$	512.10
87413	12/18/2023	\$ 89.00	E1200	GUERRERO, DAVID	125679	CLP REIMBURSEMENT	\$	89.00
87414	12/18/2023	\$ 89.00	E1201	GUZMAN, KARINA	125680	CLP REIMBURSEMENT	\$	89.00
87415	12/18/2023	\$ 43,589.55	003109	HANSON BRIDGETT LLP	125751	11/2023 RETAINER	\$	27,869.00
87415	12/18/2023	\$ 43,589.55	003109	HANSON BRIDGETT LLP	125752	M#032117-004002	\$	4,775.20
87415	12/18/2023	\$ 43,589.55	003109	HANSON BRIDGETT LLP	125753	M#032117-004003	\$	1,037.60
87415	12/18/2023	\$ 43,589.55	003109	HANSON BRIDGETT LLP	125754	M#032117-004004	\$	247.80
87415	12/18/2023	\$ 43,589.55	003109	HANSON BRIDGETT LLP	125755	M#032117-005001	\$	7,076.00
87415	12/18/2023	\$ 43,589.55	003109	HANSON BRIDGETT LLP	125756	M#032117-005002	\$	134.10
87415	12/18/2023	\$ 43,589.55	003109	HANSON BRIDGETT LLP	125757	M#032117-006012	\$	1,504.00
87415	12/18/2023	\$ 43,589.55	003109	HANSON BRIDGETT LLP	125758	M#032117-006013	\$	818.80
87415	12/18/2023	\$ 43,589.55	003109	HANSON BRIDGETT LLP	125759	M#032117-006042	\$	127.05
87416	12/18/2023	\$ 45,066.03	003395	JARRETT WALKER & ASSOC LLC	125760	11/2023 REMAGINING	\$	45,066.03
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125761	CM ORG#K-2381738	\$	(61.09)
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125762	CM ORG#K-2381738	\$	(251.49)

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87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125763	CM ORG#K-2376589	\$	(121.72)
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125764	VEH#PC1712 PART ORD	\$	51.37
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125765	INVENTORY ORDER	\$	15.22
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125766	K-2381831,4312,1738	\$	(148.89)
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125767	VEH#PC1713 PART ORD	\$	424.94
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125768	VEH#PC1713 PART ORD	\$	21.52
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125769	BATTERY INVENTORY	\$	2,221.40
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125770	INVENTORY ORDER	\$	21.57
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125771	VEH#PC1707 PART ORD	\$	48.07
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125772	INVENTORY ORDER	\$	327.53
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125773	VEH#PC1713 PART ORD	\$	337.72
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125774	VEH#PC1713 PART ORD	\$	331.46
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125775	INVENTORY ORDER	\$	121.72
87417	12/18/2023	\$ 3,427.71	1117	KELLEY'S SERVICE INC.	125776	INVENTORY ORDER	\$	88.38
87418	12/18/2023	\$ 880.00	002990	KISMET	125777	CPR/AED TRAINING PRC	\$	880.00
87419	12/18/2023	\$ 1,013.75	003450	LANGUAGE LINE SERVICES INC	125778	11/2023TRANSLATE SVC	\$	1,013.75
87420	12/18/2023	\$ 1,248.30	852	LAW OFFICES OF MARIE F. SANG	125779	CL#21006947	\$	735.30
87420	12/18/2023	\$ 1,248.30	852	LAW OFFICES OF MARIE F. SANG	125780	CL#21000556	\$	513.00
87421	12/18/2023	\$ 3,657.98	003362	LUMINATOR TECH GROUP GLOBAL,	125781	2404 MSET LICENSES	\$	3,657.98
87422	12/18/2023	\$ 23,730.85	003017	MANSFIELD OIL CO OF GAINSVILLE	125782	11/22/23 DIESEL FUEL	\$	23,730.85
87423	12/18/2023	\$ 2,450.56	003273	MGP XI REIT,LLC	125783	1/2024 RENT CAPITOLA	\$	2,450.56
87424	12/18/2023	\$ 1,537.98	001052	MID VALLEY SUPPLY INC.	125784	JANITORIAL SUPPLY	\$	1,537.98
87425	12/18/2023	\$ 512.06	041	MISSION UNIFORM	125785	TOWELS FUEL STATION	\$	156.00
87425	12/18/2023	\$ 512.06	041	MISSION UNIFORM	125786	TOWEL,MOP,UNIFORM	\$	31.85
87425	12/18/2023	\$ 512.06	041	MISSION UNIFORM	125787	UNIFORM SPLY VMU/VSW	\$	324.21
87426	12/18/2023	\$ 390.00	816	MISSION VALLEY FORD	125788	VEH#PC1711 DIAGNOSIS	\$	390.00
87427	12/18/2023	\$ 1,204.39	001711	MOHAWK MFG. & SUPPLY CO.	125789	INVENTORY ORDER	\$	689.26
87427	12/18/2023	\$ 1,204.39	001711	MOHAWK MFG. & SUPPLY CO.	125790	INVENTORY ORDER	\$	262.94
87427	12/18/2023	\$ 1,204.39	001711	MOHAWK MFG. & SUPPLY CO.	125791	INVENTORY ORDER	\$	252.19
87428	12/18/2023	\$ 89.00	E1202	MOON, KIMBERLY	125681	CPL REIMBURSEMENT	\$	89.00
87429	12/18/2023	\$ 164.00	T380	MULHOLAND, PAUL	125792	PRC CUST#8771 REFUND	\$	164.00
87430	12/18/2023	\$ 40.42	003326	NIDAL HALABI & NADA ALGHARIB	125794	NAME PLATE	\$	40.42
87431	12/18/2023	\$ 89.00	E1203	NOLFI, MARK	125682	CLP REIMBURSEMENT	\$	89.00
87432	12/18/2023	\$ 331.33	004	NORTH BAY FORD LINC-MERCURY	125795	VEH#PC1712 PART ORD	\$	223.61
87432	12/18/2023	\$ 331.33	004	NORTH BAY FORD LINC-MERCURY	125796	VEH#PC1712 PART ORD	\$	21.63
87432	12/18/2023	\$ 331.33	004	NORTH BAY FORD LINC-MERCURY	125797	VEH#PC1713 PART ORD	\$	66.42
87432	12/18/2023	\$ 331.33	004	NORTH BAY FORD LINC-MERCURY	125798	INVENTORY ORDER	\$	19.67



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87433	12/18/2023	\$ 296.39	364	OVERHEAD DOOR CO. OF SALINAS	125799	ROLLUP DOOR REP MMF	\$	296.39
87434	12/18/2023	\$ 5,455.64	009	PACIFIC GAS & ELECTRIC	125800	10/27-11/28RIVER CHG	\$	1,948.85
87434	12/18/2023	\$ 5,455.64	009	PACIFIC GAS & ELECTRIC	125801	10/24-12/5SVT,WTC,PN	\$	3,506.79
87435	12/18/2023	\$ 1,860.00	002947	PEDX COURIER AND CARGO	125802	11/2023 COURIER SVCS	\$	1,860.00
87436	12/18/2023	\$ 41.00	E1181	PHOSOH, RATHAPHUM	125803	CDL TEST REIMBURSEME	\$	41.00
87437	12/18/2023	\$ 925.00	481	PIED PIPER EXTERMINATORS, INC.	125804	12/2023 PEST WTC MKT	\$	79.50
87437	12/18/2023	\$ 925.00	481	PIED PIPER EXTERMINATORS, INC.	125805	12/2023 PEST MMF	\$	217.50
87437	12/18/2023	\$ 925.00	481	PIED PIPER EXTERMINATORS, INC.	125806	12/2023PEST OPS PKNG	\$	212.50
87437	12/18/2023	\$ 925.00	481	PIED PIPER EXTERMINATORS, INC.	125807	12/2023 PEST OPS CRK	\$	255.00
87437	12/18/2023	\$ 925.00	481	PIED PIPER EXTERMINATORS, INC.	125808	12/2023 PEST VER	\$	65.00
87437	12/18/2023	\$ 925.00	481	PIED PIPER EXTERMINATORS, INC.	125809	12/2023 PEST SMC MKT	\$	55.50
87437	12/18/2023	\$ 925.00	481	PIED PIPER EXTERMINATORS, INC.	125810	12/2023 PEST SMC TAQ	\$	40.00
87438	12/18/2023	\$ 25,603.00	003630	PORTOLA SYSTEMS, INC.	125811	EMAIL MIGRATION	\$	23,029.00
87438	12/18/2023	\$ 25,603.00	003630	PORTOLA SYSTEMS, INC.	125812	IT SERVICES	\$	2,574.00
87439	12/18/2023	\$ 769.17	003061	QUADIENT FINANCE USA INC	125813	11/2023 POSTAGE 1598	\$	769.17
87440	12/18/2023	\$ 89.00	E1204	RAMIREZ RAMIREZ, JOSE	125683	CLP REIMBURSEMENT	\$	89.00
87441	12/18/2023	\$ 239.26	882	RANDY & LARAE WEST	125747	RECRUITMNT CARDS OPS	\$	79.75
87441	12/18/2023	\$ 239.26	882	RANDY & LARAE WEST	125748	BUSINESS CARDS PRC	\$	159.51
87442	12/18/2023	\$ 1,043.04	003024	RICOH USA, INC CA	125814	11/14-12/13/23 PRC	\$	70.09
87442	12/18/2023	\$ 1,043.04	003024	RICOH USA, INC CA	125815	12/01-12/31/23 OPS	\$	621.45
87442	12/18/2023	\$ 1,043.04	003024	RICOH USA, INC CA	125816	08/01-10/31/23CUSTSV	\$	351.50
87443	12/18/2023	\$ 599.99	003010	RJMS CORPORATION	125817	FORKLIFT#700 REPAIR	\$	599.99
87444	12/18/2023	\$ 150.00	E334	ROCHA, LUIS	125818	DOT PHYSICAL REIMBUR	\$	150.00
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125819	CM ORG#14508-477867	\$	(283.57)
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125820	CM ORG#14508-480270	\$	(30.17)
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125821	INVENTORY ORDER	\$	30.17
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125822	CM ORG#14508-480465	\$	(30.17)
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125823	CM ORG#14508-480869	\$	(7.41)
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125824	CM ORG#14508-481189	\$	(47.51)
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125825	CM ORG#14508-482110	\$	(12.99)
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125826	INVENTORY ORDER	\$	29.79
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125827	INVENTORY ORDER	\$	28.08
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125828	INVENTORY ORDER	\$	38.61
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125829	VEH#PC1709 PART ORD	\$	151.81
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125830	CM ORG#14508-482928	\$	(114.31)
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125831	INVENTORY ORDER	\$	64.75
87445	12/18/2023	\$ 743.22	135	SANTA CRUZ AUTO PARTS, INC.	125832	NON-INVENTORY ORDER	\$	13.22

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87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125833	INVENTORY ORDER	\$	61.61
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125834	INVENTORY ORDER	\$	57.44
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125835	INVENTORY ORDER	\$	16.21
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125836	INVENTORY ORDER	\$	54.79
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125837	NON-INVENTORY ORDER	\$	13.22
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125838	NON-INVENTORY ORDER	\$	26.44
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125839	VEH#0103 PART ORDER	\$	359.40
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125840	VEH#PC1712 PART ORD	\$	123.68
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125841	INVENTORY ORDER	\$	114.06
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125842	NON-INVENTORY ORDER	\$	28.75
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125843	INVENTORY ORDER	\$	34.60
87445	12/18/2023	\$	743.22	135	SANTA CRUZ AUTO PARTS, INC.	125844	INVENTORY ORDER	\$	22.72
87446	12/18/2023	\$	150.00	002700	SANTA CRUZ COUNTY ENVIROMENTAL	125672	1902 PAC AVE INSPECT	\$	150.00
87447	12/18/2023	\$	260.00	001292	SANTA CRUZ RECORDS MINGMT INC	125845	11/22/23SHRED MULTI	\$	260.00
87448	12/18/2023	\$	3,629.67	001307	SANTA CRUZ STAFFING, LLC	125846	TEMP W/E 11/19/2023	\$	738.42
87448	12/18/2023	\$	3,629.67	001307	SANTA CRUZ STAFFING, LLC	125847	TEMP W/E 11/26/2023	\$	984.25
87448	12/18/2023	\$	3,629.67	001307	SANTA CRUZ STAFFING, LLC	125848	TEMP W/E 12/03/2023	\$	1,147.50
87448	12/18/2023	\$	3,629.67	001307	SANTA CRUZ STAFFING, LLC	125849	TEMP W/E 12/03/2023	\$	759.50
87449	12/18/2023	\$	46,577.10	003625	SELF INSURED SERVICES COMPANY	125702	12/2023 DENTAL	\$	37,824.60
87449	12/18/2023	\$	46,577.10	003625	SELF INSURED SERVICES COMPANY	125703	12/2023 VSP	\$	8,752.50
87450	12/18/2023	\$	89.00	E1205	SESSIONS, DARYL	125684	CLP REIMBURSEMENT	\$	89.00
87451	12/18/2023	\$	218.30	003292	SLINGSHOT CONNECTIONS LLC	125850	TEMP W/E 11/26/2023	\$	125.69
87451	12/18/2023	\$	218.30	003292	SLINGSHOT CONNECTIONS LLC	125851	TEMP W/E 12/06/2023	\$	92.61
87452	12/18/2023	\$	10,268.28	001075	SOQUEL III ASSOCIATES	125852	01/2024RENT RESEARCH	\$	10,268.28
87453	12/18/2023	\$	936.85	003669	SPX TECHNOLOGIES,INC.	125853	INVENTORY ORDER	\$	647.26
87453	12/18/2023	\$	936.85	003669	SPX TECHNOLOGIES,INC.	125854	INVENTORY ORDER	\$	289.59
87454	12/18/2023	\$	160.99	003595	STAPLES INC	125855	OFFICE SUPPLY	\$	160.99
87455	12/18/2023	\$	23.80	003671	T-MOBILE USA, INC.	125856	10/21-11/20TVM COMMS	\$	23.80
87456	12/18/2023	\$	157.94	001040	TERRYBERRY CO., LLC	125857	EMPLOYEE INCENTIVE	\$	157.94
87457	12/18/2023	\$	2,487.31	614	TESSCO TECHNOLOGIES, INC.	125858	INVENTORY ORDER	\$	2,026.11
87457	12/18/2023	\$	2,487.31	614	TESSCO TECHNOLOGIES, INC.	125859	INVENTORY ORDER	\$	461.20
87458	12/18/2023	\$	1,417.27	003285	THE AFTERMARKET PARTS CO LLC	125860	INVENTORY ORDER	\$	778.78
87458	12/18/2023	\$	1,417.27	003285	THE AFTERMARKET PARTS CO LLC	125861	CM ORG#83202661	\$	(150.21)
87458	12/18/2023	\$	1,417.27	003285	THE AFTERMARKET PARTS CO LLC	125862	INVENTORY ORDER	\$	788.70
87459	12/18/2023	\$	510.64	043	TROWBRIDGE ENTERPRISES	125863	OFFICE SUPPLY	\$	90.73
87459	12/18/2023	\$	510.64	043	TROWBRIDGE ENTERPRISES	125864	OFFICE SUPPLY	\$	93.46
87459	12/18/2023	\$	510.64	043	TROWBRIDGE ENTERPRISES	125865	CM ORG#699007-0	\$	(11.80)

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87459	12/18/2023	\$ 510.64	043	TROWBRIDGE ENTERPRISES	125866	OFFICE SUPPLY	\$	16.86
87459	12/18/2023	\$ 510.64	043	TROWBRIDGE ENTERPRISES	125867	OFFICE SUPPLY	\$	141.82
87459	12/18/2023	\$ 510.64	043	TROWBRIDGE ENTERPRISES	125868	OFFICE SUPPLY	\$	179.57
87460	12/18/2023	\$ 4,200.00	003653	URBAN TRANSPORTATION	125869	AUTO PSNGR COUNTERS	\$	4,200.00
87461	12/18/2023	\$ 89.00	E1206	VALDOVINOS LOMBERA, FABRIEL	125685	CLP REIMBURSEMENT	\$	89.00
87462	12/18/2023	\$ 1,237.39	003687	VALLEY POWER SYSTEMS NORTH,INC	125870	INVENTORY ORDER	\$	1,237.39
87463	12/18/2023	\$ 1,015.00	003417	VERITECH, INC.	125871	INVENTORY ORDER	\$	1,015.00
87464	12/18/2023	\$ 38.52	434	VERIZON WIRELESS	125872	11/2-12/1/2023 ADMIN	\$	38.52
87465	12/18/2023	\$ 250.00	E1208	WOLICZKO, STEFAN	125873	BOOT REIMBURSEMENT	\$	250.00
87466	12/18/2023	\$ 89.00	E1207	ZAMARRIPA, BRIAN	125686	CLP REIMBURSEMENT	\$	89.00
87467	12/26/2023	\$ 8,645.00	003711	ADARIDE.COM LLC	125883	11/2023PRC ELIGIBILI	\$	8,645.00
87468	12/26/2023	\$ 624.06	003596	AMAZON CAPITAL SERVICES, INC.	125929	PROMO ITEMS MKTG	\$	624.06
87469	12/26/2023	\$ 2,000.00	003676	ANDREW J. O'KEEFE II	125884	WKLY MEDIA PRODUCTIO	\$	2,000.00
87470	12/26/2023	\$ 9,288.77	001D	AT&T	125925	12/19-12/18OPS ELEVA	\$	194.06
87470	12/26/2023	\$ 9,288.77	001D	AT&T	125926	11/19-12/18MAIN ACCT	\$	5,934.12
87470	12/26/2023	\$ 9,288.77	001D	AT&T	125927	11/13-12/12PT TO PT1	\$	1,729.20
87470	12/26/2023	\$ 9,288.77	001D	AT&T	125928	11/10-12/9DISTINTERN	\$	1,431.39
87471	12/26/2023	\$ 17.75	002363	BATTERIES PLUS #314	125930	4.8V BATTERY PRC	\$	17.75
87472	12/26/2023	\$ 269.79	107A	BFS GROUP LLC	125931	CARPET REPAIR OPS	\$	7.04
87472	12/26/2023	\$ 269.79	107A	BFS GROUP LLC	125932	FAUCET SMC	\$	76.46
87472	12/26/2023	\$ 269.79	107A	BFS GROUP LLC	125933	CABLE TIES VERNON	\$	186.29
87473	12/26/2023	\$ 63.53	003393	BRASS KEY LOCKSMITH INC	125934	REPLACEMENT KEYS SMC	\$	63.53
87474	12/26/2023	\$ 5,000.00	616	BROWN ARMSTRONG ACCOUNTANCY	125885	FY2023 AUDIT	\$	5,000.00
87475	12/26/2023	\$ 9,343.06	001089	CASEY PRINTING, INC	125935	WINTER2023 HEADWAYS	\$	9,343.06
87476	12/26/2023	\$ 1,751.94	001159	CATTO'S GRAPHICS, INC.	125909	EMBROIDERY LOGO CAPS	\$	1,751.94
87477	12/26/2023	\$ 19,293.75	003661	CELTIS VENTURES, INC.	125912	2402 WEBSITE REDESIG	\$	19,293.75
87478	12/26/2023	\$ 5,000.00	003320	CENTER FOR TRANSPORTATION AND	125907	2024 MEMBERSHIP DUES	\$	5,000.00
87479	12/26/2023	\$ 112.35	003633	CINTAS CORPORATION NO.2	125936	FIRSTAID RESTOCK OPS	\$	83.20
87479	12/26/2023	\$ 112.35	003633	CINTAS CORPORATION NO.2	125937	FIRSTAID RESTOCK SBF	\$	29.15
87480	12/26/2023	\$ 44.53	003373	CITY OF SANTA CRUZ FINANCE RRF	125938	11/2023LANDFILL FEES	\$	44.53
87481	12/26/2023	\$ 31,766.41	001124	CLEAN ENERGY	125880	11/29/23 LNG CHARGES	\$	10,870.63
87481	12/26/2023	\$ 31,766.41	001124	CLEAN ENERGY	125881	11/28/23 LNG CHARGES	\$	12,075.00
87481	12/26/2023	\$ 31,766.41	001124	CLEAN ENERGY	125882	12/01/23 LNG CHARGES	\$	8,820.78
87482	12/26/2023	\$ 263.07	075	COAST PAPER & SUPPLY INC.	125889	INVENTORY ORDER	\$	263.07
87483	12/26/2023	\$ 53.00	E1042	COLLINS, MICHELL A	126029	CDL REIMBURSEMENT	\$	53.00
87484	12/26/2023	\$ 8,349.82	163	COMMUNITY PRINTERS, INC.	125903	REIMAGINE POSTERS	\$	2,008.02
87484	12/26/2023	\$ 8,349.82	163	COMMUNITY PRINTERS, INC.	125904	BUS SIGNS	\$	3,441.38

# Attachment A

87484	12/26/2023	\$ 8,349.82	163	COMMUNITY PRINTERS, INC.	125905	REIMAGINE BROCHURES	\$	1,779.92
87484	12/26/2023	\$ 8,349.82	163	COMMUNITY PRINTERS, INC.	125906	REIMAGINE FACT SHEET	\$	256.73
87484	12/26/2023	\$ 8,349.82	163	COMMUNITY PRINTERS, INC.	125908	ENG/SPAN CAR CARDS	\$	863.77
87485	12/26/2023	\$ 2,728.46	003701	CREATIVE BUS SALES, INC	125886	VEH#PC1715 PART ORD	\$	669.85
87485	12/26/2023	\$ 2,728.46	003701	CREATIVE BUS SALES, INC	125887	INVENTORY ORDER	\$	1,124.66
87485	12/26/2023	\$ 2,728.46	003701	CREATIVE BUS SALES, INC	125888	INVENTORY ORDER	\$	933.95
87486	12/26/2023	\$ 15,605.28	003668	CROSSLINE SUPPLY, LLC	125890	INVENTORY ORDER	\$	2,932.27
87486	12/26/2023	\$ 15,605.28	003668	CROSSLINE SUPPLY, LLC	125891	INVENTORY ORDER	\$	4,752.38
87486	12/26/2023	\$ 15,605.28	003668	CROSSLINE SUPPLY, LLC	125892	INVENTORY ORDER	\$	7,920.63
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125893	INVENTORY ORDER	\$	69.35
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125894	CM ORG#Y9-46554	\$	(218.57)
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125895	INVENTORY ORDER	\$	218.57
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125896	INVENTORY ORDER	\$	126.54
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125897	INVENTORY ORDER	\$	276.09
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125898	CM ORG#Y9-50074	\$	(115.25)
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125899	INVENTORY ORDER	\$	115.25
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125900	CM ORG#Y9-45995	\$	(10.48)
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125901	INVENTORY ORDER	\$	125.72
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125902	INVENTORY ORDER	\$	2,711.20
87487	12/26/2023	\$ 3,283.67	003116	CUMMINS, INC	125939	CM ORG#Y9-40161	\$	(14.75)
87488	12/26/2023	\$ 137.32	E986	DELFIN, MONIK	125910	MTG MEAL REIMBURSEME	\$	137.32
87489	12/26/2023	\$ 816.00	003485	EMPLOYNET, INC	125940	TEMP W/E 12/10/2023	\$	816.00
87490	12/26/2023	\$ 1,870.44	432	EXPRESS SERVICES INC.	125941	TEMP W/E 11/12/2023	\$	963.56
87490	12/26/2023	\$ 1,870.44	432	EXPRESS SERVICES INC.	125942	TEMP W/E 11/19/2023	\$	906.88
87491	12/26/2023	\$ 51.35	E1209	FARPOUR, SOPHIE	125911	MILEAGE REIMBURSEMEN	\$	51.35
87492	12/26/2023	\$ 917.70	001297	FASTENAL COMPANY INC	125943	NITRILE GLOVES MMF	\$	917.70
87493	12/26/2023	\$ 603.31	002962	FIS	126031	11/2023MERCHANT FEES	\$	603.31
87494	12/26/2023	\$ 53.78	003279	FRONTIER COMMUNICATIONS - 3025	125944	12/16-1/15 SKY-RIVER	\$	53.78
87495	12/26/2023	\$ 53.78	003418	FRONTIER COMMUNICATIONS - 6145	125945	11/13-12/12SKY-OCEAN	\$	53.78
87496	12/26/2023	\$ 10,134.43	001302	GARDA CL WEST, INC.	126032	12/2023 VAULT SVCS	\$	10,134.43
87497	12/26/2023	\$ 1,820.84	117	GILLIG LLC	125913	VEH#4210 PART ORDER	\$	1,820.84
87498	12/26/2023	\$ 1,797.25	282	GRAINGER	125914	INVENTORY ORDER	\$	591.91
87498	12/26/2023	\$ 1,797.25	282	GRAINGER	125915	AA & AAA BATTERIES	\$	56.11
87498	12/26/2023	\$ 1,797.25	282	GRAINGER	125946	WATER FILTER MMF	\$	1,149.23
87499	12/26/2023	\$ 30,985.17	001745	HARTFORD LIFE AND ACCIDENT INS	125875	9-12/23STND ALN AD&D	\$	1,285.68
87499	12/26/2023	\$ 30,985.17	001745	HARTFORD LIFE AND ACCIDENT INS	125876	11/2023 LTD PREMIUM	\$	11,421.76
87499	12/26/2023	\$ 30,985.17	001745	HARTFORD LIFE AND ACCIDENT INS	125877	12/2023 LTD PREMIUM	\$	11,835.17

# Attachment A

87499	12/26/2023	\$ 30,985.17	001745	HARTFORD LIFE AND ACCIDENT INS	125878	11/2023 AD&D PREMIUM	\$	4,056.95
87499	12/26/2023	\$ 30,985.17	001745	HARTFORD LIFE AND ACCIDENT INS	125879	12/2023 AD&D PREMIUM	\$	2,385.61
87500	12/26/2023	\$ 6,498.00	003722	INFINITE CREATIVE ENTERPRISES	125917	2408 CHAIRS OPS&PRC	\$	6,498.00
87501	12/26/2023	\$ 1,100.00	003721	LOOKOUT LOCAL INC	125920	11/2023 CARMAGEDDON	\$	1,100.00
87502	12/26/2023	\$ 2,872.76	003362	LUMINATOR TECH GROUP GLOBAL,	125918	CAMERA REPAIR	\$	1,108.63
87502	12/26/2023	\$ 2,872.76	003362	LUMINATOR TECH GROUP GLOBAL,	125919	CAMERA REPAIR	\$	890.13
87502	12/26/2023	\$ 2,872.76	003362	LUMINATOR TECH GROUP GLOBAL,	125947	CAMERA REPAIR	\$	874.00
87503	12/26/2023	\$ 48.07	E627	MACDONELL, RYAN	125924	LUNCH REIMBURSEMENT	\$	48.07
87504	12/26/2023	\$ 21,574.02	003017	MANSFIELD OIL CO OF GAINSVILLE	125921	12/07/23 DIESEL FUEL	\$	21,574.02
87505	12/26/2023	\$ 193.50	003249	MAXIMUM OIL SERVICE LLC	125948	HAZARDWASTE DISP MMF	\$	193.50
87506	12/26/2023	\$ 14,487.50	003361	MILLER MAXFIELD INC	125949	11/2023 PUB OUTREACH	\$	1,281.25
87506	12/26/2023	\$ 14,487.50	003361	MILLER MAXFIELD INC	125950	WINTER HEADWAYS	\$	13,206.25
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125922	UNFRM SPLY VMU/VSW	\$	324.21
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125923	TOWELS FUEL STATION	\$	156.00
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125951	TOWELS,MATS PRC	\$	18.50
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125952	TOWELS,MATS PRC	\$	18.50
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125953	TOWELS,MATS PRC	\$	18.50
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125954	RAYGOZA UNFRM REPAIR	\$	27.00
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125955	TOWEL,MOP,MAT,UNIFRM	\$	31.85
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125956	TOWEL,MOP,MAT MMF	\$	41.75
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125957	TOWELS FUEL STATION	\$	156.00
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125958	UNFRM SPLY VMU/VSW	\$	349.67
87507	12/26/2023	\$ 1,183.73	041	MISSION UNIFORM	125959	TOWEL,MOP,MAT MMF	\$	41.75
87508	12/26/2023	\$ 442.77	001711	MOHAWK MFG. & SUPPLY CO.	125960	INVENTORY ORDER	\$	442.77
87509	12/26/2023	\$ 1,149.86	003464	MPRESS DIGITAL,INC	125961	WNTR2023LG PRINT HDWY	\$	1,149.86
87510	12/26/2023	\$ 65.00	481	PIED PIPER EXTERMINATORS, INC.	125962	12/2023 PEST WTC	\$	65.00
87511	12/26/2023	\$ 1,500.00	003061	QUADIENT FINANCE USA INC	125963	11/2023 POSTAGE 0299	\$	1,500.00
87512	12/26/2023	\$ 2,029.05	003527	REDVECTOR.COM LLC	126025	12/4/23-9/30/24AN SV	\$	2,029.05
87513	12/26/2023	\$ 116.83	003024	RICOH USA, INC CA	125964	12/12-01/11OPS 1STFL	\$	116.83
87514	12/26/2023	\$ 254.23	536	RIVERSIDE LIGHTING, INC.	125965	LIGHTBULB SVT	\$	34.36
87514	12/26/2023	\$ 254.23	536	RIVERSIDE LIGHTING, INC.	125966	THERMOSTAT REP MMF	\$	219.87
87515	12/26/2023	\$ 1,800.00	003681	RNS COMMUNICATIONS, INC.	125967	11/10-12/9/23DMV ADS	\$	900.00
87515	12/26/2023	\$ 1,800.00	003681	RNS COMMUNICATIONS, INC.	125968	12/10/23-1/9/24DMVAD	\$	900.00
87516	12/26/2023	\$ 650.04	003154	ROMAINE ELECTRIC CORP	125969	INVENTORY ORDER	\$	650.04
87517	12/26/2023	\$ 719.49	001286	SAFE-CARD ID SERVICES,INC	125970	ACCESS CARDS	\$	294.03
87517	12/26/2023	\$ 719.49	001286	SAFE-CARD ID SERVICES,INC	125971	PROX CARDS - 26-BIT	\$	425.46
87518	12/26/2023	\$ 4,822.58	001379	SAFETY-KLEEN SYSTEMS INC	125972	PARTS WASHER SVC MMF	\$	4,822.58

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# Attachment A

87519	12/26/2023	\$ 161.01	135	SANTA CRUZ AUTO PARTS, INC.	125973	VAC/SWEEP MAINT SMC	\$	10.44
87519	12/26/2023	\$ 161.01	135	SANTA CRUZ AUTO PARTS, INC.	125974	VEH#PC1712 PART ORD	\$	70.16
87519	12/26/2023	\$ 161.01	135	SANTA CRUZ AUTO PARTS, INC.	125975	INVENTORY ORDER	\$	80.99
87519	12/26/2023	\$ 161.01	135	SANTA CRUZ AUTO PARTS, INC.	125976	CM ORG#14508-485095	\$	(0.58)
87520	12/26/2023	\$ 270.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125977	11/1-11/30 IRRIG SBF	\$	39.26
87520	12/26/2023	\$ 270.56	079	SANTA CRUZ MUNICIPAL UTILITIES	125978	11/1-11/30 IRRIG VER	\$	231.30
87521	12/26/2023	\$ 5,554.66	001307	SANTA CRUZ STAFFING, LLC	125979	TEMP W/E 12/03/2023	\$	797.48
87521	12/26/2023	\$ 5,554.66	001307	SANTA CRUZ STAFFING, LLC	125980	TEMP W/E 12/03/2023	\$	1,241.40
87521	12/26/2023	\$ 5,554.66	001307	SANTA CRUZ STAFFING, LLC	125981	TEMP W/E 12/10/2023	\$	1,006.45
87521	12/26/2023	\$ 5,554.66	001307	SANTA CRUZ STAFFING, LLC	125982	TEMP W/E 12/10/2023	\$	1,282.50
87521	12/26/2023	\$ 5,554.66	001307	SANTA CRUZ STAFFING, LLC	125983	TEMP W/E 12/10/2023	\$	1,226.83
87522	12/26/2023	\$ 479.81	002459	SCOTTS VALLEY WATER DISTRICT	125985	11/2023 WATER SVT	\$	328.61
87522	12/26/2023	\$ 479.81	002459	SCOTTS VALLEY WATER DISTRICT	125986	11/2023 IRRIG SVT	\$	151.20
87523	12/26/2023	\$ 5,700.00	002267	SHAW YODER ANTWIH	125987	12/2023LEGISLATE REP	\$	5,700.00
87524	12/26/2023	\$ 6,315.57	003292	SLINGSHOT CONNECTIONS LLC	125988	TEMP W/E 11/19/2023	\$	1,501.76
87524	12/26/2023	\$ 6,315.57	003292	SLINGSHOT CONNECTIONS LLC	125989	TEMP W/E 11/26/2023	\$	1,155.20
87524	12/26/2023	\$ 6,315.57	003292	SLINGSHOT CONNECTIONS LLC	125990	TEMP W/E 12/03/2023	\$	1,090.22
87524	12/26/2023	\$ 6,315.57	003292	SLINGSHOT CONNECTIONS LLC	125991	TEMP W/E 12/10/2023	\$	1,155.20
87524	12/26/2023	\$ 6,315.57	003292	SLINGSHOT CONNECTIONS LLC	125992	TEMP W/E 12/10/2023	\$	257.99
87524	12/26/2023	\$ 6,315.57	003292	SLINGSHOT CONNECTIONS LLC	125993	TEMP W/E 12/10/2023	\$	1,155.20
87525	12/26/2023	\$ 997.86	003694	SOUTHERN COUNTIES LUBRICANTS,	125984	INVENTORY ORDER	\$	997.86
87526	12/26/2023	\$ 824.74	003621	SPORTWORKS GLOBAL LLC	125994	INVENTORY ORDER	\$	824.74
87527	12/26/2023	\$ 539.86	003669	SPX TECHNOLOGIES,INC.	125995	INVENTORY ORDER	\$	172.58
87527	12/26/2023	\$ 539.86	003669	SPX TECHNOLOGIES,INC.	125996	RMA001077 INVTRY ORD	\$	367.28
87528	12/26/2023	\$ 12,500.00	003710	STANTON BLACKWELL LLC	125997	BUDGET PRESENT 1STDF	\$	12,500.00
87529	12/26/2023	\$ 83.87	003683	TAYCORP, INC.	125998	INVENTORY ORDER	\$	83.87
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	125999	VEH#2229 PART ORDER	\$	1,718.36
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126000	INVENTORY ORDER	\$	126.63
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126001	INVENTORY ORDER	\$	661.02
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126002	INVENTORY ORDER	\$	252.73
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126003	VEH#11023 PART ORDER	\$	259.22
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126004	VEH#11016 PART ORDER	\$	311.76
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126005	INVENTORY ORDER	\$	1,963.91
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126006	INVENTORY ORDER	\$	150.21
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126007	INVENTORY ORDER	\$	3,738.79
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126008	VEH#11016 PART ORDER	\$	440.32
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126009	VEH#11016 PART ORDER	\$	98.28

# Attachment A

87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126010	INVENTORY ORDER	\$	563.07
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126011	VEH#11023 PART ORDER	\$	269.26
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126012	INVENTORY ORDER	\$	126.63
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126013	VEH#4204 PART ORDER	\$	513.90
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126014	VEH#2602 PART ORDER	\$	262.59
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126015	VEH#2811 PART ORDER	\$	164.36
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126016	INVENTORY ORDER	\$	1,722.00
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126017	CM ORG#82952392	\$	(262.70)
87530	12/26/2023	\$ 13,080.34	003285	THE AFTERMARKET PARTS CO LLC	126020	RENEWAL THRU12/31/24	\$	7,500.00
87531	12/26/2023	\$ 7,500.00	003189	THE BUS COALITION INC	126021	INVENTORY ORDER	\$	95.25
87532	12/26/2023	\$ 165.46	166	THE HOSE SHOP, INC	126022	NON-INVENTORY ORDER	\$	70.21
87532	12/26/2023	\$ 165.46	166	THE HOSE SHOP, INC	126030	TOOL REIMBURSEMENT	\$	500.00
87533	12/26/2023	\$ 500.00	E917	THORN, MIKE	126018	OFFICE SUPPLY	\$	841.58
87534	12/26/2023	\$ 1,986.73	043	TROWBRIDGE ENTERPRISES	126019	COPY PAPER PRC	\$	1,145.15
87534	12/26/2023	\$ 1,986.73	043	TROWBRIDGE ENTERPRISES	125874	*****-5971	\$	42,356.56
87535	12/26/2023	\$ 42,356.56	057	U.S. BANK	126023	FREIGHT	\$	138.59
87536	12/26/2023	\$ 154.59	007	UNITED PARCEL SERVICE	126024	FREIGHT	\$	16.00
87536	12/26/2023	\$ 154.59	007	UNITED PARCEL SERVICE	126026	11/2-12/1TABLET MMF	\$	577.80
87537	12/26/2023	\$ 637.84	434	VERIZON WIRELESS	126027	11/2-12/1/23MKTG TAB	\$	60.04
87537	12/26/2023	\$ 637.84	434	VERIZON WIRELESS	126028	GAS DETECTOR MMF	\$	352.72
87538	12/26/2023	\$ 352.72	003530	ZORO TOOLS, INC.			\$	
								<b>\$ 3,068,919.71</b>

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# MINUTES\*

MAC MEETING OF OCTOBER 18, 2023



The METRO Advisory Committee (MAC) met on Wednesday, October 18, 2023. The meeting was held as a hybrid meeting. \*Minutes are "summary" minutes, not verbatim minutes.

1. **CALLED TO ORDER** at 6:00 PM by Vice Chair Martinez.
2. **ROLL CALL** - The following MAC Members were **present**, representing a quorum:

Jessica de Wit, Chair  
**Joseph Martinez, Vice Chair**  
James Cruse  
Veronica Elsea

**Michael Pisano**  
Becky Taylor  
James Von Hendy

3. **COMMUNICATIONS TO THE METRO ADVISORY COMMITTEE**

The additional written communication received by Cindy Odom on October 18, 2023 was acknowledged (attached with METRO response).

Sally Munro, Ben Lomond resident, spoke to her written communication (attached).

Hearing nothing further, Vice Chair Martinez moved to the next agenda item.

4. **RECEIVE AND FILE MINUTES FROM THE METRO ADVISORY COMMITTEE MEETING OF AUGUST 16, 2023**

**MOTION: ACCEPT AND FILE THE MINUTES FROM THE METRO ADVISORY COMMITTEE MEETING OF AUGUST 16, 2023**

**MOTION: ELSEA**

**SECOND: VON HENDY**

**MOTION PASSED WITH 6 AYES: Martinez, Cruse, Elsea, Pisano, Taylor, and Von Hendy. de Wit was absent.**

5. **COMMUNICATIONS FROM METRO ADVISORY COMMITTEE (MAC)**

Mr. Pisano spoke to his email dated 09/29/23 and it is included in the agenda packet. Discussion followed on Micro Transit.

Hearing nothing further, Vice Chair Martinez moved to the next agenda item.

6. **UPDATE ON MOBILITY TRAINING COORDINATOR**

Margo Ross, COO, reported that the Mobility Training Coordinator position was filled.

Ms. Elsea asked if the new Mobility Training Coordinator has experience in accessibility and if his phone number will remain the same. COO Ross said that he does have experience and his new contact information will be provided at a later time.

Hearing nothing further, Vice Chair Martinez moved to the next agenda item.

## 7. SERVICE PLANNING UPDATE

John Urgo, Planning & Development Director, reported that Pete Rasmussen, Transportation Planner II, is working on getting updated quotes for the braille bus stop signage.

Director Urgo mentioned that at the September 22, 2023 Board of Directors (Board) Meeting the Board approved Phase 1 of Reimagine METRO. Director Urgo spoke to the presentation. He focused on the service changes of Phase 1. Director Urgo said that as we develop Phase 2, we will continue to do more outreach and request stakeholders for their input.

Ms. Elsea asked what route will replace Route 71. Director Urgo said that Route 71 will be replaced by Route 1.

Mr. Cruse asked if Routes 66 and 68 will be discontinued. Director Urgo said that those routes will be replaced by Route 3.

Mr. Martinez asked if Route 91 will be brought back. Director Urgo said Route 91 will be replaced by Route 90X.

Discussion followed on Pacific Station's temporary facility. Pacific Station will be moving temporarily in 2024 to a new location.

Hearing nothing further, Vice Chair Martinez moved to the next agenda item.

## 8. ESTABLISH AND APPROVE THE METRO ADVISORY COMMITTEE 2024 MEETING SCHEDULE

**MOTION: APPROVE THE 2024 MAC MEETING DATES OF FEBRUARY 21, APRIL 17, AUGUST 21, AND OCTOBER 16**

**MOTION: PISANO**

**SECOND: ELSEA**

**MOTION PASSED WITH 6 AYES: Martinez, Cruse, Elsea, Pisano, Taylor, and Von Hendy. de Wit was absent.**

## 9. ELECT THE METRO ADVISORY COMMITTEE CHAIR AND VICE CHAIR FOR 2024 TERM

**MOTION: ELECT CHAIR ELSEA FOR A ONE-YEAR TERM (JANUARY 1 – DECEMBER 31, 2024)**

**MOTION: MARTINEZ**

**SECOND: TAYLOR**

**MOTION PASSED WITH 6 AYES: Martinez, Cruse, Elsea, Pisano, Taylor, and Von Hendy. de Wit was absent.**

**MOTION: ELECT VICE CHAIR MARTINEZ FOR A ONE-YEAR TERM (JANUARY 1 – DECEMBER 31, 2024)**

**MOTION: PISANO**

**SECOND: ELSEA**

**MOTION PASSED WITH 6 AYES: Martinez, Cruse, Elsea, Pisano, Taylor, and Von Hendy. de Wit was absent.**

**10. COMMUNICATIONS TO THE METRO CEO**

Hearing none, Vice Chair Martinez moved to the next agenda item.

**11. COMMUNICATIONS TO THE METRO BOARD OF DIRECTORS**

Hearing none, Vice Chair Martinez moved to the next agenda item.

**12. ITEMS FOR NEXT MEETING AGENDA**

- Introduce the new Mobility Training Coordinator to MAC
- Service Planning Updates
- Update on Reimagine METRO
- Quarterly Ridership Report
- Update on Braille Bus Stop Signage

**13. DISTRIBUTION OF VOUCHERS**

Vouchers distributed by Elizabeth Rocha, Administrative Specialist.

**14. ANNOUNCEMENT OF NEXT MEETING**

Vice Chair Martinez announced the next MAC Meeting will be held on Wednesday, February 21, 2024 at 6:00 PM at the METRO Admin Office, 110 Vernon Street, Santa Cruz.

**15. ADJOURNMENT – FACILITY TOUR**

Vice Chair Martinez adjourned the meeting at 7:02 PM. We proceeded with a tour of METRO's Judy K. Souza Operations Facility.

Respectfully submitted,

Elizabeth Rocha  
Administrative Specialist

RE: Early express bus from Watsonville/ Safety at bus stops

Cayla Hill <CHill@scmtd.com>

Thu 10/19/2023 5:57 AM

To:celtiqueco@gmail.com <celtiqueco@gmail.com>

Cc:Elizabeth Rocha-Rocha <ERocha@scmtd.com>

Good morning,

Thank you for taking the time to write in.

Yes, the current plan is restore an Express bus between Watsonville and Santa Cruz. The timetables have not been finalized, yet. However, the intent is to have first trip to Santa Cruz will operate no later than 6am.

Unfortunately, this version of the Express route will not serve Cabrillo College so the bus will not be getting off at State Park and continuing down Soquel. Just so that you are aware, the bus will not serve Dominican Hospital either but will stop at Soquel & 7th. We are aware that this is a 12 minute walk away, which may be difficult for anyone with mobility issues. We apologize for any inconvenience. These concerns were brought up to the Director of Planning but he makes the final call on how these new routes will be designed. Dominican Hospital will continue to be served by the new route 1, so riders will still have access to Dominican Hospital but not on an Express route. We are now working to finalize these changes as quickly as possible so that we can get the information out to the public on the new service starting December 21.

Here is a list of the projected stops that will be served on the new route 90X coming from Watsonville:

Stop	Description
2901R	Watsonville Transit Center - Lane 1
2192R	Rodriguez & Main (The Pines Apts)
2734R	Main & Pennsylvania Dr
1143R	Main & S Green Valley Rd
1803R	Soquel Ave & 7th Ave
1799R	Soquel Ave & Park Way
1903R	Water & Poplar
1894R	Water & Ocean
2700R	Santa Cruz Metro Center

We also apologize for the experience you had with customer service. We can bring this up to the Manager of customer service to attempt to improve future responses.

Best regards,

Cayla Hill  
Planning Data Analyst  
831-420-2581

## Early express bus from Watsonville/ Safety at bus stops

Cindy O <celtiqueco@gmail.com>

Wed 10/18/2023 2:12 PM

To:MAC <mac@scmttd.com>

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**This Message Is From an Untrusted Sender**

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~ Please exercise caution when clicking links or opening attachments. ~

I appreciate that bus service is intended to be increased. I sincerely hope this means there will be early express buses from Watsonville to Capitola/Santa Cruz (5:50am) weekdays. This bus has been getting on the freeway lately with usually 12- 15 passengers & picking up more on Soquel after State Park Drive.

I also hope you will try to restore shelters at bus stops where they were removed. It is really difficult to wait in the rain or hot sun.

I was recently "attacked " by a worker with a leaf blower at the Capitola Mall when the 69W dropped me off at 6;25am. The guy had neither common sense nor courtesy and blew dirt and trash right toward me within 8-10 feet while I was loading my bike to ride off. I yelled at him to back off , he ignored that request, continuing to point the blower at me. One of his co-workers rode up in a cart and told him to stop. This was very upsetting. A few days later a friend told me she was waiting for the outbound 69W about 8am at the mall & a guy(the same one ,I guess) blew dirt right at her and hit her with the blower when she didn't move! The bus was there, the driver didn't see. That is an assault, that behavior is appaling. My friend doesn't have a phone. When I called Metro Customer Service, I was brushed off with "...it's not our property.". IT IS YOUR BUS STOP.

I emailed the mall who did reply, apologize & speak to the landscape maintenance company. This is something you need to know about. It happened 4 weeks ago. The leaf blower has not come close since but tell customer service to take complaints seriously, please. We shouldn't feel threatened at bus stops.

Thank you, Cindy Odom

12/7/23, 11:17 AM

## Agenda item

Sally Munro <sallybythetree@gmail.com>

Sun 10/15/2023 9:01 AM

To: mac@scmttd.com <mac@scmttd.com>

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### **This Message Is From an Untrusted Sender**

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Good morning

My name is Sally Munro.

I have been a resident of Ben Lomond for the last twelve years.

It takes an incredibly long time to catch the bus from here. Getting to Cabrillo can take almost 2 hours...or more. This is quite an inconvenience for anyone living here who wishes to attend college, and it's especially so for our youth.

There has been an express bus down to South county for many years now, and I am interested in exploring the possibility of a future express bus between the valley and Cabrillo.

I am not sure where to start with this and wonder if anyone has a suggestion.



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
BOARD OF DIRECTORS MEETING MINUTES\*  
DECEMBER 15, 2023 – 9:00 AM**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) convened on Friday, December 15, 2023, as a hybrid meeting.

The Board Meeting agenda packet can be found online at [www.SCMTD.com](http://www.SCMTD.com). \*Minutes are “summary” minutes, not verbatim minutes. Audio recordings of Board meeting open sessions are available to the public upon request.

This document was created with accessibility in mind. With the exception of certain third party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to [accessibility@scmttd.com](mailto:accessibility@scmttd.com).

**1 CALLED TO ORDER** at 9:00 AM by Board Chair Kalantari-Johnson.

**2 ROLL CALL:**

The following Directors were **present** representing a quorum:

<b>Director Kristen Brown</b>	<b>City of Capitola</b>
<b>Director Rebecca Downing</b> AR 9:05	<b>County of Santa Cruz</b>
<b>Director Jimmy Dutra</b> AR 9:02	<b>City of Watsonville</b>
<b>Director Shebreh Kalantari-Johnson</b>	<b>City of Santa Cruz</b>
<b>Director Manu Koenig</b>	<b>County of Santa Cruz</b>
<b>Director Donna Lind</b>	<b>City of Scotts Valley</b>
<b>Director Bruce McPherson</b>	<b>County of Santa Cruz</b>
<b>Director Scott Newsom</b>	<b>City of Santa Cruz</b>
<b>Director Larry Pageler</b>	<b>County of Santa Cruz</b>
Director Quiroz-Carter	City of Watsonville
<b>Director Mike Rotkin</b>	<b>County of Santa Cruz</b>
<b>Ex-Officio Director Dan Henderson</b>	<b>UC Santa Cruz</b>
Ex-Officio Director Alta Northcutt	Cabrillo College
Michael Tree	CEO/General Manager
Julie Sherman	General Counsel

**3 ANNOUNCEMENTS**

Today’s meeting is being broadcast by Community Television of Santa Cruz County.

Maria Avila, Language Line Services, provided Spanish language interpretation services.

Margo Ross, Chief Operations Officer, announced that the audience is filled with trainees that were available to attend this morning’s meeting and welcomed them all to METRO.

Board Chair Kalantari-Johnson thanked them for joining the METRO family. She also thanked COO Ross and her team for their efforts in recruitment.

**4 BOARD OF DIRECTORS COMMENTS**

Director McPherson spoke as a member of the Area Agency on Aging and said the announcement of free fares on METRO is being greeted enthusiastically by the senior citizens in Santa Cruz County.

Director Rotkin commented that this has been the most amazing year out of the 30 years he has been on the Board. We owe this to CEO Tree and all the employees that work at METRO. He thanked the current Board of Directors for their commitment to public transit. Board Chair Kalantari-Johnson thanked Director Rotkin for his years of service on the METRO Board.

Hearing nothing further, Board Chair Kalantari-Johnson moved to the next agenda item.

**5 ORAL AND WRITTEN COMMUNICATIONS TO THE BOARD OF DIRECTORS**

Board Chair Kalantari-Johnson announced additional written communications were received and will be added to the agenda packet.

Eduardo Montesino, Temporary Reimagine METRO Recruitment and Training Coordinator, provided an update on recruitment efforts. Director Lind asked how many new Bus Operators are being hired. COO Ross said we have 33 new hires and gave credit to Mr. Montesino for his recruiting efforts.

Hearing nothing further, Board Chair Kalantari-Johnson moved to the next agenda item.

**6 LABOR ORGANIZATION COMMUNICATIONS**

Brandon Freeman, SMART General Chairperson, Local 0023, invited the new recruits to introduce themselves to the Board of Directors. The group included Bus Operators for Fixed Route and ParaCruz, Dispatchers and Schedulers. Mr. Freeman added that he supports staff's recommendation to the Board today to increase Bus Operators to achieve our Reimagine METRO goals. He thanked the Board for their support at the December 7, 2023 Santa Cruz County Regional Transportation Commission (RTC) meeting. He also thanked Mr. Montesino for his recruitment efforts.

Board Chair Kalantari-Johnson acknowledged and thanked Mr. Freeman for his leadership and bringing new members of the METRO family to meet the Board. It is important for us to meet the people who are doing the work every day to make METRO run.

Hearing nothing further, Board Chair Kalantari-Johnson moved to the next agenda item.

**7 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

Supporting documentation for Items 12-14 was sent to the Board of Directors on December 14, 2023 to review and will be added to the agenda packet.



## CONSENT AGENDA

- 8.1 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTHS OF OCTOBER & NOVEMBER 2023  
Chuck Farmer, Chief Financial Officer
- 8.2 ACCEPT AND FILE MINUTES OF:
  - A. OCTOBER 27, 2023 BOARD OF DIRECTORS REGULAR MEETING
  - B. DECEMBER 8, 2023 PERSONNEL/HUMAN RESOURCES STANDING COMMITTEEMichael Tree, CEO/General Manager
- 8.3 ACCEPT AND FILE: THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF NOVEMBER 30, 2023  
Chuck Farmer, Chief Financial Officer
- 8.4 ACCEPT AND FILE: THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST, AND SEPTEMBER 2023  
Daniel Zaragoza, Operations Manager, Paratransit Division
- 8.5 ACCEPT AND FILE: THE METRO SYSTEM RIDERSHIP REPORTS FOR THE FIRST QUARTER OF FY24  
John Urgo, Planning and Development Director
- 8.6 APPROVE: CONSIDERATION OF A RESOLUTION TO ESTABLISH THE 2024 BOARD OF DIRECTORS' MEETING SCHEDULE  
Michael Tree, CEO/General Manager
- 8.7 APPROVE: CONSIDER A RESOLUTION DESIGNATING THE CEO/GENERAL MANAGER AS THE AUTHORIZED AGENT TO EXECUTE ALL REQUIRED DOCUMENTS TO CLAIM FUNDS AWARDED THROUGH THE FY23-24 CALTRANS CLEAN CALIFORNIA TRANSIT PROGRAM  
John Urgo, Planning and Development Director
- 8.8 ACCEPT AND FILE: THE YEAR-TO-DATE KEY PERFORMANCE INDICATORS (KPI) REPORT FOR QUARTER ONE AS OF SEPTEMBER 30, 2023  
Chuck Farmer, Chief Financial Officer
- 8.9 APPROVE: CONSIDER A RESOLUTION DESIGNATING THE CEO/GENERAL MANAGER AS THE AUTHORIZED AGENT TO EXECUTE ALL REQUIRED DOCUMENTS TO CLAIM FUNDS AWARDED THROUGH THE REGIONAL EARLY ACTION PLANNING GRANTS OF 2021 (REAP 2.0) REGIONAL COMPETITIVE GRANT PROGRAM  
John Urgo, Planning and Development Director
- 8.10 APPROVE: REQUEST FOR AUTHORIZATION OF TWO (2) MARKETING SPECIALISTS IN THE MARKETING DEPARTMENT  
Dawn Crummié, Human Resources Director
- 8.11 APPROVE: RESOLUTION DECLARING CERTAIN PROPERTY EXEMPT SURPLUS LAND UNDER THE SURPLUS LAND ACT  
Chuck Farmer, Chief Financial Officer, and Julie Sherman, Legal Counsel

8.12 APPROVE: AUTHORIZE THE CEO/GENERAL MANAGER TO INCREASE THE NUMBER OF AUTHORIZED BUS OPERATORS  
Chuck Farmer, Chief Financial Officer

8.13 APPROVE: AUTHORIZE THE CEO/GENERAL MANAGER TO INCREASE THE NUMBER OF PARATRANSIT BUS OPERATORS  
Margo Ross, Chief Operations Officer

Director Rotkin inquired as to when METRO can expect to see the results of these new hires in Item 8.10. CEO Tree responded that we currently have an intern who is helping Danielle Glagola, METRO's Marketing, Communications and Customer Service Director, and we will actively recruit to fill one of these positions in the immediate future. Once on board, this position will work with Celtis and Miller Maxfield on our Reimagine METRO Phase 2 campaign.

Director Rotkin commented that he looks forward to reviewing the revised budget in January 2024 and expressed concern about the fiscal cliff and the sustainability of these new hires without a sales tax being passed.

Jim Rendler, Vice President, For the Future Housing, Inc., and developer for the new Pacific Station, commented on Item 8.11 and expressed gratitude on being part of this project that will start in February 2024.

**ACTION: MOTION TO APPROVE THE CONSENT AGENDA AS PRESENTED**

**MOTION: DIRECTOR PAGELER SECOND: DIRECTOR ROTKIN**

**MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Rotkin). Director Quiroz-Carter was absent.**

## **REGULAR AGENDA**

9 **PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: (15 YEARS) NATHANAEL ABREGO ANDREA EUSSE-GIL, ROBERT KRAUSE, AND RUBEN VALDEZ**

Board Chair Kalantari-Johnson thanked the employees for their service to METRO. Director Pageler provided a personal bio for Andrea Eusse-Gil covering the years he has known and worked with her.

10 **RETIREE RESOLUTION OF APPRECIATION FOR: MAURIZIO ITALIA**

Board Chair Kalantari-Johnson congratulated Mr. Italia on his retirement and thanked him for his years of service at METRO.

**ACTION: MOTION TO APPROVE THE RETIREE RESOLUTION OF APPRECIATION FOR MAURIZIO ITALIA**

**MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR NEWSOME**

**MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Rotkin). Director Quiroz-Carter was absent.**

**11 METRO ADVISORY COMMITTEE (MAC) SEMI-ANNUAL ORAL UPDATE**

Jessica de Wit, MAC Chair, provided the semi-annual MAC update. MAC is pleased to see ridership levels increase as we move away from the pandemic. METRO staff has been very responsive in listening to MAC's concerns on bus stop signage, shelters, and discussions on the Reimagine METRO project. MAC is happy to hear that METRO is ramping up its presence in the community. Many riders like the new look of the buses and how it celebrates the Santa Cruz County area. She thanked staff for providing MAC with a tour of the Judy K. Souza Facility. With all the innovative programs in the works at METRO, MAC appreciates being part of this effort.

Board Chair Kalantari-Johnson thanked Ms. de Wit for her work on MAC.

There were no public comments.

**12 APPROVE REQUEST FOR RECLASSIFICATION RESULTS FOR OPERATIONS DEPUTY DIRECTOR IN THE OPERATIONS DEPARTMENT**

Monik Delfin, Human Resources Deputy Director spoke to this item and requested the Board to authorize the creation of the Operations Deputy Director position to manage both the Fixed Route and Paratransit division. In addition, the job descriptions for Operations Managers in Fixed Route and Paratransit, and the Assistant Operations Managers in Fixed Route and Paratransit have been updated due to this change.

