

- 5-5. ACCEPT AND FILE AGENDA FOR THE METRO ADVISORY COMMITTEE (MAC) MEETING OF AUGUST 18, 2004
Agenda/Minutes: Attached
- 5-6. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF AUGUST 19, 2004 AND THE MINUTES OF THE JULY 15, 2004 MEETING
Agenda/Minutes: **DOCUMENTATION IS INCLUDED IN THE AUGUST 27, 2004 BOARD PACKET**
- 5-7. ACCEPT THE MONTHLY BUDGET STATUS REPORT FOR JUNE 2004; APPROVAL OF BUDGET TRANSFERS: DESIGNATION OF EXCESS SALES TAX FUNDS IN THE AMOUNT OF \$800,000 FOR CARRYOVER IN THE FY 04-05 BUDGET; AND THE REMAINDER, IF ANY, FOR CAPITAL RESERVES; AND ADOPTION OF SCHEDULE OF RESERVE ACCOUNTS
Staff Report: **DOCUMENTATION IS INCLUDED IN THE AUGUST 27, 2004 BOARD PACKET**
- 5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR MAY 2004
Staff Report: Attached
- 5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR JUNE 2004
Staff Report: **DOCUMENTATION IS INCLUDED IN THE AUGUST 27, 2004 BOARD PACKET**
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE
Staff Report: Attached
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT
Staff Report: Attached
- 5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE MEETINGS
Staff Report: Attached
- 5-13. CONSIDERATION OF CONTRACT RENEWAL WITH CAROLYN CHANEY & ASSOCIATES FOR FEDERAL LEGISLATIVE SERVICES
Staff Report: Attached
- 5-14. CONSIDERATION OF CONTRACT RENEWAL WITH SHAW YODER FOR STATE LEGISLATIVE SERVICES
Staff Report: Attached

- 5-15. CONSIDERATION OF EXTENDING THE CONTRACT WITH TRISTAR UNTIL DECEMBER 31, 2004 TO ALLOW ENOUGH TIME TO COMPLETE THE RFP PROCESS

Staff Report: Attached

- 5-16. CONSIDERATION OF ADOPTING A RESOLUTION ESTABLISHING PETTY CASH FUND FOR PARACRUZ FACILITY

Staff Report: **DOCUMENTATION IS INCLUDED IN THE AUGUST 27, 2004 BOARD PACKET**

- 5-17. CONSIDERATION OF APPROVAL OF RESOLUTION TO ALLOW CALPERS TO ADJUST THE PREMIUM PAYMENT CAPS FOR MEDICAL FOR SEIU AND MANAGEMENT

Staff Report: Attached

5-18. DELETED

- 5-19. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE OPTION TO PURCHASE TWO (2) 40-FOOT COMPRESSED NATURAL GAS BUSES FROM THE CITY OF CULVER CITY WITH NEW FLYER OF AMERICA

Staff Report: Attached

- 5-20. CONSIDERATION OF STATUS OF FEDERAL REAUTHORIZATION LEGISLATION AND THE IMPACT ON THE SANTA CRUZ METRO TRANSIT DISTRICT

Staff Report: Attached

- 5-21. CONSIDERATION OF MODIFICATIONS TO THE DESIGN BUILD AUTHORITY FOR TRANSIT SYSTEMS ADOPTED BY THE CALIFORNIA STATE LEGISLATURE AND SIGNED INTO LAW BY THE GOVERNOR

Staff Report: Attached

- 5-22. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN INDEPENDENT CONTRACTOR AGREEMENT WITH SANTA CRUZ COUNTY AS THE PASS-THROUGH AGENCY FOR A GRANT TO BUY NEW BICYCLE RACKS FOR METRO BUSES

Staff Report: Attached

- 5-23. CONSIDERATION OF MODIFYING THE BYLAWS OF THE METRO ADVISORY COMMITTEE (MAC) TO PROVIDE FOR ALTERNATE MEMBERS

(Moved to Consent Agenda at the August 13, 2004 Board Meeting. Staff report retained original numbering as Item #13)

5-24. CONSIDERATION OF REQUEST FOR SHUTTLE SERVICE FROM COUNTY OF SANTA CRUZ FOR RUDOLPH F. MONTE FOUNDATION FIREWORKS FUNDRAISER

Staff Report: Attached

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY/RETIREMENT AWARDS
Presented by: Chairperson Reilly
Staff Report: **REVISED STAFF REPORT IS INCLUDED IN THE AUGUST 27, 2004 BOARD PACKET**
7. CONSIDERATION OF RECEIPT OF REPORT OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND MINUTES OF JUNE 16, 2004
Presented by: Director Pat Spence
Staff Report: June16, 2004 Minutes are attached
8. **DELETED**
9. CONSIDERATION OF AWARD OF CONTRACT FOR GOODWILL LOSS APPRAISAL SERVICES
Presented by: Tom Stickel, Fleet Maintenance Manager
Staff Report: **STAFF RECOMMENDS THIS ITEM BE DEFERRED TO THE SEPTEMBER 24, 2004 BOARD MEETING**
10. CONSIDERATION OF MODIFICATIONS TO SANTA CRUZ METRO'S BYLAWS TO CLARIFY THAT APPOINTEES TO THE METRO'S ADVISORY COMMITTEE (MAC) SERVE AT THE PLEASURE OF THE BOARD OF DIRECTORS
Presented by: Margaret Gallagher, District Counsel
Staff Report: **STAFF RECOMMENDS THIS ITEM BE DEFERRED TO THE SEPTEMBER 24, 2004 BOARD MEETING**
11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE AGREEMENT WITH SOQUEL III ASSOCIATES FOR PROPERTY LOCATED AT 2880 RESEARCH PARK DRIVE, SUITE 160 FOR METRO PARACRUZ OPERATION
Presented by: Bryant Baehr, Operations Manager
Staff Report: Attached

12. **CONSIDERATION OF APPOINTING STUART ROSENSTEIN AS A TEMPORARY METRO ADVISORY COMMITTEE (MAC) REPRESENTATIVE TO ATTEND THE SEPTEMBER MEETING OF THE PARATRANSIT COORDINATION TASK FORCE**
Presented by: Les White, General Manager
Staff Report: **DOCUMENTATION IS INCLUDED IN THE AUGUST 27, 2004 BOARD PACKET**

13. **MOVED TO CONSENT AGENDA AS ITEM #5-17**

14. **REVIEW OF ADDENDUM TO ADOPTED NEGATIVE DECLARATION FOR THE PHASE I METROBASE PROJECT, AND CONSIDERATION OF REBUILD VS. REMODEL DESIGN OPTIONS FOR THE METROBASE MAINTENANCE BUILDING**
Presented by: Frank Cheng, Project Manager
Staff Report: **REVISED STAFF REPORT IS INCLUDED IN THE AUGUST 27, 2004 BOARD PACKET**

15. REVIEW OF AESTHETIC TREATMENT DESIGN OPTIONS FOR THE OPERATIONS, SERVICE, AND MAINTENANCE BUILDINGS FOR THE METROBASE PROJECT
Presented by: Frank Cheng, Project Manager
Staff Report: Attached

16. CONSIDERATION OF APPROVAL OF RESOLUTION TO MODIFY SANTA CRUZ METRO'S BYLAWS INCLUDING ADDING RULES OF PROCEDURE FOR BOARD MEETINGS, SELECTING REPRESENTATIVES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, SETTING TIME LIMITS FOR TESTIMONY ON AGENDA ITEMS AND OTHER CHANGES
Presented by: Margaret Gallagher, District Counsel
Staff Report: **STAFF RECOMMENDS THIS ITEM BE DEFERRED TO THE SEPTEMBER 24, 2004 BOARD MEETING**

17. **PUBLIC HEARING: CONSIDERATION OF A RESOLUTION TO APPROVE A MITIGATED NEGATIVE DECLARATION FOR PHASE I OF THE METROBASE PROJECT LOCATED AT 1122/ 1200 RIVER STREET, AND 120/138 GOLF CLUB DRIVE, SANTA CRUZ**
Presented by: Frank Cheng, Project Manager
Staff Report: **DOCUMENTATION IS INCLUDED IN THE AUGUST 27, 2004 BOARD PACKET**

PUBLIC HEARING

18. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

17. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION II: CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to Subdivision (a) of Section 54956.9)

- a. Name of Case: Laura Harrell v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

ADJOURN

NOTICE TO PUBLIC

Members of the public may address the Board of Directors on a topic not on the agenda but within the jurisdiction of the Board of Directors or on the consent agenda by approaching the Board during consideration of Agenda Item #2 "Oral and Written Communications", under Section I. Presentations will be limited in time in accordance with District Resolution 69-2-1.