Mr. Freeman provided his support to Daniel Zaragoza on handling the combined position.

There were no public comments.

**ACTION: MOTION TO APPROVE THE AUTHORIZATION OF AN OPERATIONS DEPUTY DIRECTOR IN THE OPERATIONS DEPARTMENT**

**MOTION: DIRECTOR KOENIG SECOND: DIRECTOR MCPHERSON**

**MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Rotkin). Director Quiroz-Carter was absent.**

**13 APPROVE REQUEST FOR RECLASSIFICATION RESULTS FOR MARKETING AND COMMUNICATIONS DIRECTOR IN THE MARKETING DEPARTMENT**

Monik Delfin, Human Resources Deputy Director, spoke to this item and requested the Board to reclassify the Marketing, Communications, and Customer Service Director to Marketing and Communications Director to address the needs of the Marketing Department created in this fiscal year.

Director Lind commented that making this change makes sense as the position has evolved under CEO Tree. We look forward to its continued successes.

There were no public comments.

**ACTION: MOTION TO APPROVE THE RECLASSIFICATION FOR A MARKETING AND COMMUNICATIONS DIRECTOR IN THE MARKETING DEPARTMENT**

**MOTION: DIRECTOR PAGELER SECOND: DIRECTOR ROTKIN**

**MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Rotkin). Director Quiroz-Carter was absent.**

**14 APPROVE REQUEST FOR RECLASSIFICATION RESULTS FOR CUSTOMER EXPERIENCE MANAGER IN THE CUSTOMER SERVICE DEPARTMENT**

Monik Delfin, Human Resources Deputy Director, spoke to this item and requested the Board to reclassify the current Customer Service Manager to Customer Experience Manager to encompass new job responsibilities and a “customer first” mindset.

Discussion followed on the ambassador program component in the job description and the collaboration with the Downtown Association in providing personnel; training in people skills as well as the METRO system; identifying these ambassadors; applying metrics to the process, and security concerns.

CEO Tree responded to all concerns.

There were no public comments.

**ACTION: MOTION TO APPROVE THE RECLASSIFICATION FOR A CUSTOMER EXPERIENCE MANAGER IN THE CUSTOMER SERVICE DEPARTMENT**

**MOTION: DIRECTOR DOWNING**

**SECOND: DIRECTOR ROTKIN**

**MOTION PASSED WITH 10 AYES (Directors Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler, and Rotkin). Director Quiroz-Carter was absent.**

**15 CEO ORAL REPORT**

Michael Tree, CEO/General Manager, spoke to the following items:

- Continue to recruit new Bus Operators for Reimagine METRO.
- RTC approved the \$32.4 million in transportation projects allowing METRO to move forward with Phase 2 of Reimagine METRO.
- The transit signal priority (TSP) project will get under way giving METRO priority at intersections.
- California Highway Patrol performed its impromptu inspection. They gave METRO a list of buses to inspect and reviewed the records on maintenance and Bus Operator driving records. They gave METRO the highest rating possible for having buses maintained appropriately and drivers who are trained and licensed appropriately. We will do a press release to let the public know how we fared.
- Recently completed construction on one of the bus bays to accommodate the articulated buses. Eddie Benson, Maintenance Manager, and his team are currently in San Diego getting four more of the articulated buses. That brings the total buses from San Diego to ten. This will help us implement Phase 2 and provide better service to students.
- COO Ross was praised on her negotiating skills on the New Flyer contract. New Flyer quoted METRO a price of \$1.47 million for each bus (44 buses total).

Considering the volume of buses, METRO pursued a discount. It was COO Ross who was able to negotiate a \$28,000 discount on each bus.

- Center for Transportation and the Environment (CTE) helped METRO with its zero-emission master plan and is helping to launch the fueling station so it is operational when the new buses arrive.
- Thanked Mr. Montesino for a great recruiting effort. You saw firsthand today his efforts in recruiting.
- Ms. Glagola spoke to the marketing assets (attached) created for Phase 1 of Reimagine METRO's marketing plan and highlighted the other mediums being used, presented in both English and Spanish, to communicate the changes to the public which include organic social media, paid social media, printed ads, radio ads, and bus signs.

Board Chair Kalantari-Johnson appreciated all the efforts taken and reminded the members to share METRO's successes on social media. Director Pageler appreciated the "How Did My Route Change" page in the Headways that highlights the changes in the routes in a simple, concise format. Director Downing asked how this information is being disseminated to students now that the school term is ending. Ms. Glagola responded that information has already been released to the students and we plan to do even more outreach to the students. Director Pageler asked Ex-Officio Director Henderson if he is still considering having student ambassadors around campus to help explain the changes and if that is in place for winter quarter? Ex-Officio Director Henderson said UCSC has been toying with the idea of getting students out to the bus stops for several reasons but also to talk about these changes to the routes. There is a learning curve associated with this, but we will continue to get the word out. Director Rotkin suggested that UCSC provide materials to faculty that can be presented to students in the classrooms to help facilitate this process. Director Downing suggested that Ms. Glagola send out the social media information to the Board Members routinely instead of having to request it.

Director Lind brought up the recent UCSC bus crash and suggested that METRO release something so that the public doesn't think it was a METRO bus to dispel any safety concerns. Ms. Glagola responded that she had been in contact with KSBW about using METRO b-roll footage and that KSBW apologized for the footage use and discontinued using it.

- Chuck Farmer, Chief Financial Officer, reviewed all the grant awards received in the past 24 months, amounting to \$148,506,924 (breakdown attached) for buying buses and infrastructure.

Director McPherson asked when applying for new grants, does it help or hurt us when we have been awarded so much money already. CFO Farmer provided his opinion that if you show performance and do something with the money, it is likely they are willing to give more money. If you just sit on the money, then they can say, "Why give more when you haven't spent what we already gave you?" We are moving and making changes and they see that.

Director Rotkin asked if METRO had an update on the federal government's investment of \$1.2 billion in hydrogen technology. CEO Tree said he's hopeful for an announcement in early 2024 on how this will move forward.

Matt Farrell, Friends of the Rail and Trail, remarked that his group appreciates the leadership that has been shown in the last two years, both at METRO and the RTC, to address the regional transportation needs. He appreciates the open door that CEO Tree has had in talking about the challenges that face us and focusing on opportunities to collaborate. We appreciate and look forward to working together to build an equitable and comprehensive solution to our transit needs.

Board Chair Kalantari-Johnson reviewed the list of accomplishments at METRO in this past year. She expressed that this is an incredible job on improving our transit system so we can contribute to the community's well-being. She thanked all of METRO staff and the leadership of CEO Tree. She looks forward to the new year and bringing things to fruition.

Director McPherson suggested an Op-Ed be done listing all these accomplishments to let the public know what this means. The Board Chair agreed and said she would reach out to other Board Members for input. She wished everyone a Happy Holidays and to take this time to celebrate with family and friends.

**16 ANNOUNCEMENT OF NEXT MEETING**

Board Chair Kalantari-Johnson announced that the next meeting will be on Friday, January 26, 2024, at 9:00 AM at the METRO Admin Office, 110 Vernon Street, Santa Cruz, CA.

**17 ADJOURNMENT**

Board Chair Kalantari-Johnson adjourned the meeting at 10:08 AM.

Respectfully submitted,

Donna Bauer  
Executive Assistant

Attachment  
NOVEMBER 2023 - ONGOING

PRESENTED BY

Celtis

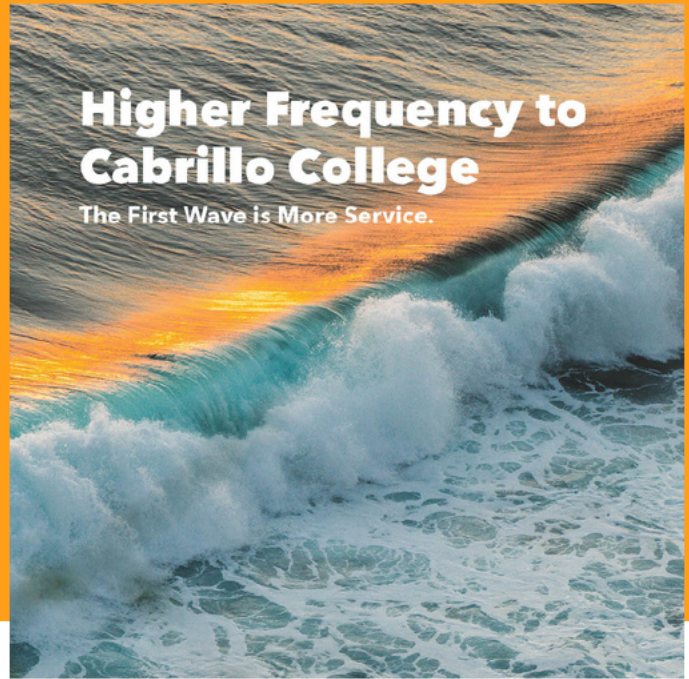
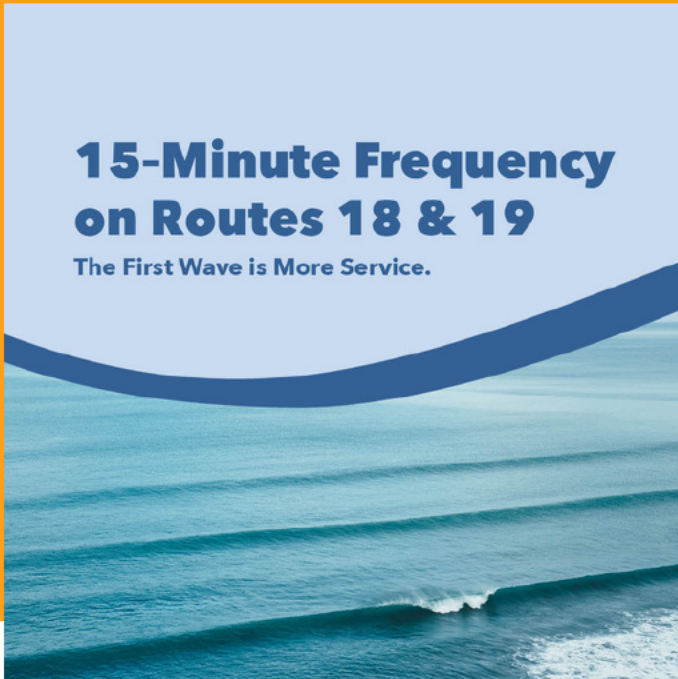
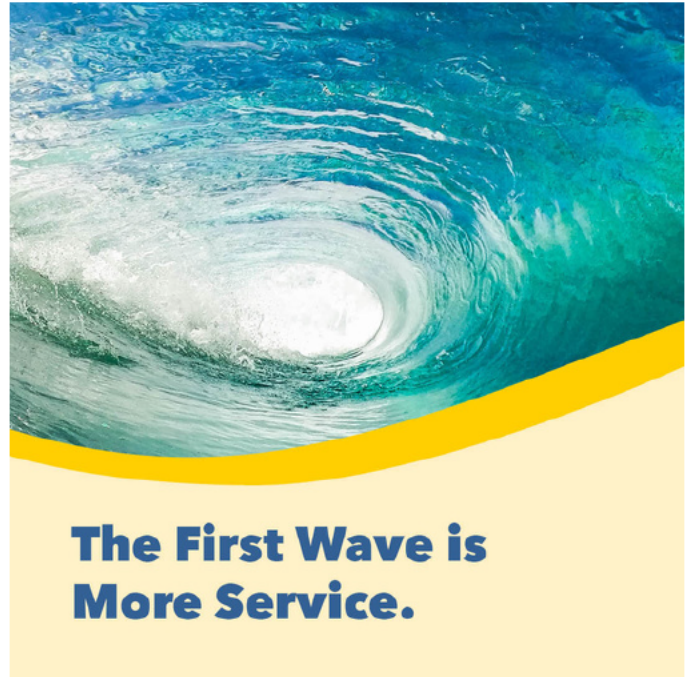
**The Wave is  
Coming.**

**Reimagine METRO  
Assets**



REIMAGINE METRO

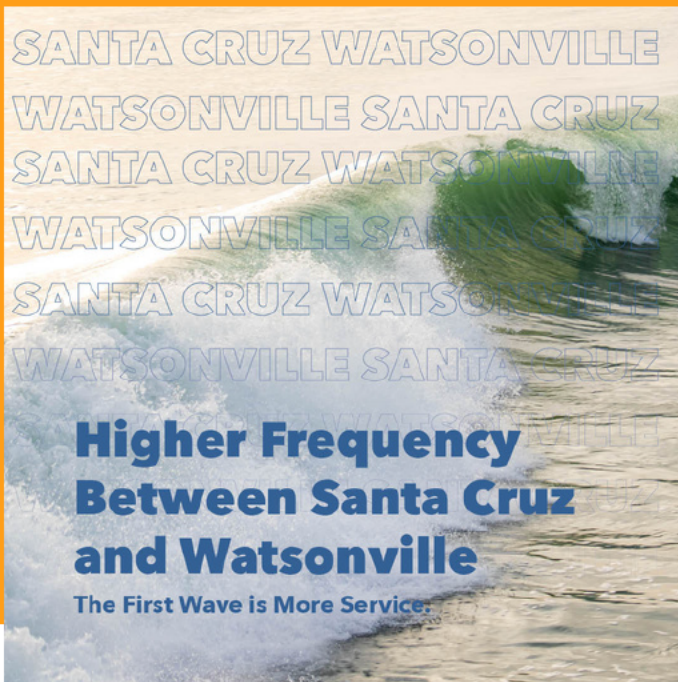
# Digital Creative - Organic Social Media (English)





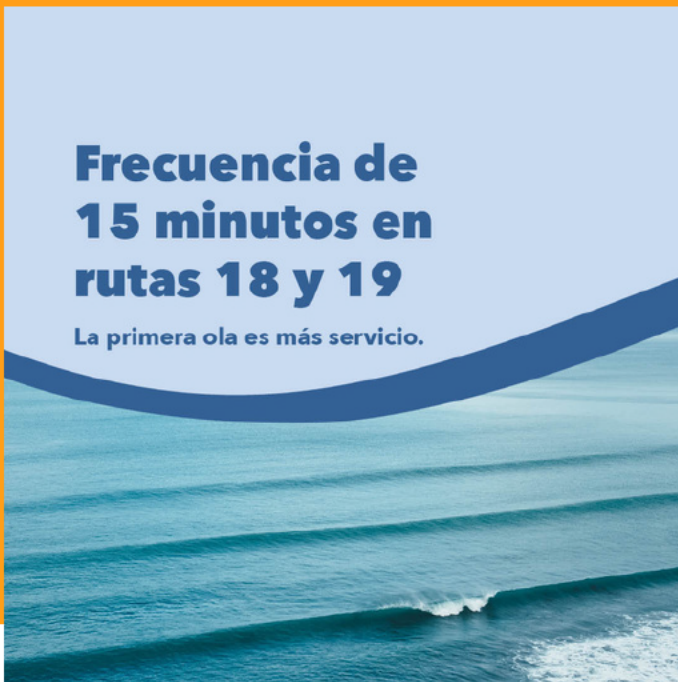
REIMAGINE METRO

# Digital Creative - Organic Social Media (English)



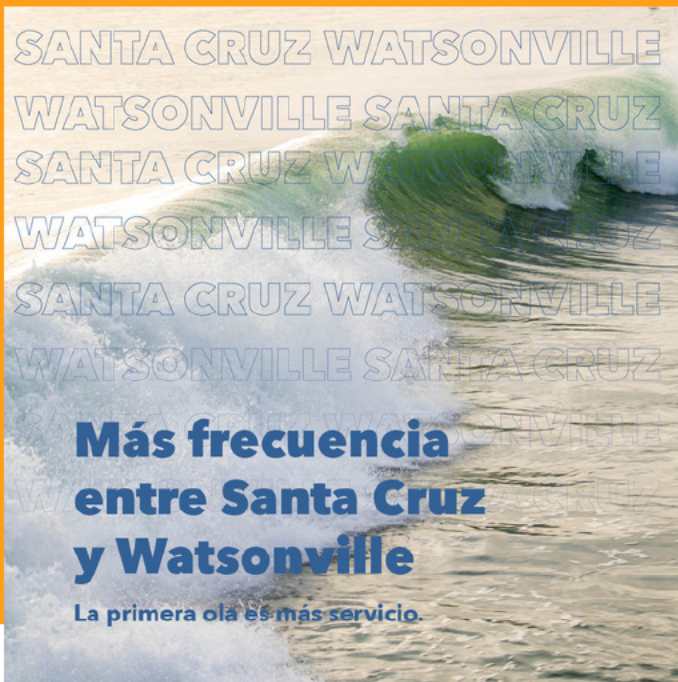
REIMAGINE METRO

# Digital Creative - Organic Social Media (Spanish)



REIMAGINE METRO

# Digital Creative - Organic Social Media (Spanish)



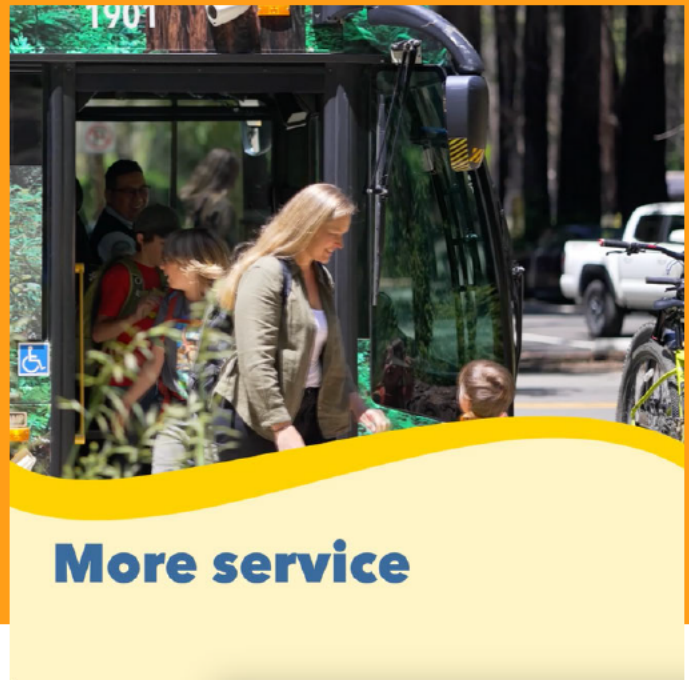
REIMAGINE METRO

# Digital Creative - Paid (English)

TEASER AD



INFORMATIONAL AD



To Download Teaser Ad  
To Download Informational Ad

REIMAGINE METRO

# Digital Creative - Paid (Spanish)

TEASER AD



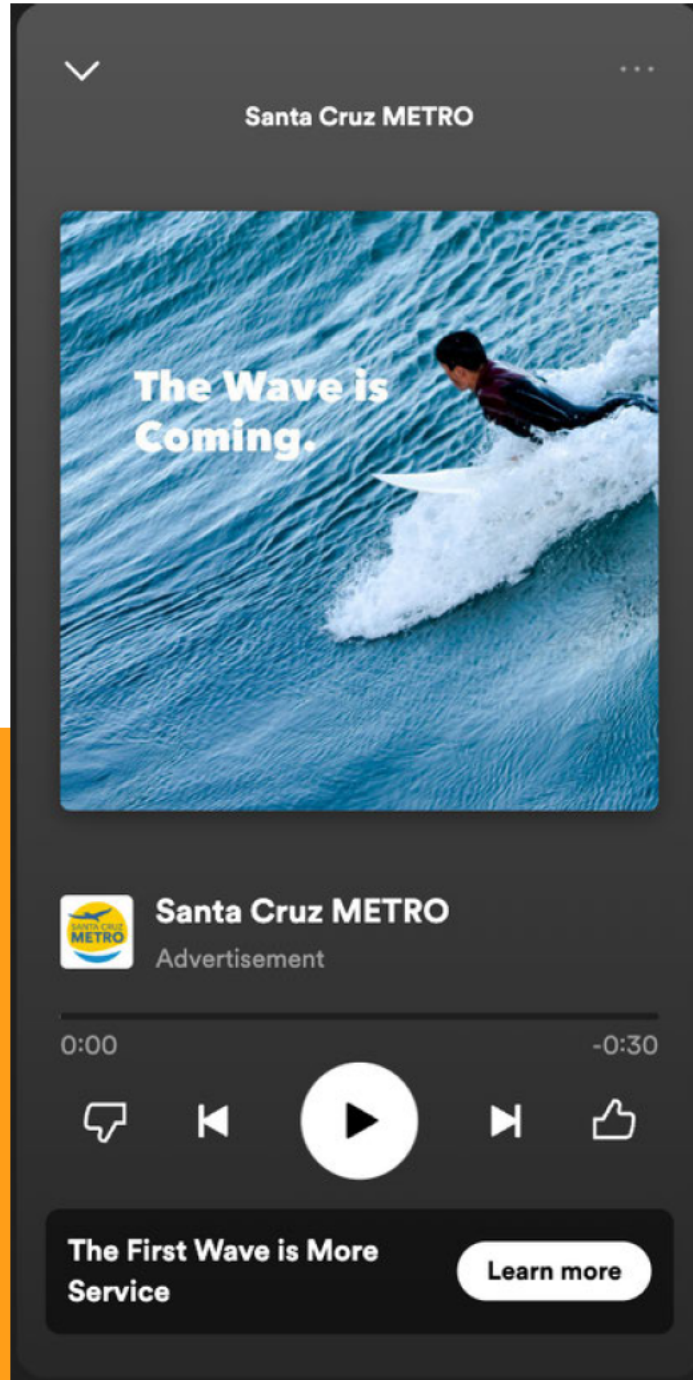
INFORMATIONAL AD



To Download Teaser Ad  
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REIMAGINE METRO

# Digital Creative - Spotify



REIMAGINE METRO

# Spanish Radio - KMPG, KDUB, KRAY



REIMAGINE METRO

# Traditional Media - Santa Cruz Sentinel



**The First Wave is More Service**

**METRO is reimagining service to better serve our community.**

Changes coming to METRO on December 21, 2023:

- More service
- Higher frequency
- Simpler, more direct routes
- Changes to route numbers
- Changes to bus stop locations

 Learn more about specific route changes and get involved in the next wave.



[scmetro.org/reimagine](https://scmetro.org/reimagine)



**The First Wave is More Service**

**METRO is reimagining service to better serve our community.**

Changes METRO recently implemented:

- More service
- Higher frequency
- Simpler, more direct routes
- Changes to route numbers
- Changes to bus stop locations

 Learn more about specific route changes and get involved in the next wave.



[scmetro.org/reimagine](https://scmetro.org/reimagine)



REIMAGINE METRO

# Traditional Media - Santa Cruz Sentinel

**HOLIDAY TRAVEL**

## Record crowds are expected to take to the air and roads for Thanksgiving

By David Kowig



Travelers line up to pass through the security checkpoint at Denver International Airport on Monday.

The busiest days of the year will be Tuesday and Wednesday as well as the Sunday after Thanksgiving. The Transportation Security Administration expects to screen 2.6 million passengers on Tuesday and 2.7 million passengers on Wednesday. Monday will draw the largest crowds with an estimated 3.9 million passengers, which would narrowly eclipse a record set on June 30.

Meanwhile, AAA forecasts that 23.8 million Americans will travel at least 50 miles from home between next Wednesday and the Sunday after Thanksgiving, with roads likely to be the most congested on Wednesday.

The weather could stomp air and road traffic. A storm system was expected to move from the southeast Plains to the Northeast on Tuesday and Wednesday, bringing possible thunderstorms, sleet and snow. Parts of Kansas, Vermont and northern New Hampshire are expected to get 7 inches of snow between Tuesday night and Wednesday.

U.S. Transportation Secretary Pete Buttigieg said during a news conference Monday that the government has tried to better prepare for holiday travel over the last year by having more air traffic controllers, opening new air routes along the East Coast and providing grants to airports for snowplows and deicing equipment. But he warned travelers to check road conditions and flight times before leaving home.

"Mother Nature, of course, is the X factor in all of this," he said.

The good news for travelers by plane and car alike: Prices are coming down. Airlines are averaging \$100 per ticket, down 30% from a year ago, according to the travel site Skiplist.

Gasoline prices are down about 40 cents a gallon from this time last year. The national average was \$3.49 per gallon on Monday, according to AAA, down from \$3.87 a year ago.

A survey of GasBuddy users found that despite cheaper pump prices, the number of people planning to take a long driving trip this Thanksgiving hasn't changed much from last year. Patrick De Haan, an analyst for the price tracking service, said inflation has cooled but some things like food are still getting more expensive. Consumers are also charging more on credit cards and saving less.

"Now, they love the falling gas prices, but a lot of Americans spent in other ways this summer and they may not be ready to open their wallets for Thanksgiving travel just yet," De Haan said.

Thanksgiving marks the start of the holiday travel season, and many still haven't shaken last December's nightmare before Christmas, when severe winter storms knocked out thousands of flights and left millions of passengers stranded.

Scott Evers, founder of the travel site Going, is cautiously optimistic that holiday air travel won't be the same story. In fact, he said, airlines have avoided massive disruptions.

"Everyone understands that airlines can't control Mother Nature and it's smart to take off or land in the middle of a Thanksgiving or snowstorm," Evers said. "It's not really the people are the controllable cancellations — those who cancel flights because the airline couldn't get their act together because their system melted down the way Southwest did over Christmas."

Indeed, Southwest didn't cancel as quickly as other carriers from last year's storms when its planes, pilots and flight attendants were trapped out of position and its crew-scheduling system got bogged down. The airline canceled nearly 27,000 flights before Thanksgiving this year, but regulators told Southwest recently that it could be fined for failing to help stranded travelers.

Southwest officials say they have since purchased additional deicing trucks and heating equipment and will add staff at cold-weather airports depending on the forecast. The company said it has also updated its crew-scheduling technology.

U.S. airlines as a whole have been better about stranding passengers. Though October, they canceled 30% fewer flights than during the same period in 2022. From June through August — when thunderstorms can start to get their act together because their system melted down the way Southwest did over Christmas — U.S. airlines as a whole canceled 20% fewer flights than during the same period in 2022.

Levee

Friend praised Kiva as "a very strong voice for the community" but Kiva said the effort took all the votes.

The majority of us, we know Kiva is a resident community member," he said. "This is a special place on the Central Coast, and this community absolutely understands the importance of working together to get things done because there's no better example than this town project of working together to get things done."

Kiva said expecting the project would keep the region safe.

"We're able to chase off a health-career food production for this region," he said.

Laird said the project is very people-oriented. He noted how when he went to the Santa Cruz County Fair with his wife, he could see the women who are over on Bridge Street in the factories were kids when he was county manager during the 1990s.

"It is a thing that has down-in-it-making that there's a solution," he said.

Laird said that a lot of people were worried in the early stages of this year's flood because of the feeling the impacted populations that the government did not care about them. However, he said the existing action proved those fears were wrong.

"In the last two or three years, it was because it was a disadvantaged community that legislation was adopted and a real change in the narrative of this story," he said.

Rep. Joe Lofgren, who represents Watsonville and Kiva's home district, served the area as part of her newly redrawn district when the flooding occurred.

"It was heartbreaking to go over to the fairgrounds to meet with the people who had lost everything and to be re-emerged on the road to get this done," she said.

Lofgren said a lot of support for the new levee construction came through the Republican Infrastructure bill, which was signed into law by President Joe Biden in 2022 and included money," he said. "This is a special place on the Central Coast, and this community absolutely understands the importance of working together to get things done because there's no better example than this town project of working together to get things done."

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## The First Wave is More Service

**METRO is reimagining service to better serve our community.**

Changes coming to METRO on December 21, 2023:

- More service
- Higher frequency
- Simpler, more direct routes
- Changes to route numbers
- Changes to bus stop locations

Learn more about specific route changes and get involved in the next wave.



[scmetro.org/reimagine](https://scmetro.org/reimagine)

REIMAGINE METRO

# Traditional Media - Press Banner, Pajaronian, Good Times



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**The First Wave is More Service**

**METRO is reimagining service to better serve you.**

[Find Out More](#)




**The First Wave is More Service**

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Changes METRO recently implemented:

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REIMAGINE METRO

# Traditional Media - Press Banner, Pajaronian, Good Times

**Therapy Meets Luxury**  
 Gift Certificates & Holiday Appointments Available!!  
 Give Relaxation & Wellness!  
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**HOLIDAY LIGHTS**  
 DRIVE-THRU LIGHT SHOW NOV 24 - DEC 24  
 FRIDAY-SATURDAY-SUNDAY EVENINGS  
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 SANTA CRUZ COUNTY Fairgrounds

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**METRO is reimagining service to better serve our community.**  
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 Learn more about specific route changes and get involved in the next wave.  
 scmetro.org/reimagine

A PERFECT PLACE FOR FOOD, WINE, FRIENDS - ON THE BEACH IN SANTA CRUZ  
**THE CROW'S NEST RESTAURANT**  
 Gourmet Breakfast, Lunch and Dinner with a panoramic view  
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 Enjoy our wood-fired pizzas and grab 'n go goodies on our scenic deck  
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**Christina Wise**  
 Mobile Notary Public  
 christinawisenotary@gmail.com  
 831-588-0510

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 scmetro.org/reimagine

**Auto Express Tire Pros**  
 Drive-Tire Oil Change  
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 Most cars  
 Includes:  
 • 10 point inspection  
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 2842 Sequoia Ave. Santa Cruz, CA 95061  
 831-462-3323

**TEACH THEM HOW TO FISH**  
*"It's like no other industry... Even if you're thinking, 'Well, what about the fishers that are right outside in Monterey Bay by Santa Cruz?'" - SARA LEWIS*

-22

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where you have let's say 10 vessels that land there all in one location, and then that's sometimes frozen, and they wait around for a while, and then they can it. In the time between docking and cooking, 100 other vessels could have really stopped by the same facility to drop off their own catch to the same freezer. In the past, if managers knew anything at all about who caught the fish in the can, it was only the list of possible vessels." FishWise is pushing for more specificity, and they are succeeding. A major breakthrough came in 2022 when their retail partner, 99-Only, a midwestern grocery, became the first major retail company ever to publicly disclose a complete list of vessels supplying its tuna. "If you can get information about the actual vessels that are in your supply chain—the fishing vessels that catch the fish—if you can identify those and have that information flowing through your supply chain," Lewis says, "you can use really amazing data tools to perform risk assessments to help ensure that those products were legally harvested and to understand risks to the laborers, like the fishers on board." In February 2023, the organization announced its new Executive Director, Jenny Barker, M.P.A. With an extensive background implementing fisheries management programs around the world from Honduras to Cambodia, Barker is an ideal leader to guide FishWise into the future. "FishWise has grown to hold a unique and important role in the sustainable seafood movement over the last 20 years," Barker says. "We will continue to promote comprehensive sustainability—for social, environmental, and economic benefits." Some ongoing projects include the Roadmap for Improved Seafood Ethics (RISE), a publicly available eLearning resource that reached 2,255 users in 88 countries in 2022. The organization also has leveraged its transparency and social responsibility expertise to consult with government agencies in both the U.S. and in other seafood-producing countries, including Peru, Ecuador, Tanzania, Vietnam, and Japan. Though its efforts take it to the most far-flung locales imaginable, FishWise has Santa Cruz at its core. It continues to partner with New Land grocery stores around the city and also maintains close relationships with groups that support local fisheries, including the Monterey Bay Fisheries Trust, Real Good Pub and Ocean to Table, among others. Many of its members are avid surfers and ocean lovers, Santa Cruz locals who understand the allure of the sea as well as its dark side. Their work, on a simple level, aims to bring the beauty and serenity Santa Cruzans enjoy in waters just off the city's coast to the places where the ocean represents the opposite of freedom. "We started here," says Berishoff-Lane. "We really feel connected to this community." FishWise is a non-profit 501(c)(3) whose mission is to sustain ocean ecosystems and the people who depend on them by transforming seafood supply chains. To make a tax-deductible donation to support FishWise, please visit fishwise.org/donate

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 www.wellwithinmassage.com

REIMAGINE METRO

# Fact Sheet - English



**Santa Cruz METRO is reenvisioning where buses should go, and how often they should run.**

**KEY GOALS INCLUDE:**

- Increase the amount of service provided
- Make transit more reliable and relevant to the community's needs
- Adapt to post-COVID travel patterns
- Create a network that is useful and attractive for many people's trips

**CHANGES COMING IN DECEMBER 2023:**

- More service to get you where you need to go
- Higher frequency service in areas with high transit demand
- Simple, more direct routes, especially in Watsonville
- Better transfers with shorter wait times
- Some changes to route numbers and names
- Some changes to bus stop locations and which streets have bus service

**The First Wave Frequently Asked Question (FAQ).**

**Will there be changes to UCSC campus service to address overcrowding by the time school starts?**

METRO will address overcrowding on campus routes with the addition of more articulated buses in December. The recently acquired additional articulated buses will be put into service on campus routes as soon as possible. If sufficient driver resources are available, METRO will also add additional trips on Routes 18 and 19 before December.



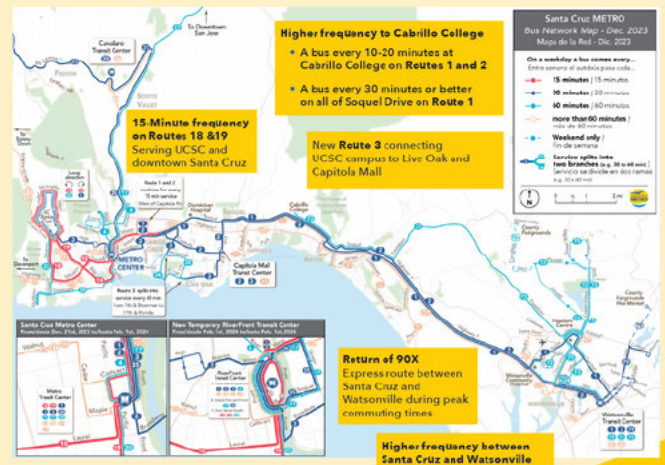
Learn more and get involved.



[scmetro.org/reimagine](http://scmetro.org/reimagine)

## Reimagine METRO Phase 1 Service Map

STARTING DECEMBER 21, 2023



[scmetro.org/reimagine](http://scmetro.org/reimagine)

REIMAGINE METRO

# Fact Sheet - Spanish

HOJA INFORMATIVA Y PREGUNTAS FRECUENTES SOBRE LA 1ª FASE DE LOS CAMBIOS AL SERVICIO DE METRO REIMAGINADOS

## La primera ola es más servicio

**Santa Cruz METRO está reimaginando adonde los autobuses deben ir, y a que frecuencia deben ofrecer servicio.**

**Pregunta frecuente sobre la primera ola (FAQ).**

¿Habrán cambios al servicio a la Universidad UCSC para reducir el apiñamiento a las horas cuando la escuela comienza?

METRO está respondiendo al apiñamiento con agregar autobuses grandes en las rutas a la Universidad a partir de diciembre. Los autobuses grandes fueron comprados recientemente y serán puesto en circulación por la Universidad lo más pronto posible. Si hay suficientes conductores, METRO también agregará viajes adicionales en las rutas 18 y 19 antes de diciembre.

**LOS OBJETIVOS CLAVES INCLUYEN:**

- Aumentar el servicio ofrecido
- Hacer el transporte público más fiable y responsivo a las necesidades de la comunidad
- Adaptar a las pautas de viajes después de la pandemia de COVID
- Establecer un red que es útil y atrae pasajeros para viajar por el condado

**CAMBIOS ADICIONALES VIENEN EN DICIEMBRE DE 2023:**

- Más servicio para llevarte adónde quieres ir
- Más frecuencia de servicio en áreas con alta demanda para el transporte público
- Rutas más directas y simples, especialmente Watsonville
- Mejores conexiones con menos tiempo de espera sin tarifas adicionales
- Algunos cambios a los nombres y números de las rutas
- Algunos cambios a las ubicaciones de las paradas de autobús y cuales calles ofrecen servicio de autobús



**Aprenda más y participe.**

[sctransit.org/es/reimagine](https://sctransit.org/es/reimagine)



## Mapa de servicio para la 1ª fase de METRO Reimaginado

A PARTIR DEL 21 DE DICIEMBRE DE 2023



**Más frecuencia al Colegio Cabrillo**

- Un autobús cada 10-20 minutos al Colegio Cabrillo en las rutas 1 y 2
- Un autobús cada 30 minutos o menos a lo largo de Soquel Drive en la ruta 1

**Frecuencia de 15 minutos en rutas 18 y 19**  
Ofreciendo servicio a UCSC y el Centro de Santa Cruz

**Nueva ruta 2** conectará la Universidad UCSC a Live Oak y Capitola Mall

**El regreso de 90X**  
La ruta Express entre Santa Cruz y Watsonville durante las horas pico

**Más frecuencia entre Santa Cruz y Watsonville**

**Santa Cruz METRO Bus Network Map - Dec. 2023**  
Mapa de la Red - Dic. 2023

**Cla a weeklay a los comas avera...**  
Entrega servicio de autobuses para cada...

- 15 minutos (15 minutos)
- 30 minutos (30 minutos)
- 60 minutos (60 minutos)
- more than 60 minutes / más de 60 minutos
- Weekend only / solo de semana

**Servicio rápido entre Santa Cruz y Watsonville (90X)**  
Servicio se divide en dos ramas: 90X y 90X-1



[sctransit.org/es/reimagine](https://sctransit.org/es/reimagine)

REIMAGINE METRO

# Flyer - English



The First Wave is More Service

## Reimagine METRO Phase 1 service changes are coming December 21, 2023.

- More service to get you where you need to go
- Higher frequency service in areas with high transit demand
- Simpler, more direct routes, especially in Watsonville
- Better transfers with shorter wait times
- Some changes to route numbers and names
- Some changes to bus stop locations and which streets have bus service

We listened to your feedback about our current system, and these changes are the best options that METRO can provide with our current funding. More changes will be coming with the next wave.



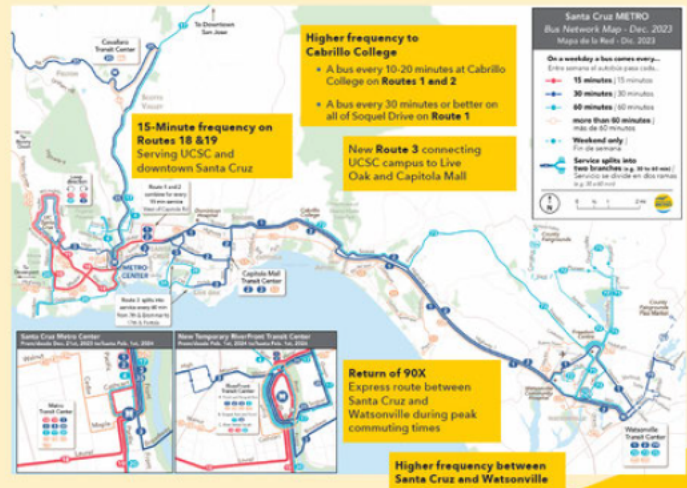
Learn more and get involved.



scmetro.org/reimagine

## Reimagine METRO Phase 1 Service Map

STARTING DECEMBER 21, 2023



scmetro.org/reimagine

REIMAGINE METRO

# Flyer - Spanish



**La primera ola es más servicio**

**La primera fase de los cambios de servicio de METRO Reimaginado comienza el 21 de diciembre de 2023.**

- Más servicio para llevarte adónde quieres ir
- Más frecuencia de servicio en áreas con alta demanda para el transporte público
- Rutas más directas y simples, especialmente en Watsonville
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Escuchamos sus comentarios sobre nuestro sistema actual y estos cambios representan las mejores opciones que METRO puede ofrecer con el nivel de financiación actual. Cambios adicionales se esperan en la próxima ola.



Aprenda más y participe.

[scmetro.org/es/reimagine](http://scmetro.org/es/reimagine)

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A PARTIR DEL 21 DE DICIEMBRE DE 2023

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La ruta Express entre Santa Cruz y Watsonville durante las horas pico

**Más frecuencia entre Santa Cruz y Watsonville**

**Santa Cruz METRO**  
Bus Network Map - Dec. 2023  
Mapa de la Red - Dic. 2023

De a weekday y los fines de semana:  
Entre semana y fines de semana para cada:

- 15 minutos | 15 minutos
- 20 minutos | 20 minutos
- 30 minutos | 30 minutos
- más de 30 minutos | más de 30 minutos

Weekend only  
Fin de semana

Servicio split into two branches (e.g. 18A and 18B)  
Servicio se divide en dos ramas (e.g. 18A and 18B)

[scmetro.org/es/reimagine](http://scmetro.org/es/reimagine)

# Attachment

REIMAGINE METRO

# Brochure - English

## The First Wave is More Service

### Changes Coming December 21, 2023

- More service to get you where you need to go
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- Better transfers with shorter wait times
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- Some changes to bus stop locations and which streets have bus service

We listened to your feedback about our current system, and these changes are the best options that METRO can provide with our current funding. More changes will be coming with the next wave.



Our mission is to protect the earth by providing sustainable transportation options.



DECEMBER 2023

## The First Wave

Phase 1 of Reimagine METRO Service Changes

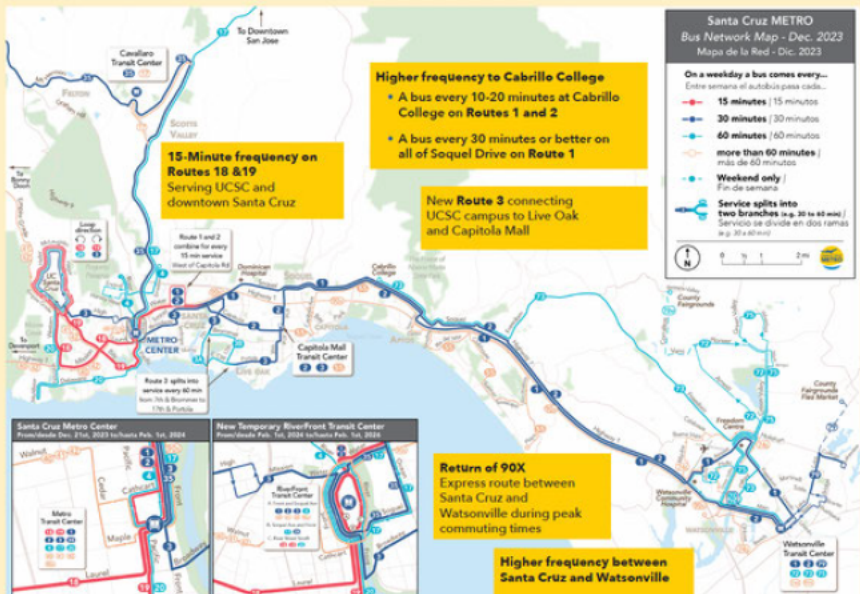


Learn more and get involved.  
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## Reimagine METRO Phase 1 Service Map

STARTING DECEMBER 21, 2023





# Attachment

REIMAGINE METRO

# Brochure - Spanish

## La primera ola es más servicio

Los cambios comienzan el 21 de diciembre de 2023:

- Más servicio para llevarte adónde quieres ir
- Más frecuencia de servicio en áreas con alta demanda para el transporte público
- Rutas más directas y simples, especialmente Watsonville
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Aprenda más y participe.  
[scmetro.org/es/reimagine](https://scmetro.org/es/reimagine)



Nuestro compromiso es proteger la tierra al ofrecer opciones de transportación sostenibles.



DICIEMBRE DE 2023

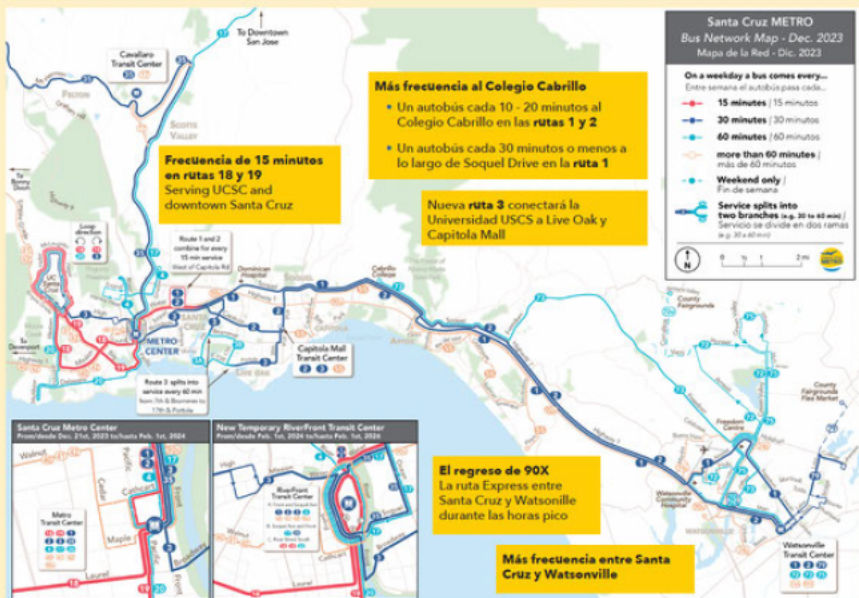
## La primera ola

1º fase de los cambios al servicio de METRO Reimaginado



## Mapa de servicio para la 1ª fase de METRO Reimaginado

A PARTIR DE DICIEMBRE 2023



## Attachment

REIMAGINE METRO

# Bus Poster



**The First Wave is More Service**

**METRO is reimagining service to better serve our community.**  
Changes Coming December 21, 2023.

- More service
- Higher frequency
- Simpler, more direct routes
- Changes to route numbers
- Changes to bus stop locations

Learn more and get involved.



[scmetro.org/reimagine](https://scmetro.org/reimagine)




**La primera ola es más servicio**

**METRO está reinventando el servicio para servir mejor a nuestra comunidad.**  
A partir del 21 de diciembre de 2023.

- Más servicio
- Más frecuencia
- Rutas más directas y simples
- Cambios a los nombres de las rutas
- Cambios a las ubicaciones de las paradas de autobús

Aprenda más y participe.



[scmetro.org/es/reimagine](https://scmetro.org/es/reimagine)



REIMAGINE METRO

# Headways Cover

**HEADWAYS**  
 BUS RIDER'S GUIDE • WINTER 2023 • December 21, 2023 - March 13, 2024

**The Wave is Coming**

Para ESPAÑOL, dar vuelta al libro

**The First Wave is More Service**

- 15-Minute frequency on Routes 18 & 19, Serving UCSC and downtown Santa Cruz
- Return of 90X, Express route between Santa Cruz and Watsonville during peak commuting times
- Higher frequency between Santa Cruz and Watsonville
- New Route 3 connecting UCSC campus to Live Oak and Capitola Mall
- Read more about METRO's service changes inside

SANTA CRUZ METRO

**HEADWAYS**  
 GUÍA PARA VIAJEROS • INVIERNO DE 2023 • 21 de diciembre de 2023 - 13 de marzo de 2024

**La ola está por llegar**

Turn over for ENGLISH version

**La primera ola es más servicio**

- Frecuencia de 15 minutos en las rutas 18 y 19, ofreciendo servicio a UCSC y el centro de Santa Cruz
- Regresa la 90X, la ruta Express entre Santa Cruz y Watsonville durante las horas pico
- Más frecuencia entre Santa Cruz y Watsonville
- Nueva ruta 3 conectando UCSC a Live Oak y Capitola Mall
- Lea más sobre los cambios de servicio de METRO a continuación

SANTA CRUZ METRO

REIMAGINE METRO

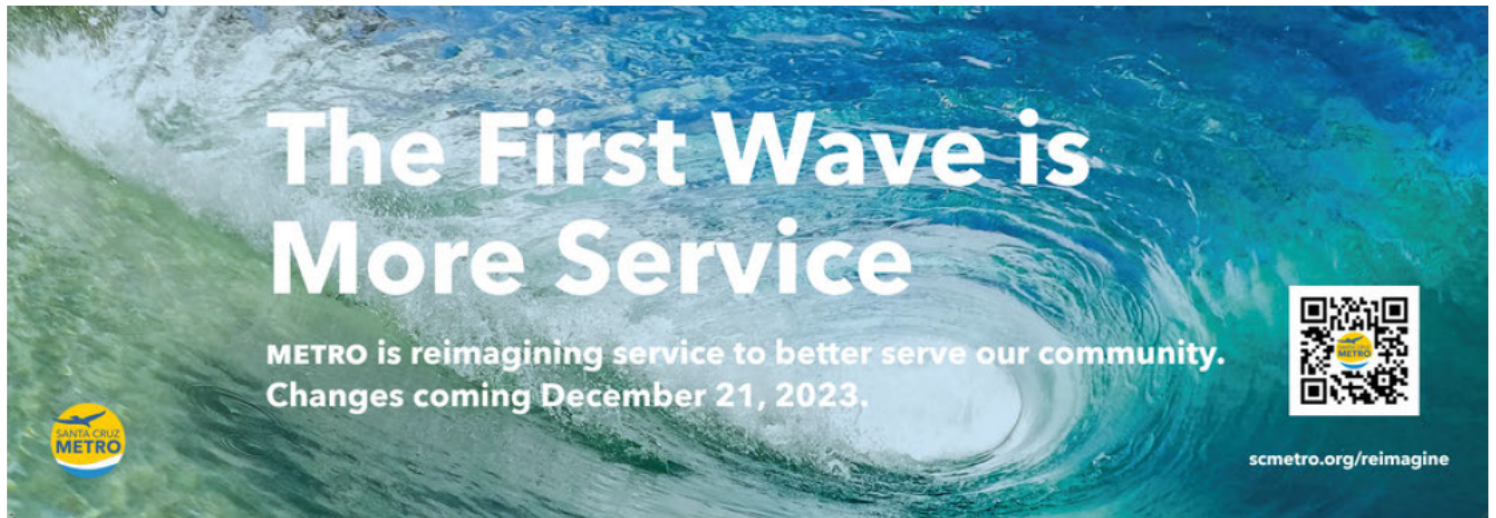
# Web Banner



REIMAGINE METRO

# Bus Exteriors

QUEEN AD



KING AD




## Attachment

REIMAGINE METRO

# Bus Interior

CAR CARD




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 **Aprenda más y participe.**

[scmetro.org/es/reimagine](https://scmetro.org/es/reimagine)

# One Time Grants Received over the Last 24 Months

**BUS**

VW	24,960,000	\$480,000 for 52 Buses
HVIP Rebate	12,720,000	\$240,000 for all Buses
CalSTA 2023 TIRCP	13,020,000	24 Buses
MPDG	4,800,000	4 Buses
AHSC (2023)	3,000,000	2 Buses
FTA 5339c	18,200,000	12 Buses
<b>Subtotal Buses</b>	<b>76,700,000</b>	

**Other**

CalSTA 2023 TIRCP	8,600,000	Hydrogen Fueling Station
CalSTA 2023 TIRCP	8,500,000	Watsonville Housing and Bike Hub
CalSTA 2023 TIRCP	1,500,000	Maintenance Facility Upgrades
CalSTA 2023 TIRCP	5,100,000	Bus Rapid Enhancements
CalSTA 2023 TIRCP	544,000	ZEB Workforce
CalSTA 2023 TIRCP	350,000	Project Management
CalSTA 2023 TIRCP	500,000	Pacific Station Bike Hub
CalSTA 2023 TIRCP	375,000	Integrated Ticketing and Scheduling
TIRCP	32,400,000	Phase 1/2 and Free Fares
FTA 5339c	2,100,000	Hydrogen and workforce development
FY21/22 Planning Grant	329,924	Caltrans Sustainable Trans Planning Grant
REAP 2.0	2,000,000	Watsonville Transit Center
Caltrans Clean Cal Transit Program	508,000	23 Bus Shelters and 18 Trash Cans
AHSC (2022)	9,000,000	Bus Tarmac - Pac Station
<b>Subtotal Non-Bus</b>	<b>71,806,924</b>	

**Grants and Rebates**

**148,506,924**

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**DATE:** January 26, 2024  
**TO:** Board of Directors  
**FROM:** Chuck Farmer, Chief Financial Officer  
**SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF DECEMBER 31, 2023**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the Year to Date Monthly Financial Report as of December 31, 2023**

**II. SUMMARY OF ISSUES**

An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors (Board) regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.

This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of December 31, 2023."

Staff recommends that the Board accept and file the attached report.

**III. DISCUSSION/BACKGROUND**

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of December 31, 2023. The fiscal year has elapsed 50%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of December 31, 2023

Slide 2

December 2023 Key Financial Highlights

- Service
  - Fixed Route (including Hwy 17) Cost per Revenue Service Hour is \$261 vs Budget of \$353
    - 2 canceled trips due to no operator
  - ParaCruz Cost per Trip is \$64 vs Budget of \$81
  - Non-Student/Hwy 17 Passengers is 88,639 vs Budget of 110,721
  - "Kids Ride Free" were 20,440

- Financials
  - Total Operating Surplus/(Deficit) is favorable \$0.7M driven by lower wages of \$0.1M, fringe of \$0.3M, and non-personnel costs of \$0.5M; partially offset by higher OT of \$0.2M
  - Non-Operating Revenues of \$5.5M are \$0.5M favorable vs budget of \$5.0M driven by higher than anticipated interest income and sales tax receipts
- Capital
  - Capital spending of \$726K is behind budget of \$805K primarily due to delay of Watsonville Parking Lot, Security Gates, and ZEB Charger installations; partially offset by accelerated payments on Pac Station remodel
- Personnel
  - 330 Active Personnel vs 331 Funded Personnel *as approved by the Board at June 2023 meeting*
    - 18 Vacancies at end of December
  - Recruitment completed for 7 ParaCruz and 14 Fixed Route drivers that will start in early January (additional headcount approved at the December Board meeting)
  - Currently Recruiting for Payroll Administrator, Marketing Specialist (2 FTE), Sr. Full Stack Developer (provisional), Capital Planning & Grants Program Manager, Safety, Security and Risk Director, Custodial Service Worker, Vehicle Service Workers (3 FTE), Mechanic I/II, Mechanic III

### Slide 3

(Cover) December 2023, YTD Pre-Close Financials

### Slide 4

December YTD FY24 Operating Surplus/(Deficit) Actual vs. Budget

- Actuals are \$2.8M favorable to budget – excludes UAL/Bond Payment and COVID related costs
  - Passenger Fares – favorable by \$196K, due to payment from Cabrillo College for surplus rides
  - Labor, Regular – favorable by \$632K, due to funded/vacant positions
  - Labor, OT – unfavorable by \$1,105K, increased overtime for Bus Operators
  - Fringe Benefits – favorable by \$913K due to retirement and medical insurance savings from funded/vacant positions

- Non-Personnel – favorable by \$2,190K, primarily due to lower than budgeted fuel costs and timing of Marketing programs

#### Slide 5

#### December 31, 2023 YTD Operating Revenue and Expenses

- Operating Revenue, net unfavorable by \$196K
  - Passenger Fares - unfavorable by \$38K
  - Special Transit Fares – favorable by \$234K
- Operating Expense, net favorable by \$2,630K– Favorable wages and fringe driven by funded/vacant positions, lower non-personnel costs; partially offset by increased OT
  - Labor Regular – favorable by \$632K
  - Labor OT – unfavorable by \$1,105K
  - Fringe Benefits – favorable by \$913K, excludes UAL related costs
  - Non-Personnel – favorable by \$2,190K, excludes all Bond payment related costs
- Operating Deficit lower by \$2,826K
  - Farebox Recovery – 18.1% vs 15.8% budget
- Non-Operating Revenue/(Expense), net favorable by \$2,358K - Sales tax of \$17.2M is 7.4% higher than budget
  - Sales Tax/including Measure D – favorable by \$1,186K
  - Federal/State Grants – unfavorable by \$212K
  - COVID Relief Grants – favorable by \$545K
  - Pension UAL/Bond Payment costs – no variance
  - All Other Revenues – favorable by \$839K
- Operating Surplus before Transfers higher by \$5,184K
- Bus Replacement Fund – higher by \$202K due to increased Measure D sales tax revenues
  - Bus Replacement Fund – Minimum \$3M annual commitment from Measure D sales tax and STA-SGR; FY24 budgeted transfer is \$3.2M
- Operating Surplus after Transfers higher by \$4,982K.

#### Slide 6

(Cover) Year End June 2024, Forecast Financials

#### Slide 7

Full Year FY24 Operating Revenue Surplus/(Deficit), net favorable by \$0.6M

- Passenger Fares – favorable by \$203K, Ridership continues to recover
- Labor, Regular – unfavorable by \$1,503K, due to hiring of Bus Operators are hired for service expansion
- Labor, OT – unfavorable by \$2,327K, increased overtime primarily related to Bus Operators
- Fringe Benefits – favorable by \$661K due to vacant positions not being filled until late in the year
- Non-Personnel – favorable by \$3,552K, primarily due to lower fuel prices and delayed spending on Soquel project; partially offset by higher spending for the Reimagine Metro campaign

Slide 8

Full Year FY24 Operating Revenue and Expenses Estimate

- Operating Revenue, net favorable by \$203K
  - Passenger Fares - unfavorable by \$31K
  - Special Transit Fares – favorable by \$234K
- Operating Expense, net favorable by \$383K – Expenses favorable due to lower fringe costs from vacant positions not being filled until late in the year, lower fuel prices, and delayed spending on Soquel project; partially offset by higher labor/OT costs as Bus Operators are hired for service expansion and increased spending for the Reimagine Metro campaign
  - Labor Regular – unfavorable by \$1,503K
  - Labor OT – unfavorable by \$2,327K
  - Fringe Benefits – favorable by \$661K, excludes UAL related costs
  - Non-Personnel – favorable by \$3,552K, excludes all Bond payment related costs
- Operating Deficit lower by \$585K
  - Farebox Recovery – 15.5% vs 15.1% budget
- Non-Operating Revenue/(Expense), net favorable by \$1,063K - Sales tax of \$34,7M is 9.2% higher than budget
  - Sales Tax/including Measure D – favorable by \$2,939K
  - Federal/State Grants – unfavorable by \$4,042K
  - COVID Relief Grants – favorable by \$461K
  - Pension UAL/Bond Payment costs – no variance
  - All Other Revenues – favorable by \$1,705K

- Operating Surplus before Transfers higher by \$1,649K
- Bus Replacement Fund – higher by \$540K due to increased Measure D sales tax revenues
  - Bus Replacement Fund – Minimum \$3M annual commitment from Measure D sales tax and STA-SGR; FY24 budgeted transfer is \$3.2M
- All Other Transfers: \$2M UAL, \$1.3M Operations Sustainability Reserve, \$4.3M Operations & Capital Reserve, and \$1.4M from COVID Recovery

Slide 9

(Cover) Capital Spending

Slide 10

December 31, 2023 Capital Budget Spend

Total Capital Projects spending month to date is \$726K against budget of \$805K

- Construction Related Projects – spending of \$625K against budget of \$374K
- IT Projects – spending of \$72K against budget of \$95K
- Facilities Repair & Improvements – spending of \$25K against budget of \$80K
- Revenue Vehicle Replacement – spending of \$4K against budget of \$56K
- Revenue Vehicle Electrification Projects – no spending against budget of \$100K
- Non-Revenue Vehicle Replacement – no spending, no budget
- Fleet & Maintenance Equipment – no spending, no budget
- Miscellaneous – no spending against budget of \$100K

Total Capital Projects spending year to date is \$3,010K against budget of \$4,271K, which is 14.1% of \$21,361K approved annual budget from June 2023

- Construction Related Projects – \$739K spending against budget of \$857K, which is 6.0% of \$12,416K annual budget
- IT Projects – \$513K spending against budget of \$955K, which is 18.7% of \$2,744K annual budget
- Facilities Repair & Improvements – \$121K spending against budget of \$225K, which is 4.5% of \$2,710K annual budget
- Revenue Vehicle Replacement – spending of \$1,238K against budget of \$1,698K, which is 48.9% of \$2,533K annual budget
- Revenue Vehicle Electrification Projects – spending of \$55K against budget of \$100K, which is 23.8% of \$231K annual budget

- Non-Revenue Vehicle Replacement – spending of \$23K with no budget for the year – *fees for vehicles purchased in FY23*
- Fleet & Maintenance Equipment – spending of \$171K with no budget for the year – *costs for Parts Washer that was delayed from FY23*
- Miscellaneous – spending of \$150K against budget of \$436K, which is 20.6% of \$727K annual budget

YTD spending of \$3,010K is lower than budget of \$4,271K primarily due to delays on the following projects:

- Integrated Ticket & Scheduling project
- Scotts Valley roof
- Watsonville parking lot
- ARTIC buses from San Diego

Slide 11

(Cover) Appendix

Slide 12

December 31, 2023 Monthly Operating Revenue and Expenses

- Operating Revenue, net favorable by \$48K
  - Passenger Fares - favorable by \$51K
  - Special Transit Fares – unfavorable by \$3K
- Operating Expense, net favorable by \$686K – Favorable wages/fringe driven by funded/vacant positions along with lower non-personnel costs primarily due to lower fuel costs
  - Labor Regular – favorable by \$105K
  - Labor OT – unfavorable by \$229K
  - Fringe Benefits – favorable by \$313K, excludes UAL related costs
  - Non-Personnel – favorable by \$496K, excludes all Bond payment related costs
- Operating Deficit lower by \$733K
  - Farebox Recovery – 20.5% vs 16.8% budget
- Non-Operating Revenue/(Expense), net unfavorable by \$1,695K, primarily due to timing of TDA Grant (received in November, was budgeted for December); partially offset by higher than anticipated interest income and sales tax receipts
  - Sales Tax/including Measure D – favorable by \$369K
  - Federal/State Grants – no variance

- Pension UAL/Bond Payment costs – no variance
- All Other Revenues – favorable by \$164K
- Operating Surplus before Transfers higher by \$1,266K
- Bus Replacement Fund – higher by \$42K due to increased Measure D sales tax revenues
  - Bus Replacement Fund – Minimum \$3M annual commitment from Measure D sales tax and STA-SGR; FY24 budgeted transfer is \$3.2M
- Operating Surplus after Transfers higher by \$1,224K

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to METRO's Financial Stability, Stewardship & Accountability.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

Favorable budget variances in Operating Revenues and Expenses contribute to favorable budget variance in Operating Balance, Year to Date as of December 31, 2023.

#### **VI. ALTERNATIVES CONSIDERED**

There are no alternatives to consider, as this is an accept and file Year to Date Monthly Financial Report.

#### **VII. ATTACHMENTS**

**Attachment A:** Year to Date Monthly Financial Report as of December 31, 2023 Presentation

Prepared by: Cathy Downes, Sr. Financial Analyst

**VIII. APPROVALS**

Chuck Farmer, Chief Financial Officer



Michael S. Tree, CEO/General Manager







# **Year to Date Monthly Financial Report as of December 31, 2023**

Board of Directors

January 26, 2024

Chuck Farmer, Chief Financial Officer

# December 2023 Key Financial Highlights

<p><b>Service</b></p>	<ul style="list-style-type: none"> <li>• Fixed Route (including Hwy 17) Cost per Revenue Service Hour is \$261 vs Budget of \$353             <ul style="list-style-type: none"> <li>• 2 canceled trips due to no operator</li> </ul> </li> <li>• ParaCruz Cost per Trip is \$64 vs Budget of \$81</li> <li>• Non-Student/Hwy 17 Passengers is 88,639 vs Budget of 110,721</li> <li>• "Kids Ride Free" were 20,440</li> </ul>
<p><b>Financials</b></p>	<ul style="list-style-type: none"> <li>• Total Operating Surplus/(Deficit) is favorable \$0.7M driven by lower wages of \$0.1M, fringe of \$0.3M, and non-personnel costs of \$0.5M; partially offset by higher OT of \$0.2M</li> <li>• Non-Operating Revenues of \$5.5M are \$0.5M favorable vs budget of \$5.0M driven by higher than anticipated interest income and sales tax receipts</li> </ul>
<p><b>Capital</b></p>	<ul style="list-style-type: none"> <li>• Capital spending of \$726K is behind budget of \$805K primarily due to delay of Watsonville Parking Lot, Security Gates, and ZEB Charger installations; partially offset by accelerated payments on Pac Station remodel.</li> </ul>
<p><b>Personnel</b></p>	<ul style="list-style-type: none"> <li>• 330 Active Personnel vs 331* Funded Personnel             <ul style="list-style-type: none"> <li>• 18 Vacancies at the end of December</li> </ul> </li> <li>• Recruitment completed for 7 ParaCruz and 14 Fixed Route drivers that will start in early January (additional headcount approved at December Board meeting)</li> <li>• Currently Recruiting for Payroll Administrator, Marketing Specialist (2 FTE), Sr. Full Stack Developer (provisional), Capital Planning &amp; Grants Program Manager, Safety, Security and Risk Director, Custodial Service Worker, Vehicle Service Workers (3 FTE), Mechanic I/II, Mechanic III</li> </ul>

10.3A.2

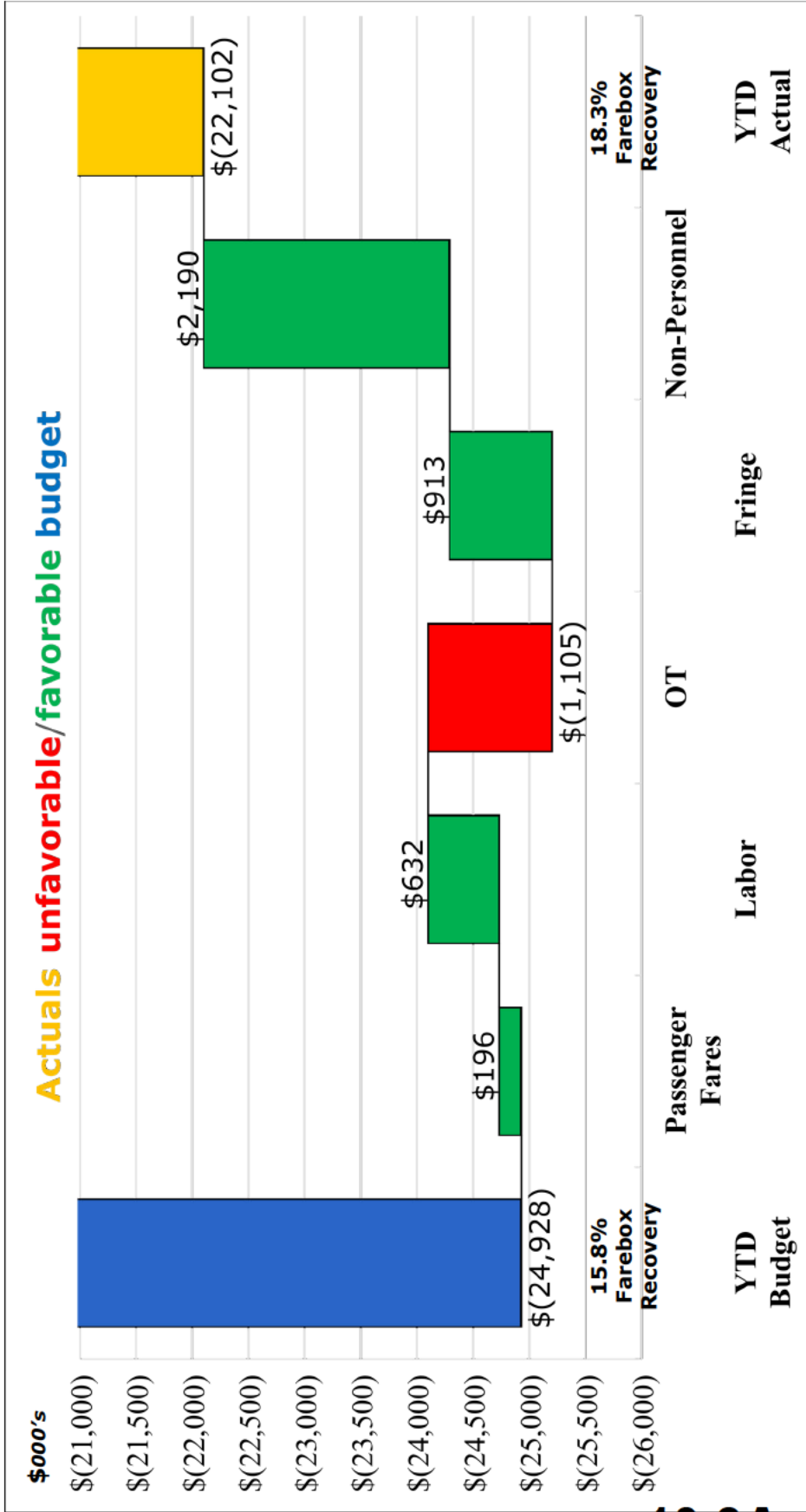
# **December 2023, YTD Pre-Close Financials**

**10.3A.3**

# December YTD FY24 Operating Surplus/(Deficit)

## Actual\* vs. Budget

Overall \$2.8M favorable



10.3A.4

\* Pre-close financials, subject to adjustments post close; may not foot due to rounding

# December 31, 2023

## YTD Operating Revenue and Expenses

\$ 000's	Actual*	Budget	Fav / (Unfav)
<b>Operating Revenue</b>			
Passenger Fares	\$ 1,493	\$ 1,531	(\$ 38)
Special Transit Fares	3,377	3,143	234
<b>Total Operating Revenue</b>	<b>\$ 4,870</b>	<b>\$ 4,674</b>	<b>\$ 196</b>
<b>Operating Expense</b>			
Labor - Regular	\$ 9,411	\$ 10,043	\$ 632
Labor - OT	1,676	571	(1,105)
Fringe	9,837	10,750	913
Non-Personnel <i>(excludes COVID costs)</i>	6,048	8,238	2,190
<b>Total OpEx</b>	<b>\$ 26,972</b>	<b>\$ 29,602</b>	<b>\$ 2,630</b>
<b>Operating Surplus/(Deficit)</b>	<b>(\$ 22,101)</b>	<b>(\$ 24,928)</b>	<b>\$ 2,826</b>
	<i>18.1%</i>	<i>15.8%</i>	<i>2.3%</i>
	<i>Farebox Recovery</i>		
<b>Non-Operating Revenue/(Expense)</b>			
Sales Tax/including Measure D	\$ 17,174	\$ 15,987	\$ 1,186
Federal/State Grants	5,755	5,967	(212)
COVID Relief Grants	5,524	4,980	545
Pension UAL/Bond Interest Payment	(715)	(715)	(0)
All Other	1,398	559	839
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ 29,136</b>	<b>\$ 26,778</b>	<b>\$ 2,358</b>
<b>Operating Surplus/(Deficit) before Transfers</b>	<b>\$ 7,035</b>	<b>\$ 1,850</b>	<b>\$ 5,184</b>
<b>Transfers and Other</b>			
Transfers to Bus Replacement Fund	(\$ 1,436)	(\$ 1,234)	(\$ 202)
<b>Operating Surplus/(Deficit) after Transfers</b>	<b>\$ 5,599</b>	<b>\$ 617</b>	<b>\$ 4,982</b>

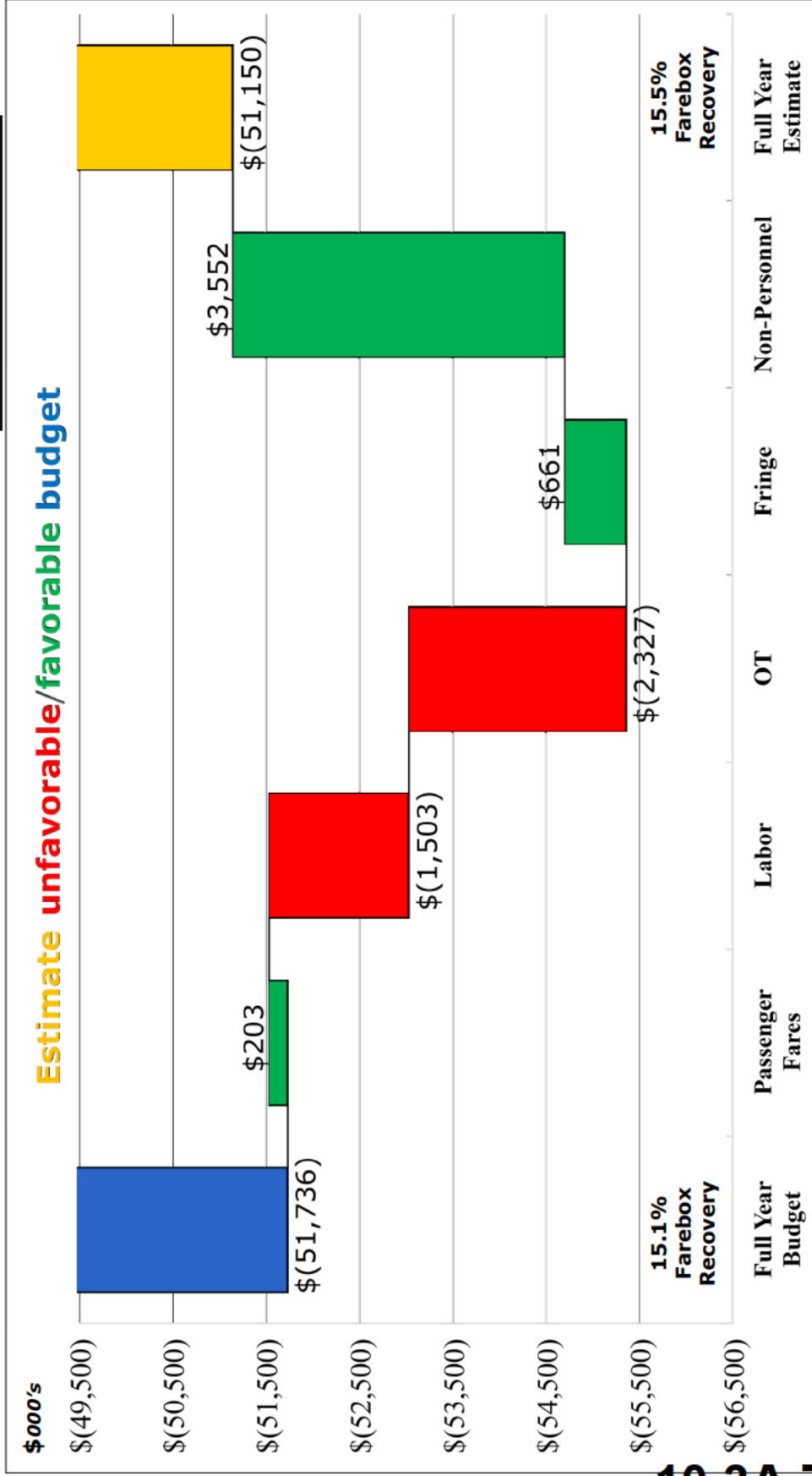
- \$2.8M Operating Surplus driven by vacant/funded positions, lower non-personnel costs primarily due to lower fuel costs as prices have decreased; partially offset by increased OT
- Sales tax of \$17.2M is 7.4% higher than budget
- Interest Income higher than anticipated along with higher reimbursable costs against the ARPA Grant

# **Year End June 2024, Forecast Financials**

**10.3A.6**

# Full Year FY24 Operating Revenue Surplus/(Deficit)

Overall \$0.6M favorable



✓ Projected Labor/OT deficit includes Phase 1 and Phase 2 cost, with no offsetting revenues

10.3A.7

\* Pre-close financials, subject to adjustments post close; may not foot due to rounding

# June 30, 2024

## Full Year Operating Revenue and Expenses\*

	Forecast*	Budget	Fav / (Unfav)
<b>Operating Revenue</b>			
Passenger Fares	\$ 3,049	\$ 3,080	(\$ 31)
Special Transit Fares	6,329	6,095	234
<b>Total Operating Revenue</b>	<b>\$ 9,378</b>	<b>\$ 9,175</b>	<b>\$ 203</b>
<b>Operating Expense</b>			
Labor - Regular	\$ 21,723	\$ 20,220	(\$ 1,503)
Labor - OT	3,498	1,171	(2,327)
Fringe	21,152	21,813	661
Non-Personnel <i>(excludes COVID costs)</i>	14,154	17,706	3,552
<b>Total OpEx</b>	<b>\$ 60,528</b>	<b>\$ 60,911</b>	<b>\$ 383</b>
<b>Operating Surplus/(Deficit)</b>	<b>(\$ 51,150)</b>	<b>(\$ 51,736)</b>	<b>\$ 585</b>
	15.5%	15.1%	0.4%
<i>Farebox Recovery</i>			
<b>Non-Operating Revenue/(Expense)</b>			
Sales Tax/including Measure D	\$ 34,747	\$ 31,808	\$ 2,939
Federal/State Grants	16,373	20,415	(4,042)
COVID Relief Grants	10,420	9,959	461
Pension UAL/Bond Interest Payment	(4,173)	(4,173)	(0)
All Other	2,945	1,240	1,705
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ 60,313</b>	<b>\$ 59,250</b>	<b>\$ 1,063</b>
<b>Operating Surplus/(Deficit) before Transfers</b>	<b>\$ 9,162</b>	<b>\$ 7,514</b>	<b>\$ 1,649</b>
<b>Transfers and Other</b>			
Transfers to Bus Replacement Fund	(\$ 2,890)	(\$ 2,350)	(\$ 540)
Transfers to Capital, UAL/OPEB Funds, and Reserves Replenishment	(\$ 7,626)	(\$ 7,626)	-
Transfers (to) / from COVID Reserve Fund	\$ 1,353	\$ 2,462	(\$ 1,109)
<b>Operating Surplus/(Deficit) after Transfers</b>	<b>-</b>	<b>\$ 0</b>	<b>(\$ 0)</b>

- Revenues favorable due to higher Sales Tax revenues, and Interest Income

- Expenses favorable due to lower fringe costs from vacant positions not being filled until late in the year, lower fuel prices, and delayed spending on Sequel project; partially offset by higher labor/OT costs as Bus Operators are hired for service expansion and increased spending for the Reimagine Metro campaign

- Bus Replacement Fund favorable due to net Measure D sales tax revenues of \$0.5M (less average of 12 Bus Operators' compensation)

- All Other Transfers: \$2M UAL, \$4.3M Operations/Capital Reserves, \$1.3M Operations Sustainability Reserve, and \$1.4M from COVID Recovery



# Capital Spending

10.3A.9

# December 31, 2023 Capital Budget Spend

Project Category:	Month to Date		Year to Date		Full Year	
	Actuals*	Budget	Actuals*	Budget	Budget**	% Spend
Construction Related Projects	\$ 625	\$ 374	\$ 739	\$ 857	\$ 12,416	6.0%
IT Projects	72	95	513	955	2,744	18.7%
Facilities Repair & Improvements	25	80	121	225	2,710	4.5%
Revenue Vehicle Replacement	4	56	1,238	1,698	2,533	48.9%
Revenue Vehicle Electrification Projects	-	100	55	100	231	23.8%
Non-Revenue Vehicle Replacement	-	-	23	-	-	0.0%
Fleet & Maintenance Equipment	-	-	171	-	-	0.0%
Misc.	-	100	150	436	727	20.6%
<b>Total \$</b>	<b>726</b>	<b>\$ 805</b>	<b>\$ 3,010</b>	<b>\$ 4,271</b>	<b>\$ 21,361</b>	<b>14.1%</b>

YTD spending of \$3,010K is lower than budget of \$4,271K primarily due to delays on the following projects:

- ✓ Integrated Ticket & Scheduling project
- ✓ Scotts Valley roof
- ✓ Watsonville parking lot
- ✓ ARTIC buses from San Diego

10.3A.10

# Appendix

# December 31, 2023

## Monthly Operating Revenue and Expenses

\$ 000's	Actual*	Budget	Fav / (Unfav)
<b>Operating Revenue</b>			
Passenger Fares	\$ 250	\$ 200	\$ 50
Special Transit Fares	654	657	( 3)
<b>Total Operating Revenue</b>	<b>\$ 904</b>	<b>\$ 857</b>	<b>\$ 48</b>
<b>Operating Expense</b>			
Labor - Regular	\$ 1,504	\$ 1,609	\$ 105
Labor - OT	324	96	(229)
Fringe	1,674	1,987	313
Non-Personnel ( <i>excludes COVID costs</i> )	915	1,411	496
<b>Total OpEx</b>	<b>\$ 4,417</b>	<b>\$ 5,102</b>	<b>\$ 686</b>
<b>Operating Surplus/(Deficit)</b>	<b>(\$ 3,512)</b>	<b>(\$ 4,246)</b>	<b>\$ 733</b>
<i>Farebox Recovery</i>	<i>20.5%</i>	<i>16.8%</i>	<i>3.7%</i>
<b>Non-Operating Revenue/(Expense)</b>			
Sales Tax/including Measure D	\$ 2,845	\$ 2,476	\$ 369
COVID Relief Grants	2,490	2,490	-
Pension UAL/Bond Interest Payment	(119)	(119)	-
All Other	267	103	164
<b>Total Non-Operating Revenue/(Expense)</b>	<b>\$ 5,483</b>	<b>\$ 4,951</b>	<b>\$ 533</b>
<b>Operating Surplus/(Deficit) before Transfers</b>	<b>\$ 1,971</b>	<b>\$ 705</b>	<b>\$ 1,266</b>
<b>Transfers and Other</b>			
Transfers to Bus Replacement Fund	(\$ 222)	(\$ 180)	(\$ 42)
<b>Operating Surplus/(Deficit) after Transfers</b>	<b>\$ 1,749</b>	<b>\$ 525</b>	<b>\$ 1,224</b>

10.3A.12

\* Pre-close financials, subject to adjustments post close



**DATE:** January 26, 2024  
**TO:** Board of Directors  
**FROM:** Chuck Farmer, CFO, and Julie Sherman, General Counsel  
**SUBJECT: RESOLUTION APPROVING ACTIONS REGARDING THE PACIFIC STATION NORTH PROJECT**

**I. RECOMMENDED ACTION**

**That the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) adopt a resolution authorizing the CEO/General Manager to enter into the agreements described below and other related documents in order to facilitate the development of the Pacific Station North Project (the “Project”).**

**II. SUMMARY**

METRO and the City of Santa Cruz (City) have agreed to cooperatively undertake the Project, a transit-oriented redevelopment project, which will include the construction of a seven-story mixed use building with 128 affordable residences, ground floor commercial and office space, as well as a new METRO transit center. The City and METRO have sought and obtained significant grant funding to support the Project and the City has procured an experienced affordable housing developer, Eden Housing (Eden), who has paired with another firm, For the Future Housing, Inc. (FTF), to undertake the Project. Eden and FTF have in turn formed two entities, 901 Pacific Avenue Investors, L.P. (the Partnership) and Downtown Santa Cruz Developer, LLC (DSCD) to construct the housing and transit improvements respectively.

In 2020, METRO entered into a Memorandum of Understanding (MOU), pursuant to which METRO committed to spend up to \$4 million of local funds to finance the Project, under which the affordable housing developer will engage a contractor to construct both the affordable housing and the new transit center. To configure the property to support the project design, the City and METRO will exchange portions of their properties. In order to undertake the financing and construction of the Project, the parties will need to enter into a series of agreements, which are described in the next section. The attached resolution (Attachment A) (the Resolution) will authorize the CEO/General Manager to execute the necessary agreements to implement the Project.

### III. DISCUSSION/BACKGROUND

#### Agreements to be approved under the Resolution:

In order to implement the Project, METRO must enter into the following agreements, which will be authorized by adoption of the Resolution:

#### 1. Multi-Party Agreement

The Multi-Party Agreement (Ex. 5 to Attachment A) is a comprehensive agreement that sets forth the actions and approvals required by all of the parties involved in the Project, including several of the individual agreements listed below.

#### 2. Property Transfer Agreement

The Property Transfer Agreement (Ex. 4 to Attachment A) authorizes the exchange of deeds in order to configure the City and METRO property in conformance with the Project plans. In December, the Board adopted Resolution No. 23-12-04 (Attachment B), declaring the property it will transfer to the City as "exempt surplus land." The City took a similar action for the property that it will transfer. With an exchange of deeds and through a "lot line adjustment" the City has already approved, the properties will be in the right configuration for the Project to proceed. The parcel to be transferred from METRO to the City, described as "Transfer Parcel 1," is approximately 16,965 square feet, and is described and depicted on Exhibit 1 attached to Resolution 23-12-04 (the "Property"). A portion of this property consists of a street area to be dedicated. In exchange, the City will convey to METRO the property identified on the exhibit as "Transfer Parcel 2," consisting of approximately 16,245 square feet. (Transfer Parcel 2 is shown on Exhibit 2 to Resolution 23-12-04, Attachment B.) A portion of the property METRO is transferring (the parking lot to the north of the existing transit station) was acquired with federal funds, the transfer of which requires the approval of the Federal Transit Administration (FTA). The FTA has approved the swap of this property on the condition that the property being received from the City is impressed with the same financial obligation to FTA to preserve the federal interest in the land. There is no change in the magnitude of METRO's financial obligation to the FTA.

#### 3. Right of Entry Agreement

This agreement (Ex. 6 to Attachment A) will allow DSCD's contractor to enter onto the METRO property to construct the new transit center. It will provide for insurance and indemnity protection to METRO.

4. The Affordable Housing and Sustainable Communities (AHSC) Implementation and Cooperation Agreement

The AHSC Implementation and Cooperation Agreement (Ex. 7 to Attachment A), which relates to the previously authorized funding agreements described below, allocates responsibility among the parties receiving the grants, for the obligations undertaken in those funding agreements. In general, this agreement helps to insulate METRO from financial responsibility for actions related to the expenditure of the grant funds by the other parties.

Agreements Previously Approved:

1. AHSC Grant Documents

Eden, the City and METRO have applied for and received an award of funds from the AHSC program as follows: a grant of Transportation Related Amenities (TRA) funds in the amount of \$5,840,633 and a grant of Sustainable Transportation Infrastructure (STI) funds in the amount of \$1,750,000. Eden and the City will be the payees of the AHSC grant funds and will expend those funds for construction costs relating to the METRO Station Improvements. The Board approved the application for these funds and the execution of the "Standard Agreement" from the State Department of Housing and Community Development (HCD) to receive them pursuant to Resolution No. 21-05-02, adopted by the METRO Board on May 21, 2021 (Attachment C), and no further Board authorization is required to execute these agreements to receive these funds. A related agreement with HCD, a Disbursement Agreement, was also included in this prior Board authorization. As noted above, an AHSC Implementation and Cooperation Agreement is being approved pursuant to the attached Resolution.

2. Interim Improvement Agreement

This agreement, approved by the Board in November, provides for the construction of improvements to provide alternate locations for transit operations while the new transit station is being constructed. METRO is funding these improvements as part of its \$4 million contribution cap described above.

Future Agreements:

The following agreements, relating to the final details of the METRO Station Improvements, will be brought to the Board for approval in the future:

1. METRO Station Improvements Agreement

This agreement, among the City, the developer and METRO, will facilitate the construction of the METRO improvements on the METRO-owned property.

2. Lease

METRO and the City will enter into a long term lease of the Ground Floor Space for use by METRO as the new transit office, pursuant to terms and conditions reasonably acceptable to METRO and the City.

3. METRO Turnkey Improvement Agreement

The City, METRO, and the contractor will enter into an agreement providing for the tenant improvements needed to support the immediate occupancy of approximately 4,979 square feet by METRO for its ticketing and other offices, which is located in the Ground Floor Space located on the City's property.

4. Lease of Solar Array

METRO will enter into a lease with the Partnership to permit the installation of a solar array on the METRO Station structure and the use of the electricity generated therefrom. This installation is contemplated as part of the grant-funded infrastructure.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

The Project will promote METRO's strategic priority of Service Quality and Delivery by providing a new transit center to serve METRO's riders. It will be delivered by means of a Strategic Alliance with the City and following significant Community Outreach.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

The agreements being approved pursuant to the attached Resolution have no additional financial impact beyond the \$4 million already committed to the Project.

**VI. CHANGES FROM COMMITTEE**

This item was not brought before a Committee.



## **VII. ALTERNATIVES CONSIDERED**

The Board may decide not to adopt the Resolution, but staff does not recommend this action as the above-described agreements are necessary for completion of the Project.

## **VIII. ATTACHMENTS**

**Attachment A:** Resolution Approving Agreements for the Pacific Station North Project

**Attachment B:** Surplus Land Act Resolution (Resolution No. 23-12-04)

**Attachment C:** AHSC Grant Authorization (Resolution No. 21-05-02)

Prepared by: Chuck Farmer, CFO

**IX. APPROVALS**

Approved as to fiscal impact:  
Chuck Farmer, CFO



Michael Tree  
CEO/General Manager



# Attachment A



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. \_\_\_\_\_  
On the Motion of Director: \_\_\_\_\_  
Duly Seconded by Director: \_\_\_\_\_  
The Following Resolution is Adopted:

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT APPROVING ACTIONS REGARDING THE PACIFIC STATION NORTH PROJECT

**WHEREAS**, the Santa Cruz Metropolitan Transit District ("METRO") and the City of Santa Cruz ("City") have agreed to cooperatively undertake the Pacific Station North Redevelopment Project, a transit-oriented redevelopment project, which will include the construction of a seven-story mixed use building with 128 affordable residences, ground floor commercial and office space, as well as a new METRO transit center (the "Project"); and

**WHEREAS**, in 2020, METRO entered into a Memorandum of Understanding ("MOU") with the City, pursuant to which METRO committed to spend up to \$4 million of local funds to finance the Project, under which the affordable housing developer will engage a contractor to construct both the affordable housing and the new transit center; and

**WHEREAS**, the City and METRO have sought and obtained significant grant funding to support the Project and the City has procured an experienced affordable housing developer, Eden Housing ("Eden"), who has paired with another firm, For the Future Housing, Inc. ("FTF"), to undertake the Project. Eden and FTF have in turn formed two entities, 901 Pacific Avenue Investors, L.P. (the "Partnership") and Downtown Santa Cruz Developer, LLC ("DSCD") to construct the housing and transit improvements respectively; and

**WHEREAS**, in order to undertake the financing and construction of the Project, the parties will need to enter into a series of agreements, as further described in this Resolution; and

**WHEREAS**, METRO owns certain real property located between Front Street and Pacific Avenue, where it operates a transit station, a portion of which is located on a parcel (the "Existing METRO Property"), which is shown as "Transfer Parcel 1" on Exhibit 1; and

# Attachment A

Resolution No. \_\_\_\_\_

Page 2

**WHEREAS**, the City owns property adjacent to the METRO Property (the "Existing City Property"), which is shown as "Transfer Parcel 2" on Exhibit 2; and

**WHEREAS**, to configure the properties to support the Project design, METRO and the City have agreed to swap land and to complete a lot line adjustment to achieve the property configuration needed to support the Project, as depicted on the attached Exhibit 3; and

**WHEREAS**, on December 15, 2023, pursuant to Resolution 23-12-04, the Board of Directors of METRO declared the Existing METRO Property as "exempt surplus land" pursuant to the California Surplus Land Act (California Government Code section 54220 et. seq.) and provided a copy of the adopted resolution to the State Department of Housing and Community Development to facilitate the property swap; and

**WHEREAS**, the Property Transfer Agreement (Exhibit 4) authorizes the exchange of deeds to the Existing METRO Property and the Existing City Property in order to configure the City and METRO property so as to support the development of the Project; and

**WHEREAS**, the Multi-Party Agreement (Exhibit 5) is a comprehensive agreement that sets forth the actions and approvals required by all of the parties involved in the Project, including several of the individual agreements listed below; and

**WHEREAS**, the Right of Entry Agreement (Exhibit 6) will allow DSCD's contractor to enter onto the METRO property to construct the new METRO transit center, providing insurance and indemnity protection to METRO; and

**WHEREAS**, Eden, the City and METRO have applied for and received an award of funds from the Affordable Housing and Sustainable Communities (AHSC) program as follows: a grant of Transportation Related Amenities (TRA) funds in the amount of \$5,840,633 and a grant of Sustainable Transportation Infrastructure (STI) funds in the amount of \$1,750,000. Eden and the City will be the payees of the AHSC grant funds and will expend those funds for construction costs relating to the METRO Station Improvements. The METRO Board approved the application for these funds and the execution of the "Standard Agreement" from the State Department of Housing and Community Development (HCD) to receive them pursuant to Resolution No. 21-05-02, adopted by the METRO Board on May 21, 2021, and no further Board authorization is required to execute these agreements to receive these funds. A related agreement with HCD, a Disbursement Agreement, was also included in this prior Board authorization. As noted above, an AHSC Implementation and Cooperation Agreement is being approved pursuant to the attached Resolution; and

**WHEREAS**, the AHSC Implementation and Cooperation Agreement (Exhibit 7), which relates to the previously authorized funding agreements described below, allocates responsibility among the parties receiving the grants for the obligations undertaken in those funding agreements and helps to insulate METRO from financial responsibility for actions related to the expenditure of the grant funds by the other parties; and

# Attachment A

Resolution No. \_\_\_\_\_  
Page 3

**WHEREAS**, additional following agreements, relating to the final details of the METRO Station Improvements, will be brought to the Board for approval in the future, including the METRO Station Improvements Agreement, a lease of the transit station canopies for a solar array, a long-term lease of ground floor space for METRO offices, and the METRO Turnkey Improvements Agreement for the tenant improvement work to prepare that space.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Santa Cruz Metropolitan Transit District reaffirms its commitment to expend up to \$4 million in support of the Project and authorizes and directs the CEO/General Manager or designee to execute the following documents, in a form substantially similar to the attached documents and subject to the final approval of the General Counsel:

1. Multi-Party Agreement
2. Property Transfer Agreement
3. Right of Entry Agreement
4. AHSC Implementation and Cooperation Agreement

**THEREFORE, BE IT FURTHER RESOLVED**, that the CEO/General Manager is authorized to execute other related documents and take any other actions necessary to give full effect to this Resolution.

**PASSED AND ADOPTED** this 26th Day of January 2024 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

**APPROVED:**

---

SHEBREH KALANTARI-JOHNSON, Board Chair

**10.4A.3**

# Attachment A

Resolution No. \_\_\_\_\_  
Page 4

## **ATTEST:**

\_\_\_\_\_  
MICHAEL TREE  
CEO/General Manager

## **APPROVED AS TO FORM:**

\_\_\_\_\_  
JULIE SHERMAN  
General Counsel

# Exhibit 1



## LEGAL DESCRIPTION TRANSFER APARTMENT LAND ALONG PACIFIC

September 21, 2023  
BKF No. 20202191  
Page 1 of 2

### Exhibit A-1

#### TRANSFER PARCEL 1

From Santa Cruz Metropolitan Transit District to City of Santa Cruz

All that real property situated in the City of Santa Cruz, County of Santa Cruz, State of California, and

Being a portion of the lands conveyed to Santa Cruz Metropolitan Transit District (SCMTD) in Grant Deed recorded May 14, 1992 in Book 5035, at Page 410 (Deed-1), Santa Cruz County Official Records, and a portion of the lands conveyed to SCMTD, in Grant Deed recorded December 29, 2010 as Document 2010-0055095 (Deed-2), Santa Cruz County Official Records, and more particularly described as follows:

**BEGINNING** at the most southwesterly corner of the lands conveyed to R.J. Lockwood in Grant Deed recorded November 15, 1969 in Book 4592, at Page 735, Santa Cruz County Official Records and also being a Lead Plug and Tag (LS 5513) set in concrete sidewalk along the easterly side of Pacific Avenue, a public street, from which another Lead Plug and Tag (LS 5513) set in concrete sidewalk along the westerly side of Front Street, a public street, as said Lead Plug and Tags are shown on that certain Record of Survey map filed in Volume 94 of Maps, at Page 35, Santa Cruz County Official Records, bears North  $78^{\circ}55'35''$  East, 276.48 feet; thence leaving said **POINT OF BEGINNING** along the southerly boundary of the Lands of R.J. Lockwood, North  $78^{\circ}55'35''$  East, 12.32 feet to the northwesterly corner of Deed-2 and the **TRUE POINT OF BEGINNING** of this description;

Thence leaving the northwesterly corner of Deed-2 and along the northerly boundary of Deed-2 North  $78^{\circ}55'35''$  East, 67.55 feet;

Thence leaving the northerly boundary of Deed-2 South  $11^{\circ}07'30''$  East, 250.11 feet to a point on the southerly boundary of Deed-1, also being a point on the northerly boundary of the lands conveyed to the City of Santa Cruz in Grant Deed recorded August 1, 1972 in Book 2225, Page 14 Santa Cruz County Official Records;

Thence leaving westerly along said common boundary (and a westerly extension of said lands of City of Santa Cruz), South  $86^{\circ}23'09''$  West, 70.31 feet;

Thence leaving the southerly boundary of Deed-1, North  $11^{\circ}08'13''$  West, 170.69 feet to a point on the northerly boundary line of Deed-1;

Thence along the northerly boundary of Deed-1, North  $82^{\circ}15'14''$  East, 2.30 feet to the southwesterly corner of said Deed-2;

Thence leaving said northerly boundary line, and along the westerly boundary of said Deed-2, North  $11^{\circ}12'30''$  West, 70.43 feet to the **TRUE POINT OF BEGINNING**.

# Exhibit 1

EXHIBIT "A-1"  
Legal Description  
Transfer Parcel 1  
Page 2 of 2

Containing an area of 16,965 square feet or 0.389 acres, more or less.

The above described transfer parcel is shown on the plat entitled, "Exhibit A-2", attached hereto and by reference made a part hereof.

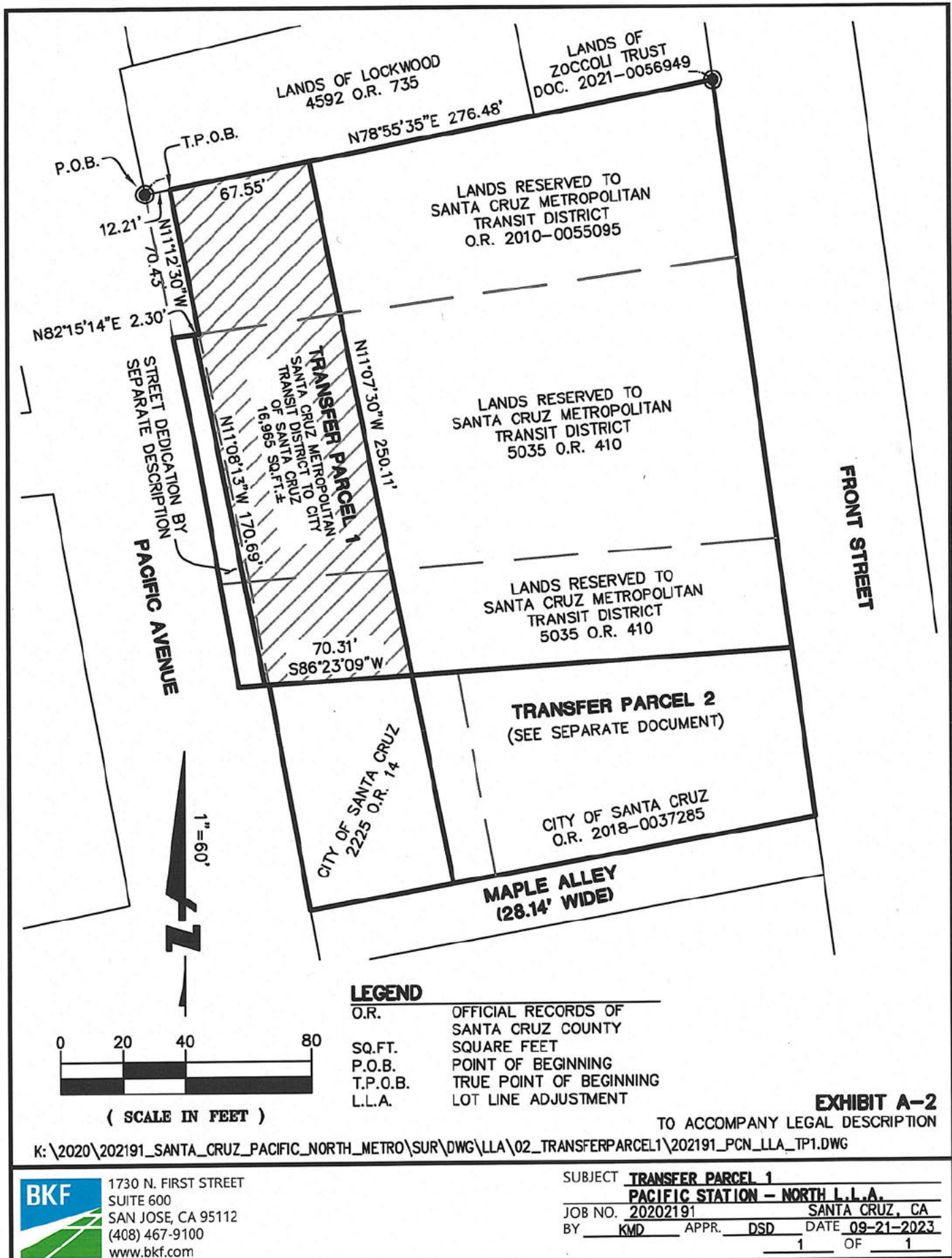
Signed \_\_\_\_\_

\_\_\_\_\_ Date





# Exhibit 1



### LEGEND

O.R.	OFFICIAL RECORDS OF SANTA CRUZ COUNTY
SQ.FT.	SQUARE FEET
P.O.B.	POINT OF BEGINNING
T.P.O.B.	TRUE POINT OF BEGINNING
L.L.A.	LOT LINE ADJUSTMENT

### EXHIBIT A-2

TO ACCOMPANY LEGAL DESCRIPTION

K:\2020\202191\_SANTA\_CRUZ\_PACIFIC\_NORTH\_METRO\SUR\DWG\LLA\02\_TRANSFERPARCEL1\202191\_PCN\_LLA\_TP1.DWG

**BKF**  
 1730 N. FIRST STREET  
 SUITE 600  
 SAN JOSE, CA 95112  
 (408) 467-9100  
 www.bkf.com

SUBJECT TRANSFER PARCEL 1  
PACIFIC STATION - NORTH L.L.A.  
 JOB NO. 20202191 SANTA CRUZ, CA  
 BY KMD APPR. DSD DATE 09-21-2023  
 1 OF 1

# Exhibit 1

## Closure Calculations

Lot Line Adjustment  
Santa Cruz, California

September 20, 2023

BKF Engineers No. 20202191

Parcel Map Check

---

Parcel Name: Transfer Parcel 1

	North: 2,698.565'	East: 1,871.120'
Line	Course: N78° 55' 35"E	Length: 67.55'
	North: 2,711.539'	East: 1,937.412'
Line	Course: S11° 07' 30"E	Length: 250.11'
	North: 2,466.129'	East: 1,985.671'
Line	Course: S86° 23' 09"W	Length: 70.31'
	North: 2,461.697'	East: 1,915.501'
Line	Course: N11° 08' 13"W	Length: 170.69'
	North: 2,629.173'	East: 1,882.531'
Line	Course: N82° 15' 14"E	Length: 2.30'
	North: 2,629.483'	East: 1,884.810'
Line	Course: N11° 12' 30"W	Length: 70.43'
	North: 2,698.570'	East: 1,871.120'

Perimeter: 631.39'

Area: 16,965 Sq Ft 0.389 Ac.

Error Closure: 0.01'

Course: N0° 00' 00"E

Error North: 0.005'

East: 0.000'

Precision 1: 126,278.00'

# Exhibit 2



September 21, 2023  
BKF No. 20202191  
Page 1 of 1

## Exhibit B-1

### TRANSFER PARCEL 2

From the City of Santa Cruz to the Santa Cruz Metropolitan Transit District

All that real property situated in the City of Santa Cruz, County of Santa Cruz, State of California, and

Being all of the lands conveyed to the City of Santa Cruz in Grant Deed recorded December 13, 2018 as Document 2018-0037285, Santa Cruz County Official Records (Deed-1), and being a portion of the lands conveyed to the City of Santa Cruz in Grant Deed recorded August 1, 1972 in Book 2225, at Page 14, Santa Cruz County Official Records (Deed-2) and more particularly described as follows:

**BEGINNING** at the most southeasterly corner of the lands conveyed to the Russell P. Zoccoli Revocable Trust in Grant Deed recorded November 18, 2021 as Document 2021-0056949, Santa Cruz County Official Records and also being a Lead Plug and Tag (LS 5513) set in concrete sidewalk along the westerly side of Front Street, a public street, from which another Lead Plug and Tag (LS 5513) set in concrete along the easterly side of Pacific Avenue, a public street, as said Lead Plug and Tags are shown on that certain Record of Survey map filed in Volume 94 of Maps, at Page 35, Santa Cruz County Official Records, bears South 78°55'35" West, 276.48 feet; thence leaving said **POINT OF BEGINNING** along the easterly boundary line of the lands reserved to Santa Cruz Metropolitan Transit District as described in Grant Deed recorded December 29, 2010 as Document 2010-0055095, Santa Cruz County Official Records, and the lands conveyed to Santa Cruz Metropolitan Transit District in Grant Deed recorded May 14, 1992 in Book 5035, at Page 410, Santa Cruz County Official Records, South 7°38'39" East, 355.39 feet to the northeasterly corner of Deed-1 and the **TRUE POINT OF BEGINNING** of this description;

Thence leaving said corner of Deed-1 and along the easterly boundary of Deed-1, South 7°38'39" East, 81.21 feet to the southeasterly corner of said Deed-1;

Thence leaving said corner of Deed-1 and along the northerly sideline of Maple Alley, a public right of way 28.14 feet in width, and along the Southerly boundary of Deed-1 and Deed-2, South 79°57'16" West, 175.17 feet to a point on the southerly boundary of said Deed-2;

Thence leaving the southerly boundary of Deed-2, North 11°07'30" West, 101.50 feet to a point on the northerly boundary line of said Deed-2;

Thence along the northerly boundary line of Deed-2 and Deed-1, North 86°23'09" East, 181.63 feet to the **TRUE POINT OF BEGINNING**;

Containing an area of 16,245 square feet or 0.373 acres, more or less.

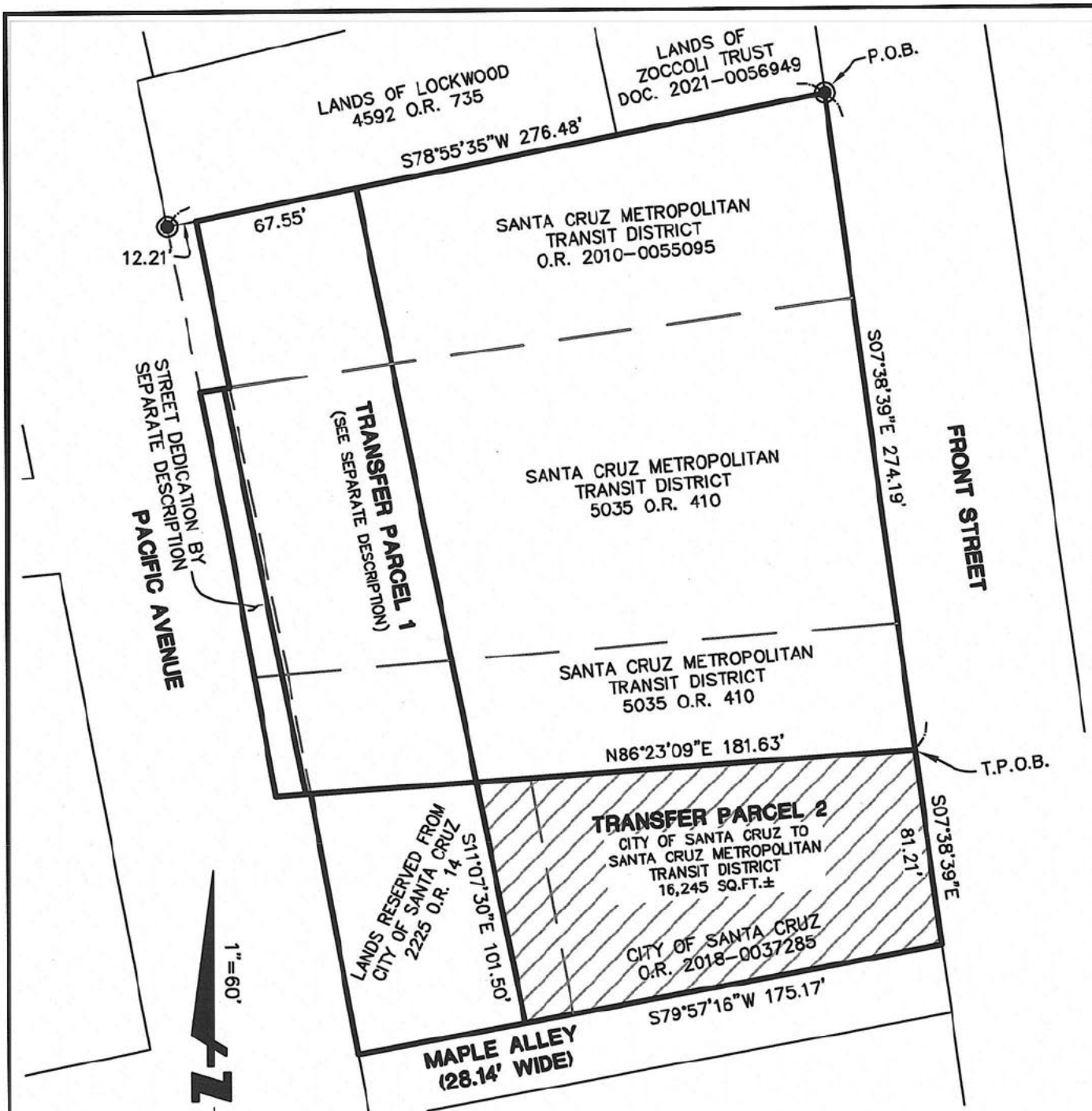
The above described transfer parcel is shown on the plat entitled, "Exhibit B-2", attached hereto and by reference made a part hereof.

Signed \_\_\_\_\_

Date \_\_\_\_\_

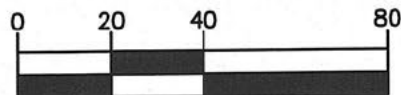


# Exhibit 2



### LEGEND

O.R.	OFFICIAL RECORD OF SANTA CRUZ COUNTY
SQ.FT.	SQUARE FEET
P.O.B.	POINT OF BEGINNING
T.P.O.B.	TRUE POINT OF BEGINNING
L.L.A.	LOT LINE ADJSUTMENT



( SCALE IN FEET )

### EXHIBIT B-2

TO ACCOMPANY LEGAL DESCRIPTION

K:\2020\202191\_SANTA\_CRUZ\_PACIFIC\_NORTH\_METRO\SUR\DWG\LLA\03\_TRANSFERPARCEL2\202191\_PCN\_LLA\_TP2.DWG



1730 N. FIRST STREET  
SUITE 600  
SAN JOSE, CA 95112  
(408) 467-9100  
www.bkf.com

SUBJECT **TRANSFER PARCEL 2**  
**PACIFIC STATION - NORTH L.L.A.**  
JOB NO. 20202191 SANTA CRUZ, CA  
BY KMD APPR. DSD DATE 09-21-2023  
1 OF 1

# Exhibit 2

## Closure Calculations

Lot Line Adjustment  
Santa Cruz, California

September 20, 2023

Parcel Map Check

BKF Engineers No. 20202191

---

Parcel Name: Transfer Parcel 2

	North: 2,466.124'	East: 1,985.674'
Line	Course: N86° 23' 09"E	Length: 181.63'
	North: 2,477.573'	East: 2,166.943'
Line	Course: S7° 38' 39"E	Length: 81.21'
	North: 2,397.085'	East: 2,177.746'
Line	Course: S79° 57' 16"W	Length: 175.17'
	North: 2,366.530'	East: 2,005.261'
Line	Course: N11° 07' 30"W	Length: 101.50'
	North: 2,466.123'	East: 1,985.677'

Perimeter: 539.51'

Area: 16,245 Sq Ft 0.373 Ac.

Error Closure: 0.00'

Course: S71° 33' 54"E

Error North: -0.001'

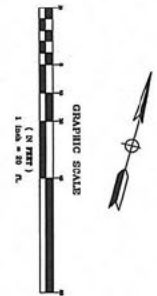
East: 0.003'

Precision 1: 170,608.04'

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# Exhibit 3

DRAWING NAME: K:\2020\202101\_Santa\_Cruz\_Pacific\_North\_Metro\ENG\EXHIBITS\2023-09-07\_LIA\_Ext\Pr\_cond.dwg  
 PLOT DATE: 09-08-23 PLOT TLO BY: amh



METRO LOT	65,682 SF
PACIFIC NORTH	24,378 SF
DEDICATED AREA	2,529 SF

DATE: 09/08/23	NO.	REVISIONS
SCALE: 1"=20'		
DRAWN: AK		
APPROVED: AJ		
JOB NO: 20202101		

SANTA CRUZ PACIFIC STATION NORTH  
 PROPOSED CONDITIONS  
 SANTA CRUZ SANTA CRUZ COUNTY CALIFORNIA

**BKF**  
 BKF ENGINEERS  
 1720 N. FIRST STREET  
 SUITE 600  
 SAN JOSE, CA 95112  
 (408) 487-1100  
 www.bkf.com

© BKF Engineers

# 10.4A.EXHIBIT 3.1

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# Exhibit 4

## PROPERTY TRANSFER AGREEMENT

THIS PROPERTY TRANSFER AGREEMENT is entered into as of \_\_\_\_\_, 2024 (the "Effective Date"), between the City of Santa Cruz, a California municipal corporation ("**City**") and Santa Cruz Metropolitan Transit District ("**District**"). City and District are sometimes individually referred to as a "Party" and collectively as the "Parties.")

A. District and the City have agreed to cooperatively undertake the Pacific Station North Project (the "**Project**") on property known as 333 & 423 Front Street, Santa Cruz, CA, a transit-oriented redevelopment project which will include the construction of a seven-story mixed use building with 128 affordable residences, ground floor commercial and office space, as well as a new transit center.

B. At the Project site, District owns certain land, a portion of which is legally described in Exhibit A attached to this Agreement (the "Existing District Property", also referred to in the exhibit as "Transfer Parcel 1").

B. City owns certain land that is adjacent to the Existing District Property, a portion of which is legally described in Exhibit B attached to this Agreement, (the "Existing City Property," also referred to as "Transfer Parcel 2"). The Existing District Property and the Existing City Property are collectively the "Existing Properties."

D. To further District's transit goals and to facilitate the development of the Project, (a) District intends to convey to City the Existing District Property; and (b) City intends to convey to District the Existing City Property, resulting in two reconfigured parcels. The resulting new parcel that will be owned by District is referred to as the "New District Property," the resulting new parcel that will be owned by City is referred to as the "New City Property," and both such parcels are referred to collectively as the "New Properties.") The foregoing exchange of the Existing Properties to create the New Properties is referred to in this Agreement as the "Exchange." A site plan depicting the existing and new configuration is attached as Exhibit C.