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.

Members of the public may address the Board of Directors on a topic on the agenda by approaching the Board immediately after presentation of the staff report but before the Board of Directors' deliberation on the topic to be addressed. Presentations will be limited in time in accordance with District Resolution 69-2-1.

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Les White, General Manager

SUBJECT: MATERIAL FOR THE AUGUST 27, 2004 BOARD MEETING AGENDA

SECTION I: OPEN SESSION:

ADD TO ITEM #2 ORAL AND WRITTEN COMMUNICATION

a. Cameron S. Jackson RE: Hwy 17 Schedule
(Insert Letter)

CONSENT AGENDA:

ADD TO ITEM #5-3 ACCEPT AND FILE JULY 2004 RIDERSHIP REPORT
(Insert Page 1 of the Ridership Report)

ADD TO ITEM #5-4 CONSIDERATION OF TORT CLAIMS: REJECT THE CLAIM ENTIRELY
OF DONALD CARTER, CLAIM #04-0013; REJECT THE CLAIM
ENTIRELY OF DELLACROSS, AHMAHNEE, CLAIM #04-0015
(Insert New Claim)

ADD TO ITEM #5-6 ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE
MEETING OF AUGUST 19, 2004 AND THE MINUTES OF THE JULY
15, 2004 MEETING
(Insert Agenda/Minutes)

ADD TO ITEM #5-7 ACCEPT THE MONTHLY BUDGET STATUS REPORT FOR JUNE
2004; APPROVAL OF BUDGET TRANSFERS: DESIGNATION OF
EXCESS SALES TAX FUNDS IN THE AMOUNT OF \$800,000 FOR
CARRYOVER IN THE FY 04-05 BUDGET; AND THE REMAINDER, IF
ANY, FOR CAPITAL RESERVES; AND ADOPTION OF SCHEDULE OF
RESERVE ACCOUNTS
(Insert Staff Report)

ADD TO ITEM #5-9 ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR JUNE 20,
2004
(Insert Report)

ADD TO ITEM #5-16 CONSIDERATION OF ADOPTING A RESOLUTION ESTABLISHING
PETTY CASH FUND FOR PARACRUZ FACILITY
(Insert Staff Report)

DELETE ITEM #5-18 CONSIDERATION OF APPOINTING LESLEY WRIGHT AS A
TEMPORARY METRO ADVISORY COMMITTEE (MAC)

REPRESENTATIVE TO ATTEND THE AUGUST MEETING OF THE
PARATRANSIT COORDINATION TASK FORCE (PCTF)

ADD ITEM #5-24 CONSIDERATION OF REQUEST FOR SHUTTLE SERVICE FROM
COUNTY OF SANTA CRUZ FOR RUDOLPH F. MONTE FOUNDATION
FIREWORKS FUNDRAISER
(Insert Staff Report)

REGULAR AGENDA:

REPLACE ITEM #6 PRESENTATION OF EMPLOYEE LONGEVITY/RETIREMENT
AWARDS
(Insert REVISED Staff Report)

DELETE ITEM #8 CONSIDERATION OF APPROVAL OF 40 YEAR LEASE WITH THE
CITY OF SANTA CRUZ FOR PROPERTY NEEDED FOR THE
METROBASE PROJECT

DELETE ITEM #9 CONSIDERATION OF AWARD OF CONTRACT FOR GOODWILL
LOSS APPRAISAL SERVICES
**(Staff recommends this Item be deferred to the September 24, 2004
Board Meeting)**

DELETE ITEM #10 CONSIDERATION OF MODIFICATIONS TO SANTA CRUZ METRO'S
BYLAWS TO CLARIFY THAT APPOINTEES TO THE METRO'S
ADVISORY COMMITTEE (MAC) SERVE AT THE PLEASURE OF THE
BOARD OF DIRECTORS
**(Staff recommends this Item be deferred to the September 24, 2004
Board Meeting)**

ADD ITEM #12 CONSIDERATION OF APPOINTING STUART ROSENSTEIN AS A
TEMPORARY METRO ADVISORY COMMITTEE (MAC)
REPRESENTATIVE TO ATTEND THE SEPTEMBER MEETING OF
THE PARATRANSIT COORDINATION TASK FORCE
(Insert Staff Report)

REPLACE ITEM #14 **REVIEW OF ADDENDUM TO ADOPTED NEGATIVE DECLARATION
FOR THE PHASE I METROBASE PROJECT**, AND CONSIDERATION
OF REBUILD VS. REMODEL DESIGN OPTIONS FOR THE
METROBASE MAINTENANCE BUILDING
(Insert REVISED Staff Report)

DELETE ITEM #16 CONSIDERATION OF APPROVAL OF RESOLUTION TO MODIFY
SANTA CRUZ METRO'S BYLAWS INCLUDING ADDING RULES OF

PROCEDURE FOR BOARD MEETINGS, SELECTING REPRESENTATIVES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, SETTING TIME LIMITS FOR TESTIMONY ON AGENDA ITEMS AND OTHER CHANGES
(Staff recommends this Item be deferred to the September 24, 2004 Board Meeting)

ADD ITEM #17

PUBLIC HEARING: CONSIDERATION OF A RESOLUTION TO APPROVE A MITIGATED NEGATIVE DECLARATION FOR PHASE I OF THE METROBASE PROJECT LOCATED AT 1122 / 1200 RIVER STREET, AND 120/138 GOLF CLUB DRIVE, SANTA CRUZ
(Insert Staff Report)

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA
AUGUST 13, 2004 (Second Friday of Each Month)
SCMTD ENCINAL CONFERENCE ROOM*
370 ENCINAL STREET, SUITE 100
SANTA CRUZ, CALIFORNIA
9:00 a.m. – 11:00 a.m.

THE BOARD AGENDA PACKET CAN BE FOUND ONLINE AT WWW.SCMTD.COM

SECTION I: OPEN SESSION - 9:00 a.m.

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION - None
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF JULY 9 AND JULY 23, 2004 AND SPECIAL BOARD MEETING MINUTES OF JULY 23, 2004
Minutes: Attached
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS
Report: Attached
- 5-3. ACCEPT AND FILE JULY 2004 RIDERSHIP REPORT
Report: Attached
PAGE 1 OF THE RIDERSHIP REPORT WILL BE PRESENTED FOR CONSIDERATION AT THE AUGUST 27, 2004 BOARD MEETING
- 5-4. CONSIDERATION OF TORT CLAIMS: REJECT THE CLAIM ENTIRELY OF DONALD CARTER, CLAIM #04-0013
Claim: Attached
- 5-5. ACCEPT AND FILE AGENDA FOR THE METRO ADVISORY COMMITTEE (MAC) MEETING OF AUGUST 18, 2004
Agenda/Minutes: Attached

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Staff Report: **DOCUMENTATION WILL BE PRESENTED FOR CONSIDERATION AT THE AUGUST 27, 2004 BOARD MEETING**
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Staff Report: Attached
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Staff Report: Attached
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Staff Report: Attached
- 5-14. CONSIDERATION OF CONTRACT RENEWAL WITH SHAW YODER FOR STATE LEGISLATIVE SERVICES
Staff Report: Attached

- 5-15. CONSIDERATION OF EXTENDING THE CONTRACT WITH TRISTAR UNTIL DECEMBER 31, 2004 TO ALLOW ENOUGH TIME TO COMPLETE THE RFP PROCESS
Staff Report: Attached
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Staff Report: Attached
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Staff Report: Attached
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Staff Report: Attached

REGULAR AGENDA

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS
Presented by: Chairperson Reilly
Staff Report: Attached
THIS PRESENTATION WILL TAKE PLACE AT THE AUGUST 27, 2004 BOARD MEETING
7. CONSIDERATION OF RECEIPT OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF) AND MINUTES OF JUNE 16, 2004
Presented by: Director Pat Spence
Staff Report: June16, 2004 Minutes are attached
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Presented by: Frank Cheng, Project Manager
Staff Report: **DOCUMENTATION WILL BE PRESENTED FOR CONSIDERATION AT THE AUGUST 27, 2004 BOARD MEETING**
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Presented by: Tom Stickel, Fleet Maintenance Manager
Staff Report: **DOCUMENTATION WILL BE PRESENTED FOR CONSIDERATION AT THE AUGUST 27, 2004 BOARD MEETING**
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Presented by: Margaret Gallagher, District Counsel
Staff Report: Attached
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Presented by: Bryant Baehr, Operations Manager
Staff Report: Attached
ACTION REQUIRED AT THE AUGUST 13, 2004 BOARD MEETING

12. CONSIDERATION OF APPOINTING A PERMANENT METRO ADVISORY COMMITTEE (MAC) REPRESENTATIVE TO THE PARATRANSIT COORDINATION TASK FORCE (PCTF).
Presented by: Les White, General Manager
Staff Report: **DOCUMENTATION WILL BE PRESENTED FOR CONSIDERATION AT THE AUGUST 27, 2004 BOARD MEETING**
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Presented by: Les White, General Manager
Staff Report: Attached
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Presented by: Margaret Gallagher, District Counsel
Staff Report: **DOCUMENTATION WILL BE PRESENTED FOR CONSIDERATION AT THE AUGUST 27, 2004 BOARD MEETING**
CONTINUED FROM THE JUNE 25, 2004 BOARD MEETING
17. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
18. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

ADJOURN

NOTICE TO PUBLIC

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Attention: Board of Directors

To: Metro Board of Directors sent by PAX 426-6 117
Re: Include following in packet for next Board meeting

Change bus schedule to San Jose !