E. On December 15, 2023, the District's Board of Directors acted to declare the Existing District Property as "exempt surplus property" under the Surplus Lands Act. On December 12, 2023, the City Council of Santa Cruz acted to declare the Existing City Property as "exempt surplus property."

F. The Parties intend by this Agreement to memorialize the terms and conditions of the Exchange.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

1. Agreement to Exchange Properties. Subject to satisfaction of the conditions stated in this Agreement, and on the terms stated below, the Parties agree to exchange the Existing Properties in a single transaction with the result that at the "Closing" (as defined below), District will own the New District Property and City will own the New City Property.

## Exhibit 4

2. Purchase Price. There shall be no monetary purchase price for this transaction, it being agreed that the exchange of the Existing Properties will provide adequate consideration for the agreements of the Parties as stated in this Agreement.

3. Conditions to Closing. Between the date that this Agreement is signed and the "Closing Date" (as defined below), each Party agrees to take such of the following actions that are stated to be such Party's obligation, and completion of each of the following actions shall be a condition to Closing:

3.1 Lot Line Adjustment. City and Metro will execute all documents including deeds, maps, lot line adjustment documentation, and other requirements to effectuate the Exchange.

3.2 Title Policies. At Closing, each Party shall obtain a title policy (each, a "Title Policy") issued by \_\_\_\_\_ Title Company (the "Title Company") insuring its ownership of its respective New Property, subject only to exceptions to title that are acceptable to the Party acquiring such New Property, and each Party agrees to take such action as may be necessary to remove from title any exceptions to title that are disapproved by the other Party. At Closing, there shall be no monetary liens (such as mortgages, deeds of trust, other security instruments, judgment liens, or the like) encumbering either of the Existing Properties, and each Party shall be obligated, at its cost, to cause any such monetary liens to be removed or released at or before Closing.

4. Interim Covenants. Between the effective date of this Agreement and the Closing Date, the Parties agree as follows:

4.1 Leases. Neither Party shall enter into any leases or other occupancy agreements, or commitments to enter into any such leases or other agreements, for any portion of such Party's Existing Property.

4.2 Sales. Neither Party shall enter into any agreement to sell, transfer, exchange, hypothecate or otherwise convey any portion of such Party's Existing Property, and neither Party shall market such Party's Existing Property for sale, solicit buyers for such Party's Existing Property, or accept offers for the sale or other transfer of such Party's Existing Property. Neither Party shall encumber such Party's Existing Property with mortgages, deeds of trust, or other security instruments.

4.3 Maintenance of Current Condition. Each Party shall continue to maintain and repair such Party's Existing Property in the same manner as is consistent with such Party's maintenance practices prior to executing this Agreement. Each Party shall continue to provide for security for such Party's Existing Property in the same manner as is consistent with such Party's practices prior to executing this Agreement.

4.4 Insurance. Each Party shall maintain or cause to be maintained in full force and effect casualty insurance with respect to such Party's Existing Property, and commercial general liability insurance covering such Party's Existing Property.

## Exhibit 4

4.5 Title. Neither Party shall take any action that would result in any new exceptions to title to arise with respect to such Party's Existing Property.

4.6 Mechanics Liens. Neither Party shall permit any mechanics liens to attach to such Party's Existing Property, and if any mechanics liens are recorded on a Party's Existing Property, such Party shall, at its cost, cause such mechanics lien to be removed prior to Closing (including, if necessary, by way of posting a bond to cause such lien to be removed of record).

4.7 Compliance with Law. Each Party shall continue to operate such Party's Existing Property in compliance with all applicable laws, ordinances, codes, and other governmental requirements, and if any code violations are issued prior to closing with respect to such Party's Existing Property, such Party shall, at its cost, cause such violations to be cured prior to Closing.

### 5. Closing.

5.1 Satisfaction of Conditions. Once the Parties have satisfied all of the conditions stated in Section 3 above, the Parties shall sign a written instrument agreeing that all of such conditions have been satisfied. The date that such written instrument is signed is referred to as the "Conditions Satisfaction Date."

5.2 Closing Date. As used herein, the "Closing" means the recordation of deeds or other instruments that will legally accomplish the creation of the New Properties. The "Closing Date" means the date that such deeds are recorded. The Closing shall occur not later than fifteen (15) days after the Conditions Satisfaction Date, but in any event not later than \_\_\_\_\_, 20\_\_\_\_ (the "Outside Closing Date").

5.3 Escrow. The Closing shall be handled using the services of \_\_\_\_\_ Title Company (the "Escrow Agent"). The escrow established by the Escrow Agent for purposes of this transaction is referred to as the "Escrow."

5.4 Delivery of Documents. Within five (5) business days after the last of the conditions described in Section 3 above has been satisfied, the Parties shall deliver the following items into Escrow:

5.4.1 District shall deliver a Quitclaim Deed (duly signed and acknowledged) for the District Existing Property, conveying such Existing Property to City, and City shall deliver a Quitclaim Deed (duly signed and acknowledged) for the City Existing Property, conveying such Existing Property to District (collectively, the "Quitclaim Deeds");

5.4.2 Each Party shall deliver such Preliminary Change of Ownership Reports, transfer tax declarations, and other similar items needed to record the Quitclaim Deeds;

5.4.3 Each Party shall deliver a customary form of owner's affidavit in form sufficient to permit the Title Company to issue the Title Policies;

5.4.4 Each Party shall deliver a closing statement signed by such party, showing the allocation of closing costs and prorations (the "Closing Statement").

## Exhibit 4

5.4.5 Each Party shall deliver such other instruments as may be required by the Escrow Agent or Title Company in order to carry out the Closing.

### 5.5 Closing Costs; Prorations.

5.5.1 Each Party shall pay into Escrow (a) one-half of the Escrow Agent's costs; (b) the entire cost of the Title Policy relating to the Existing Property such Party is acquiring, including the cost of any extended coverage and endorsements such Party may elect to acquire; (c) the documentary transfer tax (if any) in connection with the conveyance of such Party's Existing Property to the other Party; (d) the cost of any recording fees relating to the reconveyance of any monetary liens on such Party's Existing Property; and (e) one-half of the recording fees relating to the recording of the Quitclaim Deeds.

5.5.2 Real property taxes on each Existing Property will be prorated as of the Closing Date so that the Party conveying such Existing Property will pay all real property taxes through the day prior to the Closing Date, and the Party acquiring such Existing Property will pay all real property taxes from and after the Closing Date. Each Party will arrange for all utilities relating to the Existing Property that such Party is acquiring to be transferred to such Party's account effective as of the Closing Date.

### 5.6 Closing Procedure.

5.6.1 Closing Agent. Pursuant to Section 6045 of the Internal Revenue and Taxation Code, Escrow Agent shall be designated the closing agent hereunder and shall be solely responsible for complying with the tax reform act of 1986 with regard to reporting all settlement information to the Internal Revenue Service.

5.6.2 Closing Conditions To Be Satisfied. Escrow Agent shall hold the Closing on the Closing Date if: (a) it has received in a timely manner all the funds and materials required to be delivered into Escrow by the Parties; (b) it has received the Title Policies from the Title Company in the form required by this Agreement, or it has received an irrevocable commitment from the Title Company that it will issue the Title Policies immediately following Closing in the form required by this Agreement; and (c) each Party has agreed for the benefit of Escrow Agent that all of the conditions to Closing have been satisfied.

5.6.3 Actions By Escrow Agent. To Close the Escrow, Escrow Agent shall cause the Quitclaim Deeds to be recorded by the County Recorder of the County of Santa Cruz, California (the "Recording Location"), and deliver to each Party such Party's Title Policy and such Party's Closing Statement.

## 6. Representations and Warranties.

6.1 City's Representations and Warranties. City represents and warrants to and agrees with District as follows, and the following shall be true as of the date of this Agreement and as of the Closing Date:

6.1.1 City has the power and authority to consummate the transactions contemplated by this Agreement without obtaining the consent or authorization of any other person

## Exhibit 4

or entity. This Agreement and all instruments, documents and agreements to be executed by City in connection herewith are or when delivered will be duly authorized, executed and delivered by City and will be valid, binding and enforceable obligations of City. Neither this Agreement nor any instrument, document or agreement to be executed by City in connection herewith nor anything provided in or contemplated by any of the same does now or will hereafter constitute a breach of or default under, or, invalidate, make inoperative or interfere with any contract, agreement, lease, easement, right or interest affecting or relating to City.

6.1.2 As of the Closing Date, there shall be no leases or other occupancy agreements granting any person the right to use or occupy the City Existing Property.

6.1.3 City has not received any written notice that any portion of the City Existing Property is in violation of any applicable law, code, ordinance or other governmental requirement.

6.1.4 There are no actions, suits or proceedings pending, or to the knowledge of City threatened, before or by any judicial body or any governmental authority, against City that will have an effect on City's ability to fulfill its obligations under this Agreement.

6.2 District's Representations and Warranties. District represents and warrants to and agrees with City as follows, and the following shall be true as of the date of this Agreement and as of the Closing Date:

6.2.1 Upon approval of this Agreement by District's Board of Directors, District will have the power and authority to consummate the transactions contemplated by this Agreement without obtaining the consent or authorization of any other person or entity. This Agreement and all instruments, documents and agreements to be executed by District in connection herewith are or when delivered will be duly authorized, executed and delivered by District and will be valid, binding and enforceable obligations of District. Neither this Agreement nor any instrument, document or agreement to be executed by District in connection herewith nor anything provided in or contemplated by any of the same does now or will hereafter constitute a breach of or default under, or, invalidate, make inoperative or interfere with any contract, agreement, lease, easement, right or interest affecting or relating to District.

6.2.2 As of the Closing Date, there shall be no leases or other occupancy agreements granting any person the right to use or occupy the District Existing Property.

6.2.3 District has not received any written notice that any portion of the District Existing Property is in violation of any applicable law, code, ordinance or other governmental requirement.

6.2.4 There are no actions, suits or proceedings pending, or to the knowledge of District threatened, before or by any judicial body or any governmental authority, against District that will have an effect on District's ability to fulfill its obligations under this Agreement.

7. Indemnification. Each Party agrees to defend, indemnify and hold harmless the other Party and its shareholder, members, partners, directors, officers, employees, agents and

## Exhibit 4

subcontractors, and their respective heirs, executors, administrators successors and assigns, from any claims, expenses, costs, actions, liens or liabilities resulting from, arising in connection with, or otherwise relating to (a) any inaccuracy in or a breach of such Party's representations or warranties under this Agreement, and (b) any breach or default by such Party of its obligations under this Agreement.

### 8. Miscellaneous Provisions.

8.1 Counterparts; Electronic Signatures. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. This Agreement may be signed electronically such as by DocuSign or other similar software, and deliver of pdf copies of signatures will be deemed delivery of originals.

8.2 Entire Agreement. This Agreement contains the entire integrated agreement between the parties respecting the subject matter of this Agreement and supersedes all prior and contemporaneous understandings and agreements, whether oral or in writing, between the parties respecting the subject matter of this Agreement.

8.3 Legal Advice; Neutral Interpretation; Headings. Each party has received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions hereof. The provisions of this Agreement shall be construed as to their fair meaning, and not for or against any party based upon any attribution to such party as the source of the language in question.

8.4 Choice of Law. This Agreement shall be governed by the laws of the State of California.

8.5 Severability. If any term, covenant, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions or provisions of this Agreement, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

8.6 Waivers. The waiver by one party of the performance of any covenant, condition or promise under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by it of any other covenant, condition or promise under this Agreement.

8.7 Amendment. This Agreement may be amended at any time, but only by the written agreement of both Parties.

8.8 Relationship of Parties. The parties agree that their relationship is that of seller and buyer, and that nothing contained herein shall constitute either party the agent or legal representative of the other for any purpose whatsoever, nor shall this Agreement be deemed to create any form of business organization between the parties hereto.

## Exhibit 4

8.9 Time of the Essence. Time shall be of the essence as to all dates and times of performance, whether contained herein or contained in any escrow instructions to be executed pursuant to this Agreement.

8.10 Further Acts. Each party agrees to perform any further acts and to execute, acknowledge and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

8.11 Assignment. Neither Party shall assign rights or delegate its obligations hereunder without the prior written consent of the other Party in each instance, which consent the other Party may withhold in its sole and absolute discretion.

8.12 Attorneys' Fees. In the event of any litigation involving the parties to this Agreement to enforce any provision of this Agreement, to enforce any remedy available upon default under this Agreement, or seeking a declaration of the rights of either party under this Agreement, the prevailing party shall be entitled to recover from the other such attorneys' fees and costs as may be reasonably incurred, including the costs of reasonable investigation, preparation and professional or expert consultation incurred by reason of such litigation. All other attorneys' fees and costs relating to this Agreement and the transactions contemplated hereby shall be borne by the party incurring the same.

8.13 Brokers. Each Party represent and warrant to the other that (a) it has not dealt with any brokers or finders in connection with the Exchange, and (b) insofar as such Party knows, no broker or other person is entitled to any commission or finder's fee in connection with the Exchange. Each Party agrees to indemnify and hold harmless the other against any loss, liability, damage, cost, claim or expense incurred by reason of any brokerage fee, commission or finder's fee payable or alleged to be payable to any broker or finder because of any agreement, act, omission or statement of the indemnifying party.

8.14 Manner of Giving Notice. All notices and demands which either Party is required or desires to give to the other shall be given in writing by personal delivery, certified U.S. mail return receipt requested, or express courier service, or by email followed by one of the foregoing methods of deliver, to the address set forth on the signature page of this Agreement, provided that if any party gives notice of a change of name or address, notices to that Party shall thereafter be given as demanded in that notice. All notices and demands so given shall be effective upon receipt by the Party to whom notice or a demand is being given.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

# Exhibit 4

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

## DISTRICT

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address for notices:

\_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

Email: \_\_\_\_\_

## CITY

CITY OF SANTA CRUZ

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address for notices:

\_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

Email: \_\_\_\_\_



# Exhibit 5

## MULTI-PARTY AGREEMENT

This MULTI-PARTY AGREEMENT ("Agreement") is entered into as of \_\_\_\_\_, 2024 by and among Eden Housing, Inc., a California nonprofit public benefit corporation ("Eden"), For the Future Housing, Inc., a California corporation ("FTF"), the City of Santa Cruz, a California municipal corporation and charter city ("City") and the Santa Cruz Metropolitan Transit District, a public agency ("Metro") and Downtown Santa Cruz Developer, LLC, a California limited liability company ("DSCD"). FTF, Eden, DSCD, the City and Metro are individually referred to herein as a "Party" and collectively as the "Parties".

### RECITALS:

A. Metro owns and operates a transit center located at 920 Pacific Avenue and identified as Assessor's Parcel Numbers 005-152-30, 005-152-31, and 005-152-05 ("Metro Property"). The City owns land adjacent to the Metro Property identified as Assessor's Parcel Numbers 005-152-32 and 005-152-33 ("City Property" which together with the Metro Property is collectively referred to as the "Development Property"). The current configuration and ownership status of the Development Property is described in Exhibit A.

B. On July 1, 2020, City and Metro entered into that certain Memorandum of Understanding regarding the development of the Pacific Station project which has expired by its terms. Under this Memorandum, Metro agreed to set aside up to \$4,000,000 ("Metro Funds") in furtherance of the proposed projects.

C. On October 19, 2020, the City issued a Request for Proposals to redevelop the Development Property to provide for Transit Station Improvements (as defined below) as well as commercial space, parking and an affordable housing development as more particularly described in the "Pacific Station Redevelopment – North of Maple Request for Proposal".

D. In December, 2022, the City selected Eden and FTF as the developer of the Development Property. Eden and FTF have formed 902 Pacific Avenue Investors, L.P, a California limited partnership ("Partnership") to construct the Parcel A Improvements other than the Metro Turnkey Improvements, and to hold a long-term ground leasehold estate in the Affordable Project. Eden and FTF formed DSCD (also known as Transit Developer) to construct the Transit Station Improvements, the Metro Interim Operations Plan Project, as defined below, as well as other improvements.

E. The Parties desire to enter into this Agreement to set forth the obligations of the Parties for the development of the Development Property including the negotiation and execution of additional agreements for specific components of the Development Property.

NOW THEREFORE, the Parties agree as follows:

1. Reconfiguration and Land Swap of Development Property.
  - (a) Reconfiguration and Land Swap.

## Exhibit 5

(i) In order to develop the Development Property, the City and Metro must reconfigure the Development Property by way of a lot line adjustment, including the swapping of certain land, such that certain property currently owned by Metro will be conveyed to the City and certain property currently owned by the City will be conveyed to Metro, creating Parcel A (as defined below) and Parcel B (as defined below) as legal parcels (“Reconfiguration and Land Swap”).

(ii) The Parties desire to reconfigure the Development Property creating an approximate 28,719 square foot parcel (“Parcel A”) and an approximate 60,888 square foot parcel (“Parcel B”). After the Reconfiguration and Land Swap, the City will be the fee owner of Parcel A, and Metro will be the fee owner of Parcel B. Exhibit B, attached hereto and incorporated herein, shows the resulting Parcel A and Parcel B after completion of the Reconfiguration and Land Swap.

(iii) More specifically, Metro will convey to City part of the property currently designated as APN 005-152-30, part of the property currently designated as 005-152-31, and part of the property currently designated as APN 005-152-05. The property to be transferred by Metro to the City is described in Exhibit C (the “Transfer Parcel 1”). City will, in turn, convey to Metro all of the property currently designated as APN 005-152-32 and part of the property currently designated as APN 005-152-33. The property to be transferred by the City to Metro is described in Exhibit D (the “Transfer Parcel 2”).

(iv) City and Metro will execute all such documents (including a land transfer agreement), deeds, maps, lot line adjustment documentation, and other requirements to effectuate the Reconfiguration and Land Swap.

(b) Additional Metro Obligations. Metro has obtained the approval of the Federal Transit Administration (“FTA”) to the Reconfiguration and Land Swap and has provided to Eden and FTF with correspondence from the FTA granting the approval. Metro shall provide to Eden and FTF with updates of its progress in effectuating the Reconfiguration and Land Swap, as well as copies of material correspondence relating to the Reconfiguration and Land Swap. In addition, the Metro Board has acted to declare the Metro Transfer Property as “exempt surplus property” under the Surplus Lands Act (“SLA Compliance”). Metro shall provide to the City, Eden and FTF copies of Board Resolution passed on December 15, 2023 declaring the Metro Transfer Property as “exempt surplus property” and the Metro December 4, 2023 letter to parks agencies declaring certain property as “exempt surplus”, pursuant to the SLA.

(c) City Obligations. City shall provide to Eden and FTF with updates of its progress in effectuating the Reconfiguration and Land Swap, as well as copies of material correspondence relating to the Reconfiguration and Land. City shall also provide Metro, Eden and FTF with copies of the Council Resolution passed on December 12, 2023 declaring certain City property as “exempt surplus property” and the City’s December 4, 2023 letter to parks agencies declaring certain property as “exempt surplus”, pursuant to the SLA.

2. Interim Improvements. Pursuant the Agreement for Metro Transit Center Interim Operations Plan Project dated as of November 27, 2023 among DSCD, the City, and Metro (“Interim Improvement Agreement,”) DSCD has agreed to construct the Interim Improvements.

## Exhibit 5

Prior to the date of the closing of financing for the construction of the Parcel A Improvements, the Interim Improvements shall be completed to permit Metro to continue its transit operations on the Interim Improvements while the Parcel A Improvements and Metro Improvement are being constructed.

### 3. Parcel A Improvements.

(a) Generally. The improvements to be constructed on Parcel A generally consist of the following (“Parcel A Improvements”): a seven story apartment building, containing 128 apartment units, with a mix of studio, one bedroom, two bedroom and three bedroom apartments for individuals and families. The apartment building will have an outdoor patio, community room, computer room and flex space. The ground floor of the apartment building will contain approximately 11,237 square feet of retail, commercial and office spaces. No parking will be provided on site. The apartment building will be subdivided into at least two condominiums/airspace parcels with the non-residential space on the ground floor being owned by the City and the remainder of the building being ground leased by the City to the Affordable Developer (as defined below). Within the commercial space, a portion of the space will be constructed to a “warm shell” and the remainder, consisting of approximately 4,979 square feet intended for occupancy by Metro for its ticketing and other offices (“Ground Floor Space”), will be completed and ready for occupancy. The tenant improvements required to be constructed for immediate occupancy by Metro are referred to as the (“Metro Turnkey Improvements”). As used herein, the term “Affordable Project” means all of the Parcel A Improvements other than the Metro Turnkey Improvements.

(b) City Funding of Affordable Project. The City will fund a portion of the costs to finance the Affordable Housing Project as follows:

(1) The City will make a loan to the Partnership from the proceeds of a grant of funds under the Infill Infrastructure Grant Program (“IIG”) from the California Department of Housing and Community Development (“HCD”) in the approximate amount of \$10,000,000 (“IIG Loan”); provided, however that the amount of the IIG Loan will not be finally determined until closer to the closing of the funding of the IIG Loan. The Partnership and the City will enter into subordinate loan documents providing for the funding the IIG loan as and when IIG provides grant funds to the City in form and substance reasonably acceptable to the Partnership and the City.

(2) The City will make a loan to the Partnership using the proceeds of the LHTF program in the amount of \$4,750,000 (“LHTF Loan”). The Partnership and the City will enter into subordinate loan documents providing for the disbursement and repayment of the LHTF Loan in form and substance reasonably acceptable to the Partnership and the City.

(3) The City will make a loan to the Partnership using the proceeds of the federal HOME and HOME-ARP program in the amount of \$3,995,597 (“HOME Loan”). The Partnership and the City will enter into subordinate loan documents providing for the disbursement and repayment of the HOME Loan in form and substance reasonably acceptable to the Partnership and the City.

## Exhibit 5

(4) The City will receive a Federal appropriation of \$2,000,000 (“Appropriation Funds”) and make a loan to the Partnership from the Appropriation Funds to be used for construction of the “warm shell” nonresidential portions of the Affordable Project (i.e. not the Metro Turnkey Improvements) which will be subdivided into a separate legal parcel (“City Office Parcel”). The City and the Partnership will enter into subordinate loan documents providing for the disbursement of the Appropriation Funds to pay for construction of the “warm shell” nonresidential portions of the Affordable Project and for the repayment in full of the Appropriation Funds loan as consideration for the transfer of the City Office Parcel to the City, in form and substance reasonably acceptable to the Partnership and the City.

4. Metro Station Improvements. The City, DSCD and Metro, will enter into an agreement providing for the construction of a new metro station (“Metro Station Improvements Agreement”) consisting of bus terminal parking, pedestrian circulation and crosswalks, landscape improvements and vegetation, traffic management improvements, carport structures on which solar canopies will be constructed, as well as provide a construction license to DSCD (“Metro Station Improvements”) in accordance with the terms and provisions set forth therein. The Metro Station Improvements Agreement will further refine and finalize the description of the Metro Station Improvements, as well as provide for the funding of the Metro Station Improvements as follows:

(a) AHSC Grants: Eden, the City and Metro have applied for and received an award of funds from the Affordable Housing and Sustainable Communities (“AHSC”) program as follows: a grant of TRA funds in the amount of \$5,840,633 and a grant of STI funds in the amount of \$1,750,000. Eden and the City will provide that Eden will be the payee of the AHSC grant funds and contribute the AHSC grant funds to DSCD to reimburse DSCD for construction costs relating to the Metro Station Improvements.

(b) IIG Grants. The City applied for and received an award funds from the Infrastructure Infill Grant (“IIG”) program in the approximate amount of \$6,800,000; provided, however that the amount of the IIG funds provided will not be finally determined until closer to the closing of the funding of the IIG funds. Eden and the City will provide that the City will be the payee of the IIG grant funds and provide the IIG grant funds to DSCD to pay for or reimburse DSCD, as applicable, for construction costs relating to the Metro Station Improvements

(c) Metro Grant. Metro will provide the City with a grant of funds in the approximate amount of \$3,000,000 (“Metro Grant”) to be used for the construction of the Metro Station Improvements and Metro Turnkey Improvements, but not including any solar array canopies. The amount of the Metro Grant represents funds remaining from the initial \$4,000,000 pledge of funds, portions of which have been spent on other aspects of the Project. The City will provide funds to DSCD to pay for construction costs relating to the Metro Station Improvements (but not the solar array). The Parties acknowledge that the IIG funds and the AHSC funds are provided on a reimbursement basis, thus requiring that certain costs be first incurred and paid by DSCD and then reimbursed. Metro, City and DSCD shall work together to provide the Metro Grant funds to DSCD potentially on a bridge loan basis to prevent any costs of construction of the Metro Improvements to be paid for up front by DSCD.

## Exhibit 5

5. Trail Improvements. Pursuant to an AHSC Implementation and Cooperation Agreement (“Cooperation Agreement”) to be executed between Eden, Metro and the City, the City shall construct a 0.85 miles of a Class I rail trail from California Street to the Beach Street/Pacific Avenue intersection, along the coastal side of the rail right of way (“Trail Improvements”). City will seek reimbursement from HCD for the costs of the Trail Improvements.
6. Alley Improvements. Pursuant to the Cooperation Agreement, Eden and FTF will cause DSCD to construct improvements to the alley adjacent to Parcel A and Parcel B, consisting of a new walkway and bike path (“Alley Improvements”). Eden will seek reimbursement from HCD for the costs of the Alley Improvements and contribute the funds to DSCD.
7. Metro Turnkey Improvements. The City, DSCD and Metro, will enter into an agreement providing for the construction of the Metro Turnkey Improvements (“Metro Turnkey Agreement”) for construction of the Metro Turnkey Improvements, in accordance with the terms and provisions set forth therein. The Metro Turnkey Agreement will further refine and finalize the description of the Metro Turnkey Improvements. The City will fund the construction of the Metro Turnkey Improvements with the remaining proceeds of the Metro Grant and any remaining AHSC funds. To the extent Metro requires changes to the scope of work for the Metro Turnkey Improvements that exceed the originally agreed upon budget for the Metro Turnkey Improvements in the Metro Turnkey Agreement, Metro will provide additional funding to the City as necessary to complete the Metro Turnkey Improvements.
8. Lease of Ground Floor Space. Metro and the City will enter into a long term lease of the Ground Floor Space for use by Metro as the new transit office, pursuant to terms and conditions reasonably acceptable to Metro and the City.
9. Lease of Solar Array. Metro and the Partnership will enter into a lease and other agreements reasonably necessary relating to the use of the solar array and the electricity generated therefrom, pursuant to terms and conditions reasonably acceptable to Metro, FTF and Eden.
10. License Agreement. Metro and the Partnership will enter into a License Agreement to permit the Partnership access over the property owned by Metro for construction and staging of the Parcel A Improvements. To the extent required, the City and the Partnership (and DSCD if necessary) will enter into a License Agreement over property owned by the City but not included in the Ground Lease, to permit construction and staging of the Parcel A Improvements and the Metro Improvements.
11. Miscellaneous.
  - (a) Relationship of Parties. This Agreement does not create any joint venture, partnership, or agent relationship between any of the Parties hereto.
  - (b) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same instrument. A .pdf/electronic of a duly executed copy of this Agreement or of any document signed pursuant to this Agreement shall be deemed for all purposes as receipt of an

## Exhibit 5

originally signed document, and any such copy bearing a .pdf/electronic signature shall be binding upon, and enforceable against, the Party to be charged thereby.

(c) Governing Law. This Agreement shall be governed by the laws of the State of California.

(d) Cooperation. The Parties hereto acknowledge that this Agreement does not describe all of the actions, documents and approvals necessary to close the construction financing for the Affordable Project and each Party agrees to cooperate with the other Parties as may be necessary to achieve the purposes of this Agreement.

(e) Force Majeure. No party hereto shall be considered in default in the performance of its obligation hereunder to the extent that the performance of any such obligation is prevented or delayed by an act of God, natural disaster, pandemic, acts of terrorism, war, a strike, lockout or other labor difficulty, or other peril, which is beyond the reasonable control of the affected party and without the negligence of the respective Parties. Each party hereto shall give notice promptly to the other of the nature and extent of any Force Majeure claimed to delay, hinder or prevent performance of the services under this Agreement. Each Party will, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and will, upon the cessation of the cause, diligently pursue performance of its obligations in this Agreement.

(f) Developer's Records. To the extent required by law, FTF, DSCD, Eden, and Partnership shall maintain accurate accounting records and other written documentation pertaining to the costs incurred relating to this Agreement for examination and audit by the City, State, or federal government, as applicable, during the period of this Agreement, and for a period of at least five years from the date of City's or METRO's acceptance of the Work.

(g) Contract Interpretation. Each party acknowledges that it has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.

(h) Additional Documents. The agreements set forth herein are binding and enforceable obligations of the Parties subject to the limitations set forth above. However, it is anticipated that some or all of the Parties hereto or their affiliates may be entering additional documents or agreement in furtherance of the agreements expressed herein.

(i) Severability. The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the other provisions unenforceable, invalid or illegal.

(j) Notices. If any party shall desire or is required to give notice to the other such notice shall be given in writing, via email, and concurrently delivered by: (a) personal delivery, in which case notice is effective upon delivery; (b) overnight courier (i.e., Federal Express) with charges prepaid or charged to the sender's account, in which case notice is effective when delivered; (c) priority U.S. Mail, in which case notice shall be deemed delivered on the second business day after the deposit thereof with the U.S. Postal Service. Notices shall be addressed to recipient as follows:

## Exhibit 5

If to Metro: Santa Cruz Metropolitan Transit District  
Attn: Chuck Farmer, Chief Financial Officer  
110 Vernon Street  
Santa Cruz, CA 95060  
Email: [cfarmer@scmttd.com](mailto:cfarmer@scmttd.com)

With a copy to: Hanson Bridgett, LLP.  
1676 North California Boulevard, Suite 610  
Walnut Creek, CA 94566  
Email: [jsherman@hansonbridgett.com](mailto:jsherman@hansonbridgett.com) and  
[mconneran@hansonbridgett.com](mailto:mconneran@hansonbridgett.com)

If to City: Economic Development and Housing Dept.  
337 Locust Street  
Santa Cruz, CA 95060  
Attn: Jessica de Wit  
Email: [jdewit@santacruzca.gov](mailto:jdewit@santacruzca.gov)

With a copy to: City of Santa Cruz  
Attn: City Attorney  
333 Church Street  
Santa Cruz, CA 95060  
Email: [tcondotti@abc-law.com](mailto:tcondotti@abc-law.com)

If to Eden, DSCD,  
FTF, or Partnership: Downtown Santa Cruz Developer, LLC  
c/o Eden Housing, Inc.  
22645 Grand Street  
Hayward, CA 94541  
Attn: Andrea Osgood, Chief of Real Estate Development  
Email: [aosgood@edenhousing.org](mailto:aosgood@edenhousing.org)

Downtown Santa Cruz Developer, LLC  
c/o For the Future Housing, Inc.  
P.O. Box 15602  
San Luis Obispo, CA 93406  
Attn: Jim Rendler, Principal  
Email: [jrendler@ftfhousing.com](mailto:jrendler@ftfhousing.com)

With a copy to: Cox, Castle & Nicholson LLP  
50 California Street, Suite 3200  
San Francisco, CA 94111  
Attn: Ofer Elitzur and Lisa Weil  
Email: [oelitzur@coxcastle.com](mailto:oelitzur@coxcastle.com) and [lweil@coxcastle.com](mailto:lweil@coxcastle.com)

## Exhibit 5

Changes to the above information shall be given to the other party in writing ten (10) business days before the change is effective.

(k) Warranty of Authority. The signatories to this Agreement warrant and represent that each is authorized to execute this Agreement and that their respective signatures serve to legally obligate their respective corporate entity, representatives, agents, successors, and assigns to comply with the provisions of this Agreement



# Exhibit 5

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date written above.

**METRO:**

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**CITY:**

CITY OF SANTA CRUZ:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
Tony Condotti, City Attorney

**EDEN:**

EDEN HOUSING, INC.,  
a California nonprofit public benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**FTF:**

FOR THE FUTURE HOUSING, INC.  
a California corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**DCSD:**

DOWNTOWN SANTA CRUZ DEVELOPER, LLC,  
a California limited liability company

# Exhibit 5

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

# Exhibit 6

## RIGHT OF ENTRY PERMIT AGREEMENT

This Right of Entry Permit Agreement (“Agreement” or “Permit”) is entered into as of \_\_\_\_\_, 2024 (“Effective Date”), by and between Santa Cruz Metropolitan Transit District (“District”), and \_\_\_\_\_ (“Permittee”).

### RECITALS:

A. The District and the City of Santa Cruz have agreed to cooperatively undertake the Pacific Station North Project (the "Project") on property known as 333 & 423 Front Street, Santa Cruz, CA, a transit-oriented redevelopment project which will include the construction of a seven-story mixed use building with 128 affordable residences, ground floor commercial and office space, as well as a new transit center. The District owns certain property adjacent to the City's property, as further described and depicted in Exhibit A (the "Property").

B. Permittee is responsible for certain aspects of the construction of the Project (“Work”) and requires access and use of the District's Property to accomplish the Work. [Describe permitted scope of work in more detail].

C. Permittee desires to obtain a right of entry permit from the District that will permit Permittee to enter onto and work on District's Property in connection with the Work.

D. The District is willing to grant a right of entry permit ("Permit") to Permittee on the terms and conditions hereinafter set forth for the purposes of performing said Work.

FOR VALUABLE CONSIDERATION, the receipt of which is acknowledged, the parties agree as follows:

1. Grant of Permit. Subject to the conditions, covenants and restrictions of this Agreement, the District grants to Permittee a personal, revocable right of entry permit for the purposes of performing the Work on the Property together with necessary rights of ingress and egress over the Property for these purposes in the location described in the drawing attached and incorporated as Exhibit B. All work performed on the Property must be approved in advance by the District.

2. Permanent Improvements. Permittee may construct permanent improvements on the Property according to plans and specifications approved by the City and the District.

3. Permit Fee. Permittee shall pay the permit fee of \$ \_\_\_\_\_.

4. Condition to Effectiveness. As a condition precedent to the effectiveness of this Agreement, Permittee shall have paid the permit fee indicated in Section 3 above and provided to the District insurance certificates that certify that Permittee has the kinds of insurance described in Exhibit C, attached hereto and by this reference made a part hereof.

## Exhibit 6

5. Work Procedures. All Work performed by Permittee shall be performed in accordance with all applicable laws and the Work Procedures described in **Exhibit [X]**.

6. Nonexclusiveness of Permit. This permit is nonexclusive and nonpossessory. Permittee must allow access to the Property by other parties possessing prior rights, unless separate arrangements are made with such parties.

7. Prior Rights. This Permit is made subject and subordinate to the prior and continuing right and obligation of the District, its successors and assigns, to use portions of the Property in the performance of its transportation operations.

This grant is made subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens and claims of title that may affect the property. The word “grant” shall not be construed as a covenant against the existence of any of these or establish any ownership interest in the property.

8. Term of Permit. The term of this Permit shall commence upon the start of the Work upon the Property and shall continue until the Work is completed or this Permit is terminated or suspended as set forth herein:

(a) Either party may terminate this Agreement without cause by giving thirty (30) calendar days’ written notice.

(b) The District may immediately terminate the Permit by notice to Permittee upon Permittee’s discontinuance of the Work for one continuous year or the abandonment of any facilities installed on the Property.

(c) The District may immediately suspend the Permit by notice to Permittee if Permittee defaults with respect to any covenant or condition of this Agreement; the District may immediately terminate this Permit by notice to Permittee if Permittee fails to correct the default within thirty (30) days after receipt of notice from the District to do so.

(d) The District may immediately terminate or suspend this Permit by notice to Permittee upon any failure of Permittee to reimburse the District for any amount owing as and when due as provided any agreement with the District.

(e) The Permit shall lapse and become void if Work is not commenced **within one year** of the date of this Agreement.

Upon suspension of the Permit, Permittee shall immediately vacate the Property and refrain from entering onto it until the Permit is reinstated in writing by the District. Upon termination of the Permit for any reason established in this Section 8, the District may, at its sole election, at any time thereafter either complete the Work or remove the improvements placed on the Property or any portion thereof and restore the Property to its original condition, at Permittee’s sole cost and expense. Permittee acknowledges and agrees that the performance of the Work or the installation of any improvements on the Property pursuant to this Agreement shall not in any way whatsoever limit the District's right to terminate this Permit pursuant to the terms hereof or any of District's rights hereunder. Permittee’s indemnity obligations set forth in Sections 11, 12 and 13 shall survive termination of this Permit for any reason.

## Exhibit 6

9. Assumption of Risk/Waiver of Claims. Permittee shall assume all risk of damage to any and all improvements constructed as part of the Work and appurtenances and to any other property of Permittee, or any property under the control or custody of Permittee while upon or near the Property of the District incident to the performance of the Work, caused by or contributed to in any way by the construction, operation, maintenance or presence of the District's or the City's operations at the Property and District shall not be liable therefor.

(a) Neither the District nor any of its directors, officers, agents or employees shall be liable for any damage to the property of Permittee, its officers, agents, employees, contractors or subcontractors, or their employees, or for any bodily injury or death to such persons, resulting or arising from the condition of the Property or its use by Permittee.

(b) Permittee acknowledges that this Permit is freely revocable by the District and in view of such fact, Permittee expressly assumes the risk of making any expenditures in connection with this Permit, even if such expenditures are substantial. Without limiting any indemnification obligations of Permittee or other waivers contained in this Permit and as a material part of the consideration for this Permit, Permittee fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue, Indemnitees (as defined in Section 12 below) under any present or future laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under law or equity, in the event that District exercises its right to revoke or terminate this Permit.

(c) Permittee acknowledges that it will not be a displaced person at the time this Permit is terminated or revoked or expires by its own terms, and Permittee fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue, Indemnitees under any present or future laws, statutes, or regulations, including, without limitation, any and all claims for relocation benefits or assistance from District under federal and state relocation assistance laws.

(d) Permittee expressly acknowledges and agrees that the fees payable hereunder do not take into account any potential liability of the District for any consequential or incidental damages including, but not limited to, lost profits and arising out of disruption to the facilities or Permittee's uses hereunder. The District would not be willing to give this Permit in the absence of a waiver of liability for consequential or incidental damages due to the acts or omissions of the District or its Agents, and Permittee expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Permittee or other waivers contained in this Permit and as a material part of the consideration for this Permit, Permittee fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against for consequential and incidental damages (including without limitation, lost profits and covenants not to sue Indemnitees for such damages arising out of this Permit or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Permittee pursuant to this Permit, regardless of the cause, and whether or not due to the negligence of Indemnitees, except for the gross negligence and willful misconduct of District.

## Exhibit 6

(e) As part of Permittee's agreement to accept the Permit Area in its existing condition, and without limiting such agreement, Permittee on behalf of itself and its successors and assigns, waives its right to recover from, and forever releases and discharges, Indemnitees, and their respective heirs, successors, administrators, personal representatives and assigns, from any and all Claims, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Property and any related improvements or any law or regulation applicable thereto or the suitability of the Permit Area for Permittee's intended use.

(f) Permittee hereby releases the District from any liability, including any claims for damages or extra compensation (i) arising from construction delays due to work by District forces or District transit operations, (ii) as the result of the failure or inability of the District to provide necessary inspectors, (iii) due to the presence of Hazardous Materials on the Property, (iv) any failure by the District to investigate or identify the presence of such materials, (v) for work done by District forces, or (vi) for District operations.

(g) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The releases contained herein shall survive any termination of this Permit.

10. Indemnity. Permittee shall release, defend (with counsel reasonably satisfactory to District) and indemnify the District, the City of Santa Cruz, and all of their respective officers, directors, employees, volunteers and agents, the successors and assigns of any of them, (all of the above hereinafter collectively known as "Indemnitees"), from and against all claims, causes of action, proceedings, losses, damages, liability, cost, and expense (including, without limit, any fines, penalties, judgments, litigation costs, attorneys' fees and consulting, engineering and construction costs) for damage to natural resources or other loss of or damage to property and for injuries to or death of any person (including, but not limited to, the property and employees of each party) ("Liability") when arising or resulting from the use of the Property or performance of the Work by Permittee, its agents, employees, contractors, subcontractors, or invitees or Permittee's breach of the provisions of this Agreement. The duty of Permittee to indemnify and save harmless includes the duties to defend as set forth in Section 2778 of the Civil Code. It is the express intent of the parties that Permittee will indemnify and hold harmless Indemnitees from any and all claims, suits or actions arising from any cause whatsoever as set forth above regardless of the existence or degree of fault or negligence on the part of Indemnitees, Permittee, or any subcontractor or employee of any of

## Exhibit 6

these, except to the extent the Liability was attributable to the gross negligence, willful misconduct or criminal acts of a particular Indemnitee, it being understood and agreed that any Indemnitee not acting in such a manner shall still be entitled to the benefits of this indemnity. Permittee waives any and all rights to any type of express or implied indemnity against Indemnitees. This indemnity shall survive termination of this Agreement. It is the intention of the parties that should any term of this indemnity provision be found to be void or unenforceable, the remainder of the provision shall remain in full force and effect.

11. Hazardous Materials. No Hazardous Materials (as defined below) shall be created, stored, used, disposed of, brought to or handled at any time upon the Property, except Hazardous Materials contained in or used in connection with construction equipment necessary for the operation of such equipment or vehicle being used for work which is authorized on the Property under this Permit. In conducting its operations on the Property, and in arranging for the handling, transport and disposal of any materials known (whether or not hazardous), Permittee shall at all times comply with all applicable laws, statutes, ordinances, rules, regulations or orders of whatever kind or nature and pay all costs of such compliance. Permittee shall immediately notify District when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Property. The term “release” or “threatened release” when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Property. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that a Permittee or its Agents or Invitees cause a release of Hazardous Material, Permittee shall, without cost to District and in accordance with all laws and regulations, return the Property to the condition immediately prior to the release. In connection therewith, Permittee shall afford District a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material.

Any Hazardous Materials introduced onto the Property by Permittee, its agents, employees, contractors, subcontractors or invitees, shall remain the property of Permittee, its agents, employees, contractors, subcontractors or invitees, which shall be responsible for disposing of these materials at no cost to District or any Indemnitee, and Permittee shall be obligated to defend, indemnify and hold Indemnitees harmless from any and all Liability arising from it, regardless of whether such Liability arises during or after the term of this Permit. This indemnity shall not extend to Liability arising from the presence of any Hazardous Materials on the Property, unless (i) such Hazardous Materials were introduced onto the Property by Permittee, its agents, employees, contractors, subcontractors or invitees, in which case this indemnity shall apply, or (ii) Hazardous Materials are present on the Property, and Permittee’s handling, excavation, relocation, investigation, disposal or other exercise of control over the Property imposes on the District new or additional liability, which the District would not otherwise have incurred in the absence of Permittee’s activities or project. (In such event, Permittee shall pay for and defend and indemnify Indemnitees from and against such additional liability to the extent it exceeds that liability which the District would have incurred in the absence of Permittee’s activities or project.)

## Exhibit 6

Any Hazardous Materials not introduced onto the Property by Permittee, its agents, employees, contractors, subcontractors or invitees shall remain the property of the District (or other responsible third parties) and shall not be deemed property of Permittee.

For purposes of this Agreement, “Hazardous Material” means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a “hazardous substance, pollutant or contaminant” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. 6901 et seq.) or pursuant to Section 25316 of the California Health and Safety Code; a “hazardous waste” listed pursuant to Section 25140 of the California Health and Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Property or are naturally occurring substances on the Property, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. This indemnity shall survive termination of this Agreement. It is the intention of the parties that should any term of this indemnity provision be found to be void or unenforceable, the remainder of the provision shall remain in full force and effect.

12. Compliance with Laws. Permittee shall comply, at Permittee’s expense, with all applicable laws, regulations, rules and orders with respect to the use of the property, regardless of when they become or became effective, including, without limitation, those relating to construction, grading, signage, health, safety, noise, environmental protection, hazardous materials, waste disposal and water and air quality, and furnish satisfactory evidence of such compliance upon request of the District. Before beginning work on the Property, Permittee shall also obtain, at Permittee’s expense, any and all permits, licenses and approvals required for construction and operation of the Work and shall provide District with copies of such approvals. Under no circumstances shall Permittee damage, harm or take any rare, threatened or endangered species on or about the Property.

13. Notices. All notices required or permitted to be given under this Agreement shall be in writing and mailed postage prepaid by certified or registered mail, return receipt requested, or by personal delivery or by overnight courier, to the appropriate address indicated below or at such other place or places as either District or Permittee may, from time to time, respectively, designate in a written notice given to the other. Notices shall be deemed sufficiently served four (4) days after the date of mailing or upon personal delivery.

If to District: Chuck Farmer, Chief Financial Officer  
110 Vernon Street  
Santa Cruz, CA 95060  
Email: [cfarmer@scmtd.com](mailto:cfarmer@scmtd.com)

With a copy to: Hanson Bridgett, LLP  
1676 North California Boulevard, Suite 610  
Walnut Creek, CA 94566  
Email: [jsherman@hansonbridgett.com](mailto:jsherman@hansonbridgett.com)  
[mconneran@hansonbridgett.com](mailto:mconneran@hansonbridgett.com)



## Exhibit 6

If to Permittee:

14. Successors and Assigns. Permittee shall not assign nor sublet, in whole or in part, any rights covered by this Agreement, or permit any other person, firm or corporation to use, in whole or in part, any of the rights or privileges granted pursuant to this Agreement, without first obtaining the written consent of the District.

15. No Waiver. No waiver of any default or breach of any covenant of this Agreement by either party shall be implied from any omission by either party to take action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the waiver, and then the waiver shall be operative only for the time and to the extent stated. Waivers of any covenant, term or condition by either party shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition. The consent or approval by either party to or of any act by either party requiring further consent or approval shall not be deemed to waive or render unnecessary their consent or approval to or of any subsequent similar acts.

16. Severability. Each provision of this Agreement is intended to be severable. If any term of provision shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this Agreement and shall not affect the validity of the remainder of this Agreement.

17. Attorneys' Fees. If any legal proceeding should be instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in the proceeding shall receive, in addition to all court costs, reasonable attorneys' fees.

18. Condemnation. In the event all or any portion of the Property is condemned for public use, Permittee shall receive compensation only in the amount awarded for the taking and damaging of Permittee's facilities related to the Work. Any compensation for damages for taking the Property or Permittee's permit interest thereon awarded to Permittee shall be assigned to District.

19. Governing Law. The rights and obligations of the parties under this Agreement shall be interpreted in accordance with the laws of the State of California as applied to contracts that are made and performed entirely in California.

20. Effect of Headings. The headings of the paragraphs of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions

21. Integration. This Agreement constitutes the complete expression of the agreement between the parties and supersedes any prior agreements, whether written or oral, concerning the subject of this Agreement, which are not fully expressed in this Agreement. The parties intend this Agreement to be an integrated agreement. Any modification of or addition to this Agreement must be in writing signed by both parties.

# Exhibit 6

22. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original but both of which shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have executed this Permit as of the day and year first above written by their duly authorized representatives.

## DISTRICT

SANTA CRUZ METROPOLITAN TRANSIT  
DISTRICT

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address for notices:

\_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

Email: \_\_\_\_\_

## PERMITTEE

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address for notices:

\_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

Email: \_\_\_\_\_

# Exhibit 6

## **EXHIBIT A**

### **District's Property**

# Exhibit 6

## **EXHIBIT B**

### **Work Location**

# Exhibit 6

## EXHIBIT C

### Insurance Requirements

Permittee shall procure and maintain insurance against claims for injuries to persons or damages to property and otherwise which may arise from or in connection with the performance of the work under this Agreement and the results of that work by Permittee, its agents, representatives, employees, contractors, or subcontractors.

#### A. CERTIFICATE REQUIREMENTS

The District will be issued a Certificate of Insurance (a Memorandum of Understanding will not be accepted) with the following minimum requirements:

- Certificate(s) will show current policy number(s) and effective dates,
- Coverage and policy limits will meet, or exceed, requirements below,
- The Certificate Holder will be the Santa Cruz Metropolitan Transit District,
- Certificate will be signed by an authorized representative,
- An endorsement, if required below, will be provided to show the District, its officers, officials, employees, and volunteers as additional insureds, and
- Coverages must be maintained during the term of the Agreement, unless a longer duration is required as specified below.

#### B. MINIMUM SCOPE AND LIMITS OF INSURANCE

Permittee acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amount of coverage required. If Permittee maintains broader insurance coverage and/or higher limits than the minimums shown below, the District requires and shall be entitled to the broader insurance coverage and/or higher limits maintained by Permittee. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the District.

Coverage will be at least as broad as:

- COMMERCIAL GENERAL LIABILITY (CGL): \$5,000,000 PER OCCURRENCE; \$10,000,000 AGGREGATE  
Proof of coverage for \$5 Million per occurrence including products and completed operations, property damage, bodily injury, personal and advertising injury will be provided on Insurance Services Office (ISO) Form CG 00 01 covering CGL.
- PROFESSIONAL LIABILITY (ERRORS AND OMISSIONS): \$2,000,000 PER OCCURRENCE OR CLAIM, \$2,000,000 AGGREGATE.

Permittee will maintain insurance appropriate to Permittee's profession; with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after date of completion of the services under this Agreement. If coverage is canceled or non-renewed and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date or start of work date, Permittee must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

## Exhibit 6

- **AUTOMOBILE LIABILITY:**  
Proof of coverage for \$1,000,000 provided on ISO Form Number CA 00 01 covering any auto (Code 1), or if District has no owned autos, hired, (Code 8) and non-owned autos (Code 9), per accident for bodily injury and property damage.
- **WORKERS' COMPENSATION AS REQUIRED BY THE STATE OF CALIFORNIA, WITH STATUTORY LIMITS, AND EMPLOYER'S LIABILITY INSURANCE:** \$1,000,000 per accident for bodily injury or disease.

The Worker's Compensation policy must be **endorsed** with a waiver of subrogation in favor of the District for all work performed by the Permittee and its employees.

**(Not required if Permittee provides written verification it has no employees)** - If Contractor has no employees, Contractor shall complete and sign a Workers' Compensation Exemption Declaration and Release of Liability.

- **CONTRACTORS' POLLUTION LIABILITY and/or ASBESTOS POLLUTION LIABILITY (CPL)** (if project involves environmental hazards) with limits no less than \$2,000,000 per occurrence or claim, and \$4,000,000 policy aggregate.
  1. If the services involve lead-based paint or asbestos identification / remediation, the Pollution Liability shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/ remediation, the Pollution Liability shall not contain a mold exclusion and the definition of "Pollution" shall include microbial matter including mold.
  2. The Automobile Liability policy shall be **endorsed** to include **Transportation Pollution Liability** insurance, covering hazardous materials to be transported by Contractor pursuant to the Agreement. This coverage may also be provided on the Contractors Pollution Liability policy.
- **BUILDER'S RISK (Course of Construction)** insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.

### **Builder's Risk (Course of Construction) Insurance**

Permittee's Contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall **name the District as a loss payee** as their interest may appear.

### **C. OTHER INSURANCE PROVISIONS**

The insurance policies are to comply with the following provisions:

- **ADDITIONAL INSURED STATUS**  
The District, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL, CPL, and automobile insurance (if transporting hazardous materials] policies with respect to liability arising out of work or operations performed by or on behalf of Permittee including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage will be provided in the form of an **endorsement** to Permittee's insurance at least as broad as ISO Form CG 20 10 11 85, or if not available, through the addition of **both** CG 20 10 CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 (if a later edition is used).

# Exhibit 6

- PRIMARY COVERAGE

For any claims related to this Agreement, Permittee's insurance coverage will be **primary** insurance as respects the District, its officers, officials, employees, agents, and volunteers. Any insurance or self-insurance maintained by the District, its officers, officials, employees, agents, or volunteers will be excess of Permittee's insurance and will not contribute with it.

- NOTICE OF CANCELLATION

Each insurance policy required above shall state that the coverage shall not be canceled, except with notice to the District.

- WAIVER OF SUBROGATION

Permittee hereby grants to the District a waiver of any right to subrogation, except as otherwise not applicable, which any insurer of said Permittee may acquire against the District by virtue of the payment of any loss, including attorney's fees under such insurance. Permittee agrees to obtain any endorsement that may be necessary to effectuate this waiver of subrogation, but this provision applies regardless of whether or not the District has received a waiver of subrogation endorsement from the insurer.

- EXCESS LIABILITY/UMBRELLA INSURANCE POLICIES

The excess/liability policies will provide similar coverage as the primary CGL policy with no new exclusions - Excess liability insurance must **follow form** the terms, conditions, definitions, and exclusions of the underlying CGL insurance. The excess/umbrella policy must also be written on a primary and noncontributory basis for an additional insured, and that it will apply before any other insurance that is available to such additional insured which covers that person or organization as a named insured, and we will not share with that other insurance.

The policy regarding Limits of Insurance regarding Aggregates must provide that the aggregate limits if applicable shall apply in the same manner as the aggregate limits shown in the Schedule of the Underlying Insurance.

- SELF-INSURED RETENTIONS

Self-insured retentions must be declared to and approved by the District. District may require Permittee to purchase coverage with a lower retention or provide proof of ability to pay losses and related expenses. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or District.

- ACCEPTABILITY OF INSURERS

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A-: VII, unless otherwise acceptable to the District.

- CLAIMS MADE POLICIES

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not *replaced with another claims-made policy form with a Retroactive Date* prior to the contract effective date, the Permittee must purchase "extended reporting" coverage for a minimum of *five (5)* years after completion of contract work.

## Exhibit 6

- **VERIFICATION OF COVERAGE**

Permittee will furnish the District with original Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL, CPL, and automobile Policies listing all policy endorsements to be approved by the District before work commences. However, failure to obtain the required documents prior to the work beginning will not waive the Permittee's obligation to provide them. The District reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

- D. CONTRACTORS/SUBCONTRACTORS**

Permittee shall require and verify that all contractors and subcontractors maintain insurance meeting all the requirements stated herein, and Permittee shall ensure that District is an additional insured on insurance required from subcontractors.

- E. SPECIAL RISKS/CIRCUMSTANCES**

The District reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances and provide notice to Permittee.



# Exhibit 6

## **EXHIBIT D**

**Work Procedures (if applicable)**

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# Exhibit 7

## AHSC IMPLEMENTATION AND COOPERATION AGREEMENT

THIS AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES ("AHSC") PROGRAM IMPLEMENTATION AND COOPERATION AGREEMENT (the "**Agreement**") is made and entered into as of \_\_\_\_\_, by and among the Santa Cruz Metropolitan Transit District (the "**District**"), the City of Santa Cruz (the "**City**"), For the Future, Inc., a California corporation ("**FTF**") and Eden Housing, Inc., a California nonprofit public benefit corporation ("**EHI**"), and collectively with FTF, the "**Developer**"), each of which is referred to herein individually as "Party" and jointly as "Parties."

### RECITALS

A. The State of California, the Strategic Growth Council ("**SGC**") and the Department of Housing and Community Development ("**HCD**") issued a Notice of Funding Availability dated November 1, \_\_ (the "**AHSC NOFA**"), under the AHSC Program established under Division 44, Part 1 of the Public Resources Code, commencing with Section 75200.

B. First Community Housing, Inc. ("**FCH**"), the City and the District, and were awarded, AHSC Funds in response to the AHSC NOFA ("**AHSC Award**") to provide funding for (A) construction of the Pacific Station North Apartments affordable housing project in Santa Cruz, California (the "**Housing Project**"); (B) the installation of a total of 0.85 miles of Class I 'rail trail' for MBSST Segment 7, from California Street to the Beach St/Pacific Ave intersection, along the coastal side of the rail right-of-way (the "**City Trail Project**"); (C) the construction of certain sustainable transportation infrastructure, a replacement transit station, and transit related amenities (the "**Transportation Project**"); and (D) certain costs related to the Housing Project residents' program costs (the "**AHSC Programs**"). These improvements and programs are described in more detail in the Final Application submitted to HCD (collectively, the "**AHSC Application**"), a copy of which is on file with EHI, City and District.

C. FCH assigned its rights under the AHSC Award to EHI pursuant to an Assignment and Assumption Agreement dated April 11, 2023, and HCD issued a corrected award letter dated May 19, 2023 naming EHI, City and District as Co-Sponsors.

D. In accordance with the AHSC Application, the Parties obtained an award in an aggregate amount of \$20,000,000 in AHSC Funds consisting of: (A) \$20,000,000 of AHSC loan funds for a permanent loan ("**AHSC Loan**") which will be disbursed to Developer's payee, 902 Pacific Avenue Investors, L.P., a California limited partnership (the "**Partnership**"), for construction of the Housing Project; (B) \$600,000 of AHSC grant funds shall be used for the purpose of reimbursing the cost of the City Trail Project; (C) \$8,765,940 of the AHSC grant funds for the purpose of reimbursing the cost of the Transportation Project; and (D) \$302,960 of AHSC grant funds for reimbursing the costs of the AHSC Programs. The AHSC grants shall be referred to collectively as the "**AHSC Grants**". The AHSC Loan and the AHSC Grants are collectively referred to herein as the "**AHSC Financing**."

E. The City shall be responsible for performing and completing the City Trail Project and the AHSC Programs other than providing Transit Passes and for all costs and expenses necessary thereto in accordance with the NOFA, AHSC Application, and the Standard

# Exhibit 7

Agreement (the “**City Obligations**”). The Developer shall be responsible for performing and completing the Transportation Project (the “**Developer Transportation Obligations**”) subject to the provision of additional funds pursuant to separate agreements between the Developer, City and District, and Developer shall be responsible for constructing and developing the Housing Project and for implementing the AHSC Programs consisting of providing Transit Passes to residents (together, the “**Developer Housing Obligations**”), and for all costs and expenses related thereto. The Developer Housing Obligations, the AHSC Programs and Developer Transportation Obligations are collectively referred to as the “**Developer Obligations**”. In connection with the AHSC Grants and AHSC Loan, District, City and Eden are required to enter into standard agreements, disbursement agreements, and regulatory agreements with HCD. The AHSC Application and all standard agreements, disbursement agreements, regulatory agreements and any other agreements required by HCD in connection with the AHSC Financing shall be collectively referred to herein as the “**AHSC Documents**”.