I live in Aptos and work at times in San Francisco. I want to use mass transit to go to work. It takes less than an hour by train from San Jose to the heart of downtown San Francisco. That use of mass transit works well.

My problem – and the public's problem – is the early bus to San Jose. The Santa Cruz to San **Jose** bus arrives at the terminal at **5:42 am** - 3 minutes before the bullet train leaves for San Francisco. Assuming the bus is on time, **I** cannot run to the train in three minutes. No one can.

What do You think happened when **I** inquired about a change in the bus schedule? I was told that changing a bus schedule is impossible. **That's** just the way it is.

For mass transit to work, the bus and train schedules must mesh. Please change the bus schedule so that there is **sufficient** time to connect with the **5:45** am bullet train to San Francisco. Thank you.

Cameron S Jackson

Cameron S. Jackson
202 Florence Drive
Aptos, CA 95003
(83 1 j 6886002

8/18/04

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

July 9, 2004

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, July 9, 2004 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

Vice Chairperson Keogh called the meeting to order at 9:00 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Sheryl Ainsworth (arrived after roll call)
Jan Beautz (arrived after roll call)
Michelle Hinkle
Mike Keogh
Dennis Norton
Emily Reilly (arrived after roll call)
Mike Rotkin (arrived after roll call)
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tavantzis
Ex-Officio Wes Scott

DIRECTORS ABSENT

None

STAFF PRESENT

Mark Dorfman, Assistant General Manager	Elisabeth Ross, Finance Manager
Frank Cheng, M/B Project Manager	Judy Souza, Base Superintendent
Margaret Gallagher, District Counsel	Tom Stickel, Fleet Maint. Manager
Steve Paulson, Paratransit Administrator	Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Gary Klemz, SEIU
Manny Martinez, PSA
Bonnie Morr, UTU

Will Regan, VMU
Bob Yount, MASTF
Arturo Zamedio, Lift Line, UTU

2. ORAL AND WRITTEN COMMUNICATION

Written:

a. Paul Marcelin-Sampson

RE: Paratransit/UTU

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr reiterated her request of a few months ago regarding removal of members on advisory bodies. Margaret Gallagher stated that this would be agendized for a future Board meeting.

DIRECTOR AINSWORTH ARRIVED.

Chairperson Keogh returned to Oral Communication at this time.

Oral:

Director Norton visited Portland recently and informed the Board and Staff of the integrated rail and trolley Trimet system in use. He added that school children are encouraged to learn the system at an early age. Lastly, he stated that the Portland Metro advertises local events and how to utilize the METRO system to get to these events.

DIRECTORS REILLY AND ROTKIN ARRIVED.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Bonnie Morr distributed a letter notifying the Board that UTU had ratified the labor agreement. Minutes from the May 19th Paratransit Coordination Task Force were distributed. Both of these documents are attached to these Minutes.

CONSENT AGENDA

5-1. APPROVE REGULAR BOARD MEETING MINUTES OF JUNE 11 AND JUNE 25, 2004

The Minutes will be presented for consideration at the July 23, 2004 Board Meeting.

5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS

No questions or comments.

5-3. ACCEPT AND FILE JUNE 2004 RIDERSHIP REPORT

The Ridership Report will be presented for consideration at the July 23, 2004 Board Meeting

5-4. CONSIDERATION OF TORT CLAIMS: None

5-5. ACCEPT AND FILE AGENDA FOR THE METRO ADVISORY COMMITTEE (MAC) MEETING OF JULY 21, 2004

The agenda will be presented for consideration at the July 23, 2004 Board Meeting.

5-6. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF JULY 15, 2004 AND THE MINUTES OF THE JUNE 17, 2004 MEETING

No questions or comments.

5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR MAY 2004 AND APPROVAL OF BUDGET TRANSFERS

Director Ainsworth inquired about the Security Services expenditure and why it has increased. Mark Dorfman will find out when this contract expires and will look at these services again. Les White added that security was supplemented because of an employee problem and this contributed to the high cost.

5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR APRIL 2004

No questions or comments.

5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY 2004

Documentation will be presented for consideration at the July 23, 2004 Board Meeting.

5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE

Documentation will be presented for consideration at the July 23, 2004 Board Meeting.

5-11. ACCEPT AND FILE METROBASE STATUS REPORT

No questions or comments.

5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE MEETINGS

Minutes from SCCRTC will be included in the August Board packet.

5-13. CONSIDERATION OF AUTHORIZATION TO RENEW AGREEMENT WITH SANTA CRUZ COUNTY FOR ACQUISITION AND RELOCATION ASSISTANCE SERVICE

Mark Dorfman explained that this is a contract that we have had with the County for years for relocation services. This is used for small property acquisitions, such as the China Grade land purchase currently in progress.

5-14. CONSIDERATION OF APPROVAL OF A RESOLUTION AUTHORIZING DECREASE IN PETTY CASH FUND FOR THE METRO CENTER

Elisabeth Ross explained that a resolution is required by the auditors to ensure that the Board is aware of these changes.

5-15. CONSIDERATION OF AUTHORIZATION FOR DISPOSAL OF FIVE (5) 1988 NEW FLYER BUSES, TWO (2) 1996 SEDANS, ONE 1989 PICK-UP, AND ASSOCIATED PARTS

Chairperson Keogh informed the audience that anyone interested in acquiring one of these vehicles needs to contact Nationwide Auction.

5-16. ACCEPT AND FILE NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION ON THE WORKERS' COMPENSATION CLAIM SETTLEMENT OF JAMES HOLODNICK

No questions or comments.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

This presentation will take place at the July 23, 2004 Board Meeting.

7. CONSIDERATION OF RECEIPT OF REPORT OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE

Summary:

Director Spence's report indicated repeat information in #1 and #2. She distributed corrected information to her written report and these corrections are attached to these Minutes. Pat Dellin reported that the Minutes from the Task Force would be given to the Administrative Services Coordinator going forward. These Minutes will be attached to Director Spence's report each month. Also, the Guide to Specialized Services booklet has been updated and METRO was given several copies.

DIRECTOR BEAUTZ ARRIVED.

Margaret Gallagher will make a presentation at the August meeting of the Task Force regarding the ADA legal mandates.

8. CONSIDERATION OF MODIFICATION OF THE CONTRACT FOR ADMINISTRATION OF PARATRANSIT ELIGIBILITY SCREENING PROCESS
ACTION REQUIRED AT THE JULY 9, 2004 BOARD MEETING

Summary:

There is a recommendation to modify the existing contract for administration of the Eligibility Screening Program for paratransit services. Projections of the number of assessments to be done far exceeded those that occurred. Due to this fact, the contractor finds that it is not profitable for them to continue and therefore, asked that the contract be modified.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR HINKLE

Authorize modifications to the existing contract with Disabled Services at Orthopaedic Hospital releasing them from an obligation to provide in-person eligibility assessments while retaining their services for review of eligibility assessment files and consultation effective August 1, 2004 through December 31, 2005.

Discussion:

The number of new registrants for the last 3 months were 109, 84 and 82. Orthopaedic Hospital will be paid for a minimum of 50 new registrants per month.

Motion passed unanimously.