F. The Parties acknowledge and agree that the inability or failure by any of the Parties to fully and timely complete its respective obligations required by the AHSC Documents may affect the timing and right of the other Parties to receive disbursement of AHSC Financing due the other Parties notwithstanding the other Parties’ full and timely performance of its obligations.

NOW, THEREFORE, in consideration of the recitals, covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto hereby agree as follows:

## AGREEMENT

1. Obligations. The City shall, in its sole responsibility, complete the City Obligations in accordance with the terms of the AHSC Documents and this Agreement. The Developer shall, in its sole responsibility, complete the Developer Obligations in accordance with the terms of the AHSC Documents, this Agreement and the approved design and construction documents. Each Party will provide the other Parties with copies of all requisitions for work related to their respective work, the notice of completion, and other documents related to their respective work that another party may reasonably request.

2. Developer Indemnity. Developer is responsible for carrying out the Developer Obligations using AHSC Grant proceeds and AHSC Loan funds in accordance with the AHSC Documents, including, but not limited to, any disbursement deadlines contained in the AHSC Documents. Developer shall indemnify, defend, protect, and hold harmless the District and its affiliates, directors, officers, partners, members, agents and employees (each, a “**District Indemnified Party**”) and the City, and their respective affiliates, directors, officers, partners, members, agents and employees (“**City Indemnified Party**”) against any and all claims, actions, suits, causes of action, losses, liabilities, injuries, costs, damages, or expenses (collectively, “**Claims**”), including, without limitation, reasonable attorneys’ fees, arising out of or in connection with Developer’s performance of or failure to perform its Developer Obligations. However, in no event shall the District Indemnified Party or City Indemnified Party be indemnified hereunder for any Claims resulting from such party’s negligence or willful misconduct. Developer agrees to pay all of the costs and expenses of the District Indemnified Party and City Indemnified Party, including reasonable attorneys’ fees, which may be incurred in

## Exhibit 7

any effort to enforce any term of this indemnification, including, but not limited to, all such costs and expenses which may be incurred by any District Indemnified Party or City Indemnified Party in any legal action, reference or arbitration proceeding brought by HCD or other third party.

3. City Indemnity. City is responsible for carrying out the City Obligations using AHSC Grant proceeds in accordance with the AHSC Documents, including, but not limited to, any disbursement deadlines contained in the AHSC Documents. City shall indemnify, defend, protect, and hold harmless the District Indemnified Party and Developer and its respective affiliates, directors, officers, partners, members, agents and employees (each, “**Developer Indemnified Party**”) against any and all Claims, including, without limitation, reasonable attorneys’ fees, arising out of or in connection with City’s performance of or failure to perform its City Obligations. However, in no event shall the District Indemnified Party or Developer Indemnified Party be indemnified hereunder for any Claims resulting from such party’s negligence or willful misconduct. City agrees to pay all of the costs and expenses of the District Indemnified Party and Developer Indemnified Party, including reasonable attorneys’ fees, which may be incurred in any effort to enforce any term of this indemnification, including, but not limited to, all such costs and expenses which may be incurred by any District Indemnified Party or Developer Indemnified Party in any legal action, reference or arbitration proceeding brought by HCD or other third party.

4. Schedule of Performance; Progress Reports. The Parties shall each comply with its specific schedule of performance set forth in Exhibit A attached hereto and incorporated herein, for the completion of their respective obligations hereunder (the “**Schedule of Performance**”). The Parties agree to give the other party a written quarterly status report on the progress toward their respective milestones listed in the Schedule of Performance, i.e., the Developer will report on the Developer’s progress on the Developer Obligations and the City will report on the City’s progress on the City Obligations. Status reports should be in the format of a memorandum and transmitted by a Party’s representative to the other Party’s representatives. If any Party anticipates not meeting the targeted construction and grant disbursement milestones as established in the AHSC Documents, that Party will promptly notify the other parties in writing and will meet with the other Parties to discuss the reasons why the milestone dates may not be met and what actions the delayed party intends to take to meet the milestones or otherwise rectify the Schedule of Performance in order to maintain good standing with the terms and conditions established in the AHSC Documents.

5. Delegation. Notwithstanding the obligations of each party under this Agreement, each party shall be entitled to enter into sub-agreements with each other or with other third parties to provide any assistance or services needed for each party to perform its obligations under this Agreement and the AHSC Documents.

6. Cost Overruns. Developer shall be responsible for paying all costs required to complete the Housing Project and implement the AHSC Programs consisting of providing Transit Passes to residents, irrespective of whether such costs exceeds the AHSC Loan and the portion of the AHSC Grant designated for the Housing Project and the portion of the AHSC Programs designated for Transit Passes. District, City or Developer shall be responsible for paying all costs required to implement the Developer Transportation Project in accordance with separate agreements between the City, District and Developer. City shall be responsible for

## Exhibit 7

paying all costs required for the City Obligations irrespective of whether such costs exceed the portion of the AHSC Grant designated for the City Obligations.

7. Intentionally Omitted.

8. Disbursement of AHSC Grant Funds and AHSC Loan Funds.

(a) The Parties agree that the City will use AHSC Grant funds it receives from HCD to reimburse the Developer for costs and expenses incurred by the Developer or its affiliates in carrying out the Developer Transportation Obligations. Developer will submit draw requests to the City to pay for the costs associated with the District Obligations in the form required by the AHSC Documents, including any back up documentation required by the AHSC Documents or HCD. The City will reimburse the Developer or its affiliates for such costs upon receipt of the AHSC Grant funds from HCD

(b) The AHSC Grant funds will be used to directly reimburse the City and Eden for costs and expenses incurred by each in carrying out their respective City Obligations and AHSC Programs. The City and the Developer will submit draw requests to HCD in the form required by the AHSC Documents, including any back up documentation required by the AHSC Documents or HCD. Each Party will apply any AHSC Grant proceeds received to pay the costs and expenses stated on the draw request. The parties further agree that all of the AHSC Loan funds will be disbursed by HCD directly to the Partnership.

9. Audit/Inspection of Records.

(a) In addition to complying with the audit and records maintenance requirements set forth in Section 4 of Exhibit C: State of California General Terms and Conditions (GTC 04/2017) of the Standard Agreement, the City will retain the following records (collectively "**City Records**") for a minimum of three (3) years from the date of the final payment to the City under this Agreement or for any longer period required by law: all records pertaining to the City's performance of the Standard Agreement and this Agreement. At the District's or Developer's request during the term of this Agreement or during the period of time that the City is required to retain City Records, the City will provide, at no cost to the District or Developer, copies of and/or access to requested City Records at a time and place mutually agreed to by the District and the City or Developer.

(b) In addition to complying with the audit and records maintenance requirements set forth in Section 4 of Exhibit C: State of California General Terms and Conditions (GTC 04/2017) of the Standard Agreement, the Developer will retain the following records (collectively "**Developer Records**") for a minimum of three (3) years from the date of the final payment to the Developer under this Agreement or for any longer period required by law: all records pertaining to the Developer's performance of the Standard Agreement and this Agreement. At the District's or City's request during the term of this Agreement or during the period of time that the Developer is required to retain Developer Records, the Developer will provide, at no cost to the District or City, copies of and/or access to requested Developer Records at a time and place mutually agreed to by the District and the Developer or City.

## Exhibit 7

10. Notices. Formal notices, demands, and communications between the parties shall be sufficiently given if, and shall not be deemed given unless, dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by express delivery service, return receipt requested, or delivered personally, to the principal office of the parties as follows:

District: Santa Cruz Metropolitan Transit District

Developer: Eden Housing, Inc.  
22645 Grand Street  
Hayward, CA 94541  
Attn: Andrea Osgood  
aosgood@edenhousing.org

For the Future, Inc.  
433 March Street  
San Luis Obispo, CA 93401  
Attn: Jim Rendler  
jrendler@ftfhousing.com

City: City of Santa Cruz

11. Events of Default. The occurrence of any of the following events shall constitute an Event of Default under this Agreement:

(a) A Party fails to perform any of its obligations under this Agreement, and does not cure such failure within 30 days after written notice of such failure has been delivered to the defaulting party; or

(b) A Party purports to revoke this Agreement or this Agreement becomes ineffective for any reason.

12. Termination. This Agreement shall terminate upon the earlier of: (i) completion of the all obligations under the AHSC Documents; or (ii) mutual written agreement of the parties hereto.

13. Third Party Beneficiary. The Partnership shall be a third party beneficiary of this Agreement and shall be entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party to this Agreement.

14. Assignment. District and City hereby acknowledge and approve the assignment by Developer and the Partnership to the Housing Project's senior lender ("Construction Lender") of all of their respective right, title and interest in, to and under the Agreement (the "Collateral")

## Exhibit 7

as collateral security for the Partnership's obligations to Construction Lender under, and in connection with Construction Lender's loan to the Partnership. In the event Construction Lender forecloses upon the Collateral, District and City hereby agree that Construction Lender shall have all of Developer's rights and interests under the Agreement. Construction Lender is hereby made an express third party beneficiary of this Section 14, and the parties hereto shall not amend, modify or terminate the Agreement without Construction Lender's express written consent.

### 15. Miscellaneous.

(a) Nothing in this Agreement shall be construed to limit any claim or right which any party may otherwise have at any time against an Indemnitor or any other person arising from any source other than this Agreement, including any claim for fraud, misrepresentation, waste, or breach of contract other than this Agreement, and any rights of contribution or indemnity under any federal or state environmental law or any other applicable law, regulation, or ordinance.

(b) If any party delays in exercising or fails to exercise any right or remedy against a Party, that alone shall not be construed as a waiver of such right or remedy. All remedies of any Party against the other Party are cumulative.

(c) This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective representatives, heirs, executor, administrators, successors, and assigns. This Agreement may not be amended except by a written instrument executed by the parties hereto.

(d) This Agreement shall be deemed to have been delivered and accepted in the State of California and governed exclusively by the internal substantive laws of the State of California as the same may exist at the date hereof. The parties hereto hereby agree that any action hereon between the parties hereto and their successors in interest may be maintained in a court of competent jurisdiction located in the State of California, and consent to the jurisdiction of any such California court for the purposes connected herewith.

(e) Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto.

(f) This Agreement may be executed in multiple counterpart copies, any one of which when duly executed, with all formalities hereof, shall be fully binding and effective as the original of this Agreement.

(g) This Agreement shall be effective as of the date first written above.

*[Signatures on following page]*



# Exhibit 7

Each of the undersigned hereby executes this Agreement in the spaces provided below to evidence their respective agreement to the terms of this Agreement.

**DISTRICT**

# Exhibit 7

Each of the undersigned hereby executes this Agreement in the spaces provided below to evidence their respective agreement to the terms of this Agreement.

**CITY**

B-8

551\01\2647168.1  
8/9/2019  
105522\17182487v1

15797735.4

**10.4A.EXHIBIT 7.8**

# Exhibit 7

Each of the undersigned hereby executes this Agreement in the spaces provided below to evidence their respective agreement to the terms of this Agreement.

**EDEN**

---

**FTF**

B-9

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8/9/2019  
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**10.4A.EXHIBIT 7.9**

# Exhibit 7

EXHIBIT A  
SCHEDULE OF PERFORMANCE  
[SEE STANDARD AGREEMENTS FOR DEADLINES]

B-10

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8/9/2019  
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**10.4A.EXHIBIT 7.10**

# Attachment B



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. 23-12-04  
On the Motion of Director: Pageler  
Duly Seconded by Director: Rotkin  
The Following Resolution is Adopted:

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT DECLARING CERTAIN PROPERTY EXEMPT SURPLUS LAND UNDER THE SURPLUS LAND ACT

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) owns certain real property located between Front Street and Pacific Avenue known as Pacific Station North, commonly known as 333 Front Street, Santa Cruz CA 95060, where it operates a bus depot (the "METRO Property"); and

**WHEREAS**, the City of Santa Cruz ("City") owns property adjacent to the METRO Property; and

**WHEREAS**, METRO, the City, and other project partners are planning the Pacific Station North Redevelopment, a transit-oriented redevelopment project which will include the construction of a seven-story mixed use building with affordable residences, ground floor commercial, and second floor office space on property known as 333 & 423 Front Street (the "Project"); and

**WHEREAS**, as part of the Project, METRO and the City have agreed to swap land to enable the construction of a new Pacific Station North with updated design features and passenger amenities. The parcel to be transferred from METRO to the City, described as "Transfer Parcel 1," is approximately 16,965 square feet, and is described and depicted on the attached Exhibit 1 (the "Property"). In exchange, the City will convey to METRO the property identified on the exhibit as "Transfer Parcel 2." The parties intend to complete a lot line adjustment to achieve the proposed after condition as depicted on the attached Exhibit 2; and

**WHEREAS**, the property exchange is consistent with METRO's purposes and is necessary to construct the updated transit center. The reconfigured property will continue to be used for transit and other public purposes and will create sufficient lot sizes to allow the development of the Project, including the development of affordable housing units;

**WHEREAS**, pursuant to the California Surplus Land Act (California Government Code section 54220 et. seq.), the Board of Directors of METRO must declare property

# Attachment B

Resolution No. 23-12-04  
Page 2

as either "surplus land" or "exempt surplus land" as supported by written findings, before the agency may take any action to dispose of it consistent with the agency's policies and procedures; and

**WHEREAS**, pursuant to the Surplus Land Act, Government Code Section 54221(f)(1)(C), "exempt surplus land" includes "surplus land that a local agency is exchanging for another property necessary for the local agency's use," and

**WHEREAS**, the Property is not contiguous to land owned by a state or local agency that is used for open-space or low- and moderate-income housing purposes; and

**WHEREAS**, although the Property is not (i) adjacent to a historical unit of the State Parks System, (ii) listed on, or determined by the State Office of Historic Preservation to be eligible for, the National Register of Historic Places or (iii) within the Lake Tahoe region as defined in Government Code section 66905.5, it is located within the coastal zone and a notice of the availability of the Property for open space purposes was issued pursuant to Government Code section 54211(f)(2).

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of METRO hereby finds that the Property is exempt surplus land pursuant to Government Code Section 54221(f)(1)(C) because it will be exchanged for another property necessary for the agency's use.

**THEREFORE, BE IT FURTHER RESOLVED**, that the Board of Directors of METRO directs the CEO/General Manager or designee to transmit a copy of this Resolution to the California Department of Housing and Community Development no later than thirty (30) days prior to the disposition of the property and take any other actions necessary to give effect to this Resolution.

**PASSED AND ADOPTED** this 15th Day of December 2023 by the following vote:

**AYES:** Directors - Brown, Downing, Dutra, Kalantari-Johnson, Koenig, Lind, McPherson, Newsome, Pageler and Rotkin

**NOES:** Directors - None

**ABSTAIN:** Directors - None

**ABSENT:** Directors - Quiroz-Carter

**APPROVED:**

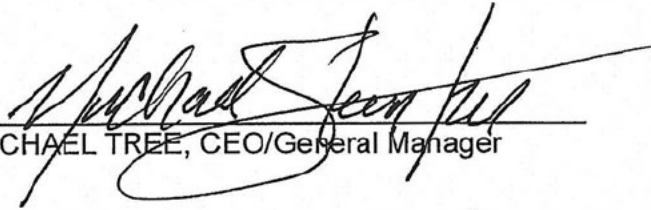
  
\_\_\_\_\_  
SHEBREH KALANTARI-JOHNSON, Chair

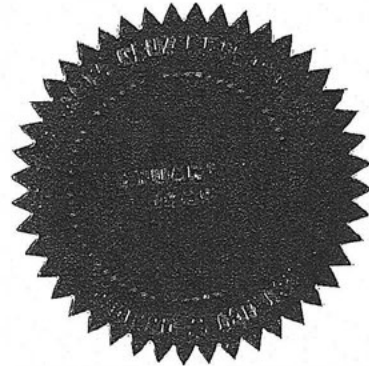
**10.4B.2**

# Attachment B

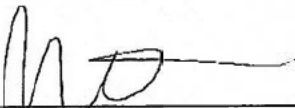
Resolution 23-12-04  
No. Page 3

**ATTEST:**

  
MICHAEL TREE, CEO/General Manager



**APPROVED AS TO FORM:**

  
JULIE SHERMAN, General Counsel

# Attachment B



## LEGAL DESCRIPTION TRANSFER APARTMENT LAND ALONG PACIFIC

September 21, 2023  
BKF No. 20202191  
Page 1 of 2

### Exhibit A-1

#### TRANSFER PARCEL 1

From Santa Cruz Metropolitan Transit District to City of Santa Cruz

All that real property situated in the City of Santa Cruz, County of Santa Cruz, State of California, and

Being a portion of the lands conveyed to Santa Cruz Metropolitan Transit District (SCMTD) in Grant Deed recorded May 14, 1992 in Book 5035, at Page 410 (Deed-1), Santa Cruz County Official Records, and a portion of the lands conveyed to SCMTD, in Grant Deed recorded December 29, 2010 as Document 2010-0055095 (Deed-2), Santa Cruz County Official Records, and more particularly described as follows:

**BEGINNING** at the most southwesterly corner of the lands conveyed to R.J. Lockwood in Grant Deed recorded November 15, 1969 in Book 4592, at Page 735, Santa Cruz County Official Records and also being a Lead Plug and Tag (LS 5513) set in concrete sidewalk along the easterly side of Pacific Avenue, a public street, from which another Lead Plug and Tag (LS 5513) set in concrete sidewalk along the westerly side of Front Street, a public street, as said Lead Plug and Tags are shown on that certain Record of Survey map filed in Volume 94 of Maps, at Page 35, Santa Cruz County Official Records, bears North 78°55'35" East, 276.48 feet; thence leaving said **POINT OF BEGINNING** along the southerly boundary of the Lands of R.J. Lockwood, North 78°55'35" East, 12.32 feet to the northwesterly corner of Deed-2 and the **TRUE POINT OF BEGINNING** of this description;

Thence leaving the northwesterly corner of Deed-2 and along the northerly boundary of Deed-2 North 78°55'35" East, 67.55 feet;

Thence leaving the northerly boundary of Deed-2 South 11°07'30" East, 250.11 feet to a point on the southerly boundary of Deed-1, also being a point on the northerly boundary of the lands conveyed to the City of Santa Cruz in Grant Deed recorded August 1, 1972 in Book 2225, Page 14 Santa Cruz County Official Records;

Thence leaving westerly along said common boundary (and a westerly extension of said lands of City of Santa Cruz), South 86°23'09" West, 70.31 feet;

Thence leaving the southerly boundary of Deed-1, North 11°08'13" West, 170.69 feet to a point on the northerly boundary line of Deed-1;

Thence along the northerly boundary of Deed-1, North 82°15'14" East, 2.30 feet to the southwest corner of said Deed-2;

Thence leaving said northerly boundary line, and along the westerly boundary of said Deed-2, North 11°12'30" West, 70.43 feet to the **TRUE POINT OF BEGINNING**.



# Attachment B

EXHIBIT "A-1"  
Legal Description  
Transfer Parcel 1  
Page 2 of 2

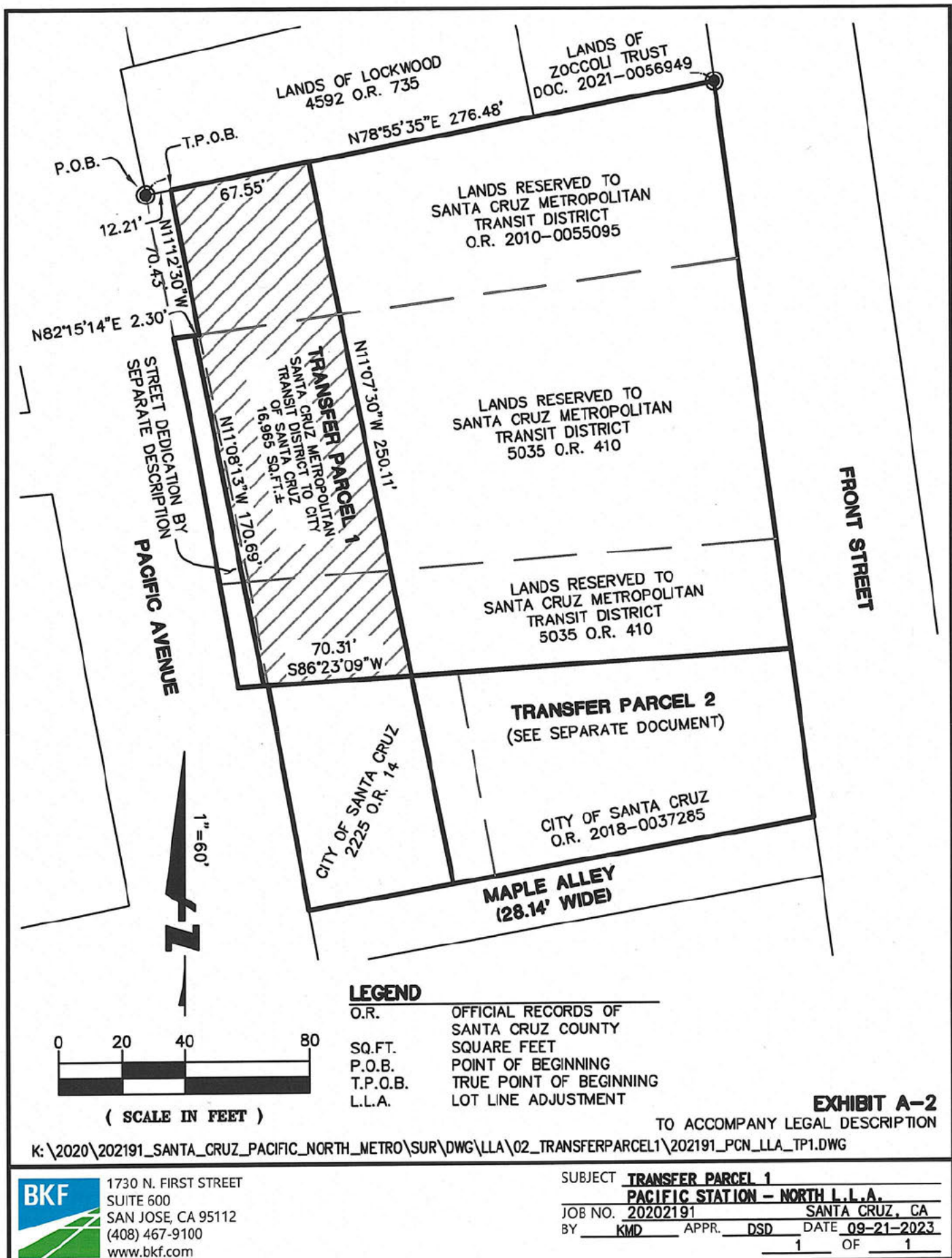
Containing an area of 16,965 square feet or 0.389 acres, more or less.

The above described transfer parcel is shown on the plat entitled, "Exhibit A-2", attached hereto and by reference made a part hereof.

Signed \_\_\_\_\_ Date \_\_\_\_\_



# Attachment B



# Attachment B

## Closure Calculations

Lot Line Adjustment  
Santa Cruz, California

September 20, 2023

Parcel Map Check

BKF Engineers No. 20202191

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Parcel Name: Transfer Parcel 1

	North: 2,698.565'	East: 1,871.120'
Line	Course: N78° 55' 35"E	Length: 67.55'
	North: 2,711.539'	East: 1,937.412'
Line	Course: S11° 07' 30"E	Length: 250.11'
	North: 2,466.129'	East: 1,985.671'
Line	Course: S86° 23' 09"W	Length: 70.31'
	North: 2,461.697'	East: 1,915.501'
Line	Course: N11° 08' 13"W	Length: 170.69'
	North: 2,629.173'	East: 1,882.531'
Line	Course: N82° 15' 14"E	Length: 2.30'
	North: 2,629.483'	East: 1,884.810'
Line	Course: N11° 12' 30"W	Length: 70.43'
	North: 2,698.570'	East: 1,871.120'

Perimeter: 631.39'

Area: 16,965 Sq Ft 0.389 Ac.

Error Closure: 0.01'

Course: N0° 00' 00"E

Error North: 0.005'

East: 0.000'

Precision 1: 126,278.00'

# Attachment B



September 21, 2023  
BKF No. 20202191  
Page 1 of 1

## Exhibit B-1

### TRANSFER PARCEL 2

From the City of Santa Cruz to the Santa Cruz Metropolitan Transit District

All that real property situated in the City of Santa Cruz, County of Santa Cruz, State of California, and

Being all of the lands conveyed to the City of Santa Cruz in Grant Deed recorded December 13, 2018 as Document 2018-0037285, Santa Cruz County Official Records (Deed-1), and being a portion of the lands conveyed to the City of Santa Cruz in Grant Deed recorded August 1, 1972 in Book 2225, at Page 14, Santa Cruz County Official Records (Deed-2) and more particularly described as follows:

**BEGINNING** at the most southeasterly corner of the lands conveyed to the Russell P. Zoccoli Revocable Trust in Grant Deed recorded November 18, 2021 as Document 2021-0056949, Santa Cruz County Official Records and also being a Lead Plug and Tag (LS 5513) set in concrete sidewalk along the westerly side of Front Street, a public street, from which another Lead Plug and Tag (LS 5513) set in concrete along the easterly side of Pacific Avenue, a public street, as said Lead Plug and Tags are shown on that certain Record of Survey map filed in Volume 94 of Maps, at Page 35, Santa Cruz County Official Records, bears South 78°55'35" West, 276.48 feet; thence leaving said **POINT OF BEGINNING** along the easterly boundary line of the lands reserved to Santa Cruz Metropolitan Transit District as described in Grant Deed recorded December 29, 2010 as Document 2010-0055095, Santa Cruz County Official Records, and the lands conveyed to Santa Cruz Metropolitan Transit District in Grant Deed recorded May 14, 1992 in Book 5035, at Page 410, Santa Cruz County Official Records, South 7°38'39" East, 355.39 feet to the northeasterly corner of Deed-1 and the **TRUE POINT OF BEGINNING** of this description;

Thence leaving said corner of Deed-1 and along the easterly boundary of Deed-1, South 7°38'39" East, 81.21 feet to the southeasterly corner of said Deed-1;

Thence leaving said corner of Deed-1 and along the northerly sideline of Maple Alley, a public right of way 28.14 feet in width, and along the Southerly boundary of Deed-1 and Deed-2, South 79°57'16" West, 175.17 feet to a point on the southerly boundary of said Deed-2;

Thence leaving the southerly boundary of Deed-2, North 11°07'30" West, 101.50 feet to a point on the northerly boundary line of said Deed-2;

Thence along the northerly boundary line of Deed-2 and Deed-1, North 86°23'09" East, 181.63 feet to the **TRUE POINT OF BEGINNING**;

Containing an area of 16,245 square feet or 0.373 acres, more or less.

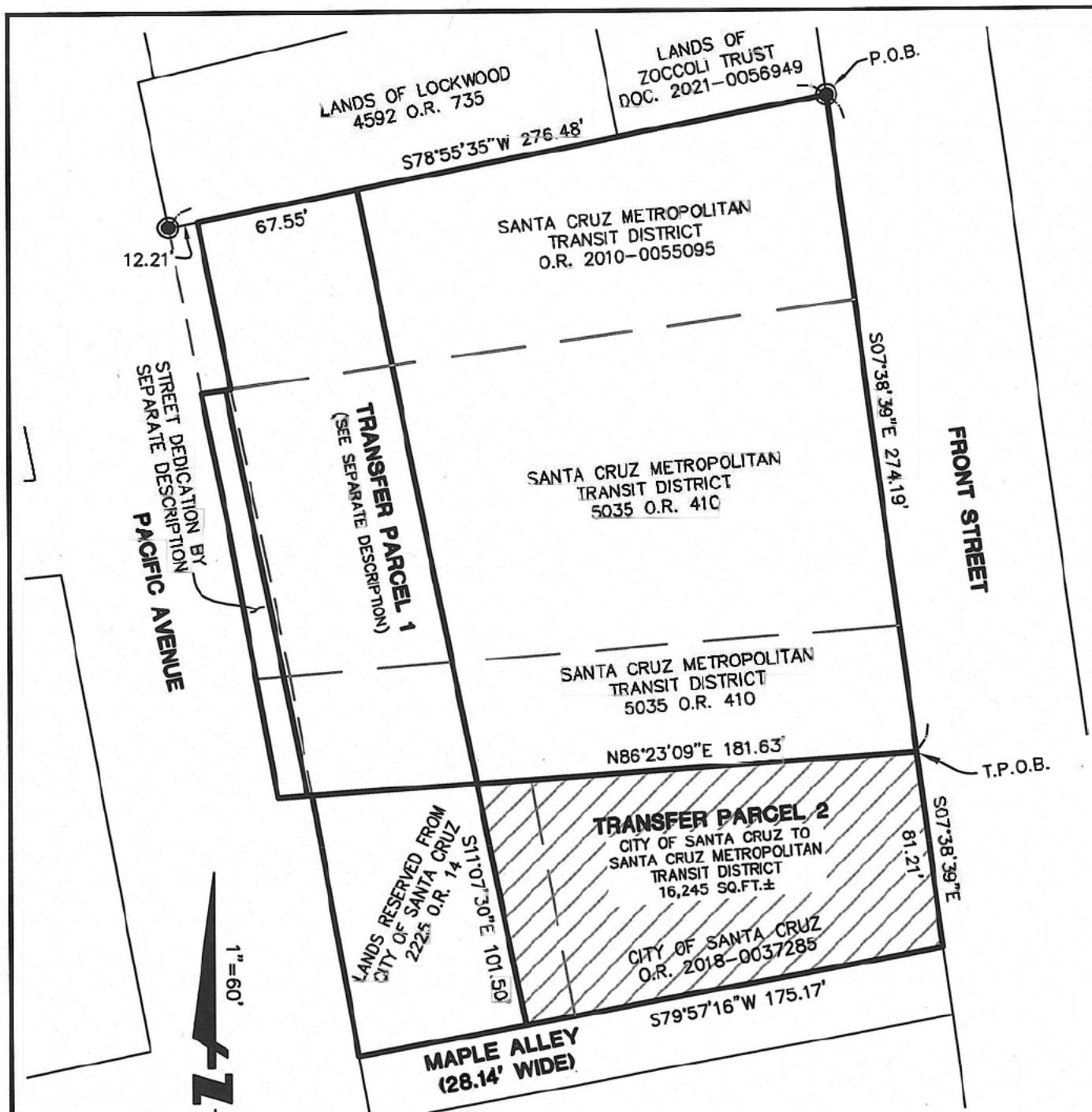
The above described transfer parcel is shown on the plat entitled, "Exhibit B-2", attached hereto and by reference made a part hereof.

Signed \_\_\_\_\_ Date \_\_\_\_\_



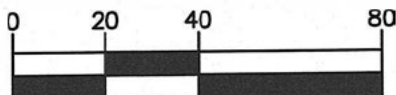
10.4B.8

# Attachment B



### LEGEND

O.R.	OFFICIAL RECORD OF
SQ.FT.	SANTA CRUZ COUNTY
P.O.B.	SQUARE FEET
T.P.O.B.	POINT OF BEGINNING
L.L.A.	TRUE POINT OF BEGINNING
	LOT LINE ADJSUTMENT



( SCALE IN FEET )

### EXHIBIT B-2

TO ACCOMPANY LEGAL DESCRIPTION

K:\2020\202191\_SANTA\_CRUZ\_PACIFIC\_NORTH\_METRO\SUR\DWG\LLA\03\_TRANSFERPARCEL2\202191\_PCN\_LLA\_TP2.DWG



1730 N. FIRST STREET  
SUITE 600  
SAN JOSE, CA 95112  
(408) 467-9100  
www.bkf.com

SUBJECT TRANSFER PARCEL 2  
PACIFIC STATION - NORTH L.L.A.  
JOB NO. 20202191 SANTA CRUZ, CA  
BY KMD APPR. DSD DATE 09-21-2023  
1 OF 1

# Attachment B

## Closure Calculations

Lot Line Adjustment  
Santa Cruz, California

September 20, 2023

BKF Engineers No. 20202191

Parcel Map Check

---

Parcel Name: Transfer Parcel 2

	North: 2,466.124'	East: 1,985.674'
Line	Course: N86° 23' 09"E	Length: 181.63'
	North: 2,477.573'	East: 2,166.943'
Line	Course: S7° 38' 39"E	Length: 81.21'
	North: 2,397.085'	East: 2,177.746'
Line	Course: S79° 57' 16"W	Length: 175.17'
	North: 2,366.530'	East: 2,005.261'
Line	Course: N11° 07' 30"W	Length: 101.50'
	North: 2,466.123'	East: 1,985.677'

Perimeter: 539.51'

Area: 16,245 Sq Ft 0.373 Ac.

Error Closure: 0.00'

Course: S71° 33' 54"E

Error North: -0.001'

East: 0.003'

Precision 1: 170,608.04'

**10.4B.10**

# Attachment C



## **BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

Resolution No. 21-05-02

On the Motion of Director: Donna Meyers

Duly Seconded by Director: Aurelio Gonzalez

The Following Resolution is Adopted:

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING THE CEO/GM TO SUBMIT A JOINT APPLICATION WITH THE CITY OF SANTA CRUZ FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES (AHSC) PROGRAM**

**WHEREAS**, The State of California, the Strategic Growth Council (SGC) and the Department of Housing and Community Development (Department) has issued a Notice of Funding Availability dated February 26, 2021 (NOFA), under the Affordable Housing and Sustainable Communities (AHSC) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) and the City of Santa Cruz, as co-applicants (Applicant) desire to apply for AHSC Program funds and submit the Application Package released by the Department for the AHSC Program; and

**WHEREAS**, The SGC is authorized to approve funding allocations for the AHSC Program, subject to the terms and conditions of the NOFA, Program Guidelines, Application Package, and Standard Agreement. The Department is authorized to administer the approved funding allocations of the AHSC Program; and

**WHEREAS**, as currently approved by the METRO Board on April 26, 2019, METRO's total financial contribution to the Project is \$4,000,000 for a turnkey redevelopment project with the City of Santa Cruz, exclusive of any value derived from the use of METRO's real estate assets.

# Attachment C

Resolution No. 21-05-02

.Page 2

**NOW, THEREFORE, BE IT RESOLVED, that:**

**Section 1.** Applicant is hereby authorized and directed to jointly apply with the City of Santa Cruz for and submit to the Department the AHSC Program Application as detailed in the NOFA dated February 26, 2021, for Round 6 in a total amount not to exceed \$30,000,000.00 of which \$20,000,000.00 is requested as a loan for an Affordable Housing Development (AHD) ("AHSC Loan") and \$10,000,000.00 is requested for a grant for Housing-Related Infrastructure (HRI), Sustainable Transportation Infrastructure (STI), Transit-Related Amenities (TRA) or Program (PGM) activities ("AHSC Grant") as defined in the AHSC Program Guidelines adopted by SGC on February 24, 2021. If the application is approved, the Applicant is hereby authorized and directed to jointly enter into, execute, and deliver a State of California Standard Agreement (Standard Agreement) in a total amount not to exceed \$30,000,000.00 (\$20,000,000.00 for the AHSC Loan and \$10,000,000.00 for the AHSC Grant), and any and all other documents required or deemed necessary or appropriate to secure the AHSC Program funds from the Department, and all amendments thereto (collectively, the "AHSC Documents").

**Section 2.** Applicant shall be subject to the terms and conditions as specified in the Standard Agreement. Funds are to be used for allowable capital asset project expenditures to be identified in Exhibit A of the Standard Agreement. The application in full is incorporated as part of the Standard Agreement. Any and all activities funded, information provided, and timelines represented in the application are enforceable through the Standard Agreement. Applicant hereby agrees to use the funds for eligible capital asset(s) in the manner presented in the application as approved by the Department and in accordance with the NOFA and Program Guidelines and Application Package.

**Section 3.** The CEO/GM, or designee, is authorized to jointly execute with the City of Santa Cruz in the name of Applicant the AHSC Program Application Package and the AHSC Program Documents as required by the Department for participation in the AHSC Program.

**PASSED AND ADOPTED** this 21<sup>st</sup> Day of May 2021 by the following vote:

**AYES:** Directors Dutra, Gonzalez, Kalantari-Johnson, Koenig, Lind, McPherson, Meyers, Pageler, Petersen, Rothwell & Rotkin

**NOES:** None

**ABSTAIN:** None

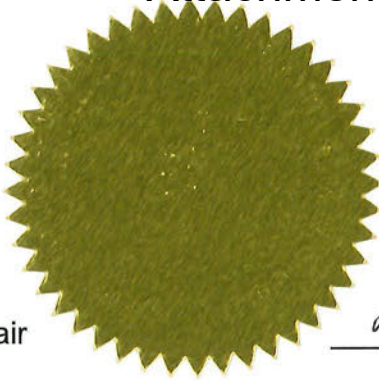


# Attachment C

Resolution No. 21-05-02  
Page 3

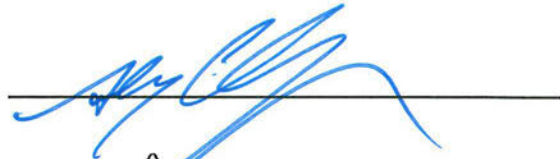
**ABSENT:** None

Approved:  
Donna Lind, Chair

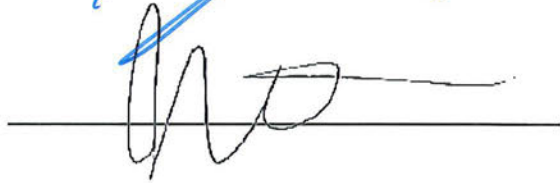


  
\_\_\_\_\_

Attest:  
Alex Clifford, CEO/General Manager

  
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Approved as to form:  
Julie A. Sherman, General Counsel

  
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**DATE:** January 26, 2024  
**TO:** Board of Directors  
**FROM:** Chuck Farmer, Chief Financial Officer  
**SUBJECT: ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED  
JUNE 30, 2023**

**I. RECOMMENDED ACTION**

**That the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ended June 30, 2023.**

**II. SUMMARY**

- The **Financial Statements with Independent Auditor's Report** (Attachment A) prepared by the firm Brown Armstrong, Certified Public Accountants present Santa Cruz METRO's financial position as of June 30, 2023. The auditors have found that Santa Cruz METRO's financial statements present fairly, in all material respects, the financial position of Santa Cruz METRO as of June 30, 2023.
- In the **Independent Auditor's Report on Compliance Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with the Statutes, Rules, and Regulations of the California Transportation Development Act and the Allocation Instructions and Resolutions of the Transportation Commission** (page 59-60), the auditors found nothing that came to their attention that indicated Santa Cruz METRO failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission (SCCRTC) during the course of their audit. Additionally, the auditors tested Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) program receipts and expenses for the year audited.
- In the **Schedule of Findings and Questioned Costs** (pages 61-62), the auditors identified no findings associated with their testing of major federal program expenditures in connection with their audit performed under *Government Auditing Standards (GAS)* and in accordance with the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

- **The Required Communication to the Board of Directors in Accordance with Professional Standards** letter (Attachment B) provides information related to the auditor’s responsibilities under generally accepted auditing standards as well as observations arising from the audit.

### III. DISCUSSION/BACKGROUND

#### **Attachment A – Santa Cruz METRO’s Financial Statements with Independent Auditor’s Report**

The **Independent Auditor’s Report** (pages 1-3) attests that the audit was conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The auditors have found that Santa Cruz METRO’s financial statements present fairly, in all material aspects, the financial position of Santa Cruz METRO as of June 30, 2023.

While the basic financial statements and notes (pages 16-45) provide information about Santa Cruz METRO’s financial position in detail, the **Management’s Discussion and Analysis** (pages 4-15) presents narrative highlights of the financial statements, an overview of the agency’s financial activities, and information that enhances overall financial disclosure. This report was prepared by Santa Cruz METRO management and staff.

The **Statement of Net Position** (pages 16-17) presents current and noncurrent assets and liabilities on a full accrual basis. Net position (deficit) represents the difference between total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources.

The **Statement of Revenues, Expenses and Changes in Fund Net Position** (page 18) presents Santa Cruz METRO’s revenues, expenses and the net impact these activities had on its net position for the year.

The **Statement of Cash Flows** (pages 19-20) demonstrates how changes in balance sheet accounts and income affect cash and cash equivalents.

The **Notes to Basic Financial Statements** (pages 21-45) are an integral component of the financial statement report, as they provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of Santa Cruz METRO’s operations and significant accounting policies, as well as clarify financial information unique to Santa Cruz METRO.

The **Required Supplementary Information (RSI)** section of the report highlights information that is considered essential for placing the financial statements and note information in an appropriate context, in accordance with generally accepted accounting principles:

- The Schedule of Changes in the Net Pension Liability and Related Ratios (pages 46-47) and the Schedule of Contributions - Pension (page 48) for Santa Cruz METRO's defined benefit pension plan present multiyear trend information that show whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. In March 2022, Santa Cruz METRO issued sales tax revenue bonds to refinance its pension obligations to CalPERS, with the intent of realizing interest cost savings in the future.
- The Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Related Ratios (page 49) and the Schedule of Contributions - OPEB (page 50) are required under current standards for accounting and financial reporting for OPEB plans (GASB 75), implemented in FY18. At this time, Santa Cruz METRO has not prefunded the liability for retiree medical or other postemployment benefits.

The Statement of Operating Expenses (page 51) is presented as **Supplementary Information**, showing the total operating costs that were reported in the financials in further detail, broken out by natural expense classification.

### **Attachment B - Required Communication to the Board of Directors in Accordance with Professional Standards**

The **Required Communication to the Board of Directors in Accordance with Professional Standards** is a letter from the auditors that serves to communicate to those charged with governance the scope of audit procedures performed, significant findings or misstatements, and other information, such as significant accounting estimates, audit adjustments, any difficulties or disagreements with management, and other matters that are not communicated in the audited financial statements.

### **Attachment C – Santa Cruz METRO's Measure D Fund Financial Statements with Independent Auditor's Report**

As a recipient agency of Measure D funds, Santa Cruz METRO is required to submit separate independently audited financial statements of Measure D funds received and used annually to the SCCRTC, for review by the Measure D Taxpayer Oversight Committee. The FY23 Measure D audited financial statements were timely submitted to the SCCRTC along with Santa Cruz METRO's district-wide audited financial reports.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This pertains to METRO's Financial Stability, Stewardship & Accountability.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

There is no fiscal impact from the Board's formal acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the SCCRTC, the final audit must be submitted to the SCCRTC within 180 days of the end of the fiscal year. Santa Cruz METRO has met this TDA compliance requirement and the SCCRTC has accepted the FY23 audited financial statements.

In addition, Santa Cruz METRO is required to submit annual audit reporting packages to numerous governmental agencies within specified deadlines in order to meet grant compliance requirements and continue to receive Federal, State and Local grant awards and funding. Santa Cruz METRO has timely submitted the FY23 audited financial statements to all required grantor agencies.

#### **VI. ALTERNATIVES CONSIDERED**


N/A

#### **VII. ATTACHMENTS**

- Attachment A:** Santa Cruz METRO Financial Statements with Independent Auditor's Report for the year ended June 30, 2023
- Attachment B:** Required Communication to the Board of Directors in Accordance with Professional Standards (letter from Brown Armstrong, CPAs)
- Attachment C:** Santa Cruz METRO Measure D Fund Financial Statements with Independent Auditor's Report for the year ended June 30, 2023

**VIII. APPROVALS:**

Chuck Farmer, Chief Financial Officer



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Michael Tree, CEO/General Manager



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# Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2023

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT JUNE 30, 2023

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# Attachment A

FINANCIAL SECTION

# Attachment A



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Santa Cruz Metropolitan Transit District  
Santa Cruz, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Santa Cruz METRO, as of June 30, 2023, and the respective changes in financial position, and cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Santa Cruz METRO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Change in Accounting Principle*

As described in Note 18 to the financial statements, in 2023 Santa Cruz METRO adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

# Attachment A

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Santa Cruz METRO's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Santa Cruz METRO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes in the Net Pension Liability and Related Ratios, and Schedule of Contributions – Pension, as well as the Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Schedule of Contributions – OPEB, as presented in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

# Attachment A

## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Santa Cruz METRO's basic financial statements. The accompanying statement of operating expenses and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement of operating expenses and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of Santa Cruz METRO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 27, 2023

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

### Introduction

The following Management's Discussion and Analysis (MD&A) of activities and financial performance of Santa Cruz Metropolitan Transit District (Santa Cruz METRO or the District) provides a narrative and analytical overview of the financial activities of Santa Cruz METRO with selected comparative information for the fiscal year ended June 30, 2023. Following the MD&A are the basic financial statements of Santa Cruz METRO together with the notes thereto, which are essential for a full understanding of the data contained in the financial statements.

### Activities and Highlights

Santa Cruz METRO is an independent special-purpose district formed in 1969 by the legislature of the State of California for the purpose of providing fixed route bus service to the general public in Santa Cruz County. Santa Cruz METRO assumed direct operation of federally mandated Americans with Disabilities Act (ADA) complementary paratransit (Paracruz) services in November 2004. Prior to 2004, the paratransit service was delivered under contract. Santa Cruz METRO also operates the Highway 17 (Commuter) Express bus service to Santa Clara County in cooperation with the Santa Clara Valley Transportation Authority (VTA), Amtrak, San Joaquin Joint Powers Authority (SJJPA), and the Capitol Corridor Joint Powers Authority (CCJPA). Overseeing the employees who work in the public interest, the Chief Executive Officer (CEO)/General Manager coordinates the operation of Santa Cruz METRO according to the policy and direction of the governing Board of Directors (Board), composed of eleven directors and two ex-officio directors as described in Note 1.A.

### The Financial Statements

Santa Cruz METRO's basic financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Santa Cruz METRO reports its financial results using one enterprise fund under the accrual basis of accounting, which records revenue when earned and expenses when incurred.

The Statement of Net Position reports complete information on Santa Cruz METRO's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the agency is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Position reports the operating revenues and expenses, non-operating revenues and expenses, and capital contributions. Federal capital grant expenses are listed in the Schedule of Expenditures of Federal Awards and are included in the current year increase in capital assets.

The Statement of Cash Flows reports the sources and uses of cash for the fiscal year resulting from *operating* activities, *non-capital financing* activities (operating grants and sales tax receipts), *capital and related financing* activities (capital acquisitions and disposals), and *investing* activities (interest and rental receipts). The net result of these activities, added to the cash balances at the beginning of the year, reconciles to the cash balances (current plus restricted) at the end of the current fiscal year on the Statement of Net Position.

The Notes to Basic Financial Statements are an integral component of the report, as they provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of Santa Cruz METRO's operations and significant accounting policies as well as clarify financial information unique to Santa Cruz METRO.

# Attachment A

Following the basic financial statements and footnotes is the Required Supplementary Information, which provides a schedule of changes in the net pension liability, schedule of contributions to Santa Cruz METRO's defined benefit pension plan, schedule of changes in the net other postemployment benefits (OPEB) liability, and schedule of contributions to the OPEB plan.

The Statement of Operating Expenses, located in the Supplementary Information section of the financial statements, reports expenses in greater detail.

## Financial Highlights

- Liabilities and deferred inflows of resources of Santa Cruz METRO exceeded its assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2023, resulting in a Total Net Position (Deficit) of \$(6.2 million), a favorable reduction of \$13.9 million from the prior year Net Position (Deficit) of \$(20.1 million) at June 30, 2022.
- Of this amount, \$91.6 million consisted of Net Investment in Capital Assets, which reflects investment in capital assets used for operational and administrative functions (e.g., facilities, vehicles, and equipment), net of accumulated depreciation, amortization, and related debt. Accordingly, these assets are not available for future spending.
- The remaining balance of Total Net Position (Deficit) represents Unrestricted Net Position (Deficit) of \$(97.8 million). The Unrestricted Net Position (Deficit) is the result, in large part, of Santa Cruz METRO's pension obligations (Net Pension Liability) associated with the District's defined benefit pension plan, that reached \$21.4 million by June 30, 2023, retiree medical benefits obligations (OPEB) in fiscal year 2023 totaling \$94.8 million at year-end, as well as pension obligation bonds debt in fiscal year 2023 of \$49.0 million. The Net Pension Liability and Net OPEB Liability are required to be accounted for under Governmental Accounting Standards Board (GASB) Statement No. 68, and GASB Statement No. 75, respectively, and represent future long-term retiree pension and benefits obligations, however they do not significantly affect the District's ability to meet immediate (short-term) operational cash flow needs. Therefore, although the projected long-term pension and OPEB obligation costs have generated a deficit net position balance on the financial statements, Santa Cruz METRO is able to utilize current, available funds to pay for ongoing obligations for pension and retiree medical expenses as they come due.
- Total passenger fares revenue increased by \$530 thousand, a 22.1% increase, to \$2.9 million and Special Transit fares increased by \$265 thousand, a 4.5% increase, to \$6.1 million. These operating revenues increased significantly due to increased ridership and steadily increasing demand across all categories as more riders returned to recreational activities, work and school in-person, and reflect a growing recovery of customer trust in public transportation. The ridership increase was largely driven by increased service on University of California Santa Cruz (UCSC) routes as students returned to campus, as well as increases in weekend ridership. METRO was also unable to fully return to pre-pandemic levels of service hours however, due to an ongoing operator shortage, which is affecting most transit agencies across the country.
- Operating expenses of \$53.7 million (excluding depreciation and amortization) for the year ended June 30, 2023, reflect an increase of 6.0% over the prior year, compared to a 9.8% decrease for the year ended June 30, 2022, over the previous year. This increase was driven by labor cost increases in the number of funded positions, contractually obligated cost of living adjustments, and annual step increases. Implementation costs for a new ERP system also accounted for a significant portion of this year-over-year increase.



# Attachment A

- In fiscal year 2023, Santa Cruz METRO's capital assets (after the application of accumulated depreciation and amortization) of \$95.5 million reflects a net increase of \$7.8 million over the previous year, attributable primarily to the establishment of a subscription asset on the financial statements as a result of the implementation of GASB Statement No. 96, the purchase of five new zero emission buses, and a new Automatic Vehicle Location (AVL) and Automated Passenger Counter system. See the Financial Activities – Capital section of the Management's Discussion and Analysis for more information about capital projects and Note 4 to the financials for a schedule of changes in capital asset balances. Capital procurements are funded by a combination of federal, state, and local grants, Measure D sales tax proceeds, and Operating and Capital Reserves.

## **Financial Activities - Operations**

The following discussion provides an overview of the financial activities related to operations (operating revenue and expense) for the fiscal year ended June 30, 2023. Financial Activities related to capital (e.g., buses, equipment, and facilities improvements) are discussed later in this report.

### Operating Revenue and Expense:

Santa Cruz METRO utilizes five primary sources of revenue to operate its public transit services: passenger fares, sales and use taxes, local transportation funds (TDA), federal funds, and other non-transportation related revenues (including advertising income, investment income, and rental income). Operating expenses are classified into the following basic categories: labor and fringe benefits, services, mobile and other materials and supplies, utilities, insurance costs (casualty and liability), taxes, miscellaneous expense, interest, leases and rental expenses. These categories are consistent with the Uniform System of Accounts (USOA) and National Transit Database (NTD) reporting.

As with many transit and public agencies across the region and throughout the state, Santa Cruz METRO faced financial challenges in the decade pre-pandemic, due to significant increases in operating and capital costs with lagging increases in operating or capital contributions. Operating expenses nearly doubled in the last ten years, primarily in the categories of labor and fringe benefits due to substantial increases in the retirement and medical insurance costs. Furthermore, the recurring costs for health benefits, retirement, services, materials and supplies, insurance, and utilities have significantly exceeded the annual Consumer Price Index (CPI) for the region since 2012. Faced with constantly increasing costs, Santa Cruz METRO is constantly analyzing the economic and political landscape and redesigning its operations in order to align expenses with the available revenue stream in the current and future fiscal years. Significant fluctuations in the five primary operating revenue sources year-over-year are frequent and in direct correlation to the economy. Periods of economic downturns translate into sharp declines in sales and use tax revenues, and local and state transportation funds (TDA-LTF and TDA-STA) and vice versa.

Santa Cruz METRO receives a ½-cent sales tax levied on all taxable sales in Santa Cruz County, collected and administered by the California Department of Tax and Fee Administration (CDTFA). Additionally, in November 2016, the majority of Santa Cruz County approved Measure D, a ½-cent sales tax measure designed to fund a comprehensive and inclusive package of transportation improvements. Santa Cruz METRO receives 16% of net Measure D sales tax proceeds, in accordance with the set percentages detailed in the Measure D Expenditure Plan for direct allocations. Total sales tax receipts account for approximately 44% of Santa Cruz METRO's operating revenue sources as per the fiscal year 2023 Budget, adopted in June 2022. Actual sales tax revenues significantly exceeded budget projections, which resulted in favorable budget, as well as year-over-year variances, 11% and 1%, respectively.

Two other major sources of funding for public transportation, the Local Transportation Fund (LTF) and the State Transit Assistance Fund (STA), provided by the California Transportation Development Act (TDA), also contributed to the favorable budget variance for the year ended June 30, 2023. The combined share of TDA-LTF and TDA-STA Operating Assistance is 29% of Santa Cruz METRO's non-operating revenues and expenses. The funds are allocated to areas of each county based on population, taxable sales, and transit performance and mirrored the increase in taxable sales, fuel prices and consumption in 2022 and 2023. The year-over-year increase in TDA-LTF and TDA-STA were 18% and 43%, respectively.

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System performance during the fiscal year was marked by slow and steady ridership and service recovery. Santa Cruz METRO restored service to pre-pandemic levels on most routes and ridership ended the year at 55% of pre-pandemic levels (fiscal year 2019). The increase was largely driven by increased service on UCSC routes as students returned to campus, as well as the full restoration of local service. Passenger and Special Transit Fares reflected the growth in ridership and service hours and increased by 22% and 5% year-over-year, respectively.

Santa Cruz METRO continued charging operating expenses to the supplemental FTA 5307 grants – American Rescue Plan Act (ARPA) - at 100% Federal share, with no local match requirements. FTA funds were used to support eligible operating expenses and maintain transit services during the pandemic. Total FTA operating assistance accounted for approximately 15% of total revenue, or \$10 million, largely due to reimbursements of FTA-qualifying operating expenses related to the CRRSAA and ARPA. Furthermore, the supplemental COVID-19 FTA funding would allow Santa Cruz METRO to continue reinvesting other fungible revenues into its operating budgets in years to come in order to sustain services to the greatest extent possible during the economic recovery, or until these funds are exhausted.

Operating expenses increased by 7% year-over-year, with personnel expenses, comprising 69% of total operating expenses, increasing by 4%. The decrease was primarily due to year-end Other Postemployment Benefits adjusting entries for GASB Statements No. 68 and No. 75. As service hours increased and challenges of recruiting and retaining Bus Operators and other essential positions continued, overtime costs continued to increase in FY23, following the trend for the last two years. Paid absences increased less than 1% year-over-year and remained relatively high, compared to pre-pandemic years.

Non-personnel operating expenses, materials and supplies and other expenses, increased by 12% year-over-year, in correlation with service levels. Additionally, high inflation and supply chain issues heavily contributed to the year-over-year increases in the costs of fuels and lubricants, tires, and vehicle parts to name a few.

## **Ridership:**

At the end of fiscal year 2023, Santa Cruz METRO's fixed-route bus system consisted of 23 routes, and provided 3,273,617 rides with a fleet of 96 CNG, diesel, and electric buses. Ridership increased by 498,334 fixed-route rides, which is an 18.0% increase over the previous year.

System performance in fiscal year 2023 was characterized by a slow but steady recovery of ridership. Efforts to return to pre-pandemic levels of service were hindered, however, by an ongoing operator shortage. Due to the difficulty hiring and retaining drivers, Santa Cruz METRO was unable to increase service in fiscal year 2023. The agency operated 85.8% of pre-pandemic vehicle revenue hours in fiscal year 2023 as compared to fiscal year 2019. Santa Cruz METRO is working hard to address the operator shortage to meet the growing demand for service in the upcoming fiscal year.

Fiscal year 2023 ridership increased 18.0% compared to fiscal year 2022 to just over 3.2 million annual boardings. This was largely driven by increased student ridership from UCSC and Cabrillo and the implementation of free fares for K-12 riders, as well as increases in weekend ridership. Cabrillo College ridership increased 95.9% compared to fiscal year 2022 and 53.3% of pre-pandemic levels by June 2023. UCSC ridership increased 63.6% compared to fiscal year 2022 and 66.5% of pre-pandemic activity. Highway 17 commuter ridership increased 16.8% compared to fiscal year 2022 and was 47.2% of pre-pandemic levels by year's end.

Paracruz, Santa Cruz METRO's paratransit service, provided 76,719 paratransit rides to mobility-impaired patrons on 32 specially equipped minibuses and minivans during fiscal year 2023. This represents a 19.17% increase in Paracruz ridership from the prior year (14,713 additional paratransit rides), resulting primarily from the COVID-19 pandemic ending and an increase of ridership in Santa Cruz METRO's paratransit service area.

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## Financial Analysis

Following are the condensed comparative financial statements, which highlight key financial data. Certain significant year-to-year variances are discussed following the statements.