9. CONSIDERATION OF:

- a. **PUBLIC HEARING TO PROVIDE PROPERTY OWNERS, WHOSE PROPERTY IS TO BE ACQUIRED, AN OPPORTUNITY TO APPEAR AND BE HEARD REGARDING METRO'S RIGHT TO TAKE CERTAIN REAL PROPERTY FOR THE CONSTRUCTION OF A MAINTENANCE FACILITY; AND**
- b. **ADOPTION OF A RESOLUTION OF NECESSITY FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION IN FEE OF ASSESSOR PARCEL NUMBER 008-103-04 LOCATED AT 120 GOLF CLUB DRIVE**

PUBLIC HEARING WILL BE HELD AT THE JULY 9, 2004 BOARD MEETING
ACTION REQUIRED AT THE JULY 9, 2004 BOARD MEETING

Summary:

Public Hearing was opened at 9:35 a.m.

Frank Cheng reported on the property acquisition for the MetroBase project. Ceil Cirillo and Tony Condotti were present to answer any questions the Board might have. There were no property owners or their representatives present.

Public Hearing was closed at 9:41 a.m.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Adopt the Resolution of Necessity finding and determining that the public interest and necessity require the acquisition in fee of Assessor Parcel Number 008-013-04 (120 Golf Club Drive)

Ceil Cirillo stated that the latest correspondence received from the owner or his representative was on June 25, 2004 at which time they declined METRO's offer. She added that since there is no satisfactory resolution to the negotiations at this point, she needs to proceed with this action while continuing to negotiate with the owner.

Motion passed unanimously by a roll call vote.

10. CONSIDERATION OF APPROVAL OF 25 YEAR LEASE WITH THE CITY OF SANTA CRUZ FOR PROPERTY NEEDED FOR THE METROBASE PROJECT

Documentation will be presented for consideration at the July 23, 2004 Board Meeting.

11. CONSIDERATION OF ADOPTING AN ANNUAL DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION RATE OF 2.4% FOR FEDERALLY-FUNDED PROCUREMENTS IN FY 2005

Summary:

This is a requirement of the federal government relating to funding. METRO's goal for DBE participation this past year was 5.5% with an actual participation rate of 2.7%. The rules for calculation have changed and are now being tied to the census. Utilizing the new calculation, METRO's actual participation rate was 2.4%. Staff recommends that the Board follow procedure and adopt the 2.4%. Staff anticipates an increase in this percentage during the construction of MetroBase.

Discussion:

Director Rotkin asked the staff to put out notices far and wide for contractors for the construction of MetroBase in order to increase our DBE participation. Mr. Dorfman responded that METRO pays into the State for a membership and they provide these services to us. Plus, the RFP language encourages DBE participation.

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR ROTKIN

Move this item to the Consent Agenda for the July 23, 2004 Board Meeting.

Motion passed unanimously.

12. CONSIDERATION OF COSTS OF EXTENSION OF SERVICE TO THE SANTA CRUZ COUNTY FAIRGROUNDS THROUGH THE CONCLUSION OF THE FAIR

Summary:

During the service reduction discussions in June, the Board asked Staff to determine the cost for continuing the service to the County Fair for the timeframe that it is open. The financial impact to the District would be \$4,752.

ACTION: MOTION: DIRECTOR REILLY SECOND: DIRECTOR ROTKIN

Move this item to the Consent Agenda for the July 23, 2004 Board Meeting.

Discussion:

When asked how we would make the public aware of this service, Mr. Dorfman responded that staff would do a Press Release, provide signs on the buses and at the transit centers in addition to a small notice in the *Headways*. He was directed to inform the Fair staff as well. Director Tavantzis added that the Fair needs to promote the bus service as well.

AMENDMENT TO MOTION:

Extending this service for the timeframe of the Fair is only conditional upon the Fair doing additional advertising for this event. Be clear that METRO will not do this every year but it will consider it each year.

The Motion to move this item to the Consent Agenda was withdrawn. The Amendment to the Motion was changed to “Direction to staff”.

Direction:

- *Contact Fair personnel about providing additional advertising for the bus service.
- *Provide Fair personnel with a bus route map.
- *Change the terminology to “Fair Shuttle”
- *Return to the Board at their July 23rd meeting with the Fair’s response.
- *Discuss with Fair personnel the possibility of having a bus display at the Fair with METRO volunteers to man the booth, operate the lifts and demonstrate putting a bicycle in the bike rack.

13. CONSIDERATION OF SUBMITTING COMMENTS WITH REGARD TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION’S PROPOSED EXPENDITURE PLAN

Summary:

Les White reported that the proposed expenditure plan would be submitted to the voters for consideration in November 2004. He asked if the Board had any comments to formally transmit to the Regional Transportation Commission (RTC).

Discussion:

Pat Dellin of the RTC stated that there would be a special meeting on July 27th to draft the Expenditure Plan and that there have been no changes to the project listing. There were no recommendations made at this time.

14. CONSIDERATION OF MODIFICATIONS TO SANTA CRUZ METRO’S BYLAWS INCLUDING ADDING RULES OF PROCEDURE FOR BOARD MEETINGS, SELECTING REPRESENTATIVES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, SETTING TIME LIMITS FOR TESTIMONY ON AGENDA ITEMS AND OTHER CHANGES

Summary:

Margaret Gallagher stated that the Brown Act allows the governing Board to set reasonable time limits for public testimony. She suggested that the bylaws be changed to indicate a specific amount of time for public testimony so that the length of discussion on an agenda item can be limited.

Discussion:

Director Rotkin suggested that the bylaws leave it up to the discretion of the Chairperson to set limits on public comments or to set a time limit on an agenda item discussion.

Direction: *Ms. Gallagher will bring language back to this effect.
*Bring back recommendation as to the risks to METRO if speakers are constrained to a specific time limit.

There were suggestions to limit the amount of discussion on an agenda item as a whole but to maintain flexibility as to public comment time limits. Also, there should be language prohibiting one speaker from giving his/her allotted time to a spokesperson. Members of the public stated that they need to know how much time they have for comment to prepare their speeches ahead of time.

15. CONSIDERATION OF THE IMPACT OF RECENT FUEL PRICE INCREASES ON PUBLIC TRANSIT RIDERSHIP AND OPERATING COST

Summary:

Les White reported that most times when there is an increase in fuel prices, there is an increase in ridership. The decreases in ridership which resulted from service reductions have been mitigated to some degree by the cost of fuel increasing dramatically and getting people out of their cars.

16. CONSIDERATION OF THE REQUEST FROM THE SCOTTS VALLEY CITY COUNCIL TO RECONFIGURE ROUTE #31 TO REMOVE SERVICE FROM VINE HILL SCHOOL ROAD AND REDIRECT THE SERVICE TO OPERATE ON GLENWOOD DRIVE IN SCOTTS VALLEY SERVING THE SCOTTS VALLEY HIGH SCHOOL ON ALL TRIPS

Summary:

Les White stated that the service on Vine Hill School Road attracted lots of activity from groups who want the service on this road and groups who do not. The Scotts Valley City Council approved a bus turn around in Siltanen Park for a six-month demonstration period. One month later after receiving public input, the City Council directed METRO to cease operating buses through the parking lot as soon as possible for safety reasons. Staff recommends that the Board approve the request from the Scotts Valley City Council to redeploy the Route #31 service by deleting service from Vine Hill School Road and reassigning the service to operate on Glenwood Drive serving the Scotts Valley High School on all trips.

Discussion:

Director Tavantzis expressed concern that METRO expended \$4,000 to make a change at the request of the Scotts Valley City Council and now is changing it again. Bonnie Morr added that with the high school being closed, the drivers are wasting 7-8 minutes by still having to go to the school to turn around.

Direction: *Director Norton asked staff to provide a diagram of the route at the next meeting.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR TAVANTZIS

Return to the Board Meeting of July 23rd with input from the Scotts Valley City Council regarding the bus stop improvement expenditure. Move Item #15 to the Consent Agenda for the July 23rd Board Meeting.

Director Beautz suggested that since Director Ainsworth will be absent from the July 23rd Board Meeting, possibly another representative of the Scotts Valley City Council could attend that meeting. Director Ainsworth will work on this.

Motion passed unanimously.

17. CONSIDERATION OF SUBMITTING A RESPONSE TO THE GRAND JURY REGARDING RECOMMENDATIONS FROM THE 2003-2004 FINAL REPORT

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Move this item to the Consent Agenda for the July 23, 2004 Board Meeting.

Motion passed unanimously.

18. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

Margaret Gallagher reported that there would be a conference with METRO's Labor Negotiator regarding UTU negotiations.

19. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None

SECTION II: CLOSED SESSION

Vice Chairperson Keogh adjourned to Closed Session at 10:49 a.m. and reconvened to Open Session at 10:55 a.m.

SECTION III: RECONVENE TO OPEN SESSION

20. REPORT OF CLOSED SESSION

Margaret Gallagher stated that there was no action taken in Closed Session.

21. CONSIDERATION OF RATIFICATION OF CONTRACT WITH UNITED TRANSPORTATION UNION LOCAL 23 FOR THE OPERATION OF PARACRUZ PROGRAM FOR THE PERIOD OF JULY 9, 2004 THROUGH JUNE 30, 2006

Summary:

Staff received a letter as an add-on from UTU this morning, a copy of which is attached to these Minutes. Staff is requesting ratification by the Board of the UTU contract since all items set by the Board were met. Les White added that staff had a series of action items contingent upon contract ratification. All these issues will bring the paratransit service in house with a November 2nd transition date for in-house service.

Discussion:

Bonnie Morr revised the voting listed in the letter: it should be 35 to 1 to ratify the contract. She thanked Arturo Zamedio and the Lift Line UTU members for their support.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR SKILLICORN

Accept the agreement ratified by UTU Local 23. Thank staff for their involvement in the negotiations of the contract.

Director Rotkin added that the reason the Board brought this service in house was to provide better service for the users of paratransit.

Motion passed unanimously.

ADJOURN

There being no further business, Vice Chairperson Keogh adjourned the meeting at 11:00 a.m.

Respectfully submitted,

Dale Carr
Administrative Services Coordinator

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

July 23, 2004

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, July 23, 2004 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Reilly called the meeting to order at 9:10 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Mike Keogh
Dennis Norton
Emily Reilly
Mike Rotkin (arrived after roll call)
Pat Spence
Mark Stone
Marcela Tavantzis

DIRECTORS ABSENT

Sheryl Ainsworth
Jan Beautz
Michelle Hinkle
Dale Skillicorn
Ex-Officio Wes Scott

STAFF PRESENT

Bryant Baehr, Operations Manager
Dale Carr, Administrative Services Coord.
Frank Cheng, M/B Project Manager
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel
Steve Paulson, Paratransit Administrator
Elisabeth Ross, Finance Manager
Robyn Slater, Human Resources Manager
Tom Stickel, Fleet Maint. Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT

Sharon Barbour, MASTF
Harvey Contreras, Bus Operator
Ron Dean, UTU
Pat Dellin, SCCRTC
Gary Klemz, SEIU
Manny Martinez, PSA

Bonnie Morr, UTU
Ian McFadden, SEA
Will Regan, VMU
David Sumner
Bob Yount, MASTF
Amy Weiss, Spanish Interpreter
Brelis Young

2. ORAL AND WRITTEN COMMUNICATION

Written:

b. Michael Edwards RE: Resignation as MAC Chair

Oral:

Bob Yount thanked Staff for the progress being made on the District's No-Smoking Policy.

Sharon Barbour, MASTF Chair, read MASTF's list of Unmet Transit Needs to be submitted to the Santa Cruz County Regional Transportation Commission. The list is attached as part of these minutes

Brelis Young requested an annual report indicating the percentage of total rides taken by UCSC pass holders.

Written:

Les White distributed 3 items from MAC. 1). Motions from the July 21, 2004 MAC meeting; 2) letter from Norm Hagen regarding his resignation from the Paratransit Coordination Task Force (PCTF); and 3) a memo regarding the Board appointing a new MAC representative to the PCTF. All three items are attached to these minutes. Mr. White also reported that MAC member Lesley Wright had volunteered to attend only the August PCTF meeting as a temporary MAC representative and that the Board could appoint a permanent replacement. Staff was directed to place this item on next month's agenda for action at the August 13, 2004 meeting.

Director Rotkin Arrived

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr reported that UTU and their Legislative Director urged the Board to actively pursue MetroBase funding from the California Transportation Commission (CTC).

Margaret Gallagher asked the Board to make the necessary findings to add the Worker's Compensation claim of Donna Morse to today's Closed Session agenda since it came to the Board's attention after the posting of the regular meeting agenda and there is a need to take action before the next Board meeting.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR KEOGH

Make the necessary findings to add the Worker's Compensation claim of Donna Morse to today's Closed Session agenda.

Motion passed unanimously with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

SECTION I:
OPEN SESSION:

ADD TO ITEM #2 ORAL AND WRITTEN COMMUNICATION

b. Michael Edwards RE: Resignation of MAC Chair
(Insert Letter)

CONSENT AGENDA:

ADD TO ITEM #5-1 APPROVE REGULAR BOARD MEETING MINUTES OF JUNE 11
AND JUNE 25, 2004
(Insert Minutes)

ADD TO ITEM #5-3 ACCEPT AND FILE JUNE 2004 RIDERSHIP REPORT
(Insert Ridership Report)

ADD TO ITEM #5-4 CONSIDERATION OF TORT CLAIMS: REJECT THE CLAIM
ENTIRELY OF DEAN McCREARY, CLAIM #04-0011; REJECT THE
CLAIM ENTIRELY OF MARIA CAMPOS AND MINOR ALEJANDRA
SANTANA, CLAIM #04-0012
(Insert Claims)

ADD TO ITEM #5-5 ACCEPT AND FILE AGENDA FOR THE METRO ADVISORY
COMMITTEE (MAC) MEETING OF JULY 21, 2004
(Insert Agenda)

ADD TO ITEM #5-9 ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY 20,
2004
(Report will be distributed at the July 23, 2004 Board Meeting)

ADD TO ITEM #5-10 ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ
SERVICE UPDATE
(Insert Staff Report)

REGULAR AGENDA:

ADD TO ITEM #7 CONSIDERATION OF RECEIPT OF REPORT OF THE SANTA
CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S
PARATRANSIT COORDINATION TASK FORCE (PCTF)
**(Insert Additional Documentation from Director Spence and
Minutes from the May 19, 2004 PCTF Meeting)**

DELETE ITEM #8 CONSIDERATION OF MODIFICATION OF THE CONTRACT FOR
ADMINISTRATION OF PARATRANSIT ELIGIBILITY SCREENING
PROCESS
(Action taken at the July 9, 2004 Board Meeting)

- DELETE ITEM #9** CONSIDERATION OF:
- a. PUBLIC HEARING TO PROVIDE PROPERTY OWNERS, WHOSE PROPERTY IS TO BE ACQUIRED, AN OPPORTUNITY TO APPEAR AND BE HEARD REGARDING METRO'S RIGHT TO TAKE CERTAIN REAL PROPERTY FOR THE CONSTRUCTION OF A MAINTENANCE FACILITY; AND
 - b. ADOPTION OF A RESOLUTION OF NECESSITY FINDING AND DETERMINING THAT THE PUBLIC INTEREST AND NECESSITY REQUIRE THE ACQUISITION IN FEE OF ASSESSOR PARCEL NUMBER 008-103-04 LOCATED AT 120 GOLF CLUB DRIVE
(Action taken at the July 9, 2004 Board Meeting)
- DELETE ITEM #10** CONSIDERATION OF APPROVAL OF 25 YEAR LEASE WITH THE CITY OF SANTA CRUZ FOR PROPERTY NEEDED FOR THE METROBASE PROJECT
(Insert Notice to Defer to the August 27, 2004 Board Meeting)
- DELETE ITEM #14** CONSIDERATION OF MODIFICATIONS TO SANTA CRUZ METRO'S BYLAWS INCLUDING ADDING RULES OF PROCEDURE FOR BOARD MEETINGS, SELECTING REPRESENTATIVES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, SETTING TIME LIMITS FOR TESTIMONY ON AGENDA ITEMS AND OTHER CHANGES
(Staff recommends this Item be deferred to the August 27, 2004 Board Meeting)
- ADD ITEM #18** CONSIDERATION OF OPERATING THE WATSONVILLE STRAWBERRY FESTIVAL SHUTTLE BEING HELD ON JULY 31, 2004 AND AUGUST 1, 2004
(Insert Staff Report)
- ADD ITEM #19** CONSIDERATION OF OPERATION OF THE CAPITOLA ART & WINE FESTIVAL SHUTTLE ON SEPTEMBER 18 & 19, 2004
(Insert Staff Report)
- ADD ITEM #20** CONSIDERATION OF THE CALL STOP AUDIT REPORT
(Insert Staff Report)
- DELETE ITEM #21** CONSIDERATION OF RATIFICATION OF CONTRACT WITH UNITED TRANSPORTATION UNION LOCAL 23 FOR THE OPERATION OF PARACRUZ PROGRAM FOR THE PERIOD OF JULY 9, 2004 THROUGH JUNE 30, 2006
(Action taken at the July 9, 2004 Board Meeting)