### Statements of Net Position:

#### Condensed Statements of Net Position

	2023	2022	2023 to 2022	
			Increase/(Decrease) Amount	%
<b>Assets</b>				
Current Assets	\$ 91,176,922	\$ 81,120,074	\$ 10,056,848	12.4%
Restricted Assets	19,030,989	15,732,891	3,298,098	21.0%
Non-current Assets	174,585	-	174,585	100.0%
Capital Assets - Net	95,480,837	87,719,045	7,761,792	8.8%
<b>Total Assets</b>	<b>\$ 205,863,333</b>	<b>\$ 184,572,010</b>	<b>\$ 21,291,323</b>	<b>11.5%</b>
<b>Deferred Outflows of Resources</b>				
Pension and OPEB Contributions	\$ 27,104,274	\$ 69,495,555	\$ (42,391,281)	-61.0%
<b>Total Deferred Outflows of Resources</b>	<b>\$ 27,104,274</b>	<b>\$ 69,495,555</b>	<b>\$ (42,391,281)</b>	<b>-61.0%</b>
<b>Liabilities</b>				
Current Liabilities	\$ 16,840,106	\$ 13,973,036	\$ 2,867,070	20.5%
Non-Current Liabilities	16,332,110	13,469,489	2,862,621	21.3%
Other Long-Term Liabilities	167,865,912	217,080,225	(49,214,313)	-22.7%
<b>Total Liabilities</b>	<b>\$ 201,038,128</b>	<b>\$ 244,522,750</b>	<b>\$ (43,484,622)</b>	<b>-17.8%</b>
<b>Deferred Inflows of Resources</b>				
Leases	\$ 217,221	\$ 431,003	\$ (213,782)	-49.6%
Pension and OPEB Deferrals	37,921,879	29,213,327	8,708,552	29.8%
<b>Total Deferred Inflows of Resources</b>	<b>\$ 38,139,100</b>	<b>\$ 29,644,330</b>	<b>\$ 8,494,770</b>	<b>28.7%</b>
<b>Net Position</b>				
Net Investment in Capital Assets	\$ 91,554,055	\$ 87,122,102	\$ 4,431,953	5.1%
Unrestricted Net Position (Deficit)	(97,763,676)	(107,221,617)	9,457,941	8.8%
<b>Total Net Position (Deficit)</b>	<b>\$ (6,209,621)</b>	<b>\$ (20,099,515)</b>	<b>\$ 13,889,894</b>	<b>69.1%</b>

#### 2023 vs 2022 Analysis

Key changes include:

- *Current assets* increased by \$10.1 million, or 12.4%, to \$91.2 million. Change was driven by the increase in grants receivable and operating cash on hand by fiscal year 2023 year-end, a result of Coronavirus relief grants, as well as increases in interest revenue, TDA-LTF and TDA-STA revenues.
- *Non-Current assets* consists of the long-term portion of lease receivables associated with tenants' lease agreements for retail space at Metro bus stations in Watsonville and Scotts Valley.
- *Capital assets – net* increased by \$7.8 million, or 8.8%, to \$95.5 million, primarily due to the purchase of five zero-emission buses, EV chargers and bus wraps for \$5.7 million, as well as the current year implementation of GASB Statement No. 96, which established a \$3.6 million net subscription asset on the Statement of Net Position.

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- *Restricted assets* consists of restricted cash held in segregated accounts in the Santa Cruz County Pooled Investment Fund. Total balances increased from last year by \$3.3 million, or 21.0%, resulting in a \$19.0 million balance by year end, due to the accumulation of restricted unspent Measure D sales tax allocations and LCTOP grant funds during the year. Unspent restricted funds are currently committed as cost-sharing on awarded capital grants.
- *Deferred outflows of resources* totaling \$27.1 million include \$9.6 million in OPEB retiree medical, dental and vision insurance premium payments and \$17.5 million in pension contributions and actuarial adjustments that were recorded in the current fiscal year, as required by GASB Statements No. 75 and No. 68, respectively.
- *Current liabilities* increased by \$2.9 million, or 20.5%, to \$16.8 million in total, mainly due to the year-end accrual of five zero-emission buses and chargers.
- *Non-current liabilities* increased by \$2.9 million, or 21.3%, to \$16.3 million: Capital grant funds and subsidies received are restricted and reported as liabilities (unearned revenue); Revenue recognition is deferred until grant funds are spent on the specific project or purpose for which they were awarded. Measure D sales tax allocations and LCTOP grant funds received during the current year (unspent and restricted for capital costs) increased unearned revenue balances at year-end.
- *Other long-term liabilities* decreased by \$49.2 million, or 22.7%, to \$167.9 million; A change in the discount rate used to account for OPEB liabilities resulted in a \$27.1 million decrease in other long-term liabilities. The net pension liability associated with Metro's defined benefit plan decreased \$22.7 million as a result of the obligation pay-down made with the proceeds from the issuance of pension obligation bonds in fiscal year 2022.
- *Deferred inflows of resources* that netted to \$38.1 million in pension investment earnings, OPEB deferrals and leases were recognized in the current year through the application of GASB Statements No. 68, No. 75 and No. 87 respectively.

## Statements of Revenues, Expenses, and Changes in Fund Net Position:

	2023	2022	2023 to 2022	
			Increase/(Decrease) Amount	%
Operating Revenues	\$ 9,042,854	\$ 8,247,748	\$ 795,106	9.6%
Operating Expenses	59,715,912	56,067,764	3,648,148	6.5%
Net Operating Loss	(50,673,058)	(47,820,016)	(2,853,042)	6.0%
Non-Operating Revenues	56,946,499	63,785,154	(6,838,655)	-10.7%
Capital Grant Contributions	7,616,453	7,329,243	287,210	3.9%
Increase (Decrease) in Net Position	\$ 13,889,894	\$ 23,294,381	\$ (9,404,487)	-40.4%

### 2023 vs 2022 Analysis

*Operating Revenues* (Passenger Fares) of \$9 million reflects an increase variance of \$795 thousand, or 9.6% increase, over prior year revenues, primarily due to the steady ridership and system recovery as the pandemic slowly receded.

*Operating Expenses* of \$59.7 million reflects a year-over-year increase of \$3.6 million, or 6.5%, due to several factors: Other Postemployment Benefits adjusting entries for GASB Statements No. 68 and No. 75, increase in the number of funded positions, and increases in overtime, offset by savings in retirement costs.

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*Non-Operating Revenues* decreased overall by \$6.8 million, or 10.7%, over last year revenues primarily due to year-over-year decrease in the supplemental FTA 5307 Operating Assistance Grants (ARPA), offset by increases in Passenger Fares and Transportation Development Act – Local and State Transit Assistance Funding.

*Capital Grant Contributions* represents the total amount of capital grant and Measure D sales tax funds that were used to subsidize the purchase of facilities improvements and capital equipment, including revenue vehicles, during fiscal year 2023. The receipt and application of capital funds can fluctuate year over year based on a variety of factors including project eligibility conditions, formula-based funding criteria, government procurement processes, the economy, etc. Capital grant contributions increased by \$287 thousand, or 3.9%, from last year.

## **Budgetary Highlights**

The annual Operating and Capital budgets are used as management tools to monitor Revenues and Expenses, evaluate operating performance, and track the progress of Capital projects at any given time period. The District's Board approves these items prior to implementation. The fiscal year 2023 budget total of \$156,843,796 included \$69,813,238 for Revenue and Expenses and \$87,030,558 for Capital Projects (Capital Portfolio). The District finished fiscal year 2023 with operating expenses of \$53,771,904, net of depreciation, workers' compensation IBNR, and retirement-related actuarial adjustments; Capital expenses of \$10,022,918 included \$2,406,465 Capital Reserve spending and \$7,616,453 of pass-through grant.

## **Financial Activities - Capital**

### Capital Program:

In fiscal year 2023, Santa Cruz METRO spent \$10.0 million on the purchase of capital assets and on new and ongoing capital projects. A total of \$7.6 million of these capital additions were paid for with capital contributions funded by a variety of sources, including the FTA, PTMISEA, STA, STA - State of Good Repair (STA-SGR), LCTOP, STIP, and Measure D local sales tax allocations. A total of \$2.4 million of these capital purchases were made using Capital Reserve Funds.

Noteworthy capital project activity in fiscal year 2023 includes:

- Purchase and Delivery of Five (5) Battery Electric Buses – Santa Cruz METRO continues to replace aging vehicles on its fixed route and Highway 17 Express routes. The purchase of the battery electric buses from Gillig was funded with grants from FTA 5339(c) LoNo program, Measure D, LCTOP, and Capital Reserves, and is in alliance with California's goal of Zero Emission Vehicles by 2040.
- Purchase and Installation of a Security Camera System at Scotts Valley Transit Center – Santa Cruz METRO installed a new cloud-based security camera system to deter crime and provide the riding public, vendors and employees a safe environment. The security camera system provides Santa Cruz METRO with full aerial view coverage of the transit center, including the large parking lot and Cruise Café, a popular coffee shop in the Center.
- Santa Cruz METRO also installed a new Security Camera System at the Watsonville Transit Center (WTC) – Improved security measures were required at WTC to ensure public safety for employees and riders. This new security camera system is compatible with the security software Santa Cruz METRO has at other locations and was purchased using a Cooperative Purchase Agreement.
- Acquisition of Two (2) Roadside Assistance Service Trucks – Santa Cruz METRO also has the need to replace aging vehicles in its non-revenue fleet. These Service Trucks will increase Santa Cruz METRO's ability to provide roadside assistance to buses and other vehicles suffering breakdowns while on their route. These vehicles allow Santa Cruz METRO to move these buses to safe locations when they fail in hazardous areas, avoiding unnecessary and expensive towing.

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- New Automated Passenger Counter (APC) System for Santa Cruz METRO buses – Santa Cruz METRO required an APC system to track ridership. The new system consists of electronic sensors installed above all bus doorways that feed passenger boarding and alighting data back to a central system for real time passenger load information and analytics for planning. Clever Devices was selected after a competition as the most qualified supplier with costs that are fair and reasonable. The new APC system is compatible with Santa Cruz METRO's Intelligent Transportation Technology (ITS) Solution.
- Fluid Management System – Santa Cruz METRO needed a more accurate and reliable fuel management system for their fleet and successfully implemented a new System from S&A, also known as Fleetwatch. The Fleetwatch system automatically detects vehicle ID and mileage and allows for accurate dispensing of appropriate fluids as required. This system removes human error and allows for more accurate record keeping.
- Three (3) new 2022 Chevy Bolts – These new electric cars were purchased to replace aging vehicles in Santa Cruz METRO's non-revenue fleet. These vehicles are ideal for Santa Cruz METRO staff with cost savings due to being electric and offer extra headspace and leg room which can also be used for transporting parts and small packages.
- Santa Cruz METRO began wrapping a select number of buses using local wildlife photos by world-renowned photographer Frans Lanting. These newly wrapped buses were unveiled in January 2023 and promote Santa Cruz METRO's vision to increase ridership and reduce greenhouse gas emissions and protect the Monterey Bay through the One Ride at a Time campaign.
- New Centralized Enterprise Resource Planning (ERP) System – Santa Cruz METRO began the necessary processes to update their resource planning systems to enable a viable system which will be integrated across all business environments (human resources, accounting, payroll, procurement, etc.). Santa Cruz METRO partnered with Avaap, a software integration company, to implement the Workday Enterprise Resource Planning System. Workday is in the process of replacing most of Santa Cruz METRO's financial and human capital management systems including Puridium, ABS, HRIS, Epicor, Qquest, Sage and Paytime. Workday will also integrate with Santa Cruz METRO's current software including Active Directory, Bonfire, Hastus and Maintstar. This is a long-term process with many phases, paid for with Capital Reserves.

## Future Outlook

In July 2023, Santa Cruz METRO started the new fiscal year with a balanced budget and a sustainable five-year projection of revenues and expenses, providing a clear road map for the delivery of service and planned capital improvements. Years of fiscally responsible decisions, enhanced focus on service productivity and sustainability coupled with a favorable economic environment all contributed to Santa Cruz METRO's improved financial position. The renewed focus on prudent financial planning by shoring up Operating and Capital reserve levels allows Santa Cruz METRO the ability to navigate difficult times, respond to short-term crisis and funding disruptions, and deliver on the agency's goals established by the Board of Directors in October 2022 to: 1) double ridership in five years, 2) procure only zero-emission buses going forward, and 3) develop 125+ units of affordable housing on Santa Cruz METRO owned property by the end of the decade. In the past 12 months, Santa Cruz METRO has received an extraordinary \$148 million in competitive and discretionary federal, state, and regional grants to support the agency's transition to zero-emission technology and increase service to respond to customer needs and attract new ridership. In fiscal year 2024 and beyond, Santa Cruz METRO's focus will be on implementing the plans and projects supported by this infusion of funding.

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## Doubling Ridership in Five Years

### Reimagine METRO

Decades of service cuts have left Santa Cruz METRO operating 30% less service than it did 20 years ago, with annual ridership following a similar trend over the intervening decades. At the beginning of the COVID-19 pandemic, ridership briefly declined 90% and gradually increased to 70% of pre-pandemic levels in fiscal year 2023. Changing commute patterns, driven in large part by the increased prevalence of remote work, have reduced ridership during peak demand periods while midday ridership is steadily increasing. Meanwhile, increased traffic congestion, a lingering vestige of the pandemic when greater shares of commuters took to their cars, has forced Santa Cruz METRO to continually make schedule adjustments. Slower speeds make transit service more costly to operate and less attractive to customers. This trend will continue to negatively impact transit operations unless Santa Cruz METRO can work with the cities and counties in which it operates to create dedicated roadway space for Santa Cruz METRO buses.

In October 2022, the Santa Cruz METRO Board of Directors set an agency goal to double ridership within five years to levels last seen in the mid-2000s. To aid in this effort, Santa Cruz METRO hired world-renowned transit planning consultants Jarrett Walker and Associates in December 2022 to develop a plan to “reimagine” Santa Cruz METRO. In 2023, the Reimagine Santa Cruz METRO plan completed 1) an evaluation of Santa Cruz METRO’s current fixed route system; 2) designed two alternative scenarios illustrating different policy directions that the Santa Cruz METRO bus network might take, focusing on the tradeoffs between ridership and coverage goals; 3) developed final network scenarios matching three financial projections, one with current resources and two with additional financial resources; and 4) conducted a process of interaction with stakeholders, city councils, the Santa Cruz METRO Board, and the public that provided opportunities to provide substantive and impactful input to the plan.

In fiscal year 2024, Santa Cruz METRO is focused on the implementation of the Reimagine Santa Cruz METRO plan. The first phase of Reimagine Santa Cruz METRO is being implemented in December 2023 and includes:

- More service (a 10% increase over today and 25% more than spring 2023)
- Higher frequency service in areas with high transit demand
- Simpler, more direct routes, especially in Watsonville
- Better transfers with shorter wait times and no additional fare
- Some changes to route numbers and names
- Some changes to bus stop locations and which streets have bus service

In March 2024, the Santa Cruz METRO Board of Directors will review a second phase of bus service changes that will go into effect in June and September 2024. These changes include:

- Increased, 15-minute frequency on three cross-county corridors serving Watsonville and Mid-County
- New routes and service to the University of California Santa Cruz (UCSC) and Cabrillo College campuses, Santa Cruz METRO’s highest and second highest ridership generators
- A new, frequent route connecting Watsonville to Cabrillo College via Freedom Blvd. and Airport Rd.
- All-day service on a Watsonville to Santa Cruz express route

The Phase 2 service improvements are expected to catalyze a 35% increase in ridership, or 1.75 million new boardings per year. This equates to a vehicle miles traveled (VMT) reduction of 9.8 million miles per year and a CO2 emission reduction of 40,068 metric tons per year, meaning less congestion and emissions in Santa Cruz County. In addition, the improvements will bring high-quality service with frequencies of 15-minutes or better to within a half a mile of 100,000 residents within Santa Cruz County, providing livable transportation alternatives to residents countywide—no matter what age, income or race.

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Funding for these service improvements is being provided by a \$32 million formula grant from the State of California Transit and Intercity Rail Capital Program (TIRCP), which Santa Cruz METRO will begin receiving in 2024 and which will fund the program through an initial pilot period of three years. With enhanced service in place, and ridership on the rise, Santa Cruz METRO plans to pursue a ballot measure for a ¼- or ½-cent sales tax in 2026 or 2028, which will be Santa Cruz METRO's first dedicated sales tax since 1978, to fund the improved service in perpetuity.

## Speed and Reliability Improvements

While Reimagine Santa Cruz METRO is focused on where buses go and how often they should go there, a complementary planning study – the Rapid Corridors study – is focused on improving the speed, reliability and accessibility of Santa Cruz METRO's core intercity routes. Throughout Santa Cruz County, METRO buses travel along congested streets and corridors without the benefit of transit supportive elements such as bus only lanes, traffic queue jumps, or bus boarding islands. This means travel by bus takes significantly longer and is less reliable than private automobile. In fiscal year 2021, Caltrans awarded Santa Cruz METRO a Caltrans Sustainable Transportation Planning Grant (STPG) to fund the Watsonville - Santa Cruz Intercity Transit Speed and Reliability Study. In fiscal year 2022, staff awarded a consultant contract to Kimley-Horn to assist in evaluating traffic and travel conditions along the primary transit corridors connecting Watsonville and Santa Cruz. A final report will be released in December 2023 identifying \$24.1 million worth of improvements aligned to the following strategies: bus bulbs and transit islands, enhanced bus stop amenities, bus stop consolidation and relocation, transit signal priority, improved pedestrian crossings, queue jumps, transit only lanes, and intersection improvements. Together, these improvements will result in a 15% increase in the number of people with a ¼ mile of a high-quality bus stop and up to 40% faster travel time between Santa Cruz and Watsonville.

Santa Cruz METRO was awarded \$7.5 million towards the construction of these improvements in 2023 and in fiscal year 2024 staff will continue to seek funding to implement the rest of the project in phases. Not only will the project support ridership growth and equity – 50% of survey respondents indicated they would ride Santa Cruz METRO more if service was faster and more reliable – but the time savings achieved on the corridor will translate directly to financial savings for Santa Cruz METRO in terms of saved operator wages, fuel and the need for additional vehicles to operate the same amount of service.

In addition, staff continues to coordinate with the Santa Cruz County Regional Transportation Commission (RTC), Caltrans and Santa Cruz County on the Watsonville – Santa Cruz Multimodal Corridor Program (WSC-MCP), including the Highway 1 Auxiliary Lanes/Bus On Shoulder component and Soquel Avenue/Drive to Freedom Boulevard bicycle/pedestrian improvements. In fiscal year 2021, the California Transportation Commission approved over \$100 million in funding for the WSC-MCP Cycle 2 Project, which began broke ground in 2023 and will construct auxiliary lanes on Highway 1 between Soquel Ave and State Park Drive and add buffered/protected bike lanes and transit signal priority (TSP) on Soquel Drive along the same segment. Staff is currently coordinating with the regional partners on additional funding to complete the bus on shoulder segments and the rapid corridor components identified above.

## Marketing Initiatives

In November 2022, Santa Cruz METRO hired an external marketing firm, Celtis Ventures Inc., to assist the agency in promotions; included in the contract is the design and implementation of a new website, development of a customer loyalty program, update to Santa Cruz METRO's existing brand standards, creation of a video/photo library, marketing materials, social media support, and community engagement. Santa Cruz METRO's marketing will be targeted at increasing environmental awareness in the community and the emissions savings that occurs from riding public transit over personal vehicle use. Campaigns will also tie into Santa Cruz METRO's zero-emission transition plan.

In late fiscal year 2023, Santa Cruz METRO launched One Ride at a Time, a customer loyalty program that tracks riders trips with a point system; the accumulated points can then be used to donate to the Monterey Bay National Marine Sanctuary Foundation and the Bay of Life Fund. Emissions savings from riding public transit will also be tracked. In addition, the loyalty program is being promoted through bus wraps encouraging riders to join the program. Santa Cruz METRO is gradually releasing pairs of buses



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wrapped with iconic photos of the Monterey Bay taken by renowned photographers like Frans Lanting and Jodi Frediani to great fanfare. By the end of 2024, about 30 wrapped buses will be traveling throughout Santa Cruz County and featuring inspiring images of whales, sea otters, mountain lions, redwoods and more.

By fiscal year 2024, Santa Cruz METRO will unveil a new website that will be more user-friendly and mobile responsive. The site will focus on connecting riders to service maps and schedules and highlight Santa Cruz METRO's sustainability initiatives, specifically the emissions savings of our ridership. Additionally, Santa Cruz METRO will increase our social media footprint by creating an Instagram account and doubling our posts across all platforms to increase awareness. Santa Cruz METRO also plans to participate in more community outreach events including parades, fairs, holiday events, community meetings, etc.

## Zero-Emission Vehicle Transition

Santa Cruz METRO has set an ambitious goal of purchasing only zero emission buses (ZEB) moving forward, converting the entire 96 bus Santa Cruz METRO to zero-emission by 2037. Phase 1 of this plan involved the procurement and deployment of four battery electric buses (BEB) on the Watsonville Circulator Route, which was completed in fiscal year 2022. Phase 2 will convert 100% of Santa Cruz METRO's fleet serving Watsonville to ZEB by 2027. Phase 3 will involve the full transition of Santa Cruz METRO's fleet to ZEB by the end of 2037, through a mix of fuel cell electric buses (FCEB) and BEB. This would put the agency ahead of the California Air Resources Board (CARB) mandate that all transit agencies in California operate 100% ZEB by 2040.

In fiscal year 2023, Santa Cruz METRO was awarded nearly \$90 million in federal and state grants, including nearly \$40 million in highly competitive state TIRCP funds and \$20 million in Federal Transit Administration (FTA) Bus and Bus Facilities funds to procure up to 57 FCEBs (the largest purchase in North America), construct a hydrogen fueling facility, complete necessary maintenance facility upgrades, and provide workforce training in FCEB technology. In addition, Santa Cruz METRO supported a joint application by ARCHES, a public-private partnership to create a sustainable statewide clean hydrogen (H<sub>2</sub>) hub in California and beyond, which was awarded \$1.2 billion in October 2023 by the Department of Energy. In fiscal years 2024-2027, staff will be working to deliver the transition to hydrogen fuel while seeking additional funds to convert the entire Santa Cruz METRO fleet to zero-emission technology.

## Supporting Affordable Housing Development in Santa Cruz County

The housing market in the Santa Cruz – Watsonville area is by many measures one of the least affordable in the country. In the last on-board survey (2019), half of respondents reported household incomes below \$50,000, with over half of Santa Cruz METRO customers lacking access to a private automobile, whether by choice or necessity. Providing access to affordable housing near transit corridors is critical to supporting future ridership, equity and sustainability goals. Access to high quality transit also makes housing more affordable by reducing the need to build expensive parking, while the ability to live a car-free or car-light lifestyle reduces the costs of transportation for residents.

In the next decade, Santa Cruz METRO plans to develop 175 affordable housing units at Santa Cruz METRO transit centers and facilities, including Pacific Station, the Watsonville Transit Center, and the Soquel Park and Ride. In fiscal year 2022, Santa Cruz METRO and the City of Santa Cruz were awarded \$30 million from the state's Affordable Housing and Sustainable Communities (AHSC) grant to redevelop the current Pacific Station site and adjacent City owned properties into 120 affordable housing units and a new bus station and tarmac. In fiscal year 2023, Santa Cruz METRO received additional funds for the project as part of its TIRCP award. The project will break ground in February 2024, with construction expected to be complete in 2026. Santa Cruz METRO's 2023 TIRCP award also included \$8 million in funding to redevelop the Watsonville Transit Center into a mixed-use, affordable housing development with a new transit center. Santa Cruz METRO received a \$2 million regional REAP 2.0 grant from AMBAG in December 2023. In fiscal year 2024, staff will continue to seek additional funding to complete the project by fiscal year 2026.

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## **Economic Factors and Next Year's Budget**

State law requires Santa Cruz METRO to adopt an annual budget by resolution of the Board. In the spring preceding the start of each fiscal year, staff presents an annual budget based on established District goals, objectives and performance measures to the Board.

The Santa Cruz METRO Board approves the annual budget prior to implementation. Once adopted, the Board has the authority to amend the budget. While the legal level of budgetary control is at the entity level, the District maintains stricter control at departmental and line item levels to serve various needs. Any increase to the expense budget as a whole requires the approval of the Board.

During the fiscal year, the adopted Operating and Capital budgets are used as management tools to monitor revenues and expenses and evaluate operating performance at any given time period. The Board of Directors monitors budget-to-actual performance through monthly staff reports and presentations. Department managers monitor budget-to-actual performance on an accrual basis and meet with the Finance team periodically to review significant variances.

The Board adopted the fiscal year 2024 Operating budget on June 23, 2023, totaling Revenue of \$72,597,335; Operating Expenses of \$65,083,522, and Transfers of \$7,513,813.

Total Operating Revenues are expected to increase 4% compared to the fiscal year 2023 budget primarily due to the anticipated increase in TDA–STA and Sales Tax (including Measure D) revenues. Additionally Passenger Fares (Fixed Route, Paratransit, and Highway 17 Fares) are projected to increase as recovery from the pandemic continues and riders return. Modest increases are anticipated in Special Transit Fares (contracts with UCSC, Cabrillo College, and Highway 17 Partners – Amtrak and VTA).

Total Operating Expenses are projected to increase 6.8% compared to the fiscal year 2023 budget, driven by Labor and Fringe benefits increases such as cost of living adjustments, annual step increases, as well as anticipated higher medical costs. Non-personnel expenses are increasing as general inflationary adjustments are applied across all categories.

Budgeted transfers are a combination of commitments made to maintain assets in a state of good repair, pre-funding of pension and other postemployment benefits liabilities, as well as excess fungible revenues set aside to be used in the future for Capital and/or Operating expenses.

The Capital Budget Portfolio, adopted by the Board in June 2023 is \$83,081,176, approximately 26% of which (or \$21,359,186) is anticipated to be spent by the end of fiscal year 2024. Over 90% of the fiscal year 2024 Capital Budget Portfolio is allocated to bus and paratransit vehicle replacement projects and related infrastructure.

## **Contacting Santa Cruz METRO's Financial Management**

Santa Cruz METRO's financial report is designed to provide Santa Cruz METRO's Board of Directors, management, and the public with an overview of Santa Cruz METRO's finances. For additional information about this report, please contact Chuck Farmer, Chief Financial Officer, at 110 Vernon Street, Santa Cruz, CA 95060.

# Attachment A

## BASIC FINANCIAL STATEMENTS

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENT OF NET POSITION JUNE 30, 2023

### ASSETS

#### CURRENT ASSETS

Cash and Cash Equivalents	\$ 68,722,082
Sales Taxes and Other Receivables	7,126,622
Grants Receivables	13,409,520
Lease Receivable - Short Term	54,519
Inventory	1,038,476
Prepaid Expenses	825,703

**Total Current Assets** 91,176,922

#### RESTRICTED ASSETS

Cash and Cash Equivalents	<u>19,030,989</u>
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#### NON-CURRENT ASSETS

Lease Receivable - Long Term	<u>174,585</u>
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#### CAPITAL ASSETS

Building and Improvements	79,534,240
Revenue Vehicles	49,441,907
Operations Equipment	7,881,550
Other Equipment	2,347,783
Other Vehicles	1,151,850
Office Equipment	2,960,956

Total Depreciated Capital Assets	143,318,286
Less Accumulated Depreciation and Amortization	<u>(74,748,286)</u>

Total Depreciated Capital Assets Net of Accumulated Depreciation and Amortization	68,570,000
--	------------

Construction-in-Progress	11,435,917
Land	11,596,311
Right-to-Use Lease Asset, Net	305,446
Subscription Assets, Net	<u>3,573,163</u>

**Total Capital Assets, Net of Accumulated  
Depreciation and Amortization** 95,480,837

**Total Assets** 205,863,333

### DEFERRED OUTFLOWS OF RESOURCES

Deferred Amounts from Other Postemployment Benefits (OPEB)	9,622,235
Deferred Amounts from Pension Activities	<u>17,482,039</u>

**Total Deferred Outflows of Resources** 27,104,274

The accompanying notes are an integral part of these financial statements.

# Attachment A

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENT OF NET POSITION (Continued)  
JUNE 30, 2023**

## LIABILITIES

### CURRENT LIABILITIES

Accounts Payable and Accrued Liabilities	7,699,527
Accrued Payroll and Employee Benefits	4,061,166
Interest Payable	714,206
Deferred Rent	3,667
Workers' Compensation Liabilities, Current	494,613
Other Accrued Liabilities	608,171
Security Deposit	11,437
Financed Purchase, Current	117,245
Lease Liability, Current	93,343
Subscription Liability, Current	336,731
Pension Obligation Bonds, Current	2,700,000

**Total Current Liabilities** 16,840,106

### NON-CURRENT LIABILITIES

Unearned Revenue - State Transit Assistance (STA)	219,474
Unearned Revenue - State of Good Repair (SGR)	3,025,101
Unearned Revenue - Measure D	9,656,682
Unearned Revenue - LCTOP	3,430,853

**Total Non-Current Liabilities** 16,332,110

### OTHER LONG-TERM LIABILITIES

Workers' Compensation Liabilities, Net of Current	1,985,333
Financed Purchase, Net of Current	-
Lease Liability, Net of Current	216,413
Subscription Liability, Net of Current	3,163,050
Pension Obligation Bonds, Net of Current	46,265,000
Net OPEB Liability	94,838,607
Net Pension Liability	21,397,509

**Total Other Long-Term Liabilities** 167,865,912

**Total Liabilities** 201,038,128

## DEFERRED INFLOWS OF RESOURCES

Deferred Amounts from Leases	217,221
Deferred Amounts from OPEB	37,660,770
Deferred Amounts from Pension Activities	261,109

**Total Deferred Inflows of Resources** 38,139,100

## NET POSITION (DEFICIT)

Net Investment in Capital Assets	91,554,055
Unrestricted Net Position (Deficit)	<u>(97,763,676)</u>

**Total Net Position (Deficit)** \$ (6,209,621)

The accompanying notes are an integral part of these financial statements.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION FOR THE FISCAL YEAR ENDED JUNE 30, 2023

<b>OPERATING REVENUES</b>	
Passenger Fares	\$ 2,930,582
Special Transit Fares	<u>6,112,272</u>
<b>Total Operating Revenues</b>	<u>9,042,854</u>
<b>OPERATING EXPENSES</b>	
Wages, Salaries, and Employee Benefits	40,955,867
Materials and Supplies	4,474,598
Other Expenses	8,222,536
Depreciation and Amortization	<u>6,062,911</u>
<b>Total Operating Expenses</b>	<u>59,715,912</u>
<b>Net Operating Loss</b>	<u>(50,673,058)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Sales and Use Taxes	29,480,732
Transportation Development Act (TDA) Assistance	10,166,800
State Transit Assistance (STA)	6,362,055
Federal Transit Administration (FTA) Section 5307 Operating Assistance	9,696,604
FTA Section 5311 Rural Operating Assistance	258,123
Low Carbon Transit Operations Program and Other State Assistance	466,069
Alternative Fuel Credit	380,632
Interest Income	1,230,432
Interest Expense	(1,587,145)
Rental Income	58,349
Other Revenue	350,333
Lease Revenue	53,407
Gain on Sale and Disposal of Property, Equipment, and Inventory	<u>30,108</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>56,946,499</u>
<b>Net Income Before Capital Contributions</b>	<u>6,273,441</u>
<b>CAPITAL CONTRIBUTIONS</b>	
Grants Restricted for Capital Expenditures	<u>7,616,453</u>
<b>NET POSITION</b>	
Change in Net Position	13,889,894
Net Position (Deficit), Beginning of Year	<u>(20,099,515)</u>
Total Net Position (Deficit), End of Year	<u><u>\$ (6,209,621)</u></u>

The accompanying notes are an integral part of these financial statements.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENT OF CASH FLOWS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Customers	\$ 8,419,350
Payments to Employees	(3,461,222)
Payments to Suppliers	(9,150,789)
Payments from Other	<u>(36,918,423)</u>
Net Cash Used in Operating Activities	<u>(41,111,084)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Operating Grants Received, Including Sales and Use Taxes	<u>55,586,381</u>
Net Cash Provided by Non-Capital Financing Activities	<u>55,586,381</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from Sale of Property and Equipment	30,108
Capital Grants Received/(Used)	7,411,656
Capital Expenditures	(10,084,370)
Gain on Sale of Assets	-
Payments Made on Financed Purchase	(410,494)
Proceeds from Pension Obligation Bonds	<u>(2,785,000)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(5,838,100)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Investment and Rental Income Received	<u>1,288,781</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	9,925,978
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>77,827,093</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 87,753,071</u>
FINANCIAL STATEMENT PRESENTATION:	
Cash and Cash Equivalents	\$ 68,722,082
Cash and Cash Equivalents - Restricted	<u>19,030,989</u>
Total Cash and Cash Equivalents	<u>\$ 87,753,071</u>

The accompanying notes are an integral part of these financial statements.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENT OF CASH FLOWS (Continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2023

RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES	
Net Operating Loss	\$ (50,673,058)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:	
Depreciation and Amortization	6,062,911
Changes in Assets and Liabilities:	
Increase in Receivables	(618,826)
Increase in Lease Receivables	(4,678)
Decrease in Inventory	(148,715)
Increase in Prepaid Expenses	63,531
Increase in Accounts Payable and Accrued Liabilities	3,353,982
Decrease in Interest Payable	210,786
Decrease in Net Pension Liability	4,434,024
Decrease in Net OPEB Liability	(3,138,396)
Decrease in Other Liabilities	(652,645)
Net Cash Used in Operating Activities	<u>\$ (41,111,084)</u>

The accompanying notes are an integral part of these financial statements.



# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2023

### NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Organization

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO or the District) was formed February 9, 1969, following a favorable election in conformity with Section 9800 et. seq. of the Public Utilities Code (PUC). The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola, and the unincorporated areas of Santa Cruz County. The Board of Directors (Board) consisting of eleven directors and two ex-officio directors representing the University of California, Santa Cruz and Cabrillo College govern Santa Cruz METRO. At June 30, 2023, the Board was as follows:

Chairperson:	Shebreh Kalantari-Johnson	
Vice Chair:	Kristen Brown	
Members:	Rebecca Downing	Jimmy Dutra
	Manu Koenig	Donna Lind
	Bruce McPherson	Scott Newsome
	Larry Pageler	Vanessa Quiroz-Carter
	Mike Rotkin	
Ex-Officios:	Dan Henderson	Alta Northcutt

Santa Cruz METRO also serves the Highway 17 corridor into Santa Clara County to provide a commuter express service through a memorandum of understanding with the San Joaquin Joint Powers Authority (SJJPA), the Capitol Corridor Joint Powers Authority (CCJPA), and the Santa Clara Valley Transportation Authority (VTA). Amtrak Thruway bus service is also provided by Santa Cruz METRO on the same corridor.

#### B. Reporting Entity

Santa Cruz METRO and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a blended component unit of Santa Cruz METRO. Accordingly, the financial activities of the Corporation have been included in the basic financial statements of Santa Cruz METRO. For the fiscal year ended June 30, 2023, these activities were minimal.

#### **Scope of Public Service:**

The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State in July 1986. The Corporation was formed for the sole purpose of providing financial assistance to Santa Cruz METRO for the construction and acquisition of major capital facilities.

The following are those aspects of the relationship between Santa Cruz METRO and the Corporation which satisfy GASB Statement No. 14/39 criteria.

#### Accountability:

1. Santa Cruz METRO's Board appointed the Corporation's Board of Directors.

# Attachment A

## NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Reporting Entity (Continued)

2. Santa Cruz METRO is able to impose its will upon the Corporation based on the following:
  - All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of Santa Cruz METRO.
  - Santa Cruz METRO exercises significant influence over operations of the Corporation as it is anticipated that Santa Cruz METRO will be the sole lessee of all facilities owned by the Corporation. Likewise, it is anticipated that Santa Cruz METRO's lease payments will be the sole revenue source of the Corporation.
3. The Corporation provides specific financial benefits or imposes specific financial burdens on Santa Cruz METRO based upon the following:
  - Santa Cruz METRO has assumed a “moral obligation,” and potentially a legal obligation, for any debt incurred by the Corporation.

### C. Basis of Accounting and Presentation

Santa Cruz METRO is accounted for as a Business-Type Activity, as defined by GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, and its basic financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Santa Cruz METRO adopted GASB Statement No. 34, as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, as of and for the fiscal year ended June 30, 2003, and applied those standards on a retroactive basis. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into three net position categories, namely, net investment in capital assets, restricted net position, and unrestricted net position.

#### **Contributed Capital/Reserved Retained Earnings:**

Santa Cruz METRO receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant had been incurred. Capital grant funds earned, less amortization, equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, Santa Cruz METRO changed its method of accounting for capital grants from capital contributions to reserved non-operating revenues. In accordance with GASB Statement No. 33, capital grants are required to be included in the determination of net income (loss) resulting in an increase in net revenue of \$7,616,453 for the fiscal year ended June 30, 2023.

Under GASB Statement No. 34, contributed capital and reserved retained earnings are presented in the net position section as net investment in capital assets.

# Attachment A

## NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### C. Basis of Accounting and Presentation (Continued)

#### **Proprietary Accounting and Financial Reporting:**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods, in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of Santa Cruz METRO are passenger fares and special transit fares. Operating expenses for Santa Cruz METRO include wages, benefits, professional services, materials and supplies, casualty and liability costs, depreciation/amortization on capital assets, and other expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### **Net Position:**

Net position represents the residual interest in Santa Cruz METRO's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted. In accordance with GASB Statement No. 34, the fund equity section on the statements of net position was combined to report total net position and present it in three broad components: net investment in capital assets, restricted, and unrestricted. Net position invested in capital assets includes capital assets net of accumulated depreciation. Net position is restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net position is unrestricted.

When both restricted and unrestricted resources are available for use, generally it is Santa Cruz METRO's policy to use restricted resources first, and then unrestricted resources as they are needed.

### D. Cash and Cash Equivalents

Santa Cruz METRO considers all highly liquid investments with a maturity date within three months of the date acquired to be cash equivalents. Santa Cruz METRO deposits funds into an external investment pool maintained by Santa Cruz County. These deposits are considered cash equivalents. The Santa Cruz County Pooled Investment Fund is authorized to invest in obligations of the U.S. Treasury agencies and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool. Cash and cash equivalents are stated at fair value. For purposes of the statements of cash flows, Santa Cruz METRO considers all highly liquid investments (including restricted assets) to be cash equivalents.

### E. Inventory

Inventory is carried at cost using the first-in/first-out (FIFO) method. Inventory held by Santa Cruz METRO consists of spare bus parts and operating supplies that are consumed by Santa Cruz METRO and are not for resale purposes.

### F. Restricted Assets

Certain assets are classified as restricted assets on the statements of net position because their use is subject to externally imposed stipulations, either by laws or regulations.

Unspent grant funds from the State Transit Assistance (STA) and State Transit Assistance - State of Good Repair (STA-SGR) programs; the Low Carbon Transit Operations Program (LCTOP); and a portion of Measure D sales tax allocations are restricted for capital expenditures. Additionally, the District has \$4,837,655 of restricted cash deposited with a fiscal agent to meet pension obligation bonds debt reserve fund requirements.

# Attachment A

## NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### F. Restricted Assets (Continued)

Restricted assets at June 30 are as follows:

Cash and Cash Equivalents	
STA Grant	\$ 219,474
STA - State of Good Repair (SGR) Grant	2,891,529
Measure D	8,894,841
LCTOP Grant	2,187,490
Pension Obligation Bonds	<u>4,837,655</u>
Total Restricted Assets	<u>\$ 19,030,989</u>

### G. Property and Equipment

Property and equipment are recorded at cost. Depreciation for all such assets is computed on a straight-line basis. Estimated useful lives of assets are as follows:

Buildings and improvements	20-39 years
Revenue vehicles	12 years
Other vehicles and equipment	3-10 years

Depreciation expense on assets acquired with capital grant funds are transferred to net position, net investment in capital assets, after being charged to operations.

Major improvements and betterments to existing facilities and equipment are capitalized. Costs for maintenance and repairs, which do not extend the useful lives of the applicable assets, are charged to expense as incurred. Upon disposition, costs and accumulated depreciation are removed from the accounts and resulting gains or losses are included in operations.

Santa Cruz METRO completed and capitalized the Scotts Valley Transit Center in fiscal year 1999. The cost of this facility totaled \$4,063,634, which was funded by federal, state, and local funds. The former Scotts Valley Redevelopment Agency, a political subdivision of the State of California, was one of Santa Cruz METRO's funding sources for this project and the Successor Agency has retained an interest in the property. The title to the property is retained by both Santa Cruz METRO and the Successor Agency as tenants in common with each party holding an individual interest in proportion to each party's financial participation in the project. The Successor Agency's portion of the property is 13.87%. The Successor Agency's portion is not recorded in Santa Cruz METRO's basic financial statements.

### H. Sales and Use Taxes Receipts

1979 Gross Sales Tax (1/2-cent): In June 1978, voters in Santa Cruz County approved Measure G which changed the basis of transit support for Santa Cruz METRO from property tax to a ½-cent sales and use tax effective January 1979. This ½-cent sales and use tax levied on all taxable sales in Santa Cruz County is collected and administered by the California State Board of Equalization. Actual receipts of Measure G sales and use tax for the fiscal year ended June 30, 2023, was \$27,672,778.

# Attachment A

## NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### H. Sales and Use Taxes Receipts (Continued)

2017 Net Sales Tax (Measure D): This local ordinance to fund a comprehensive package of county-wide transportation improvements passed in November 2016 by over 2/3 of Santa Cruz County voters. The transportation tax measure levies a 0.5% sales and use tax on retail sales within Santa Cruz County for a thirty-year period, effective April 1, 2017. Measure D sales and use tax receipts are administered by the Santa Cruz County Regional Transportation Commission according to the Expenditure Plan identified in the ordinance. Santa Cruz METRO is allocated 16% of Measure D local sales and use tax receipts collected, net of administrative costs, to provide transit and paratransit service for seniors and people with disabilities. Measure D sales and use tax receipts were \$4,327,486 for the fiscal year ended June 30, 2023. During fiscal year 2023, \$1,807,954 of Measure D funds were earned and spent on operating expenses, and \$1,714,880 of Measure D funds were earned and spent on capital projects. At June 30, 2023, \$9,656,682 of Measure D funds were unspent and recorded as unearned (deferred) revenue.

Additionally, Santa Cruz METRO is allocated, through the Santa Cruz County Regional Transportation Commission, a portion of the 0.025% sales and use tax levied by the Transportation Development Act (TDA).

### I. Operating Assistance Grants

Operating assistance grants are recognized as revenue in the grant period when earned.

### J. Self-Insurance

Santa Cruz METRO is self-insured for the first \$250,000 of general and vehicular liability. For settlements in excess of \$250,000, Santa Cruz METRO has total coverage up to \$25,000,000 per occurrence. The District also self-insures for vehicle physical damage coverage with a deductible option of \$5,000 per vehicle and coverage up to \$30,000,000 per occurrence. Additionally, Santa Cruz METRO is self-insured up to \$350,000 for workers' compensation claims. Santa Cruz METRO has recorded a liability for estimated claims to be paid, including incurred but not reported claims (IBNR).

### K. Employee Benefits

Annual and medical leave benefits are accrued when earned and reduced when used. Any paid medical leave accrued beyond 96 hours may, at the employee's option, be converted to annual leave and credited to the employee's annual leave schedule or paid in cash, depending on the bargaining unit, at 100% of the earned rate. Employees are paid accrued and unused annual leave at the time of separation from Santa Cruz METRO service.

### L. Payroll

Santa Cruz METRO contracts with the Santa Cruz County Auditor-Controller to provide payroll processing services.

### M. Pension Costs

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of Santa Cruz METRO's California Public Employees' Retirement System (CalPERS) pension plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# Attachment A

## NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### N. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of Santa Cruz METRO's OPEB plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Accounting principles generally accepted in the United States of America require that the reported results must pertain to liability and asset information within certain defined timeframes.

### O. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### P. Implementation of GASB Statements

**GASB Statement No. 91 – *Conduit Debt Obligations*.** The requirements of this statement are effective for fiscal years beginning after December 15, 2021, and all fiscal years thereafter. This statement did not impact the financial statements or disclosures of the District as the District does not have these types of transactions.

**GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*.** The requirements of this statement are effective for fiscal years beginning after June 15, 2022. This statement did not impact the financial statements or disclosures of the District as the District does not have these types of transactions.

**GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*.** The requirements of this statement are effective for fiscal years beginning after June 15, 2022, and all fiscal years thereafter. The District has implemented this statement and the provisions are contained within the financial statements.

**GASB Statement No. 99 – *Omnibus 2022*.** The requirements of this statement are effective as follows:

- The requirements related to the extension of the use of the London Interbank Offered Rate (LIBOR), accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions of GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance.
- The requirements related to leases, public-private, and public-public partnerships (PPPs), and subscription-based information technology arrangements (SBITAs) are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all fiscal years thereafter.

This statement does not impact the financial statements or disclosures of the District as the District does not have these types of transactions.

# Attachment A

## NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Q. Future GASB Statements

**GASB Statement No. 100 – Accounting Changes and Error Corrections.** The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all fiscal years thereafter. Earlier application is encouraged. Santa Cruz METRO will implement GASB Statement No. 100 if and where applicable.

**GASB Statement No. 101 – Compensated Absences.** The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all fiscal years thereafter. Earlier application is encouraged. The Authority will implement GASB Statement No. 101 if and where applicable.

## NOTE 2 – CASH AND CASH EQUIVALENTS

Total cash and cash equivalents (restricted and unrestricted) consist of the following at June 30, 2023:

Cash on Hand	\$	13,930
Demand Deposits		1,298,186
Certificates of Deposit (CD)		111,750
Deposits with Trustee		4,837,655
Deposits in Santa Cruz County Pooled Investment Fund		81,491,550
	<b>\$</b>	<b>87,753,071</b>

### Cash on Hand and Cash in Banks

### **Investments Authorized by the California Government Code and Santa Cruz METRO’s Investment Policy**

The table below identifies the **investment types** that are authorized for Santa Cruz METRO by the California Government Code (or Santa Cruz METRO’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or Santa Cruz METRO’s investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers’ Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Negotiable CDs	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	None	None
Medium-Term Notes	5 years	None	None
Mutual Funds	N/A	None	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	None	None
Santa Cruz County Pooled Investment Fund	N/A	100%	None
Local Agency Investment Fund (LAIF)	N/A	None	None

# Attachment A

## NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of Santa Cruz METRO's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Santa Cruz METRO's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Santa Cruz County Pooled Investment Fund	\$ 81,491,550	\$ 81,491,550	\$ -	\$ -	\$ -

### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or Santa Cruz METRO's investment policy, and the actual rating as of year-end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End		
				AAA	Aa	Not Rated
Santa Cruz County Pooled Investment Fund	\$ 81,491,550	N/A	\$ -	\$ -	\$ -	\$ 81,491,550

### Concentration of Credit Risk

The investment policy of Santa Cruz METRO contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Santa Cruz METRO did not have any investments in any one issuer (other than external investment pools) that represent 5% or more of total Santa Cruz METRO's investments at June 30, 2023.

### Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and Santa Cruz METRO's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.



# Attachment A

## NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

### Cash on Hand and Cash in Banks (Continued)

#### **Custodial Credit Risk** (Continued)

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: None of Santa Cruz METRO's deposits with financial institutions in excess of Federal Deposit Insurance Corporation limits were held in uncollateralized accounts.

#### **Investment in Santa Cruz County Pooled Investment Fund**

Santa Cruz METRO is a voluntary participant in the Santa Cruz County Pooled Investment Fund. The fair value of Santa Cruz METRO's investment in this pool is reported in the accompanying basic financial statements at amounts based upon Santa Cruz METRO's pro-rata share of the fair value provided by Santa Cruz County for the entire Santa Cruz County portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by Santa Cruz County, which are recorded on an amortized cost basis.

#### **Fair Value Measurements**

Santa Cruz METRO categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset, either directly or indirectly, which may include inputs in markets that are not considered to be active; and
- Level 3: Investments reflect prices based upon unobservable sources.

Santa Cruz METRO has the following recurring fair value measurements as of June 30, 2023:

	Fair Value Measurement Using		
<u>Investments by fair value level</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit (CD)	\$ 111,750	\$ 111,750	\$ -
Total investments measured at fair value	111,750	<u>\$ 111,750</u>	<u>\$ -</u>
Investments measured at amortized cost:			
Santa Cruz County Pooled Investment Fund	<u>81,491,550</u>		
Total pooled and directed investments	<u>\$ 81,603,300</u>		

Investments in the Santa Cruz County Pooled Investment Fund totaling \$81,491,550 as of June 30, 2023, are measured at amortized cost, which approximates fair value.

# Attachment A

## NOTE 3 – RECEIVABLES

Sales taxes and other receivables at June 30, 2023 are as follows:

Sales and Use Tax Revenue	\$ 5,765,943
Other	<u>1,360,679</u>
	<u><u>\$ 7,126,622</u></u>

Grant receivables at June 30, 2023 are as follows:

Federal Grants	\$ 8,348,880
State Grants	3,127,010
Local Grants	<u>1,933,630</u>
	<u><u>\$ 13,409,520</u></u>

## NOTE 4 – CHANGES IN CAPITAL ASSETS

Facilities, property, and equipment at June 30 are summarized as follows:

	Balance July 1, 2022	Additions	Retirements	Transfers	Balance June 30, 2023
Non-Depreciated Assets					
Land	\$ 11,596,311	\$ -	\$ -	\$ -	\$ 11,596,311
Construction-in-Progress	4,622,870	9,747,510	(16,262)	(2,918,201)	11,435,917
Total Non-Depreciated Assets	16,219,181	9,747,510	(16,262)	(2,918,201)	23,032,228
Depreciated Assets					
Building and Improvements	80,124,319	-	(605,038)	14,959	79,534,240
Revenue Vehicles	48,809,131	-	(2,011,663)	2,644,439	49,441,907
Operations Equipment	7,852,739	-	(70,083)	98,894	7,881,550
Other Equipment	2,355,853	-	(8,070)	-	2,347,783
Other Vehicles	1,242,443	-	(153,577)	62,984	1,151,850
Office Equipment	3,950,861	-	(1,086,830)	96,925	2,960,956
Right-to-Use Lease Asset	305,187	193,173	-	-	498,360
Total Depreciated Assets	144,640,533	193,173	(3,935,261)	2,918,201	143,816,646
Less Accumulated Depreciation and Amortization	<u>(73,140,669)</u>	<u>(5,735,792)</u>	<u>3,935,261</u>	<u>-</u>	<u>(74,941,200)</u>
Depreciated Assets Net of Accumulated Depreciation	<u>71,499,864</u>	<u>(5,542,619)</u>	<u>-</u>	<u>2,918,201</u>	<u>68,875,446</u>
SBITA					
Software	-	3,933,506	-	-	3,933,506
Accumulated Amortization	<u>-</u>	<u>(360,343)</u>	<u>-</u>	<u>-</u>	<u>(360,343)</u>
Total SBITA, Net	<u>-</u>	<u>3,573,163</u>	<u>-</u>	<u>-</u>	<u>3,573,163</u>
Total Capital Assets, Net	<u><u>\$ 87,719,045</u></u>	<u><u>\$ 7,778,054</u></u>	<u><u>\$ (16,262)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 95,480,837</u></u>

Depreciation and amortization expense for the fiscal year ended June 30, 2023, was \$6,062,911.

## NOTE 5 – CAPITAL CONTRIBUTIONS

Santa Cruz METRO receives capital grants from the FTA, which provide financing for the acquisition of rolling stock and construction of facilities. Santa Cruz METRO also receives capital grants under the State TDA primarily for the acquisition of rolling stock, support equipment, and the purchase of furniture and fixtures. Additionally, a portion of sales tax allocations received through local Measure D are restricted for use on capital projects, as specified in Santa Cruz METRO's Measure D funds annual expenditure plan approved by the Santa Cruz County Regional Transportation Commission (SCRTC).

# Attachment A

## NOTE 5 – CAPITAL CONTRIBUTIONS (Continued)

A summary of federal, state, and local capital grants and sales tax allocations for the fiscal years ended June 30 is as follows:

Federal Grants	\$ 4,234,640
State Grants	1,666,933
Measure D Local Sales Tax Allocations	<u>1,714,880</u>
Total Capital Contributions	<u>\$ 7,616,453</u>

## NOTE 6 – JOINT VENTURES (JOINT POWERS AUTHORITY WITH CalTIP)

Santa Cruz METRO participates in a joint power authority (JPA), the California Transit Indemnity Pool (CalTIP). The relationship between Santa Cruz METRO and the JPA is such that the JPA is not a component unit of Santa Cruz METRO for financial reporting purposes.

CalTIP arranges for and provides property and liability insurance for its 34 members. CalTIP is governed by a board that controls the operations of CalTIP, including selection of management and approval of operating budgets, independent of any influence by the member districts. Each member of the district pays a premium commensurate with the level of coverage requested and shares in surpluses and deficits proportionate to their participation in CalTIP.

Condensed audited financial information of CalTIP for the year ended April 30 (most recent information available) is as follows:

Total Assets	\$ 45,725,105
Total Liabilities	<u>18,975,774</u>
Fund Balance	<u>\$ 26,749,331</u>
Total Revenues	\$ 16,835,487
Total Expenditures	<u>16,201,284</u>
Net Increase in Fund Balance	<u>\$ 634,203</u>

CalTIP has not calculated Santa Cruz METRO's share of year-end assets, liabilities, or fund balance.

## NOTE 7 – CONTINGENCIES

Santa Cruz METRO has received state and federal funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowances under the terms of the grants, Santa Cruz METRO believes that any required reimbursement will not be material.

Additionally, Santa Cruz METRO is party to various claims and litigation in the normal course of business. In the opinion of management and in-house counsel, any ultimate losses have been adequately provided for in the basic financial statements.

# Attachment A

## NOTE 8 – DEFINED BENEFIT PENSION PLAN

### A. General Information About the Pension Plan

#### Plan Description

Santa Cruz METRO's defined benefit pension plan, the Miscellaneous Plan for Santa Cruz Metropolitan Transit District (the Plan), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to Plan members and beneficiaries. The Plan is part of CalPERS, an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State of California. A menu of benefit provisions, as well as other requirements, is established by state statutes within the Public Employees' Retirement Law. Santa Cruz METRO selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board action. CalPERS issues a separate annual comprehensive financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

#### Funding Policy

There were 275 active members in the Plan as of June 30, 2023, who were required to contribute a percentage of their annual covered salary. Santa Cruz METRO is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. Beginning in fiscal year 2018, CalPERS changed how it bills/collects employer contributions. The total minimum required employer contribution is now the sum of the Plan's Normal Cost Rate (expressed as a percentage of payroll) plus the Employer Unfunded Accrued Liability (UAL) Contribution Amount (billed monthly in dollars). The required employer contribution for fiscal year 2023 was 9.71% of covered payroll plus twelve (12) monthly payments of \$427,165. The contribution requirements of the Plan members are established by state statute and the employer contribution rate is established and may be amended by CalPERS.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

Hire Date	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit Formula	2.5%@55	2%@62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	52
Monthly Benefits, as a Percentage of Eligible Compensation	2.000% - 2.500%	1.000%-2.500%
Required Employee Contribution Rates	8.000%	7.000%
Required Employer Normal Cost Contribution Rates	9.710%	9.710%
Required Monthly Employer Dollar UAL Payment	\$468,980/month	\$468,980/month

**Employees Covered** – At June 30, 2023, the following employees were covered by the benefit terms for the Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	418
Inactive Employees Entitled to but not yet Receiving Benefits	205
Active Employees	<u>275</u>
 Total	 <u><u>898</u></u>

# Attachment A

## NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

### B. Net Pension Liability

Santa Cruz METRO's net pension liability for the Plan is measured as the total pension liability, less the Plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service <sup>(1)</sup>
Investment Rate of Return	7.000% <sup>(2)</sup>
Mortality	Derived using <sup>(3)</sup> CalPERS' Membership Data for all Funds

<sup>(1)</sup> Depending on age, service, and type of employment.

<sup>(2)</sup> Net of pension plan investment and administrative expenses, including inflation.

<sup>(3)</sup> The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Further details of the Experience Study can found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability for June 30, 2023, was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate for 2023 is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90% for 2023 will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the reporting period ended June 30, 2023, the 7.15% discount rate was not reduced for administrative expenses.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

# Attachment A

## NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

### B. Net Pension Liability (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return <sup>(1, 2)</sup></u>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100.0%</u>	

<sup>(1)</sup> An expected inflation of 2.00% used for this period.

<sup>(2)</sup> An expected inflation of 2.92% used for this period.

# Attachment A

## NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

### C. Changes in the Net Pension Liability

The changes in the net pension liability for the Plan follow:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2021 <sup>(1)</sup>	\$ 201,127,118	\$ 156,992,840	\$ 44,134,278
Changes in the year:			
Service Cost	3,606,454	-	3,606,454
Interest on the Total Pension Liability	14,018,196	-	14,018,196
Differences between Actual and Expected Experience	(357,816)	-	(357,816)
Changes in Assumptions	6,547,600		6,547,600
Contribution - Employer	-	58,209,105	(58,209,105)
Contribution - Employee	-	1,468,844	(1,468,844)
Net Investment Income <sup>(2)</sup>	-	(13,028,949)	13,028,949
Administrative Expenses	-	(97,797)	97,797
Benefit Payments, Including Refunds of Employee Contributions	(11,915,732)	(11,915,732)	-
Net Changes	11,898,702	34,635,471	(22,736,769)
Balance at June 30, 2022 <sup>(1)</sup>	\$ 213,025,820	\$ 191,628,311	\$ 21,397,509

<sup>(1)</sup> The plan fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance, and other postemployment benefits (OPEB) expense. This may differ from the Plan assets reported in the funding actuarial valuation report.