ADD ITEM #22 **PUBLIC HEARING** TO IDENTIFY A LIST OF UNMET TRANSIT NEEDS FOR SUBMISSION TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
(Insert Staff Report)

ADD ITEM #23 CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE RNL DESIGN CONTRACT FOR ARCHITECTURAL/ENGINEERING SERVICES FOR THE METROBASE PROJECT
(Insert Staff Report)

CONSENT AGENDA

- 5-1. **APPROVE REGULAR BOARD MEETING MINUTES OF JUNE 11 AND JUNE 25, 2004**
- 5-2. **ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS**
- 5-3. **ACCEPT AND FILE JUNE 2004 RIDERSHIP REPORT**
- 5-4. **CONSIDERATION OF TORT CLAIMS: None**
- 5-5. **ACCEPT AND FILE AGENDA FOR THE METRO ADVISORY COMMITTEE (MAC) MEETING OF JULY 21, 2004**
- 5-6. **ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF JULY 15, 2004 AND THE MINUTES OF THE JUNE 17, 2004 MEETING**
- 5-7. **ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR MAY 2004 AND APPROVAL OF BUDGET TRANSFERS**
- 5-8. **ACCEPT AND FILE PARACRUZ STATUS REPORT FOR APRIL 2004**
- 5-9. **ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY 2004**
- 5-10. **ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE**
- 5-11. **ACCEPT AND FILE METROBASE STATUS REPORT**
- 5-12. **ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE MEETINGS**
- 5-13. **CONSIDERATION OF AUTHORIZATION TO RENEW AGREEMENT WITH SANTA CRUZ COUNTY FOR ACQUISITION AND RELOCATION ASSISTANCE SERVICE**
- 5-14. **CONSIDERATION OF APPROVAL OF A RESOLUTION AUTHORIZING DECREASE IN PETTY CASH FUND FOR THE METRO CENTER**
- 5-15. **CONSIDERATION OF AUTHORIZATION FOR DISPOSAL OF FIVE (5) 1988 NEW FLYER BUSES, TWO (2) 1996 SEDANS, ONE 1989 PICK-UP, AND ASSOCIATED PARTS**
- 5-16. **ACCEPT AND FILE NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION ON THE WORKERS' COMPENSATION CLAIM SETTLEMENT OF JAMES HOLODNICK**
- 5-17. **CONSIDERATION OF ADOPTING AN ANNUAL DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION RATE OF 2.4% FOR FEDERALLY-FUNDED PROCUREMENTS IN FY 2005**
- 5-18. **CONSIDERATION OF THE IMPACT OF RECENT FUEL PRICE INCREASES ON PUBLIC TRANSIT RIDERSHIP AND OPERATING COST**
- 5-19. **CONSIDERATION OF SUBMITTING A RESPONSE TO THE GRAND JURY REGARDING RECOMMENDATIONS FROM THE 2003-2004 FINAL REPORT**

Director Spence pointed out an error in the 6/25/04 Minutes. The file copy of these minutes were changed to reflect the following: "...person using an ADA MediCal coupon,"

ACTION: MOTION: DIRECTOR NORTON SECOND: DIRECTOR ROTKIN

Approve the Consent Agenda with the correction to the 6/25/04 Minutes.

Motion passed by a unanimous voice vote in lieu of a roll call with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

The following employee was acknowledged with a longevity certificate for his years of service:

TWENTY YEARS

Harvey F. Contreras, Bus Operator

7. CONSIDERATION OF RECEIPT OF REPORT OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PARATRANSIT COORDINATION TASK FORCE (PCTF)

Summary:

Director Spence summarized the additional documentation and the history of the PCTF, and reported that there was no July meeting.

Discussion:

Director Reilly explained that the first meeting was spent setting the meeting schedule, the second meeting was a presentation on Paratransit in Sacramento, and that Margaret Gallagher will make a presentation at the August meeting regarding the ADA legal mandates.

Pat Dellin explained that the spreadsheet of Specialized Transportation Services is in progress and not the final version. Ms. Dellin confirmed that the Board wished to receive the Minutes from the Task Force, follow up with any questions, and receive the final presentation.

Directors Tavantzis, Reilly and Rotkin requested that Supervisor Mardi Wormhoudt's letter regarding no expectation that the District would not move ahead with any necessary action prior to the final recommendation from the PCTF be reiterated to the members of the Task Force. Pat Dellin will agendized this for the next PCTF meeting.

8. DELETED – ACTION TAKEN AT THE JUNE 11, 2004 BOARD MEETING

9. DELETED – ACTION TAKEN AT THE JUNE 11, 2004 BOARD MEETING

10. CONSIDERATION OF APPROVAL OF 25 YEAR LEASE WITH THE CITY OF SANTA CRUZ FOR PROPERTY NEEDED FOR THE METROBASE PROJECT

Les White reported that negotiations were ongoing and requested that this item be deferred to August.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Continue this item to the August Board Meeting.

Motion passed unanimously with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

11. MOVED TO CONSENT AGENDA AS ITEM #5-17

12. CONSIDERATION OF COSTS OF EXTENSION OF SERVICE TO THE SANTA CRUZ COUNTY FAIRGROUNDS THROUGH THE CONCLUSION OF THE FAIR

Summary:

Mark Dorfman reported that service to the Fairgrounds would be eliminated in September with the Fall Service Revision. Mr. Dorfman spoke with Fair personnel who indicated they were not interested in a Fair Shuttle this year, or promoting the service in the Fair advertisements. They did request that the District keep a log and, if necessary, meet with Fair personnel regarding the number of people having problems accessing the Fair. Fair personnel also said that their business is running the Fair, not a transportation system.

There were 73 rides in 2002, which is the last year the shuttle ran. Providing this service would cost the District \$4,752, which it cannot afford, especially with no advertising assistance from the Fair.

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR ROTKIN

Do not provide an extension of service to the Santa Cruz County Fairgrounds through the conclusion of the Fair.

Discussion:

Director Tavantzis expressed concern that this would also eliminate ParaCruz service and disappointment that Fair personnel chose not to help promote the shuttle service.

Director Stone asked how many Paratransit trips had been taken to the Fair in the past. Mr. Dorfman responded to Director Stone that there had been 28 Paratransit trips to and from the Fair in 2002.

Motion passed unanimously with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

13. CONSIDERATION OF SUBMITTING COMMENTS WITH REGARD TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION'S PROPOSED EXPENDITURE PLAN

Summary:

Les White reported that RTC's proposed expenditure plan would be finalized at their July 27, 2004 meeting and submitted to the voters for consideration in November 2004. He asked if the Board had any comments to formally transmit to the Regional Transportation Commission (RTC).

Discussion:

Pat Dellin clarified that the amount allocated to Highway 1 Express service would not be limited to capital expenditures, but could also be used for the operational side and that the Senior & Disabled Services funding could be used for the District as well. RTC would decide annually how the funding would be allocated.

Director Rotkin commented that the Board should not direct the RTC on how to allocate funds for the entire county, but that the plan needs to appeal to the whole community by including more public transit funding in order to pass a tax measure.

Direction:

Staff was directed to provide language, for the July 27, 2004 RTC meeting, regarding assigning a dedicated portion of the Senior and Disabled Services funding to the District.

Public Comments:

Paul Marcelin-Sampson spoke in favor of dedicated funding for the District's Paratransit service to seniors and disabled, as well as fixed route, including the Talking Bus equipment.

Bob Yount agreed with Director Rotkin's comment above and he feels the 4% allocated for Senior & Disabled Services is not enough.

Chair Reilly adjourned to a Special Board of Directors Meeting at this time. After that meeting, Chair Reilly reconvened the regular meeting of the Board of Directors.

14. CONSIDERATION OF MODIFICATIONS TO SANTA CRUZ METRO'S BYLAWS INCLUDING ADDING RULES OF PROCEDURE FOR BOARD MEETINGS, SELECTING REPRESENTATIVES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, SETTING TIME LIMITS FOR TESTIMONY ON AGENDA ITEMS AND OTHER CHANGES

Margaret Gallagher requested that this item be deferred to August in order to provide information requested by the Board at the July 9, 2004 Board meeting.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR NORTON

Continue this item to the August Board Meeting.

Motion passed unanimously with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

15. **MOVED TO CONSENT AGENDA AS ITEM #5-18**

16. **CONSIDERATION OF THE REQUEST FROM THE SCOTTS VALLEY CITY COUNCIL TO RECONFIGURE ROUTE #31 TO REMOVE SERVICE FROM VINE HILL SCHOOL ROAD AND REDIRECT THE SERVICE TO OPERATE ON GLENWOOD DRIVE IN SCOTTS VALLEY SERVING THE SCOTTS VALLEY HIGH SCHOOL ON ALL TRIPS**

Summary:

Les White reported that he had spoken with the City of Scotts Valley regarding their request that METRO redeploy the Route #31 service by deleting service from Vine Hill School Road and reassigning the service to operate on Glenwood Drive serving the Scotts Valley High School on all trips. An accessible location for a bus stop has been identified on Glenwood Drive and the City of Scotts Valley has agreed to pay for the installation of this new bus stop.

Discussion:

Director Tavantzis expressed concern that METRO expended over \$4,000 to make a change at the request of the Scotts Valley City Council and now is changing it again. Mr. White said the cost to the City of Scotts Valley for the new bus stop would be \$150 for a 3' x 5' 4" deep concrete pad.

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR REILLY

Redeploy Route #31 service by deleting service from Vine Hill School Road and reassigning the service to operate on Glenwood Drive serving the Scotts Valley High School on all trips, with the understanding that there is no capital expenditure to the District.

Direction:

Convey to the Scotts Valley City Council that METRO is responding to this request because the City Council believes it is the best route, and not because of complaints.

Motion passed unanimously with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

17. **MOVED TO CONSENT AGENDA AS ITEM #5-19**

18. **CONSIDERATION OF OPERATING THE WATSONVILLE STRAWBERRY FESTIVAL SHUTTLE BEING HELD ON JULY 31, 2004 AND AUGUST 1, 2004**

Summary:

Bryant Baehr reported that the City of Watsonville has requested two (2) buses for the Watsonville Strawberry Festival being held July 31, 2004 and August 1, 2004. The City of Watsonville has agreed to pay all costs for this service, which is free to the public.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR KEOGH

Authorize the General Manager to operate two (2) buses for the Watsonville Strawberry Festival being held on July 31, 2004 and August 1, 2004, at the City of Watsonville's expense.

Motion passed unanimously with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

19. CONSIDERATION OF OPERATION OF THE CAPITOLA ART & WINE FESTIVAL SHUTTLE ON SEPTEMBER 18 & 19, 2004

Summary:

Bryant Baehr reported that the City of Capitola has requested two (2) buses for the Capitola Art & Wine Festival being held July 18 & 19, 2004. The City of Capitola has agreed to pay all costs for this service, which is free to the public.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Authorize the General Manager to operate two (2) buses for the Capitola Art & Wine Festival being held September 18 & 19, 2004, at the City of Capitola's expense.

Motion passed unanimously with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

20. CONSIDERATION OF THE CALL STOP AUDIT REPORT

Summary:

Bryant Baehr reported that this report covers the period of April – June of 2004. Mr. Baehr explained that although Attachment B indicates that there were 63 call stops missed, the actual number was 58 due to road construction affecting 5 stops that should not have been on the list. This is reflected in the footnote on Attachment A.

Discussion:

Director Norton questioned spending \$20,000 per year on this service and asked if it could be done less expensively. Mr. Baehr responded that this must be done for two (2) years as part of the lawsuit settlement, effective February 2004.

21. **DELETED – ACTION TAKEN AT THE JULY 9, 2004 BOARD MEETING**
22. **PUBLIC HEARING TO IDENTIFY A LIST OF UNMET TRANSIT NEEDS FOR SUBMISSION TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**

Summary:

Les White reported that annually, the SCCRTC adopts a list of unmet transit needs pursuant to the requirements of the State of California Transportation Development Act. In previous years, the list of unmet needs has focused on Paratransit. Next year, METRO's list of unmet needs will be based on a new Short Range Transit Plan, which will be developed in FY 04-05. This year, Staff is recommending that the Board hold a Public Hearing to develop a list of unmet Transit needs for submission to the SCCRTC.

Mr. White clarified that the RTC does not determine who should provide or pay for these services and that METRO is not aggressively pursuing funding for items on the list.

Attachment A to the Staff Report is a list that was developed by Staff from comments received at the recent Public Hearings on service reductions. Both MAC and MASTF have submitted their contributions to the list, which are attached to these minutes.

Public Hearing opened at 10:45 a.m.

Bonnie Morr: 1) Extending Hwy 17 service into South County, and 2) Restoration of cut service.

Paul Marcelin-Sampson: encouraged the Board to be equal with fixed route and Paratransit needs.

Public Hearing closed at 10:48 a.m.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Authorize the General Manager to submit a list of unmet transit needs to the SCCRTC, which includes the current draft list, the MAC list, the MASTF list, and comments received at today's Public Hearing.

Friendly Amendments by Directors Keogh, Norton and Spence and accepted by Director Mike Rotkin as follows:

**Expand South County Highway 17 service
Bus Rapid Transit possibilities
General increase in Express service
Increase in mid-county service
Add service down Portola.
Advertise and provide free bus service to children 13 and under
Increase frequency of commute trips between Watsonville and mid-county**

Increase frequency throughout system

Motion passed unanimously with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

Les White clarified that the list submitted by METRO would be 3 separate parts in the form of a list from the Board, referencing and endorsing the MAC and MASTF lists, which will be attached to the Board list.

23. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE RNL DESIGN CONTRACT FOR ARCHITECTURAL/ENGINEERING SERVICES FOR THE METROBASE PROJECT

Summary:

Frank Cheng reported that there are two (2) necessary changes that are beyond the original scope of the MetroBase Architectural/Engineering contract with RNL 1) Some of the LCNG components required long lead times and need to be pre-purchased; and 2) soil analysis showed that a Driven Concrete Pile Foundation System is necessary for the River Street site. These changes require a Change Order in the amount of \$109,080

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Authorize the General Manager to execute an Amendment to the MetroBase Architectural/Engineering Contract with RNL Design.

Motion passed unanimously with Directors Ainsworth, Beautz, Hinkle, and Skillicorn being absent.

24. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel

Margaret Gallagher reported that the Board would discuss the Workers Compensation claims of Laura Harrell, Guillermo Chavez, and Donna Morse. The Board will also review the case of Beverly Beams vs. SCMTD.

25. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None.

SECTION II: CLOSED SESSION

Chair Reilly adjourned to Closed Session at 11:04 a.m. and reconvened to Open Session at 11:29 a.m.