<sup>(2)</sup> Net of administrative expenses.

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the net pension liability of the Plan, calculated using the discount rate for the Plan, as well as what Santa Cruz METRO's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1% Decrease	5.90%
Net Pension Liability	\$ 47,885,117
Current Discount Rate	6.90%
Net Pension Liability	\$ 21,397,509
1% Increase	7.90%
Net Pension Liability	\$ (632,632)

***Pension Plan Fiduciary Net Position*** – Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

# Attachment A

## NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

### D. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2023, Santa Cruz METRO recognized a pension expense of \$7,445,205. At June 30, 2023, Santa Cruz METRO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 3,011,181	\$ -
Differences between Actual and Expected Experience	268,025	(261,109)
Changes in Assumptions	4,777,978	-
Net Differences Between Projected and Actual Earnings on Plan Investments	9,424,855	-
Total	\$ 17,482,039	\$ (261,109)

The \$3,011,181 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability, as determined by CalPERS, in the measurement periods ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30		
2023	\$	3,597,107
2024		3,303,266
2025		2,213,299
2026		5,096,077
2027		-
Thereafter		-
Total	\$	14,209,749

### E. Payable to the Pension Plan

At June 30, 2023, Santa Cruz METRO reported a payable of \$0 for the outstanding amount of contributions to the Plan required for the fiscal year ended June 30, 2023.

## NOTE 9 – DEFERRED COMPENSATION PLAN

Santa Cruz METRO offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and provisions of the Government Code of the State of California. The plan, available to all Santa Cruz METRO employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Santa Cruz METRO employees participate in two such plans, the Great-West Life and Annuity Insurance (Great-West) plan and the other through CalPERS.

At June 30, 2023 and 2022, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying statements of net position as required under GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*.



# Attachment A

## **NOTE 9 – DEFERRED COMPENSATION PLAN (Continued)**

Complete financial statements for Great-West can be obtained from Great-West at P.O. Box 173764, Denver, Colorado 80217-3764. Complete financial statements for CalPERS can be obtained from CalPERS at Lincoln Plaza North, 400 Q Street, Sacramento, California 94229.

## **NOTE 10 – RISK MANAGEMENT**

Santa Cruz METRO is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which Santa Cruz METRO carries commercial insurance. Santa Cruz METRO has also established limited risk management programs for workers' compensation, and general and vehicular liability, as described in Note 1.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been IBNR.

The IBNR for workers' compensation was based on an actuarial study dated March 2022. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Changes in the balances of claims liabilities are as follows:

Workers' Compensation Liabilities:	
Unpaid Claims, Beginning of Fiscal Year	\$ 2,307,335
Claim Payments	(765,714)
Other Adjustments (Including IBNRs)	<u>938,325</u>
Unpaid Claims Liability, End of Fiscal Year	<u>\$ 2,479,946</u>

## **NOTE 11 – TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA CODE OF REGULATIONS**

Santa Cruz METRO is subject to compliance with the TDA provisions; Sections 6634 and 6637 of the California Code of Regulations; and Sections 99267, 99268.1, and 99314.6 of the PUC.

### Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund (LTF) and the STA Fund in an amount which exceeds the claimant's operating costs, less fares, federal funding, and local support. Santa Cruz METRO did not receive TDA, STA, or LTF revenues in excess of the prescribed formula amounts.

### Section 6637

Pursuant to Section 6637, a claimant must maintain its accounts and records in accordance with the Uniform System of Accounts and Records for Transit Operators adopted by the State Controller. Santa Cruz METRO did maintain its accounts and records in accordance with the Uniform System of Accounts and Records for Transit Operators.

### Sections 99267, 99268.1, and 99314.6

Santa Cruz METRO is defined in the TDA as an older operator, having started service prior to July 1, 1974. Older operators may qualify for TDA under the 50% expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50% expenditure limitation required by PUC §99268 and does not use the alternative revenue ratio to determine eligibility for TDA funds.

# Attachment A

## **NOTE 12 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)**

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, Proposition 1B. Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the State, as instructed by the statute, as PTMISEA. These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

The audit of public transportation operator finances, pursuant to Section 99245 of the PUC and required under the TDA, was expanded to include verification of receipt and appropriate expenditure of PTMISEA bond funds.

The Santa Cruz County Regional Transportation Commission (SCCRTC) is responsible for allocating the Proposition 1B PUC Section 99313 funds in Santa Cruz County. In December 2007, the SCCRTC programmed 100% of its share of Section 99313 Proposition 1B PTMISEA funds (approximately \$2.1 million) to Santa Cruz METRO for the Consolidated MetroBase Project. Funds audited include the SCCRTC share of PUC Section 99313 Proposition 1B transit funds that have been passed-through to Santa Cruz METRO.

During the fiscal year ended June 30, 2023, Santa Cruz METRO earned interest of \$261 from the State's PTMISEA account for construction funding for the Consolidated MetroBase Project. During the fiscal year ended June 30, 2023, qualifying expenditures of \$585,125 were incurred and the remaining balance of \$0, including accrued interest, was deferred. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of encumbrance.

### **Schedule of PTMISEA Proposition 1B Grants For the Year Ended June 30, 2023**

<b>Balance - beginning of the year</b>	\$ 584,864
<b>Receipts:</b>	
Interest accrued 7/1/2022 through 6/30/2023	261
<b>Expenses:</b>	
Transit bus	(585,125)
<b>Balance - end of year</b>	<u>\$ -</u>

## **NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**Plan Description** – Santa Cruz METRO provides post-retirement CalPERS medical benefits to qualified retired employees age 50 and older (including eligible dependents) who have completed at least five years of CalPERS eligible service. Santa Cruz METRO pays medical premiums depending on bargaining union and Public Employees' Medical and Hospital Care Act (PEMHCA) contract requirements. If the retiree has ten years of Santa Cruz METRO eligible service, Santa Cruz METRO provides post-retirement dental and vision benefits for qualified retirees (including eligible dependents), and life insurance for the retiree only, until the retiree reaches age 65. The costs of providing these benefits are recognized when paid.

# Attachment A

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Employees Covered** – As of the June 30, 2022 valuation, the following current and former employees were covered by the benefit terms for the OPEB Plan:

Inactive Employees or Beneficiaries Currently Receiving Benefits	320
Inactive Employees Entitled to but not yet Receiving Benefits	24
Active Employees	297
 Total	 641

**Contributions** – The contribution requirements of OPEB Plan members and Santa Cruz METRO are established and may be amended by Santa Cruz METRO's Board. These contributions are neither mandated nor guaranteed. Santa Cruz METRO has retained the right to unilaterally modify its payment for retiree health care benefits. For the fiscal year ended June 30, 2023, Santa Cruz METRO contributed \$4,247,349. Employees are not required to contribute to the OPEB Plan.

**Net OPEB Liability** – Santa Cruz METRO's net OPEB liability was measured as of June 30, 2022 and 2021, and the total OPEB liability used to calculate the net OPEB liability was the OPEB Plan Fiduciary Net Position of the OPEB trust held with CalPERS as of those dates. The following actuarial methods and assumptions were used:

Reporting Date	June 30, 2023
Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	4.09%
Inflation	2.50%
Salary Increases	3.00%
Healthcare Cost Trend Rates	5.8% in 2023, fluctuating down to 3.9% by 2076
Mortality Rate	CalPERS 2017 Experience Study; Projected with MW Scale 2022

# Attachment A

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

### *Net OPEB Liability* (Continued)

The long-term expected rate of return on OPEB Plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	New Strategic Allocation	Real Return <sup>(1,2)</sup>
Global Equity - Cap-Weighted	30.00%	4.54%
Global Equity - Non-Cap-Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-Backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

<sup>(1)</sup> An expected inflation of 2.30% used for this period.

<sup>(2)</sup> Figures are based on the 2021 Asset Liability Management study

**Discount Rate** – The discount rate used to measure the total OPEB liability was 4.09% June 30, 2023. The projection of cash flows used to determine the discount rate assumed that Santa Cruz METRO contributions will be sufficient to fully fund the obligation over a period not to exceed 30 years. Historic 30-year real rates of return for each asset class along with the assumed long-term inflation assumption were used to set the discount rate. The expected investment return was offset by the investment expenses of 15 basis points. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive members and beneficiaries. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

# Attachment A

**NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)** (Continued)

**Changes in the Net OPEB Liability** – The changes in the net OPEB liability for the OPEB Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2021	\$ 121,906,043	\$ -	\$ 121,906,043
Changes in the Year:			
Service Cost	5,453,027	-	5,453,027
Interest	2,729,994	-	2,729,994
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Changes in Assumptions	(30,990,621)	-	(30,990,621)
Contribution - Employer	-	4,259,836	(4,259,836)
Benefit Payments	(4,259,836)	(4,259,836)	-
Net Changes	(27,067,436)	-	(27,067,436)
Balance at June 30, 2022	\$ 94,838,607	\$ -	\$ 94,838,607

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the net OPEB liability of Santa Cruz METRO if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for the measurement period ended June 30, 2022:

1% Decrease	3.09%
Net OPEB Liability	\$ 109,378,987
Current Discount Rate	4.09%
Net OPEB Liability	\$ 94,838,607
1% Increase	5.09%
Net OPEB Liability	\$ 83,203,732

**OPEB Plan Fiduciary Net Position** – Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Recognition of Deferred Outflows and Deferred Inflows of Resources** – Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

# Attachment A

## NOTE 13 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB** – For the fiscal year ended June 30, 2023, Santa Cruz METRO recognized OPEB expense of \$1,108,953. As of fiscal year ended June 30, 2023, Santa Cruz METRO reported deferred outflows of resources related to OPEB from the following sources:

2023	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 4,247,349	\$ -
Differences between Actual and Expected Experience	533,271	(11,963,393)
Changes in Assumptions	<u>4,841,615</u>	<u>(25,697,377)</u>
Total	<u>\$ 9,622,235</u>	<u>\$ (37,660,770)</u>

The \$4,247,349 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement dates will be recognized as a reduction in the net OPEB liability in the measurement periods ended June 30, 2023. In addition, future recognition of the deferred inflows of resources is shown below.

<u>Measurement Period Ended June 30,</u>	
2024	\$ (6,038,098)
2025	(6,620,828)
2026	(7,382,858)
2027	(6,507,412)
2028	(3,718,000)
Thereafter	<u>(2,018,688)</u>
Total	<u>\$ (32,285,884)</u>

## NOTE 14 – LONG-TERM DEBT

The following is a summary of Santa Cruz METRO's long-term debt activity for the fiscal year ended June 30, 2023:

	<u>Balance June 30, 2022</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2023</u>	<u>Due Within One Year</u>
Financed Purchase	\$ 392,653	\$ -	\$ (275,408)	\$ 117,245	\$ 117,245
Lease Liability	204,290	195,139	(89,673)	309,756	93,343
Subscription Liabilities	-	3,933,506	(433,725)	3,499,781	336,731
Pension Obligation Bonds	<u>51,750,000</u>	<u>-</u>	<u>(2,785,000)</u>	<u>48,965,000</u>	<u>2,700,000</u>
Total Long-Term Debt	<u>\$ 52,346,943</u>	<u>\$ 4,128,645</u>	<u>\$ (3,583,806)</u>	<u>\$ 52,891,782</u>	<u>\$ 3,247,319</u>

### Financed Purchase:

Santa Cruz METRO has acquired three CNG buses under a financed purchase agreement for a total purchase price of \$1,553,250 (principal amount). The terms of the contract call for monthly payments of \$23,627 over a 72-month period beginning in December 2017, and include a 3.04% effective interest rate. At June 30, 2023, the outstanding balance was \$117,245.

# Attachment A

**NOTE 14 – LONG-TERM DEBT** (Continued)

The following schedule details debt service requirements to maturity for the District's financed purchase at June 30, 2023:

Fiscal Year	Principal	Interest	Total
2024	\$ 117,245	\$ 893	\$ 118,138
Total	<u>\$ 117,245</u>	<u>\$ 893</u>	<u>\$ 118,138</u>

**Lease Liability:**

On July 1, 2021, the District entered into a 38-month lease as lessee for Paracruz facilities for the use of approximately 9,318 rentable square feet of floor space. As of June 30, 2023, the value of the lease liability is \$309,756. The District is required to make monthly fixed payments of \$7,650. Effective September 1, 2022 and 2023, the fixed payments increase to \$7,900 and \$8,100, respectively. The lease has an interest rate of 1.29%. The right-to-use lease asset useful life was 38 months as of the contract commencement. The value of the right-to-use lease asset as of June 30, 2023, was \$498,360, and accumulated amortization was \$192,914. Refer to Note 4 of the financial statements.

The annual requirements to amortize the lease liability outstanding, including interest, are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 93,343	\$ 3,362	\$ 96,705
2025	97,479	2,121	99,600
2026	101,762	833	102,595
2027	17,172	10	17,182
Total	<u>\$ 309,756</u>	<u>\$ 6,326</u>	<u>\$ 316,082</u>

**Pension Obligation Bonds (POBs):**

In fiscal year 2022, pension obligation bonds (POBs) were issued by the District to reduce its pension unfunded actuarial liability, with the intended purpose of achieving interest rate savings by issuing the bonds at interest rates which would be less than the assumed rate of return earned on proceeds placed in the CalPERS pension plan. The District issued its Sales Tax Revenue Bonds (Measure G), Series 2022 (Federally Taxable) under an Indenture of Trust, dated as of March 1, 2022, by and between the District and U.S. Bank National Association, as trustee, totaling \$51,750,000. Net proceeds of \$51,364,266 from the sale of the bonds were used to repay a portion of the District's unfunded accrued actuarial liability to CalPERS in March 2022.

The payment of debt service on the Bonds is secured solely by Measure G sales tax revenues, which are received by the District from a 0.5% sales tax collected in the County of Santa Cruz, for deposit in the debt service fund in accordance with the Indenture. The Measure G sales tax revenues are the sole source of payment of the bonds.

The pension obligation bonds are structured as fixed rate bonds with a 15-year final maturity and 10-year call (refinance) option, and were sold as a series of 15 bonds with 1 Year to 15 Year maturities, yielding interest rates from 1.539% to 3.842%, increasing with the term to maturity. The final maturity date is August 1, 2037.

# Attachment A

**NOTE 14 – LONG-TERM DEBT** (Continued)

The annual requirements to amortize the pension obligation bonds liability outstanding, including interest, are as follows:

Fiscal Year	Principal	Interest	Total
2024	\$ 2,700,000	\$ 1,445,271	\$ 4,145,271
2025	2,750,000	1,397,858	4,147,858
2026	2,805,000	1,342,107	4,147,107
2027	2,870,000	1,277,638	4,147,638
2028	2,940,000	1,207,319	4,147,319
2029-2033	15,995,000	4,737,049	20,732,049
2034-2038	18,905,000	1,822,078	20,727,078
2039-2042	-	-	-
Total	\$ 48,965,000	\$ 13,229,320	\$ 62,194,320

**NOTE 15 – LESSOR TRANSACTIONS**

Retail spaces at Pacific Station, Watsonville Transit Center and Scotts Valley Transit Center are leased to commercial organizations and small businesses under financing lease agreements with terms ranging from 2 to 10 years, with fixed 3% - 3.5% annual lease escalations and options to extend the leases for a period ranging from 1 to 5 additional years. Santa Cruz METRO had six financing leases subject to GASB Statement No. 87 (GASB 87) accounting treatment in this first year of implementation. Under GASB 87, leases receivable totaled \$229 thousand, lease revenue totaled \$53 thousand, and deferred inflows of resources from leases totaled \$217 thousand for the year ended June 30, 2023.

**NOTE 16 – STATE TRANSIT ASSISTANCE - STATE OF GOOD REPAIR (STA-SGR)**

Santa Cruz METRO was allocated \$781,037 of State Transit Assistance - State of Good Repair (STA-SGR) program funds for fiscal year 2023. Interest earned on STA-SGR funds held in the Santa Cruz County Pooled Investment Fund during fiscal year 2023 was \$45,404. The unspent (unearned) balance of STA-SGR funds was \$3,025,101 at June 30, 2023.

**NOTE 17 – DEFICIT NET POSITION**

As of June 30, 2023, Santa Cruz METRO had a deficit net position of \$6,209,621. The deficit was primarily due to the reporting of the net pension liability and the net liability for OPEB, pursuant to the implementation of GASB Statement No. 68 and GASB Statement No. 75. Santa Cruz METRO is committed to fully funding the actuarially determined contributions annually.



# Attachment A

## NOTE 18 – LONG-TERM OBLIGATIONS

Subscription Based Information Technology Arrangements (SBITA) Liability:

For the year ended June 30, 2023, the District recognized intangible right-to-use software arrangements of \$3,933,506. Accumulated amortization for the year ended June 30, 2023, was \$360,343. Due to the implementation of GASB Statement No. 96, these arrangements for an enterprise resource planning system (ERP), automatic passenger counting software, a transit scheduling software subscription, and a security software subscription all met the criteria of an SBITA, thus requiring these to be recorded by the District as intangible assets with a corresponding SBITA liability. These assets will be amortized over the various lease terms, as the lease terms correspond with the District's ability to access any software or equipment related to the SBITAs. There are no residual value guarantees in the arrangement provisions. The ERP arrangement will end in September 29, 2032, the automatic passenger counter subscription will end in June 2028, the transit scheduling software subscription will end in September, 2024, and the security software subscription will end in July 2024.

A summary of the combined remaining principal and interest amounts by fiscal year for the subscriptions above are shown below.

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 336,731	\$ 133,797	\$ 470,528
2025	331,723	119,638	451,361
2026	354,159	105,473	459,632
2027	377,333	90,376	467,709
2028	369,339	74,547	443,886
2029-2032	<u>1,730,496</u>	<u>129,211</u>	<u>1,859,706</u>
Total	<u>\$ 3,499,781</u>	<u>\$ 653,042</u>	<u>\$ 4,152,822</u>

## NOTE 19 – SUBSEQUENT EVENTS

Subsequent events were evaluated by management through December 27, 2023, which is the date of issuance.

# Attachment A

REQUIRED SUPPLEMENTARY INFORMATION

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 LAST 10 YEARS\*

	Measurement Period 2021/22	Measurement Period 2020/21	Measurement Period 2019/20	Measurement Period 2018/19
<b>Total Pension Liability</b>				
Service Cost	\$ 3,606,454	\$ 3,290,053	\$ 3,235,943	\$ 3,267,506
Interest on Total Pension Liability	14,018,196	13,685,292	13,261,238	12,800,717
Differences between Expected and Actual Experience	(357,816)	276,385	651,255	1,427,437
Changes in Assumptions	6,547,600	-	-	-
Changes in Benefits	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(11,915,732)	(11,211,777)	(10,527,796)	(9,997,925)
Net Change in Total Pension Liability	11,898,702	6,039,953	6,620,640	7,497,735
Total Pension Liability - Beginning	201,127,118	195,087,165	188,466,525	180,968,790
Total Pension Liability - Ending (a)	<u>\$ 213,025,820</u>	<u>\$ 201,127,118</u>	<u>\$ 195,087,165</u>	<u>\$ 188,466,525</u>
<b>Plan Fiduciary Net Position</b>				
Net Plan to Plan Resource Movement	\$ -	\$ -	\$ -	\$ -
Contributions - Employer	58,209,105	6,469,902	5,889,484	5,300,243
Contributions - Employee	1,468,844	1,514,329	1,552,782	1,560,484
Net Investment Income	(13,028,949)	29,474,109	6,333,686	7,933,310
Administrative Expense	(97,797)	(130,738)	(180,179)	(87,847)
Benefit Payments	(11,915,732)	(11,211,777)	(10,527,796)	(9,997,925)
Other Miscellaneous Income/(Expense)	-	-	-	285
Net Change in Plan Fiduciary Net Position	34,635,471	26,115,825	3,067,977	4,708,550
Plan Fiduciary Net Position - Beginning	156,992,840	130,877,015	127,809,038	123,100,488
Plan Fiduciary Net Position - Ending (b)	<u>\$ 191,628,311</u>	<u>\$ 156,992,840</u>	<u>\$ 130,877,015</u>	<u>\$ 127,809,038</u>
Net Pension Liability [(a) - (b)]	<u>\$ 21,397,509</u>	<u>\$ 44,134,278</u>	<u>\$ 64,210,150</u>	<u>\$ 60,657,487</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.96%	78.06%	67.09%	67.82%
Covered Payroll	\$ 19,399,968	\$ 19,677,351	\$ 18,956,899	\$ 18,780,928
Net Pension Liability as a Percentage of Covered Payroll	110.30%	224.29%	338.72%	322.97%

\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only nine years are shown.

### Notes to Schedule:

**Benefit changes.** In 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015, there were no benefit changes.

**Changes in assumptions.** In 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS (Continued) FOR THE FISCAL YEAR ENDED JUNE 30, 2023 LAST 10 YEARS\*

	Measurement Period 2017/18	Measurement Period 2016/17	Measurement Period 2015/16	Measurement Period 2014/15	Measurement Period 2013/14
<b>Total Pension Liability</b>					
Service Cost	\$ 3,267,575	\$ 3,422,455	\$ 3,160,455	\$ 3,294,147	\$ 3,200,114
Interest on Total Pension Liability	12,278,470	12,002,686	11,775,833	11,234,261	10,709,850
Differences between Expected and Actual Experience	(1,025,273)	(1,952,270)	162,174	(414,257)	-
Changes in Assumptions	(1,231,759)	9,337,059	-	(2,564,554)	-
Changes in Benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(9,340,636)	(9,126,454)	(7,903,179)	(7,185,556)	(6,660,594)
Net Change in Total Pension Liability	3,948,377	13,683,476	7,195,283	4,364,041	7,249,370
Total Pension Liability - Beginning	156,141,654	163,336,937	156,141,654	151,777,613	144,528,243
Total Pension Liability - Ending (a)	<u>\$ 160,090,031</u>	<u>\$ 177,020,413</u>	<u>\$ 163,336,937</u>	<u>\$ 156,141,654</u>	<u>\$ 151,777,613</u>
<b>Plan Fiduciary Net Position</b>					
Net Plan to Plan Resource Movement	\$ (285)	\$ 107	\$ -	\$ -	\$ -
Contributions - Employer	4,686,264	4,047,221	3,991,447	4,086,806	3,668,004
Contributions - Employee	1,592,606	1,556,993	1,603,071	1,645,356	1,573,391
Net Investment Income	9,742,558	12,015,977	608,702	2,493,939	16,262,179
Administrative Expense	(182,238)	(160,362)	(67,272)	(124,362)	-
Benefit Payments	(9,340,636)	(9,126,454)	(7,903,179)	(7,185,556)	(6,660,594)
Other Miscellaneous Income/(Expense)	(346,072)	-	-	-	-
Net Change in Plan Fiduciary Net Position	6,152,197	8,333,482	(1,767,231)	916,183	14,842,980
Plan Fiduciary Net Position - Beginning	110,382,040	108,614,809	110,382,040	109,465,857	94,622,877
Plan Fiduciary Net Position - Ending (b)	<u>\$ 116,534,237</u>	<u>\$ 116,948,291</u>	<u>\$ 108,614,809</u>	<u>\$ 110,382,040</u>	<u>\$ 109,465,857</u>
Net Pension Liability [(a) - (b)]	<u>\$ 43,555,794</u>	<u>\$ 60,072,122</u>	<u>\$ 54,722,128</u>	<u>\$ 45,759,614</u>	<u>\$ 42,311,756</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	72.79%	66.06%	66.50%	70.69%	72.12%
Covered Payroll	\$ 19,075,163	\$ 19,343,552	\$ 19,550,012	\$ 19,490,839	\$ 18,385,116
Net Pension Liability as a Percentage of Covered Payroll	228.34%	310.55%	279.91%	234.77%	230.14%

\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only nine years are shown.

### Notes to Schedule:

**Benefit changes.** In 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015, there were no benefit changes.

**Changes in assumptions.** In 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, and 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of miscellaneous employees.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CONTRIBUTIONS – PENSION FOR THE FISCAL YEAR ENDED JUNE 30, 2023 LAST 10 YEARS\*

	Fiscal Year 2022-23	Fiscal Year 2021-22	Fiscal Year 2020-21	Fiscal Year 2019-20	Fiscal Year 2018-19
Actuarially Determined Contributions	\$ 58,209,105	\$ 6,469,902	\$ 5,889,484	\$ 5,300,243	\$ 4,686,264
Contributions in Relation to the Actuarially Determined Contributions	<u>(58,209,105)</u>	<u>(6,469,902)</u>	<u>(5,889,484)</u>	<u>(5,300,243)</u>	<u>(4,686,264)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 19,399,968	\$ 19,677,351	\$ 16,874,245	\$ 18,956,899	\$ 18,780,928
Contributions as a Percentage of Covered Payroll	300.05%	32.88%	34.90%	27.96%	24.95%
	Fiscal Year 2017-18	Fiscal Year 2016-17	Fiscal Year 2015-16	Fiscal Year 2014-15	
Actuarially Determined Contributions	\$ 4,047,221	\$ 3,991,447	\$ 4,086,806	\$ 3,668,004	
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,047,221)</u>	<u>(3,991,447)</u>	<u>(4,086,806)</u>	<u>(3,668,004)</u>	
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered Payroll	\$ 19,075,163	\$ 19,343,552	\$ 19,550,012	\$ 19,490,839	
Contributions as a Percentage of Covered Payroll	21.22%	20.63%	20.90%	18.82%	

\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation; therefore, only nine years are shown.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CHANGES IN THE NET OTHER POSTEMPLOYMENT BENEFITS (OPEB) LIABILITY AND RELATED RATIOS FOR THE FISCAL YEAR ENDED JUNE 30, 2023 LAST 10 YEARS\*

<i>Measurement Period Date</i>	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>						
Service Cost	\$ 5,453,027	\$ 6,234,396	\$ 5,853,462	\$ 5,638,591	\$ 5,259,186	\$ 5,708,352
Interest	2,729,994	3,632,144	3,574,866	3,522,407	3,452,776	3,047,381
Actual and Expected Experience Difference	-	(14,678,446)	-	(4,602,485)	-	-
Changes in Assumptions	(30,990,621)	347,863	2,720,145	9,172,330	2,643,408	(7,860,824)
Changes in Benefits Terms	-	(1,866,384)	-	-	-	-
Benefit Payments	(4,259,836)	(4,127,225)	(4,125,446)	(3,906,373)	(3,784,611)	(3,898,705)
Net Change in Total OPEB Liability	(27,067,436)	(10,457,652)	8,023,027	9,824,470	7,570,759	(3,003,796)
Total OPEB Liability - Beginning	121,906,043	132,363,695	124,340,668	114,516,198	106,945,439	109,949,235
Total OPEB Liability - Ending (a)	<u>\$ 94,838,607</u>	<u>\$ 121,906,043</u>	<u>\$ 132,363,695</u>	<u>\$ 124,340,668</u>	<u>\$ 114,516,198</u>	<u>\$ 106,945,439</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 4,259,836	\$ 4,127,225	\$ 4,125,446	\$ 3,906,373	\$ 3,784,611	\$ 3,898,705
Benefit Payments	(4,259,836)	(4,127,225)	(4,125,446)	(3,906,373)	(3,784,611)	(3,898,705)
Net Change in Plan Fiduciary Net Position	-	-	-	-	-	-
Plan Fiduciary Net Position - Beginning	-	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB Liability [(a) - (b)]	<u>\$ 94,838,607</u>	<u>\$ 121,906,043</u>	<u>\$ 132,363,695</u>	<u>\$ 124,340,668</u>	<u>\$ 114,516,198</u>	<u>\$ 106,945,439</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered Payroll	\$ 23,292,187	\$ 21,475,538	\$ 23,485,892	\$ 22,768,353	\$ 22,116,603	\$ 22,483,538
Net OPEB Liability as a Percentage of Covered Payroll	407.17%	567.65%	563.59%	546.11%	517.78%	475.66%

\* Fiscal year 2018 was the 1<sup>st</sup> year of implementation; therefore, only six years are shown.

### Notes to the Schedule:

Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF CONTRIBUTIONS – OPEB FOR THE FISCAL YEAR ENDED JUNE 30, 2023 LAST 10 YEARS\*

	Fiscal Year 2023	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2019	Fiscal Year 2018
Actuarially Determined Contributions	\$ 4,259,836	\$ 4,127,225	\$ 4,125,446	\$ 3,906,373	\$ 3,784,611	\$ 3,898,705
Contributions in Relation to the Actuarially Determined Contributions	(4,259,836)	(4,127,225)	(4,125,446)	(3,906,373)	(3,784,611)	(3,898,705)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 23,292,187	\$ 21,336,510	\$ 21,475,538	\$ 23,485,892	\$ 22,768,353	\$ 22,116,603
Contributions as a Percentage of Covered Payroll	18.29%	19.34%	19.21%	16.63%	16.62%	17.63%

### Notes to the Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for fiscal year 2022, were from the June 30, 2021 actuarial valuation.

#### Methods and Assumptions Used to Determine Contributions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value
Discount Rate	4.09%
Inflation	2.50%
Salary Increases	3.00%
Healthcare Cost Trend Rates	5.8% in 2023, fluctuating down to 3.9% by 2076
Mortality Rate	CalPERS 2017 Experience Study; Projected with MW Scale 2022

\* Fiscal year 2018 was the 1<sup>st</sup> year of implementation; therefore, only six years are shown.

# Attachment A

SUPPLEMENTARY INFORMATION



# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENT OF OPERATING EXPENSES FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Labor	
Operators' salaries and wages	\$ 8,269,380
Other salaries and wages	8,578,105
Overtime	<u>3,298,703</u>
	<u>20,146,188</u>
Fringe Benefits	
Absence with pay	4,066,233
Pension plans	3,036,439
Vision, medical, and dental plans	6,373,704
Workers' compensation insurance	1,110,936
Disability insurance	365,362
Other fringe benefits	314,028
Other postemployment benefits	<u>5,542,977</u>
	<u>20,809,679</u>
Services	
Accounting	103,996
Administrative and banking	458,233
Professional and technical services	3,033,935
Security	629,669
Outside repairs	1,313,661
Other services	<u>210,519</u>
	<u>5,750,013</u>
Materials and Supplies Consumed	
Fuels and lubricants	2,504,371
Tires and tubes	204,566
Vehicle parts	1,167,462
Other materials and supplies	<u>598,199</u>
	<u>4,474,598</u>
Utilities	680,114
Casualty and Liability Costs	1,292,526
Taxes and Licenses	49,784
Miscellaneous Expenses	386,803
Equipment and Facility Lease	63,296
Debt Issuance Cost	-
Depreciation and Amortization	<u>6,062,911</u>
Total Operating Expenses	<u>\$ 59,715,912</u>

# Attachment A

OTHER SCHEDULES AND REPORTS

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION				
Direct Programs:				
Federal Transit Administration (FTA)				
Cluster Defined by the Department of Transportation				
<b>Section 9/5307</b>				
Operating Assistance - ARPA	20.507	CA-2022-044-01	\$ -	\$ 6,981,555
Operating Assistance - ARPA	20.507	CA-2022-044-02	-	2,715,049
			-	9,696,604
<b>Section 5339</b>				
FY16 5339 (c) LoNo Discretionary	20.526	CA-2017-071-00	-	3,507,967
FY20 5339(a) Bus & Bus Facilities	20.526	CA-2021-029-00	-	202,318
FY21 5339(a) Bus & Bus Facilities	20.526	CA-2023-023-00	-	524,355
			-	4,234,640
Total Federal Transit Cluster			-	13,931,244
Total Federal Transit Administration			-	13,931,244
<b>Section 18/5311-5317</b>				
Rural Operating Assistance - 5311	20.509	CA-2023-038	-	258,123
			-	258,123
Total Expenditures of Federal Awards			\$ -	\$ 14,189,367

See accompanying notes to schedule of expenditures of federal awards.

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE FISCAL YEAR ENDED JUNE 30, 2023

### **NOTE 1 – GENERAL**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO). Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agents, is included on the schedule.

### **NOTE 2 – BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Federal capital grant funds are used to purchase property, plant, and equipment. Federal grants receivable are included in capital and operating grants receivable, which also includes receivables from state and local grant sources.

### **NOTE 3 – INDIRECT COST RATE**

Santa Cruz METRO has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

# Attachment A



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Santa Cruz Metropolitan Transit District  
Santa Cruz, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Santa Cruz METRO's basic financial statements, and have issued our report thereon dated December 27, 2023.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Santa Cruz METRO's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

# Attachment A

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Cruz METRO's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 27, 2023

# Attachment A



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
Santa Cruz Metropolitan Transit District  
Santa Cruz, California

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited Santa Cruz METRO's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Santa Cruz METRO's major federal programs for the fiscal year ended June 30, 2023. Santa Cruz METRO's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Santa Cruz METRO complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Santa Cruz METRO and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Santa Cruz METRO's compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Santa Cruz METRO's federal programs.

# Attachment A

## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Santa Cruz METRO's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Santa Cruz METRO's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Santa Cruz METRO's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Santa Cruz METRO's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.



# Attachment A

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

## Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Santa Cruz METRO as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Santa Cruz METROs basic financial statements. We issued our report thereon dated December 27, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 27, 2023

# Attachment A



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH THE STATUTES, RULES, AND REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT AND THE ALLOCATION INSTRUCTIONS AND RESOLUTIONS OF THE TRANSPORTATION COMMISSION

To the Board of Directors  
Santa Cruz Metropolitan Transit District  
Santa Cruz, California

We have audited, in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the U.S. Office of Management and Budget (OMB) *Compliance Supplement*; and the statutes, rules, and regulations of the California Transportation Development Act (TDA), the financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) as of and for the fiscal year ended June 30, 2023, and have issued our report thereon dated December 27, 2023.

### Report on Compliance

As part of obtaining reasonable assurance about whether Santa Cruz METRO's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Additionally, we performed tests to determine that allocations made and expenditures paid by Santa Cruz METRO were made in accordance with the allocation instructions and resolutions of the Transportation Commission and in conformance with the TDA. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Sections 6666 and 6667 that are applicable to Santa Cruz METRO. In connection with our audit, nothing came to our attention that caused us to believe Santa Cruz METRO failed to comply with the statutes, rules, and regulations of the TDA and the allocation instructions and resolutions of the Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Also as part of our audit, we performed tests of compliance to determine whether certain state funds were received and expended in accordance with the applicable bond act and state accounting requirements.

### Other Matters

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006 (Proposition 1B). Of the \$19.925 billion of state general obligation bonds authorized, \$4 billion was set aside by the State as instructed by statute as the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

# Attachment A

As of June 30, 2023, PTMISEA interest received and funds expended were verified in the course of our audit as follows:

## Schedule of PTMISEA Proposition 1B Grants For the Year Ended June 30, 2023

<b>Balance - beginning of the year</b>	\$ 584,864
<b>Receipts:</b>	
Interest accrued 7/1/2022 through 6/30/2023	261
<b>Expenses:</b>	
Transit bus	<u>(585,125)</u>
<b>Balance - end of year</b>	<u><u>\$ -</u></u>

The results of our tests indicated that, with respect to the items tested, Santa Cruz METRO complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Santa Cruz METRO had not complied, in all material respects, with those provisions.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance. Accordingly, this report is not suitable for any other purpose.

### Restriction on Use

This report is intended solely for the information and use of management and the Board of Directors of Santa Cruz METRO, the California Department of Transportation, the State Controller's Office, and officials of applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 27, 2023

# Attachment A

## FINDINGS AND QUESTIONED COSTS SECTION

# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF FINDINGS AND QUESTIONED COSTS JUNE 30, 2023

**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? \_\_\_ Yes  No

Reportable conditions identified that are not considered to be material weaknesses? \_\_\_ Yes  None reported

Noncompliance material to financial statements noted? \_\_\_ Yes  No

**Federal Awards**

Internal control over major federal programs:

Material weakness identified? \_\_\_ Yes  No

Reportable conditions identified that are not considered to be material weaknesses? \_\_\_ Yes  None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_ Yes  No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Clusters</u>
	Federal Transit Cluster
20.500	Federal Transit Capital Investment Grants – Section 3
20.507	Federal Transit Formula Grants – Section 9
20.526	Bus and Bus Facilities Formula and Discretionary Programs

Dollar threshold used to distinguish type A and B programs: \$750,000

Auditee qualified as low risk auditee?  Yes \_\_\_ No

**II. Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards**

None.

**III. Federal Award Findings and Questioned Costs**

None.

# Attachment A

IV. State Award Findings and Questioned Costs

None.

V. A Summary of Prior Audit (all June 30, 2022) Findings and Current Year Status Follows

None.

# Attachment B



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To the Board of Directors  
Santa Cruz Metropolitan Transit District  
Santa Cruz, California

We have audited the financial statements of Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the fiscal year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 7, 2023. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant Audit Matters**

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Santa Cruz METRO are described in Note 1 to the financial statements. Santa Cruz METRO implemented Governmental Accounting Standards Board (GASB) Statement No. 96 – *Subscription-Based Information Technology Arrangements* during the fiscal year ended June 30, 2023. We noted no transactions entered into by Santa Cruz METRO during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Santa Cruz METRO's financial statements were:

Management's estimate of the useful lives of capital assets for purposes of calculating annual depreciation expense to be reported in Santa Cruz METRO's results of operations. Estimated useful lives range from three to thirty-nine years. We evaluated the key factors and assumptions used to develop the estimates of useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of both its net pension liability and net other postemployment benefits (OPEB) liability are based on actuarial valuations that involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. We evaluated the key factors and assumptions used to develop the estimates of the net pension liability and net OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the accrued claims is based upon management's past experience and useful lives. We evaluated the key factors and assumptions used to develop the estimates of the accrued claims in determining that it is reasonable in relation to the financial statements taken as a whole.

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Fresno, CA 93720  
559-476-3592

STOCKTON  
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Stockton, CA 95207  
209-451-4833

# Attachment B

Management's estimate of the discount rate for the purpose of calculating the right-to-use leased asset and liability, and leased revenue. We evaluated the key factors and assumptions used to develop the discount rate for the purpose of calculating the right-to-use leased asset and liability, and leased revenue in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of capital assets, unpaid claims, pension plan, OPEB, lease liability and lease revenue in notes to the basic financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements occurred during the course of our audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 27, 2023.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Santa Cruz METRO's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Santa Cruz METRO's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### **Other Matters**

We applied certain limited procedures to Management's Discussion and Analysis, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contributions – Pension, Schedule of Changes in the Net OPEB Liability and Related Ratios, and Schedule of Contributions - OPEB, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



# Attachment B

We were engaged to report on the Statement of Operating Expenses and the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Santa Cruz METRO and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
December 27, 2023

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# Attachment C

**SANTA CRUZ METROPOLITAN  
TRANSIT DISTRICT  
MEASURE D PROGRAM**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2023**

# Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2023

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# Attachment C



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Santa Cruz Metropolitan Transit District  
Santa Cruz, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Measure D Program of Santa Cruz METRO's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure D Program of Santa Cruz METRO, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Santa Cruz METRO and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Measure D Program of Santa Cruz METRO's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

# Attachment C

and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Measure D Program of Santa Cruz METRO's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure D Program and do not purport to, and do not, present fairly the financial position of Santa Cruz METRO as of June 30, 2023, or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure D Program of Santa Cruz METRO's basic financial statements. The accompanying schedule of revenues, expenses, and changes in net position – budget and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenses, and changes in net position – budget and actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

# Attachment C

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2023, on our consideration of Santa Cruz METRO's internal control over financial reporting relating to the Measure D Program and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance relating to the Measure D Program and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control over financial reporting or on compliance relating to the Measure D Program. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control over financial reporting and compliance relating to the Measure D Program.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 27, 2023

# Attachment C

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
STATEMENT OF NET POSITION  
JUNE 30, 2023

## ASSETS

Cash and Investments	\$ 8,894,841
Intergovernmental Receivables	
Receivables from SCCRTC for Measure D Allocations	<u>761,841</u>
<b>Total Assets</b>	<b><u>\$ 9,656,682</u></b>

## LIABILITIES AND NET POSITION

Liabilities	
Unearned Income	\$ 7,941,802
Interfund Payable	
Reimbursements for Capital Expenditures	<u>1,714,880</u>
<b>Total Liabilities</b>	<b><u>9,656,682</u></b>
Net Position	
Restricted	<u>-</u>
<b>Total Net Position</b>	<b><u>-</u></b>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 9,656,682</u></b>

See accompanying Notes to Financial Statements.



# Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2023**

**REVENUES**

Measure D Revenue	\$ 3,364,610
Interest Income	<u>158,224</u>
<b>Total Revenues</b>	<u>3,522,834</u>

**EXPENSES**

Transit Operations	1,807,954
Transit Capital	<u>1,714,880</u>
<b>Total Expenses</b>	<u>3,522,834</u>

**REVENUES OVER EXPENSES** -

**NET POSITION**

Beginning of Year	<u>-</u>
End of Year	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

# Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Reporting Entity

On November 8, 2016, the voters of Santa Cruz County, pursuant to the provisions of the Local Transportation Authority and Improvement Act (the Act), California Public Utilities Code, Division 19, Section 180000 et seq., adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (Measure D), thereby authorizing Santa Cruz County Regional Transportation Commission (SCCRTC) to administer the proceeds from a retail transaction and use tax of one-half of one-percent (0.5%) that will last 30 years from the initial date of collection. The Measure D Ordinance authorizes SCCRTC to allocate, administer, and oversee the expenditure of all Measure D revenues and to distribute revenues no less than quarterly to local agencies (including Santa Cruz Metropolitan Transit District).

All transactions of the Measure D Program by the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) are included as an enterprise fund in the basic financial statements of Santa Cruz METRO. These statements account for Santa Cruz METRO's share of revenues earned and expenses incurred under Santa Cruz METRO's Transportation for Seniors and People with Disabilities Program. The accompanying financial statements are for the Measure D Program only and are not intended to fairly present the financial position or results of operations of Santa Cruz METRO.

B. Basis of Accounting and Measurement Focus

Santa Cruz METRO uses an enterprise fund format to report its activities for financial statement purposes. The accompanying financial statements are prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of when the related cash flows take place.

C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – MEASURE D PROGRAM**

Under Measure D, Santa Cruz METRO receives 16% of the proceeds (after administrative costs) of a one-half cent local sales tax, to be used for transportation-related expenses. Measure D was adopted with the intention that the funds generated by the sales tax will not fund transportation-related expenses previously paid for by existing funds, revenues, and other resources, but rather, will be used for additional projects and programs, so as to supplement (and not replace) the revenue funds designated and used for transportation programs and expenses.

# Attachment C

## **NOTE 2 – MEASURE D PROGRAM** (Continued)

Santa Cruz METRO must receive Board approval of a 5-year Program of Projects prior to expending Measure D funding on any project or program, in accordance with the requirements of the Measure D Master Funding Agreement. The approved 5-year Program of Projects is submitted to the SCCRTC annually, and includes information about each of the projects to be funded with the estimated annual Measure D revenues, allocated according to the Measure D Ordinance and Expenditure Plan.

The major project funded by Measure D was as follows:

*Transportation for Seniors and People with Disabilities Program* – To provide transit services to seniors and people with disabilities, and to purchase transportation capital improvements.

In fiscal year 2023, \$1,807,954 of Measure D sales tax proceeds were used to fund bus operator wages and benefits in order to sustain paratransit service levels during the year. Measure D capital outlays of \$1,714,880 were used to purchase four (4) New Gillig Electric buses, and ridership reporting software (automatic passenger counters) during the year.

## **NOTE 3 – CASH AND INVESTMENTS**

Cash and investments are tracked and held in a separate Measure D fund account in the Santa Cruz County Pooled Investment Fund, and consisted of \$8,894,841 of Measure D sales tax allocations and interest earnings at June 30, 2023.

See Santa Cruz METRO's basic financial statements for disclosures related to the cash and investments as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 40. The basic financial statements may be obtained from Santa Cruz METRO at 110 Vernon Street, Santa Cruz, CA 95060.

## **NOTE 4 – INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables of \$761,841 represent the Measure D Program sales tax allocations for fiscal year 2023 that were received from SCCRTC after June 30, 2023.

## **NOTE 5 – UNEARNED INCOME**

Measure D Program sales tax allocations that are allocated to Santa Cruz METRO during the year are restricted and reported as liabilities (unearned income) until spent on the specific purpose for which they were intended, as outlined in the 5-Year Program of Projects approved by the Santa Cruz METRO Board of Directors and submitted to the SCCRTC. The balance of unearned Measure D proceeds is currently committed as cost sharing on awarded capital grants in progress.

## **NOTE 6 – INTERFUND PAYABLE**

Interfund payables of \$1,714,880 represent amounts due to Santa Cruz METRO's general operating fund, in order to reimburse the agency for the Measure D Program capital expenses paid for with Santa Cruz METRO unrestricted monies during the fiscal year.

## **NOTE 7 – SUBSEQUENT EVENTS**

Subsequent events were evaluated by management through December 27, 2023, which is the date of issuance.

# Attachment C

**SUPPLEMENTARY INFORMATION**

# Attachment C

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MEASURE D PROGRAM  
SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION – BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Measure D Revenue	\$ 4,161,254	\$ 4,161,254	\$ 3,364,610	\$ (796,644)
Interest Income	-	-	158,224	158,224
<b>Total Revenues</b>	<u>4,161,254</u>	<u>4,161,254</u>	<u>3,522,834</u>	<u>(638,420)</u>
<b>EXPENSES</b>				
Transit Operations	1,807,954	1,807,954	1,807,954	-
Transit Capital	2,353,300	2,353,300	1,714,880	638,420
<b>Total Expenses</b>	<u>4,161,254</u>	<u>4,161,254</u>	<u>3,522,834</u>	<u>638,420</u>
<b>REVENUES OVER EXPENSES</b>	-	-	-	-
<b>NET POSITION</b>				
Beginning of Year	-	-	-	-
End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# Attachment C

## OTHER REPORTS

# Attachment C



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
Santa Cruz Metropolitan Transit District  
Santa Cruz, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Measure D Program of Santa Cruz METRO's financial statements, and have issued our report thereon dated December 27, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Santa Cruz METRO's internal control over financial reporting (internal control) relating to the Measure D Program as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program. Accordingly, we do not express an opinion on the effectiveness of Santa Cruz METRO's internal control relating to the Measure D Program.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Measure D Program of Santa Cruz METRO's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

# Attachment C

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Measure D Program's financial statements are free of material misstatement, we performed tests of Santa Cruz METRO's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance relating to the Measure D Program and the results of that testing, and not to provide an opinion on the effectiveness of Santa Cruz METRO's internal control or on compliance relating to the Measure D Program. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Santa Cruz METRO's internal control and compliance relating to the Measure D Program. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 27, 2023



# Attachment C



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661-324-4971

## INDEPENDENT AUDITOR'S REPORT ON MEASURE D PROGRAM COMPLIANCE

To the Board of Directors  
Santa Cruz Metropolitan Transit District  
Santa Cruz, California

### **Opinion**

We have audited, in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the Measure D Program of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) as of and for the year ended June 30, 2023, and the related notes and have issued our report thereon dated December 27, 2023.

In our opinion, management's assertion that Santa Cruz METRO complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2023, is fairly stated in all material respects.

### **Basis for Opinion on Compliance**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Government Code. Our responsibilities under those standards and the Government Code are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Santa Cruz METRO and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the compliance requirements referred to above. Our audit does not provide a legal determination of Santa Cruz METRO's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance requirements referred to above.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Santa Cruz METRO's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government*

# Attachment C

*Auditing Standards*, and the Government Code will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Santa Cruz METRO's compliance relating to the Measure D Program.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Government Code, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Santa Cruz METRO's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Santa Cruz METRO's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz METRO's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with the Measure D Program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with the requirements referred to above will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with the requirements referred to above that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

# Attachment C

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong  
Accountancy Corporation*

Bakersfield, California  
December 27, 2023

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**DATE:** January 26, 2024

**TO:** Board of Directors

**FROM:** Chuck Farmer, DBE Liaison Officer, CFO

**SUBJECT: ACCEPT AND FILE THE SEMI-ANNUAL REPORT ON THE STATUS OF METRO'S DISADVANTAGED BUSINESS ENTERPRISE PROGRAM**

## **I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the Semi-Annual Report on the status of METRO's Disadvantaged Business Enterprise Program**

## **II. SUMMARY**

- As a recipient of federal funds, Santa Cruz Metropolitan Transit District (METRO) participates in the federal Disadvantaged Business Enterprise (DBE) Program as specified in Title 49, Code of Federal Regulations, Part 26 (49 CFR 26).
- The Federal Transit Administration (FTA) requires METRO to recalculate its DBE goal triennially and to report goal attainment semi-annually as a requirement to receive federal funds.
- METRO's FFY21-23 goal for DBE participation is 2.65% of all federally funded procurements with competitive contract bidding opportunities.
- A Semi-Annual report provided to the Board in concurrence with the FTA reporting schedule per METRO's DBE Policy.
- April 1, 2023 – September 30, 2023, METRO's DBE attainment was 0.00% for contracts awarded, payments on ongoing contracts, and payments on completed contracts.

## **III. DISCUSSION/BACKGROUND**

The Department of Transportation established a Disadvantaged Business Enterprise (DBE) Program in 1980 to ensure that firms competing for federally funded contracts are not subject to unlawful discrimination. DBEs, as defined by the US Department of Transportation, are for-profit small business concerns where socially and economically disadvantaged individuals own at least a 51% interest and also control management and daily business operations. African Americans, Hispanics, Native Americans, Asian-Pacific and Subcontinent Asian Americans, and women are presumed to be socially and economically disadvantaged. Other individuals can also qualify as socially and economically disadvantaged on a case-by-case basis.

The FTA requires each qualified recipient of more than \$250,000 annually in federal funds to implement a DBE program, recalculate a DBE goal triennially, and report its goal attainment semi-annually, as specified by 49 CFR 26. METRO received approximately \$11.9 million from the FTA in FFY22 and, therefore, maintained a DBE Program.

It is important to acknowledge the restrictions placed on DBE goal setting, attainment, and reporting:

- Only competitively biddable contracts with federal funding are counted in the procurement opportunities in which DBEs can participate.
  - The majority of METRO's FTA funding is used to pay for internal labor costs and fringe benefits, and is not required to be monitored for the DBE program.
- Several large expenses have no competitive contract opportunities:
  - Utilities, leases and rent payments, subscription services, membership costs, travel.
- Only certified DBEs can be included for setting goals and measuring attainment.
  - Many businesses are owned by minorities and women, but not all of these owners register as DBEs in the statewide program.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

Filing and accepting the semi-annual report on the status of METRO's Disadvantaged Business Enterprise Program aligns with METRO's goal of Financial Stability, Stewardship & Accountability because failing to do so jeopardizes the receipt of federal funding.

#### **V. DBE STATUS**

METRO's current DBE goal is 2.65% as seen in METRO's DBE semi-annual report for the period covering April 1, 2023 – September 30, 2023 provided as Attachment A. During this reporting period, METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts is 0.00%, 0.00%, and 0.00%, respectively. Attachment B shows that there were DBE payments on awarded contracts in the prior reporting period. Attachment C reports on METRO's DBE attainment for the entirety FFY22. METRO's DBE attainment for contracts awarded, payments on ongoing contracts, and payments on completed contracts is 4.62%, 0.00%, and 0.00%, respectively.

METRO did not award or close any large construction procurement with subcontracting opportunities for DBEs, during this current semi-annual reporting period. The majority of METRO's federal capital funds were obligated for revenue vehicle infrastructure purchased from the vehicle manufacturer for which the transit

vehicle manufacturer (TVM) reports DBE participation, not METRO. The remainder of METRO's federal capital funds were obligated for smaller infrastructure projects, for which there were limited subcontracting opportunities for DBEs.

## **VI. UPCOMING DBE OPPORTUNITIES**

For the next three-year period, all federal funds are expected to go towards bus procurements, so there will be no new federally funded DBE contracting opportunities during this time.

## **VII. FINANCIAL CONSIDERATIONS/IMPACT**

The DBE Program has direct expenses of less than \$850 for publishing ads and public hearing notices. Failure to update the goal and submit semi-annual reports would jeopardize METRO's receipt of federal financial assistance in FFY24.

## **VIII. CHANGES FROM COMMITTEE**

N/A

## **IX. ALTERNATIVES CONSIDERED**

There are no alternatives. Receiving the semi-annual report is a legal requirement connected to METRO receiving federal financial assistance. Staff is required to provide this information to inform the Board of this important program per METRO's DBE policy, Art. III § 3.304(G).

## **X. ATTACHMENTS**

**Attachment A:** December 1, 2023 DBE Semi-Annual Report (April 1, 2023 – September 30, 2023)

**Attachment B:** June 1, 2023 DBE Semi-Annual Report (October 1, 2022 – March 31, 2023)

**Attachment C:** FFY22 DBE Semi-Annual Report (October 1, 2022 – September 30, 2023)

Prepared by: Cayla Hill, Planning Analyst


**XI. APPROVALS**

Approved as to fiscal impact:  
Chuck Farmer, CFO



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Michael Tree, CEO/General Manager



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# Attachment A

## UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

### FTA Section

\*\*Please refer to the instruction sheet for directions on filling out this form\*\*

1	Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number 1622	
2	Grant Number(s) (FTA Recipients):				
3	Federal Fiscal year in which reporting period falls:	FFY23	4. Date This Report Submitted:		12/1/2023
5	Reporting Period:	<input type="checkbox"/> Report due for period Oct 1-Mar 31		<input checked="" type="checkbox"/> Report due for period April 1-Sep 30	
6	Name and address of Recipient:	Santa Cruz Metropolitan Transit District - 110 Vernon Street, Santa Cruz, CA 95060			
7	Annual DBE Goal(s):	Race Conscious Projection: 0.00%		Race Neutral Projection: 2.65% OVERALL Goal: 2.65%	

### Awards/Commitments this Reporting Period

		A Total Federal Share Dollars	B Total Number	C Total to DBEs (dollars)	D Total to DBEs (number)	E Total to DBEs/Race Conscious (dollars)	F Total to DBEs/Race Conscious (number)	G Total to DBEs/Race Neutral (dollars)	H Total to DBEs/Race Neutral (number)	I Percentage of total dollars to DBEs
A	<b>AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD</b> (Total contracts and subcontracts committed during this reporting period)									
8	Prime contracts awarded this period (Standard Agreements)	\$ 211,806.00	12	\$ -	0			\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ -	0	\$ -	0	\$ -	0	\$ -	0	#DIV/0!
10	<b>TOTAL</b>			\$ -	0	\$ -	0	\$ -	0	0.00%

		A Total to DBE (dollar amount)			D Total to DBE (number)		
		Women	Men	Total	Women	Men	Total
B	<b>BREAKDOWN BY ETHNICITY &amp; GENDER</b>						
11	Black American	\$ -	\$ -	\$ -	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0
17	Non-Minority	\$ -	\$ -	\$ -	0	0	0
17	<b>TOTAL</b>	\$ -	\$ -	\$ -	0	0	0

### Payments Made this Reporting Period

		A Total Number of Contracts	B Total Dollars Paid	C Total Number of Contracts with DBEs	D Total Payments to DBE firms	E Total Number of DBE firms Paid	F Percent to DBEs
C	<b>PAYMENTS ON ONGOING CONTRACTS</b>						
18	Prime and subcontracts currently in progress	6	\$ 29,780.73	0	\$ -	0	0.00%

		A Number of Contracts Completed	B Total Dollar Value of Contracts Completed	C DBE Participation Needed to Meet Goal (Dollars)	D Total DBE Participation (Dollars)	E Percent to DBEs
D	<b>TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD</b>					
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	2	\$ 28,877.43		\$ -	0.00%
21	Totals	0	\$ -		\$ -	#DIV/0!

22 Submitted by: Cayla Hill	23. Signature:	24. Phone Number: 831-420-2581
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# Attachment B

## UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

### FTA Section

\*\*Please refer to the instruction sheet for directions on filling out this form\*\*

1	Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number 1622	
2	Grant Number(s) (FTA Recipients):				
3	Federal Fiscal year in which reporting period falls:	FFY23	4. Date This Report Submitted:		6/1/2023
5	Reporting Period:	<input checked="" type="checkbox"/> Report due for period Oct 1-Mar 31		<input type="checkbox"/> Report due for period April 1-Sep 30	
6	Name and address of Recipient:	Santa Cruz Metropolitan Transit District - 110 Vernon Street, Santa Cruz, CA 95060			
7	Annual DBE Goal(s):	Race Conscious Projection: 0.00%		Race Neutral Projection: 2.65% OVERALL Goal: 2.65%	

### Awards/Commitments this Reporting Period

A	AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD <small>(Total contracts and subcontracts committed during this reporting period)</small>	Total Federal Share Dollars	Total Number	Total to DBEs (dollars)	Total to DBEs (number)	Total to DBEs/Race Conscious (dollars)	Total to DBEs/Race Conscious (number)	Total to DBEs/Race Neutral (dollars)	Total to DBEs/Race Neutral (number)	Percentage of total dollars to DBEs
8	Prime contracts awarded this period (Standard Agreements)	\$ 828,327.00	2	\$ -	0	\$ -	0	\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ 48,100.00	1	\$ 48,100.00	0	\$ -	0	\$ -	1	100%
10	<b>TOTAL</b>			<b>\$ 48,100.00</b>	<b>1</b>	<b>\$ -</b>	<b>0</b>	<b>\$ 48,100.00</b>	<b>1</b>	<b>5.81%</b>

B	BREAKDOWN BY ETHNICITY & GENDER	Total to DBE (dollar amount)			Total to DBE (number)		
		Women	Men	Total	Women	Men	Total
		11	Black American	\$ -	\$ -	\$ -	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0
17	Non-Minority	\$ 48,100.00	\$ -	\$ 48,100.00	1	0	1
17	<b>TOTAL</b>	<b>\$ 48,100.00</b>	<b>\$ -</b>	<b>\$ 48,100.00</b>	<b>1</b>	<b>0</b>	<b>1</b>

### Payments Made this Reporting Period

C	PAYMENTS ON ONGOING CONTRACTS	Total Number of Contracts	Total Dollars Paid	Total Number of Contracts with DBEs	Total Payments to DBE firms	Total Number of DBE firms Paid	Percent to DBEs
18	Prime and subcontracts currently in progress	9	\$ 436,101.00	0	\$ -	0	0.00%

D	TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD	Number of Contracts Completed	Total Dollar Value of Contracts Completed	DBE Participation Needed to Meet Goal (Dollars)	Total DBE Participation (Dollars)	Percent to DBEs
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	1	\$ 41,001.10	\$ -	\$ -	0.00%
21	<b>Totals</b>	<b>1</b>	<b>\$ 41,001.10</b>	<b>\$ -</b>	<b>\$ -</b>	<b>0.00%</b>

22 Submitted by: Cayla Hill	23. Signature: <b>Cayla Hill</b> <small>Digitally signed by Cayla Hill DN: cn=Cayla Hill, o=MTA, email=chill@mta.com, c=US Date: 2023.06.05 05:55:34 -0700</small>	24. Phone Number: 831-420-2581
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# Attachment C

## UNIFORM REPORT OF DBE COMMITMENTS/AWARDS AND PAYMENTS

### FTA Section

\*\*Please refer to the instruction sheet for directions on filling out this form\*\*

1 Submitted to (check only one)	<input type="checkbox"/> FHWA	<input type="checkbox"/> FAA	<input checked="" type="checkbox"/> FTA - Recipient ID Number 1622
2 Grant Number(s) (FTA Recipients):			
3 Federal Fiscal year in which reporting period falls:	FFY23	4. Date This Report Submitted: 12/1/2023	
5 Reporting Period:	<input type="checkbox"/> Report due for period Oct 1-Mar 31		<input checked="" type="checkbox"/> Report due for period April 1-Sep 30
6 Name and address of Recipient:	Santa Cruz Metropolitan Transit District - 110 Vernon Street, Santa Cruz, CA 95060		
7 Annual DBE Goal(s):	Race Conscious Projection: 0.00%	Race Neutral Projection: 2.65%	OVERALL Goal: 2.65%

### Awards/Commitments this Reporting Period

		A Total Federal Share Dollars	B Total Number	C Total to DBEs (dollars)	D Total to DBEs (number)	E Total to DBEs/Race Conscious (dollars)	F Total to DBEs/Race Conscious (number)	G Total to DBEs/Race Neutral (dollars)	H Total to DBEs/Race Neutral (number)	I Percentage of total dollars to DBEs
A	<b>AWARDS/COMMITMENTS MADE DURING THIS REPORTING PERIOD</b> (Total contracts and subcontracts committed during this reporting period)									
8	Prime contracts awarded this period (Standard Agreements)	\$ 1,040,133.00	14	\$ -	0	0	0	\$ -	0	0%
9	Subcontracts awarded/committed this period (3rd Party Contracts)	\$ 48,100.00	1	\$ 48,100.00	0	\$ -	0	\$ -	1	100%
10	<b>TOTAL</b>			<b>\$ 48,100.00</b>	<b>1</b>	<b>\$ -</b>	<b>0</b>	<b>\$ 48,100.00</b>	<b>1</b>	<b>4.62%</b>

		A Total to DBE (dollar amount)			E Total to DBE (number)		
		Women	Men	Total	Women	Men	Total
B	<b>BREAKDOWN BY ETHNICITY &amp; GENDER</b>						
11	Black American	\$ -	\$ -	\$ -	0	0	0
12	Hispanic American	\$ -	\$ -	\$ -	0	0	0
13	Native American	\$ -	\$ -	\$ -	0	0	0
14	Asian-Pacific American	\$ -	\$ -	\$ -	0	0	0
15	Subcontinent Asian Americans	\$ -	\$ -	\$ -	0	0	0
17	Non-Minority	\$ 48,100.00	\$ -	\$ 48,100.00	1	0	1
17	<b>TOTAL</b>	<b>\$ 48,100.00</b>	<b>\$ -</b>	<b>\$ 48,100.00</b>	<b>1</b>	<b>0</b>	<b>1</b>

### Payments Made this Reporting Period

		A Total Number of Contracts	B Total Dollars Paid	C Total Number of Contracts with DBEs	D Total Payments to DBE firms	E Total Number of DBE firms Paid	F Percent to DBEs
C	<b>PAYMENTS ON ONGOING CONTRACTS</b>						
18	Prime and subcontracts currently in progress	15	\$ 465,881.73	0	\$ -	0	0.00%

		A Number of Contracts Completed	B Total Dollar Value of Contracts Completed	C DBE Participation Needed to Meet Goal (Dollars)	D Total DBE Participation (Dollars)	E Percent to DBEs
D	<b>TOTAL PAYMENTS ON CONTRACTS COMPLETED THIS REPORTING PERIOD</b>					
19	Race Conscious	0	\$ -	\$ -	\$ -	#DIV/0!
20	Race Neutral	3	\$ 69,878.53	\$ -	\$ -	0.00%
21	Totals	3	\$ 69,878.53	\$ -	\$ -	0.00%

22 Submitted by: Cayla Hill	23. Signature:	24. Phone Number: 831-420-2581
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**DATE:** January 26, 2024  
**TO:** Board of Directors  
**FROM:** Michael Tree, CEO/General Manager  
**SUBJECT: RECOMMENDED ACTION ON TORT CLAIMS**

**I. RECOMMENDED ACTION**

**That the Board of Directors Approve Staff Recommendations for Claims for the Month of January 2024, as reflected in Section VIII of this report**

**II. SUMMARY**

This staff report provides the Board of Directors with recommendations on claims submitted to the Santa Cruz Metropolitan Transit District (METRO).

**III. DISCUSSION/BACKGROUND**

METRO's Risk Department received one claim for the month of January 2024 for money or damages. As a public entity, METRO must act "within 45 days after the claim has been presented" (Govt C §912.4(a)). See staff recommendations in paragraph VIII.

**IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to METRO's Financial Stability, Stewardship and Accountability.

**V. FINANCIAL CONSIDERATIONS/IMPACT**

None

**VI. CHANGES FROM COMMITTEE**

N/A

## VII. ALTERNATIVES CONSIDERED

Within the 45-day period, the Board of Directors may take the following actions:

- Reject the claim entirely;
- Allow it in full;
- Allow it in part and reject the balance;
- Compromise it, if the liability or amount due is disputed (Govt C §912.4(a)); or
- Do nothing, and allow the claim to be denied by operation of law (Govt C §912.4 (c)).

## VIII. DESCRIPTION OF CLAIM

Claimant	Claim #	Description	Recommended Action
Carr, Victoria	23-0020	Claimant alleges that METRO damaged his vehicle. Amount of claim: \$4,143.22.	Reject

Prepared by: Tom Szestowicki, Safety Specialist



**IX. APPROVALS**

Michael Tree  
CEO/General Manager



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**DATE:** January 26, 2024  
**TO:** Board of Directors  
**FROM:** Michael Tree, CEO/General Manager  
**SUBJECT: CONSIDERATION OF DESIGNATING THE CHIEF FINANCIAL OFFICER TO THE CALIFORNIA TRANSIT INDEMNITY POOL (CAL TIP) BOARD OF DIRECTORS**

**I. RECOMMENDED ACTION**

**Staff recommends that the Board of Directors adopt the attached resolution designating the Chief Financial Officer to the CalTIP Board of Directors**

**II. SUMMARY**

- Santa Cruz Metropolitan Transit District's (METRO) casualty and liability insurance is provided through CalTIP, a self-insured pool of California transit operators.
- METRO is required to designate a representative and an alternate representative to the CalTIP Board of Directors (CalTIP Board).
- The CalTIP Board sets policy that affects many aspects of the District's risk management, operations and maintenance functions.
- Over the years, various executive officers have been designated by the METRO Board to sit on the CalTIP Board.
- Staff is requesting that the Board designate the Chief Financial Officer as METRO's primary representative on the CalTIP Board with the Chief Operations Officer continuing to serve as the designated alternate representative.

**III. DISCUSSION/BACKGROUND**

METRO is a charter member of CalTIP, which was created in 1987 and was formed as a joint powers authority to be a viable and highly successful alternative to the commercial insurance market. CalTIP currently consists of over 30 transit districts. The Finance Deputy Director served as METRO's CalTIP Director from 2009 to

2020. With the retirement of the Finance Deputy Director, Mr. Francis, then Safety, Security and Risk Management Director, was appointed as the Director. With the March 2021 retirement of Mr. Francis, Curtis Moses, the new Safety, Security and Risk Management Director was appointed as the CalTIP Director for METRO. In May 2022, Michael Tree, CEO/General Manager, was appointed to that role. With the departure of CEO Tree, staff is recommending that Chuck Farmer, Chief Financial Officer, assume the primary representation on the CalTIP Board with Margo Ross, Chief Operations Officer, continuing to serve as the designated alternate.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This report pertains to METRO's Safety First Culture strategic priority.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

There are no additional financial impacts, as CalTIP reimburses METRO for all CalTIP related travel expenses.

#### **VI. CHANGES FROM COMMITTEE**

N/A

#### **VII. ALTERNATIVES CONSIDERED**

None. The CalTIP Board member position is a requirement of CalTIP membership.

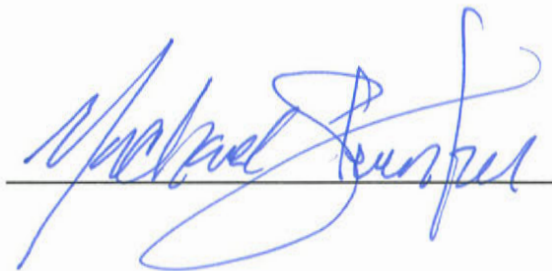
#### **VIII. ATTACHMENTS**

**Attachment A:** Resolution appointing Director of the California Transit Indemnity Pool (CalTIP)

Prepared by: Donna Bauer, Executive Assistant

**IX. APPROVALS**

Michael Tree, CEO/General Manager



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# Attachment A



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT APPOINTING DIRECTOR OF THE CALIFORNIA TRANSIT INDEMNITY POOL (CAL TIP)

**WHEREAS**, the Board of Directors of the Santa Cruz Metropolitan Transit District, at its April 17, 1987 meeting, did hereby authorize participation by the District in the California Transit Indemnity (Insurance) Pool (CalTIP) beginning July 1, 1987; and

**WHEREAS**, it is necessary for the Board of Directors to approve appointment of a Director of the California Transit Indemnity Pool; and

**NOW, THEREFORE, BE IT RESOLVED**, that the Chief Financial Officer is hereby appointed the Director of the California Transit Indemnity Pool to serve at the pleasure of the Board of Directors of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 26<sup>th</sup> day of January 2026 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

# Attachment A

Resolution No. \_\_\_\_\_  
Page 2

**ABSENT:** Directors -

Approved:  
Shebreh Kalantari-Johnson, Board Chair

---

Attest:  
Michael Tree, CEO/General Manager

---

Approved as to form:  
Julie A. Sherman, General Counsel

---





**DATE:** January 26, 2024  
**TO:** Board of Directors  
**FROM:** Kristina Mihaylova, Deputy Finance Director  
**SUBJECT: CONSIDERATION OF RESOLUTION APPROVING THE FY24 REVISED CAPITAL BUDGET/PORTFOLIO**

**I. RECOMMENDED ACTION**

**That the Board of Directors adopt a resolution approving the FY24 Revised Capital Budget/Portfolio, as presented in Attachment B**

**II. SUMMARY**

- The Board of Directors (Board) adopted the FY24 Capital Budget/Portfolio on June 23, 2023.
- Periodic capital budget revisions may be required due to new grant awards, new projects, changes to the scope of existing projects, spending adjustments and removal of projects that are no longer active.
- Revisions to an adopted capital budget require Board approval and the adoption of a resolution.

**III. DISCUSSION/BACKGROUND**

The Board must adopt an Operating and Capital Budget by June 30<sup>th</sup> each year. The Board adopted the FY24 & FY25 Operating and FY24 Capital Budget/Portfolio on June 23, 2023.

Periodically, capital budget revisions are required to add new projects, revise project balances and funding sources, update project descriptions, etc. This will be the first revision to the FY24 Capital Budget/Portfolio since adoption.

Staff requests that the Board adopt a resolution (Attachment A) to approve the FY24 Revised Capital Budget/Portfolio (Attachment B).

A Reconciliation by Project as of January 26, 2024 (Attachment C) is provided; this reconciles the (current) FY24 Revised Capital Budget/Portfolio against the (original) Final FY24 Capital Budget/Portfolio adopted on June 23, 2023.

This revision impacts multiple projects.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This pertains to METRO's Financial Stability, Stewardship & Accountability.

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

The original FY24 Capital Budget/Portfolio adopted June 23, 2023 totals \$83,081,176.

- Revision 1 – January 26, 2024 – This revision added two new (2) projects, removed three (3) projects; revised the available budget balances for fifteen (15) projects; added additional funding to two (2) projects, and revised the description and scope for two (2) projects. This revision resulted in a net increase of \$37,987,142, for a Revised FY24 Capital Budget/Portfolio balance of \$121,068,317.

The Reconciliation by Project as of January 26, 2024 (Attachment C) lists the detail of all changes by project since adoption on June 23, 2023, and includes an explanation for the action. The year to date change is a net increase of \$37,987,142.

#### **VI. ALTERNATIVES CONSIDERED**

- There are no recommended alternatives at this time. If the revised budget is not approved, important capital improvements and capital projects could be delayed or cancelled.

#### **VII. ATTACHMENTS**

**Attachment A:** FY24 Capital Budget/Portfolio Resolution

**Attachment B:** FY24 Revised Capital Budget/Portfolio as of January 26, 2024

**Attachment C:** FY24 Revised Capital Budget/Portfolio – Reconciliation by Project as of January 26, 2024

Prepared by: Kristina Mihaylova, Deputy Finance Director

**VIII. APPROVALS**

Approved as to fiscal impact:  
Chuck Farmer, CFO



Michael Tree, CEO/General Manager



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# Attachment A



## BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. \_\_\_\_\_  
On the Motion of Director \_\_\_\_\_  
Duly Seconded by Director \_\_\_\_\_  
The following Resolution is adopted:

### A RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING A REVISION TO THE FY24 CAPITAL BUDGET/PORTFOLIO

**WHEREAS**, the Board of Directors approved the FY24 Capital Budget/Portfolio on June 23, 2023 with a total budget of \$83,081,176; and

**WHEREAS**, it is necessary to revise the adopted FY24 Capital Budget/Portfolio by \$37,987,142;

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Santa Cruz Metropolitan Transit District hereby amends the FY24 Capital Budget/Portfolio per Attachment B to this resolution for a total FY24 Revised Capital Budget/Portfolio of \$121,068,317.

**PASSED AND ADOPTED** this 26th day of January 2024, by the following vote:

AYES: Directors -  
NOES: Directors -  
ABSENT: Directors -  
ABSTAIN: Directors -

### APPROVED

\_\_\_\_\_  
SHEBREH KALANTARI-JOHNSON,  
Board Chair

### ATTEST

\_\_\_\_\_  
MICHAEL TREE  
CEO/General Manager

### APPROVED AS TO FORM

\_\_\_\_\_  
JULIE A. SHERMAN  
General Counsel

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 FY24 REVISED CAPITAL BUDGET/PORTFOLIO - ANTICIPATED SPENDING  
 AS OF JANUARY 26, 2024

	PROJECT/ACTIVITY	RESTRICTED	TIRCP	STIP	LCTOP	LPP	VW GRANT	PG&E REBATES & MBARD	BUS REPLACEMENT FUND		OPERATING & CAPITAL RESERVE FUND	TOTAL
									\$3M PER YEAR (MEASURE D + SBI STA&SGR)			
									RESTRICTED	RESTRICTED		
<b>Construction Related Projects</b>												
1	19-0001 New METRO Owned Paracruz Facility-FY20 LPP (Grant Match for 5339(b))											
2	19-0002 Pacific Station/Metro Center Redevelopment w/ City of SC	\$ 500,000								\$ 3,975,678	\$ -	\$ 4,475,678
3	24-0001 Scotts Valley Transit Center Roof Replacement						\$ -				\$ 100,000	\$ 100,000
4	23-0010 Rapid Bus Enhancements - Soquel Drive & Main Street Corridor						\$ -					\$ -
5	24-0009 Watsonville Parking Lot (Construction & Buildings)						\$ -				\$ 1,500,000	\$ 1,500,000
6	24-0014 Watsonville Station Redevelopment						\$ 8,500,000					\$ 8,500,000
7	23-0005b New Hydrogen Fueling Station + Project Management						\$ 4,475,000				\$ 1,500,000	\$ 5,975,000
	Subtotal	\$ -	\$ 13,475,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,975,678	\$ 3,100,000	\$ 20,550,678
<b>IT Projects</b>												
8	19-0004 ERP Consultant & System										\$ 2,118,984	\$ 2,118,984
9	24-0002 Web Site Upgrade										\$ 250,000	\$ 250,000
10	24-0013 Integrated Ticketing and Schedule Optimization											\$ -
	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,368,984	\$ 2,368,984
<b>Facilities Upgrades &amp; Improvements</b>												
11	19-0006 Maint Yard-Security Hardening/Expanded Parking										\$ 215,105	\$ 215,105
12	19-0006c Automated gates (Bay 11 & Route 4) Design & Installation										\$ 100,000	\$ 100,000
13	19-0006d HVAC Bay 11 Design & Installation										\$ 103,127	\$ 103,127
14	19-0013 JKS Facility - Upper Security Gates (Reserves)										\$ 195,492	\$ 195,492
15	19-0020 Admin Bldg. Engineering & Renovations										\$ 20,000	\$ 20,000
16	19-0018a Admin @ Fueling Station - Construction Phase (FTA 5339c)	\$ 235,328										\$ 235,328
17	23-0005c Maintenance Facility Upgrades						\$ 1,500,000					\$ 1,500,000
18	24-0003 Trailer mounted hot water high pressure washer system										\$ 55,000	\$ 55,000
19	24-0010 12 Bus Shelters (\$25K/shelter)										\$ 300,000	\$ 300,000
	Subtotal	\$ 235,328	\$ 1,500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 988,724	\$ 2,724,052
<b>Revenue Vehicle Purchases, Replacements &amp; Campaigns</b>												
20	19-0027 FY18 STIP - AVL/ITS (STIP Measure D)										\$ 238,011	\$ 238,011
21	20-0001 7 Replacement Paracruz Vans (FY19 LPP, Measure D)					\$ 302,000					\$ 692,000	\$ 994,000
22	19-0032 3 New Flyer Repl. Capital Lease - Year 4 of 6 Prim Only - (Measure D) Interest funded in Operating Budget \$32K										\$ 117,185	\$ 117,185
23	22-0005 Automatic Passenger Counters (APCS)										\$ 55,000	\$ 55,000
24	23-0001 44 HFCBs: \$1.4M/Bus (TIRCP LPP BRF VW, FTA 5339 a & b + HVIP: \$240K/Bus) FY25: 22 Buses: FY26: 22 Buses)						\$ -			\$ -	\$ -	\$ -
25	24-0004 10 CNG ARTICS (BRF: Measure D)						\$ -			\$ 1,000,000	\$ -	\$ 1,000,000
26	24-0015 9 HFCBs: \$2.13M/Bus (FTA FY23 5339c Low-No. VW Grant. BRF: SGR. HVIP: \$240K/Bus)						\$ -			\$ -	\$ -	\$ -
27	24-0017 15.40' CNG Gillig Buses (Riverside Transit)						\$ -			\$ -	\$ -	\$ -
	Subtotal	\$ -	\$ -	\$ -	\$ -	\$ 302,000	\$ -	\$ -	\$ -	\$ 1,350,000	\$ 3,397,196	\$ 3,754,196





SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
 FY24 REVISED CAPITAL BUDGET/PORTFOLIO - ANTICIPATED SPENDING  
 AS OF JANUARY 26, 2024

PROJECT/ACTIVITY	RESTRICTED	TIRCP	STIP	LCTOP	LPP	VW GRANT	PG&E REBATES & MBARD	BUS REPLACEMENT FUND		OPERATING & CAPITAL RESERVE FUND	TOTAL
								\$3M PER YEAR (MEASURE D + SBI STA&SGR)			
								RESTRICTED	RESTRICTED		
<b>CAPITAL PROGRAM FUNDING</b>											
<b>Federal Sources of Funds:</b>											
Federal Grants (FTA)	\$ 329,574										\$ 329,574
USDOT 2022 Multimodal Projects Discretionary Grant (MPD)	\$ -										\$ -
<b>State /Other Sources of Funds:</b>											
State Transportation Improvement Program (STIP)			\$ -								\$ -
Low Carbon Transit Operations Program (LCTOP)				\$ -							\$ -
Local Partnership Program (LPP)					\$ 302,000						\$ 302,000
State Transit Assistance (STA)-Prior Years											\$ -
Transfers from Operating Budget (STA-SB1)											\$ -
STA-SGR (SB1)								\$ -			\$ -
Transfers from Operating Budget (Measure D)									\$ 7,372,874		\$ 7,372,874
TIRCP	\$ 14,975,000										\$ 14,975,000
VW GRANT						\$ -					\$ -
PG&E REBATES & MBARD							\$ 170,000				\$ 170,000
<b>Local Sources of Funds:</b>											
Operating and Capital Reserve Fund											\$ 7,445,386
<b>TOTAL CAPITAL FUNDING BY FUNDING SOURCE</b>	<b>\$ 329,574</b>	<b>\$ 14,975,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 302,000</b>	<b>\$ -</b>	<b>\$ 170,000</b>	<b>\$ -</b>	<b>\$ 7,372,874</b>	<b>\$ 7,445,386</b>	<b>\$ 30,594,834</b>
Restricted Funds	\$ 329,574	\$ 14,975,000	\$ -	\$ -	\$ 302,000	\$ -	\$ 170,000	\$ -	\$ 7,372,874		\$ 23,149,448
Unrestricted Funds										\$ 7,445,386	\$ 7,445,386
<b>TOTAL CAPITAL FUNDING</b>	<b>\$ 329,574</b>	<b>\$ 14,975,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 302,000</b>	<b>\$ -</b>	<b>\$ 170,000</b>	<b>\$ -</b>	<b>\$ 7,372,874</b>	<b>\$ 7,445,386</b>	<b>\$ 30,594,834</b>
NOTE: The amounts listed here represent the amounts committed against awarded grants and projects, and therefore will not equal the \$3M allocated to the Bus Replacement Fund in any given year.											



# Attachment B

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY24 REVISED CAPITAL BUDGET/PORTFOLIO AS OF JANUARY 26, 2024

	PROJECT/ACTIVITY	RESTRICTED	TIRCP	STIP	LCTOP	LPP	VW GRANT	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	BUS REPLACEMENT FUND \$3M PER YEAR (MEASURE D + SB1 STA&SGR)	OPERATING & CAPITAL RESERVE FUND	TOTAL
<b>Revenue Vehicle Purchases, Replacements &amp; Campaigns-Fleet Electrification Projects</b>														
28	19-0037 4 ZEBs & 4 Chargers - Highway 17 (FTA 5339c FY16 Measure D, HVIP: \$480K; PG&E Rebates: \$9K/Bus & \$25K/Charger)	\$	0											\$ 136,000
29	19-0041 Completion of JKS Facility-ZEB Yard Charging Infrastructure													\$ 238,639
30	23-0003 1 ZEB & Charger (FY20 LCTOP+Interest+HVIP: \$138K+ PG&E Rebates: \$9K/Bus & \$25K/Charger )	\$	0											\$ 34,000
	Subtotal	\$	0											\$ 408,639
<b>Non-Revenue Vehicle Purchases &amp; Replacements</b>														
31	21-0006 Service Truck (FTA 5339a FY20)	\$	14,246											\$ 8,500
	Subtotal	\$	14,246											\$ 22,746
<b>Fleet &amp; Maint Equipment</b>														
32	21-0004 Golf Club Part Washers (FTA 5339a FY20 + Reserves)	\$	80,000											\$ 100,000
	Subtotal	\$	80,000											\$ 180,000
<b>Office Equipment</b>														
		\$	-											\$ -
	Subtotal	\$	-											\$ -
<b>Misc.</b>														
33	23-0004 Misc Capital Contingency-\$800K - 11/15/19 BOD+\$100K 5/21/2021+\$1M 03/25/2022													\$ 281,539
34	24-0005 Security Upgrade (servers + cameras all sites)													\$ 200,000
35	24-0008 Office Furniture - Finance (2 + workstations); OPS-Massage Chairs;\$8K													\$ 38,000
36	24-0011 Marketing Trailer & Wrap for Trailer													\$ 21,000
37	24-0016 Black Boxes for PC - desktop	\$	-											\$ 45,000
	Subtotal	\$	-											\$ 585,539
<b>TOTAL CAPITAL PROJECTS</b>		\$	28,491,524	\$	37,945,000	\$	1,220,000	\$	24,960,000	\$	170,000	\$	4,115,728	\$ 8,290,874
														\$ 15,875,191
														\$ 121,068,317

10.9B.5

# Attachment B

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY24 REVISED CAPITAL BUDGET/PORTFOLIO AS OF JANUARY 26, 2024

PROJECT/ACTIVITY	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	RESTRICTED	PG&E REBATES & MBARD	BUS REPLACEMENT FUND		OPERATING & CAPITAL RESERVE FUND	TOTAL	
													\$3M PER YEAR (MEASURE D + SB1 STA&SGR)				MEASURE D (XFR FROM OPER BUDGET)
													RESTRICTED	RESTRICTED			
<b>CAPITAL PROGRAM FUNDING</b>																	
<b>Federal Sources of Funds:</b>																	
Federal Grants (FTA)	\$ 23,691,524															\$ 23,691,524	
USDOT 2022 Multimodal Projects Discretionary Grant (MPDG)	\$ 4,800,000															\$ 4,800,000	
<b>State /Other Sources of Funds:</b>																	
State Transportation Improvement Program (STIP)		\$ -														\$ -	
Low Carbon Transit Operations Program (LCTOP)			\$ -													\$ -	
Local Partnership Program (LPP)				\$ 1,220,000												\$ 1,220,000	
State Transit Assistance (STA)-Prior Years																\$ -	
Transfers from Operating Budget (STA-SB1)																\$ -	
STA-SGR (SB1)										\$ 4,115,728						\$ 4,115,728	
Transfers from Operating Budget (Measure D)													\$ 8,290,874			\$ 8,290,874	
TIRCP																\$ 37,945,000	
VW GRANT											\$ 24,960,000					\$ 24,960,000	
PG&E REBATES & MBARD												\$ 170,000				\$ 170,000	
<b>Local Sources of Funds:</b>																	
Operating and Capital Reserve Fund																\$ 15,875,191	
<b>TOTAL CAPITAL FUNDING BY FUNDING SOURCE</b>																	
	\$ 28,491,524	\$ 37,945,000	\$ -	\$ -	\$ 1,220,000	\$ 24,960,000	\$ 170,000	\$ 4,115,728	\$ 8,290,874	\$ 121,068,317						\$ 121,068,317	
Restricted Funds	\$ 28,491,524	\$ 37,945,000	\$ -	\$ -	\$ 1,220,000	\$ 24,960,000	\$ 170,000	\$ 4,115,728	\$ 8,290,874							\$ 105,193,126	
Unrestricted Funds																\$ 15,875,191	
<b>TOTAL CAPITAL FUNDING</b>	<b>\$ 28,491,524</b>	<b>\$ 37,945,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,220,000</b>	<b>\$ 24,960,000</b>	<b>\$ 170,000</b>	<b>\$ 4,115,728</b>	<b>\$ 8,290,874</b>	<b>\$ 121,068,317</b>						<b>\$ 121,068,317</b>	
* NOTE: The amounts listed here represent the amounts committed against awarded grants and projects, and therefore will not equal the \$3M allocated to the Bus Replacement Fund in any given year.																	

**Attachment C**  
**FY24 CAPITAL BUDGET/PORTFOLIO**  
**RECONCILIATION BY PROJECT**  
**AS OF JANUARY 26, 2024- 1st REVISION**

FY24 FINAL CAPITAL BUDGET/PORTFOLIO ADOPTED JUNE 23, 2023:

\$ 83,081,176

CAPITAL PROJECT	PJT#	SOURCE	AMOUNT	TOTAL
<b>Revise Project Budget Balance: Multiple Projects</b>	19-0001	OP & CAPITAL RESERVE	\$ (7,164)	
	19-0002	MEASURE D	\$ (14,930)	
	19-0004	OP & CAPITAL RESERVE	\$ 54	
	19-0006	OP & CAPITAL RESERVE	\$ 31,622	
	19-0006d	OP & CAPITAL RESERVE	\$ (17,220)	
	19-0027	MEASURE D	\$ (183,757)	
	19-0037	PG&E REBATES MEASURE D	\$ 136,000	
	19-0041	OP & CAPITAL RESERVE	\$ 8,127	
	21-0006	FTA	\$ 14,246	
		OP & CAPITAL RESERVE	\$ 8,500	
	23-0004	OP & CAPITAL RESERVE	\$ (61,814)	
	22-0005	OP & CAPITAL RESERVE	\$ 55,000	
	23-0003	PG&E REBATES	\$ 34,000	
	21-0004	FTA	\$ 80,000	
		OP & CAPITAL RESERVE	\$ 100,000	
	24-0007	OP & CAPITAL RESERVE	\$ (2,200)	
24-0008	OP & CAPITAL RESERVE	\$ 23,000		

**Reason:** Adjust available budget based on prior year spending + new requests (24-0008 Massage Chairs & Additional Office Equipment)

**Change Project Scope & Description and Adjust & Add Funding**

**Sources:** 44 HFCBs: \$1.4M/Bus (TIRCP,LPP,BRF,VW,FTA 5339 a & b + HVIP: \$240K/Bus) FY25: 22 Buses; FY26: 22 Buses)

23-0001	LPP	\$ 18,000
	MPDG	\$ 4,800,000
	FTA 5339a	\$ 1,500,000
	FTA 5339 Discretionary Caltran:	\$ 1,980,000
	FTA 5339c FY23 Low & No-Emiss	\$ 7,983,050
	VW Grant	\$ 20,640,000
	BRF: Measure D	\$ 918,000
	BRF: SGR	\$ 1,142,962

**Reason:** Description change due to change in scope; Additional Funding Sources Available

**Remove Projects: 23-0001a & 23-0008, 24-0006**

23-0001a	TA 5339 Discretionary Caltran:	\$ (1,680,000)
	MPDG	\$ (4,800,000)
	VW Grant	\$ (2,000,000)
	BRF: SGR	\$ (1,300,000)
	BRF: Measure D	\$ (5,340,000)
23-0008	VW Grant	\$ (1,200,000)
	BRF: Measure D	\$ (1,000,000)
	BRF: SGR	\$ (2,000,000)
24-0006	OP & CAPITAL RESERVE	\$ (100,000)

**Reason:** Projects 23-0001a is combined with project 23-0001; 23-0008 and 24-0006 have been canceled

**Change Project Scope & Description and Adjust & Add Funding**

**Sources:** 9 HFCBs: \$2.13M/Bus (FTA FY23 5339c Low-No, VW Grant, BRF: SGR, HVIP:\$240K/Bus)

24-0015	FTA 5339a	\$ (1,024,778)
	FTA 5339c FY23 Low & No-Emiss	\$ 11,898,900
	VW Grant	\$ 4,320,000
	BRF: SGR	\$ 1,677,544

**Reason:** Description change due to change in scope; Additional Funding Sources Available

**Attachment C**  
**FY24 CAPITAL BUDGET/PORTFOLIO**  
**RECONCILIATION BY PROJECT**  
**AS OF JANUARY 26, 2024- 1st REVISION**

CAPITAL PROJECT	PJT#	SOURCE	AMOUNT	TOTAL
<b>Add project: 24-0016 Black Boxes for PC - desktop</b>	24-0016	OP & CAPITAL RESERVE _ Misc. Contingency	\$ 35,000	
<b>Transfer Funds: Funds needed for new project</b>	23-0004	OP & CAPITAL RESERVE _ Misc. Contingency	\$ (35,000)	
<b>Reason:</b> System upgrade required new equipment				
<b>Add project: 24-0017 15 40' CNG Gillig Buses (Riverside Transit)</b>	24-0017	BRF: Measure D	\$ 1,350,000	
<b>Reason:</b> New Project (due to service expansion)				
			\$ 37,987,142	
<b>FUNDING SUMMARY:</b>				
		OP & CAPITAL RESERVE	\$ 37,905	
		FTA	\$ 20,751,418	
		LCTOP	\$ -	
		LPP	\$ 18,000	
		MEASURE D	\$ (4,270,687)	
		VW GRANT	\$ 21,760,000	
		MBARD	\$ -	
		TIRCP	\$ -	
		STA-SGR	\$ (479,494)	
		PG\$E REBATES	\$ 170,000	
		CTC SB1 SCC GRANT	\$ -	
<b>TOTAL CAPITAL BUDGET REVISIONS THROUGH 01/26/24:</b>		STIP	\$ -	<b>\$ 37,987,142</b>
<b>FY24 REVISED CAPITAL BUDGET/PORTFOLIO AS OF JANUARY 26, 2024:</b>			<b>\$ 121,068,317</b>	



**DATE:** January 26, 2024  
**TO:** Board of Directors  
**FROM:** Margo Ross, Chief Operations Officer  
**SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO EXECUTE A 4<sup>TH</sup> CONTRACT AMENDMENT WITH CLEVER DEVICES LTD. TO INCREASE THE CONTRACT TOTAL BY \$402,750 FOR ITS AND APC RETROFIT OF 15 BUSES**

**I. RECOMMENDED ACTION**

**That the Board of Directors (Board) authorize the CEO/General Manager to execute a 4<sup>th</sup> contract amendment with Clever Devices Ltd. to increase the contract total by \$402,750 for Intelligent Transit System and Automated Passenger Counter Retrofit of 15 buses, thereby increasing the total contract authority from \$2,487,957 to \$2,890,707.**

**II. SUMMARY**

- The Santa Cruz Metropolitan Transit District (METRO) has contracted with Clever Devices Ltd. (Clever Devices) for an Intelligent Transportation System (ITS) and Automated Passenger Counters (APC) on its buses.
- METRO has recently acquired fifteen 40' Gillig buses from Riverside Transit Agency.
- These buses will need to be retrofitted with the installation of ITS and APC systems that are compatible with the rest of METRO's fleet before they are ready for service.

**III. DISCUSSION/BACKGROUND**

METRO has contracted with Clever Devices for purchase and installation of ITS and APC on its buses. On September 22, 2023, the Board authorized the expenditure of \$300,342 with Clever Devices for an ITS and APC retrofit of ten articulated buses acquired from the San Diego Metropolitan Transit System. Now, METRO has acquired fifteen 40' Gillig buses from Riverside Transit Agency, and these buses also require an ITS and APC retrofit.

Staff recommends that the Board authorize the CEO/General Manager to execute a fourth contract amendment on behalf of METRO with Clever Devices for this 15-bus retrofit. Isaac Holly, IT and ITS Director, will continue to serve as the Contract Administrator and will ensure contract compliance.

#### **IV. STRATEGIC PLAN PRIORITIES ALIGNMENT**

This amendment would align with the following Strategic Priorities:

- Service Quality and Delivery
- Internal and External Technology

#### **V. FINANCIAL CONSIDERATIONS/IMPACT**

The required funding in the amount of \$402,750 is included in the Revised FY24 Capital Budget Portfolio and the funding source is Measure D (Bus Replacement fund).

Adding this amount to the contract with Clever Devices will increase the not to exceed total from \$2,487,957 to \$2,890,707.

#### **VI. CHANGES FROM COMMITTEE**

N/A

#### **VII. ALTERNATIVES CONSIDERED**

- None

#### **VIII. ATTACHMENTS**

**Attachment A:** Fourth Amendment to Contract 22-11 with Clever Devices

Prepared by: Joan Jeffries, Purchasing Manager



**IX. APPROVALS**

Margo Ross, COO



Approved as to fiscal impact:  
Chuck Farmer, CFO



Michael Tree, CEO/General Manager



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# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FOURTH AMENDMENT TO CONTRACT NO. 22-11 FOR PURCHASE AND INSTALLATION OF AN INTELLIGENT TRANSPORTATION SYSTEM

This Fourth Amendment to Contract No. 22-11 for Purchase and Installation of an Intelligent Transportation System (“ITS”) is made effective January 26, 2024 between the Santa Cruz Metropolitan Transit District (“Santa Cruz METRO”), a political subdivision of the State of California, and Clever Devices, Ltd. (“Contractor”).

### I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a contract for the purchase and installation of an ITS (“Contract”) on January 14, 2022.
- 1.2 On December 1, 2022, Santa Cruz METRO and Contractor entered into a separate contract, No. 23-02, for an Automated Passenger Counter (APC) System.
- 1.3 The Contract allows for amendment upon mutual written consent.
- 1.4 On February 1, 2022, the Parties amended the Contract to incorporate an updated price proposal and to increase the fixed price.
- 1.5 On July 1, 2022, the Parties amended the Contract to incorporate the Pricing Quotation for SpeakEasy Solution, a public address system, on 96 buses.
- 1.6 On November 7, 2023, Santa Cruz METRO and Contractor executed an amendment to the Contract which incorporated elements of Contract 23-02 into the Contract, specifically, Part III of Exhibit A and Exhibit B, as these elements shall govern the deployment and operation of the APC System.
- 1.7 Santa Cruz METRO and Contractor now desire to amend the Contract to increase the total number of buses upon which the ITS and APC systems are installed and maintained by 15 buses.

Therefore, Santa Cruz METRO and Contractor amend the Contract as follows:

### II. INCORPORATED DOCUMENTS AND APPLICABLE LAW

Article 2, sub-article 2.1(3) is deleted in its entirety and replaced with the following:

3) Exhibit B (Contractor’s Proposal)

Contractor’s Proposal to Santa Cruz METRO for Purchase and Installation of an Intelligent Transportation System, as accepted by Santa Cruz METRO, which includes the following:

- Forms/Licenses/Org Chart

# Attachment A

- Scope of Work (SOW) and Deliverables, revised January 7, 2022
- Updated Compliance Matrix
- **Updated** Pricing Proposal dated **January 24, 2022**
- Hardware Warranty and Software Maintenance Agreement, dated December 13, 2021
- Contractor's Quote dated **March 11, 2022**, Attachment A to the Second Amendment, for purchase and installation of SpeakEasy Solution on 96 buses.
- Contractor's Quote dated **November 13, 2023**, Attachment A to the Third Amendment, to increase the total number of buses on which the ITS and optional APC system will be installed and maintained by 11 buses.
- Contractor's Quote dated **January 11, 2024**, Attachment A to the Fourth Amendment, to increase the total number of buses on which the ITS and optional APC systems will be installed and maintained by 15 buses.
- End User License Agreement (Attachment B to the Third Amendment)

### III. COMPENSATION

Article 5.1 is amended to add the following language:

Under the terms of the Fourth Amendment, the Contract fixed price is increased by \$402,750.00. The new Contract fixed price amount is \$2,890,706.79. Contractor understands and agrees that if it exceeds the maximum amount payable under this Contract, it does so at its own risk. Contractor will invoice Santa Cruz METRO in accordance with the Deliverables-Based Milestone Payment Schedule in Attachment A to the Fourth Amendment.

### IV. REMAINING TERMS AND CONDITIONS

All other provisions of the Contract, as previously amended, that are not affected by this Fourth Amendment shall remain unchanged and in full force and effect.

### V. AUTHORITY

Each party has full power to enter into and perform this Fourth Amendment to the Contract and the person signing this Fourth Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this Fourth Amendment to the Contract, understands it, and agrees to be bound by it.

SIGNATURES ON NEXT PAGE

# Attachment A

Signed on \_\_\_\_\_

Santa Cruz METRO –  
SANTA CRUZ METROPOLITAN  
TRANSIT DISTRICT

Michael Tree, CEO/General Manager

\_\_\_\_\_

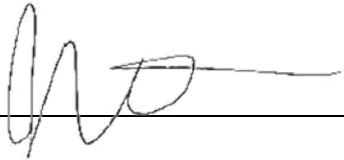
Contractor –  
CLEVER DEVICES, LTD.

Andrew Stanton, Chief Operating Officer/  
Secretary

\_\_\_\_\_

Approved as to Form:

Julie Sherman, General Counsel

  
\_\_\_\_\_

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**BEFORE THE BOARD OF DIRECTORS OF THE  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

Resolution No. \_\_\_\_\_  
On the Motion of Director \_\_\_\_\_  
Duly Seconded by Director \_\_\_\_\_  
The following Resolution is adopted:

**A RESOLUTION IN SUPPORT OF  
SANTA CRUZ COUNTY MEASURE K AND CITY OF SANTA CRUZ MEASURE L**

**WHEREAS**, on December 5, 2023, the Santa Cruz County Board of Supervisors adopted Resolution No. 215-2023 calling an election for the purpose of submitting a countywide measure to raise the retail transactions and use tax (sales tax) in the unincorporated area by one-half cent and directing the consolidation of the election with the regular election of March 5, 2024; and

**WHEREAS**, on November 28, 2023, the Santa Cruz City Council adopted Resolution No. NS-30,245 calling an election for the purpose of including a ballot measure for the City of Santa Cruz to impose a one-half cent sales tax and requesting the consolidation with the regular election on March 5, 2024; and

**WHEREAS**, according to the sponsors, the ballot measures would provide revenue for critical needs such as road repair, emergency response, and expanded services for mental health and connecting unhoused persons with resources—significant issues impacting Santa Cruz METRO's operations.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, that it hereby supports and urges an affirmative vote to the following ballot measure questions:

Measure K: "To fund essential Santa Cruz County services, including wildfire response/prevention/recovery; affordable housing to support working families and frontline workers including nurses, emergency responders, and educators; mental health crisis programs for children/vulnerable populations; substance abuse programs; improved public safety, road maintenance/pothole repair, parks/recreation; and programs to reduce homelessness, shall Santa Cruz County's transaction and use tax (sales tax) be increased in unincorporated areas by one-half cent, providing approximately \$10,000,000 annually, until ended by voters? Yes\_\_ No\_\_"

**Measure L:** "To protect and maintain essential services including homelessness response/prevention, emergency shelters, case management/connection to services; cleaning up/addressing the impacts of encampments; keeping pollution out of local rivers, creeks, and streams; supporting local food programs; preparing for wildfires; maintaining/repairing streets/potholes; and improving/maintaining

neighborhood parks, beaches, and public safety, shall the City of Santa Cruz measure to enact a one-half of one percent sales tax be adopted, raising about \$8,000,000 annually for general government use until ended by voters?

Yes\_\_ No\_\_"

**PASSED AND ADOPTED** this 26th day of January 2024, by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSENT:** Directors -

**ABSTAIN:** Directors -

**APPROVED**

---

SHEBREH KALANTARI-JOHNSON  
Board Chair

**ATTEST**

---

MICHAEL TREE  
CEO/ General Manager

**APPROVED AS TO FORM**

---

JULIE A. SHERMAN  
General Counsel





January 21, 2023  
Santa Cruz Metro Board of Directors  
110 Vernon St  
Santa Cruz, CA 95060

To: Shebreh Kalantari-Johnson, Chair  
Michael Tree, CEO

Re: Request Metro board endorsement of local revenue measures K and L,  
Placed on the March 5 ballot by the County (K) and City (L) of Santa Cruz

The City of Santa Cruz and the County of Santa Cruz have each placed a revenue measure on the March 2024 ballot, calling for a 1/2 % increase in each jurisdiction's sales tax in order to sustain and strengthen critically needed services and meet urgent priorities. These would be general taxes, requiring a simple majority to pass, and the rate is in line with other local jurisdictions. We believe the passage of these measures is of direct importance to Metro operations and service, and are seeking your formal endorsement.

The attached fact sheet describes the basic needs that would be addressed by these funds. They include increased resources for road repair and emergency response, as well as expanded services for mental health and connecting unhoused persons with needed resources. We know that these are issues confronting your operations on a regular basis. Revenue from these measures will also support creation of additional affordable workforce housing, which we know is of great importance to both workers and employers to our community.

Passage of these measures would allow the County and City to build on the progress each jurisdiction has made in recent years to address important community priorities. One important element of a successful campaign is strong partnerships with community leaders and organizations. The early date for this year's primary election has been a challenge in terms of scheduling endorsement requests. We ask you to add our request to your upcoming agenda because of its timeliness and benefit to Metro. We are building an impressive list of endorsing organizations and community leaders; the Metro endorsement would be an important addition.

For more information about the measures and endorsers, visit our website: [safehealthysantacruz.com](http://safehealthysantacruz.com). I am also attaching a one-page fact sheet that provides the basic information for both measures. We will be happy to provide a campaign volunteer to present this request and answer questions at your meeting. Thank you for your consideration. We look forward to a positive response.

Sincerely,

Cynthia Mathews  
Campaign Steering Committee member  
[SafeHealthySantaCruz.com](http://SafeHealthySantaCruz.com)

cc: Fred Keeley  
Nicole Coburn



# Vote Yes on K & L for Local Funding: Safe, Healthy Community for All!

Santa Cruz County is a great place to call home and we face several challenges.

We need to attract and retain frontline workers, who struggle with the cost of living in our community. We need to better prepare for wildfires, floods and other natural disasters and continue ongoing recovery efforts, like repairing roads and potholes. And, we need to continue to do proven, effective work to address the issues and impacts surrounding homelessness.

Both the County of Santa Cruz and City of Santa Cruz are placing local funding measures on the March 2024 Primary ballot to address these needs and other essential services like supporting affordable housing and improving parks and open spaces to create a safer, healthier Santa Cruz.

## The County's Measure K Will:

- Attract and retain frontline healthcare workers including nurses and emergency responders
- Provide wildfire, flood and emergency response, prevention programs and disaster recovery services
- Repair streets and potholes
- Support affordable housing
- Provide mental health services for children and vulnerable populations
- Maintain and improve neighborhood parks



## The City's Measure L Will:

- Connect people experiencing homelessness with services and support
- Keep pollution out of local rivers, creeks and streams
- Clean up and address the impacts of encampments
- Support local food and housing programs
- Improve parks, open spaces and beaches
- Ensure City firefighters have the training and equipment needed to fight wildfires



Tourists and shoppers visiting Santa Cruz will pay half of the total revenues raised and help address these urgent local needs. Essential purchases like groceries, prescription medicine, diaper and feminine hygiene products are exempt from the tax.



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

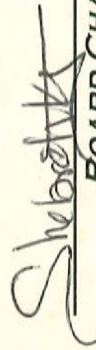
# CERTIFICATE OF APPRECIATION

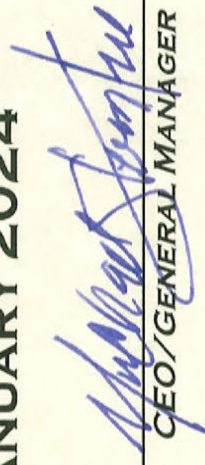
TO

## JEREMY LOVENFOSSE BUS OPERATOR

FOR THE COMPLETION OF 10 YEARS OF SERVICE  
BETWEEN 2014 AND 2024

GIVEN THIS 26TH DAY OF JANUARY 2024

  
BOARD CHAIR

  
CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS


# **CERTIFICATE OF APPRECIATION**

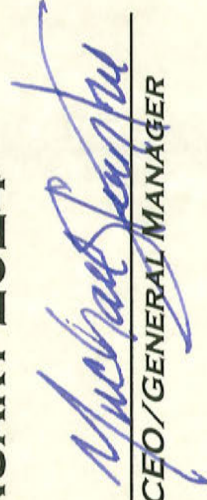
To

**ERIK BERG  
DISPATCHER / SCHEDULER**

**FOR THE COMPLETION OF 15 YEARS OF SERVICE  
BETWEEN 2009 AND 2024**

**GIVEN THIS 26TH DAY OF JANUARY 2024**

  
BOARD CHAIR

  
CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS


# **CERTIFICATE OF APPRECIATION**

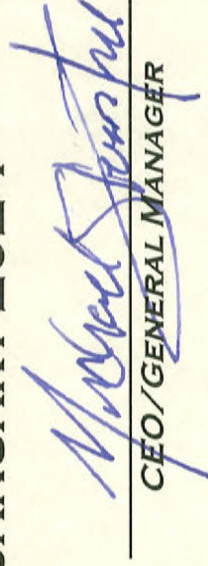
To

## **CAROLYN BOWERS BUS OPERATOR**

FOR THE COMPLETION OF 20 YEARS OF SERVICE  
BETWEEN 2004 AND 2024

GIVEN THIS 26TH DAY OF JANUARY 2024

  
BOARD CHAIR

  
CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# **CERTIFICATE OF APPRECIATION**

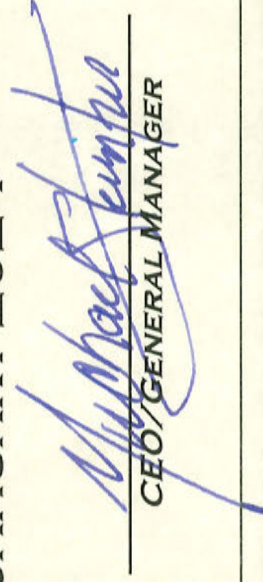
To

## **GUSTAVO CORTES BUS OPERATOR**

FOR THE COMPLETION OF 20 YEARS OF SERVICE  
BETWEEN 2004 AND 2024

GIVEN THIS 26TH DAY OF JANUARY 2024

  
BOARD CHAIR

  
CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

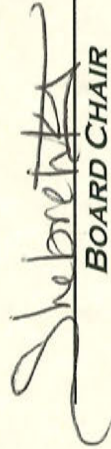
# CERTIFICATE OF APPRECIATION

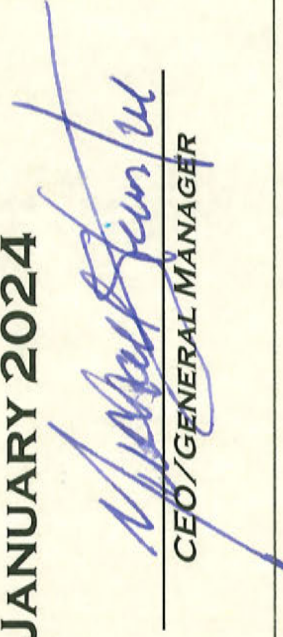
TO

**BONNIE FARRIS  
BUS OPERATOR**

FOR THE COMPLETION OF 20 YEARS OF SERVICE  
BETWEEN 2004 AND 2024

GIVEN THIS 26TH DAY OF JANUARY 2024

  
BOARD CHAIR

  
CEO/GENERAL MANAGER

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## **BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### **RESOLUTION OF APPRECIATION FOR THE SERVICES OF ANNA MARIE GOUVEIA AS OPERATIONS MANAGER: FIXED ROUTE FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a competent, dedicated workforce, and

**WHEREAS**, METRO, requiring an employee with expertise and dedication, appointed Anna Marie Gouveia to serve in the position of Operations Manager: Fixed Route, and

**WHEREAS**, served as a member of the Operations Department of METRO for the time period of August 10, 1987 to December 28, 2023, and

**WHEREAS**, Anna Marie Gouveia provided METRO with dedicated service and commitment during the time of employment, and

**WHEREAS**, Anna Marie Gouveia served METRO with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by Anna Marie Gouveia resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Ms. Gouveia's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Anna Marie Gouveia.

**NOW, THEREFORE, BE IT RESOLVED**, that upon her retirement as Operations Manager: Fixed Route, the Board of Directors of METRO does hereby commend her efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 26<sup>th</sup> Day of January 2024 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Shebreh Kalantari-Johnson  
Board Chair

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Attest:

Michael Tree  
CEO/General Manager

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Approved as to form:

Julie Sherman, General Counsel

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## **BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### **RESOLUTION OF APPRECIATION FOR THE SERVICES OF MICHAEL PENO AS PARATRANSIT OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a competent, dedicated workforce, and

**WHEREAS**, METRO, requiring an employee with expertise and dedication, appointed Michael Peno to serve in the position of Paratransit Operator, and

**WHEREAS**, served as a member of the Paratransit Department of METRO for the time period of October 22, 2018 to January 2, 2024, and

**WHEREAS**, Michael Peno provided METRO with dedicated service and commitment during the time of employment, and

**WHEREAS**, Michael Peno served METRO with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by Michael Peno resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Mr. Peno's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Michael Peno.

**NOW, THEREFORE, BE IT RESOLVED**, that upon his retirement as Paratransit Operator, the Board of Directors of METRO does hereby commend his efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 26<sup>th</sup> Day of January 2024 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Shebreh Kalantari-Johnson  
Board Chair

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Attest:

Michael Tree  
CEO/General Manager

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Approved as to form:

Julie Sherman, General Counsel

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## **BEFORE THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

Resolution No.  
On the Motion of Director:  
Duly Seconded by Director:  
The Following Resolution is Adopted:

### **RESOLUTION OF APPRECIATION FOR THE SERVICES OF DAVID VALDEZ AS LEAD VEHICLE SERVICE WORKER FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**WHEREAS**, the Santa Cruz Metropolitan Transit District (METRO) was formed to provide public transportation to all of the residents of Santa Cruz County, and

**WHEREAS**, the provision of public transportation service requires a competent, dedicated workforce, and

**WHEREAS**, METRO, requiring an employee with expertise and dedication, appointed David Valdez to serve in the position of Lead Vehicle Service Worker, and

**WHEREAS**, David Valdez served as a member of the Fleet Maintenance Department of METRO for the time period of April 18, 1996 to December 29, 2023, and

**WHEREAS**, David Valdez provided METRO with dedicated service and commitment during the time of his employment, and

**WHEREAS**, David Valdez served METRO with distinction, and

**WHEREAS**, the service provided to the residents of Santa Cruz County by David Valdez resulted in reliable, quality public transportation being available in the most difficult of times, and

**WHEREAS**, during the time of Mr. Valdez's service, METRO improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

**WHEREAS**, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by David Valdez.

**NOW, THEREFORE, BE IT RESOLVED**, that upon his retirement as Lead Vehicle Service Worker, the Board of Directors of METRO does hereby commend his efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

**BE IT FURTHER RESOLVED**, that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

**PASSED AND ADOPTED** this 26<sup>th</sup> Day of January 2024 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Shebreh Kalantari-Johnson  
Board Chair

---

Attest:

Michael Tree  
CEO/General Manager

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Approved as to form:

Julie Sherman, General Counsel

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**BEFORE THE BOARD OF DIRECTORS OF THE  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

Resolution No. \_\_\_\_\_  
On the Motion of Director \_\_\_\_\_  
Duly Seconded by Director \_\_\_\_\_  
The following Resolution is adopted:

**A RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
TO SET A PUBLIC HEARING ON MARCH 22, 2024  
REGARDING THE REIMAGINE METRO SERVICE PROPOSALS**

**WHEREAS**, on December 16, 2022, the Santa Cruz Metropolitan Transit District (METRO) Board of Directors (Board) awarded a contract to Jarrett Walker & Associates, LLC to analyze METRO's existing fixed-route network, complete a Bus Network Reimagining Plan for near and long-term service improvements, and conduct public outreach; and

**WHEREAS**, the Board received an update on existing fixed-route network conditions and opportunities at its March 24, 2023 Board meeting; and

**WHEREAS**, the Board received the draft Reimagine METRO Alternatives Report after the June 23, 2023 Board meeting, and initiated a public comment period which remained open through August 15, 2023; and

**WHEREAS**, Chapter 2, Section 3.2.202 of Title III of METRO's Administrative Code provides that the Board will hold a public hearing prior to taking action on a "change in 25% or more to the Service of any route;" and

**WHEREAS**, a public hearing was held on September 22, 2023 for Phase I of the Reimagine METRO service proposals; and

**WHEREAS**, Phase II of the Reimagine METRO service proposals also involve a change in 25% or more to the Service of certain routes, thereby requiring another public hearing, proposed to be held on March 22, 2024.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT that:**

A Public Hearing shall be held on March 22, 2024, during the 9:00 AM Regular METRO Board Meeting regarding the Phase II Reimagine METRO service proposals. Public comments shall be solicited prior to and during the hearing as directed by the CEO/General Manager.

**PASSED AND ADOPTED** this 26th day of January 2024, by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSENT:** Directors -

**ABSTAIN:** Directors -

**APPROVED**

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SHEBREH KALANTARI-JOHNSON  
Board Chair

**ATTEST**

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MICHAEL TREE  
CEO, General Manager

**APPROVED AS TO FORM**

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JULIE A. SHERMAN  
General Counsel



# VERBAL PRESENTATION

## CEO ORAL REPORT

Michael Tree

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