SECTION III: RECONVENE TO OPEN SESSION

26. REPORT OF CLOSED SESSION

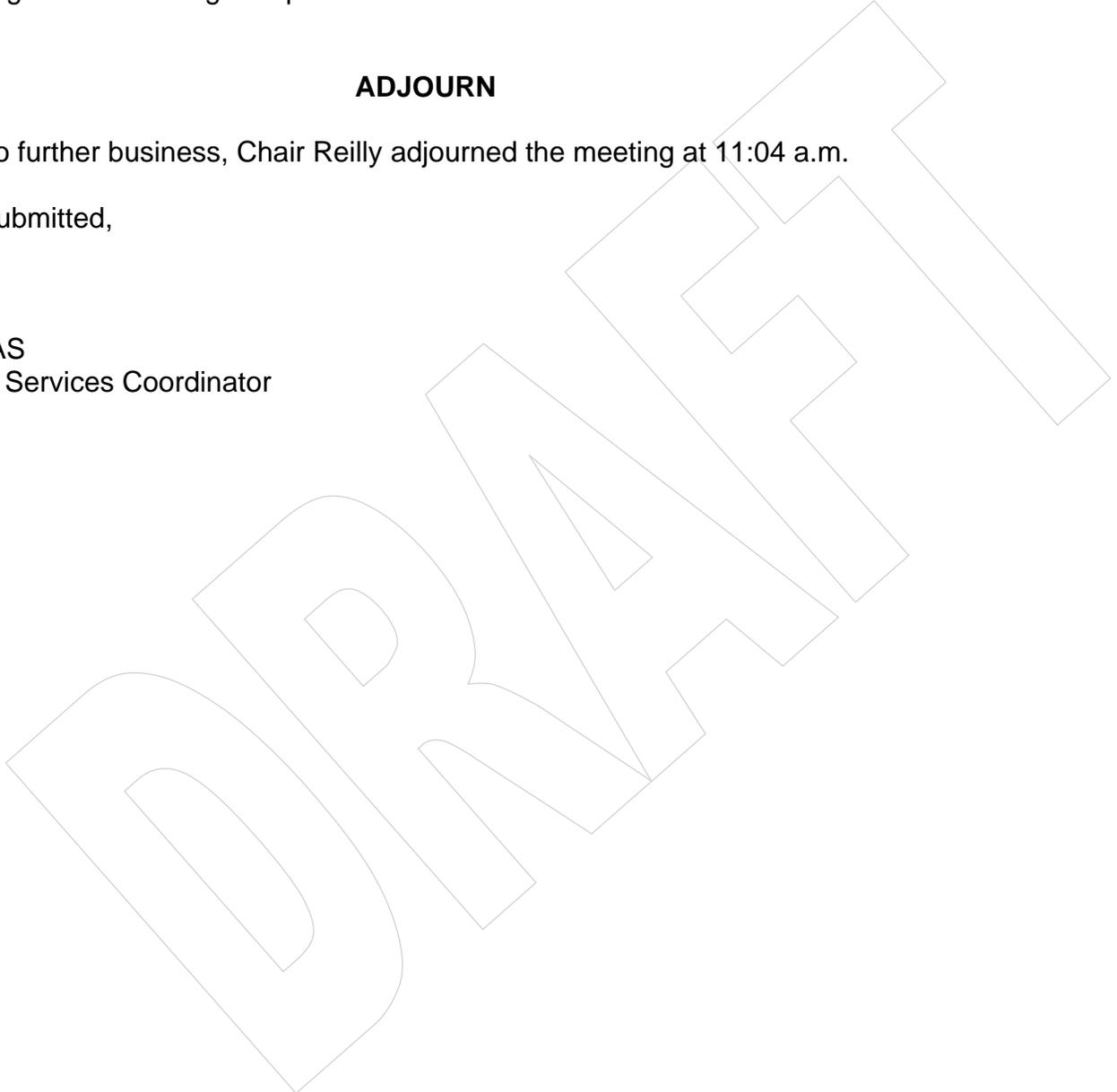
Margaret Gallagher had nothing to report at this time.

ADJOURN

There being no further business, Chair Reilly adjourned the meeting at 11:04 a.m.

Respectfully submitted,

CINDI THOMAS
Administrative Services Coordinator



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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DATE: 07/01/04 THRU 07/31/04

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12847	07/02/04	10,052.74	001043	VISION SERVICE PLAN		1767	JUL VISION INSURANCE	10,052.74	
12848	07/02/04	104,066.46	001316	DEVCO OIL		1762	JUN FUEL	104,066.46	
12849	07/02/04	18,184.69	001616	UNUM		1763	JUL LTD INSURANCE	18,184.69	
12850	07/02/04	4,241.65	001745	HARTFORD LIFE		1768	JUL LIFE/AD&D INS	4,241.65	
12851	07/02/04	99.90	001746	HARTFORD INSURANCE CO.		1769	JUL SUPP AD&D INS	99.90	
12852	07/02/04	6,753.48	009	PACIFIC GAS & ELECTRIC		1764	5/3-6/1 CNG/G RVR	6,753.48	
12853	07/02/04	238,952.02	502	CA PUBLIC EMPLOYEES'		1765	JUL MEDICAL INS	238,952.02	
12854	07/02/04	39,286.99	875	PACIFICARE DENTAL		1766	JUL DENTAL	39,286.99	
12855	07/09/04	1,320.00	001027	OVERLAND PACIFIC & CUTLER, INC		1770	MB PROF SVCS MAY04	1,320.00	
12856	07/09/04	14,009.37	001063	NEW FLYER INDUSTRIES LIMITED		1771	REV VEH PARTS 1022	1,022.18	
						1772	REV VEH PARTS 1746	1,745.79	
						1773	REV VEH PARTS 3873	3,873.38	
						1774	REV VEH PARTS 1808	1,807.60	
						1775	REV VEH PARTS 22	35.10	
						1776	REV VEH PARTS 20	19.54	
						1777	REV VEH PARTS 5186	5,185.87	
						1778	REV VEH PARTS 222	264.17	
						1779	REV VEH PARTS 43	55.74	
12857	07/09/04	7,514.51	001203	GREYHOUND LINES, INC.		1780	JUL04-JUN05 RENT	7,514.51	
12858	07/09/04	1,287.01	001230	CAPITOL CLUTCH & BRAKE, INC.		1781	REV VEH PARTS	1,287.01	
12859	07/09/04	589.00	001257	DOMINICAN HOSPITAL OF S C		1782	MAY DRUG TESTING	589.00	
12860	07/09/04	312.50	001492	EVERGREEN OIL INC.		1783	HAZ WASTE DISPOSAL	312.50	
12861	07/09/04	482.00	001523	SANTA CRUZ MEDICAL CLINIC	7	1870	MAY MEDICAL EXAMS	482.00	
12862	07/09/04	445.14	001A	SBC/MCI		1784	JUN PHONE/IT	91.94	
						1785	JUN PHONE/IT	176.60	
						1786	JUN PHONE/IT	176.60	
12863	07/09/04	42.74	002063	COSTCO		1787	LOCAL MEETING EXP	23.42	
						1788	PHOTO PROCESS/OPS	19.32	
12864	07/09/04	102.88	002161	APPLIED INDUSTRIAL TECH		1789	REPAIRS/MAINTENANCE	102.88	
12865	07/09/04	2,000.00	002267	SHAW & YODER, INC.		1790	MAY LEGISLATIVE SVCS	2,000.00	
12866	07/09/04	3,750.00	002346	CHANEY, CAROLYN & ASSOC., INC.		1791	JUL LEGISLATIVE SVCS	3,750.00	
12867	07/09/04	255.00	002388	DOGHERRA'S	7	1792	TOWING/#302	255.00	
12868	07/09/04	235.00	002448	CLEARVIEW WINDOWS	7	1793	WTC WINDOW CLEANING	235.00	
12869	07/09/04	485.17	002459	SCOTTS VALLEY WATER DISTRICT		1794	4/12-6/11 KINGS VLG	28.50	
						1795	4/12-6/11 KINGS VLG	456.67	
12870	07/09/04	64.00	002567	DEPARTMENT OF JUSTICE		1796	MAY FINGERPRINTS	64.00	
12871	07/09/04	130.02	002639	NEXTEL COMMUNICATIONS		1797	5/26-6/25 PHONES	130.02	
12872	07/09/04	345.31	002689	B & B SMALL ENGINE		1798	REPAIRS/MAINTENANCE	345.31	
12873	07/09/04	1,705.30	002713	SANTA CRUZ AUTO TECH, INC.		1799	OUT REPAIR/#8015	297.74	
						1800	OUT REPAIR/#9700	124.34	
						1801	OUT REPAIR/#8018	713.07	
						1802	OUT REPAIR/#001	570.15	
12874	07/09/04	240.60	007	UNITED PARCEL SERVICE		1803	APR/MAY/JUN FRT OUT	240.60	
12875	07/09/04	10.31	009	PACIFIC GAS & ELECTRIC		1804	5/27-6/25 SAKATA	10.31	
12876	07/09/04	5,502.85	018	SALINAS VALLEY FORD SALES		1871	REV VEH PARTS	5,502.85	
12877	07/09/04	376.09	020	ADT SECURITY SERVICES INC.		1805	JUL ALARMS	312.00	
						1806	JUL ALARMS	64.09	
12878	07/09/04	125.15	043	PALACE ART & OFFICE SUPPLY		1807	OFFICE SUPPLIES	125.15	
12879	07/09/04	156.96	061A	REGISTER PAJARONIAN		1808	CLASSIFIED AD	78.48	

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12880	07/09/04	96.45	067	ROTO-ROOTER SEWER/PLUMBING		1810	OUT REPAIR BLDGS/IMP	96.45	
12881	07/09/04	180.63	074	KENVILLE LOCKSMITHS	7	1811	JUN LOCKS/KEYS	180.63	
12882	07/09/04	68.25	075	COAST PAPER & SUPPLY INC.		1812	PARTS & SUPPLIES 68	68.25	
12883	07/09/04	13,813.40	079	SANTA CRUZ MUNICIPAL UTILITIES		1813	4/24-6/28 PACIFIC	137.99	
						1814	4/24-6/28 PACIFIC	4,204.64	
						1815	4/24-6/24 GOLF CLUB	1,627.27	
						1816	4/24-6/24 370 ENC	184.17	
						1817	4/24-6/24 370 ENC	1,745.80	
						1818	4/24-6/24 RIVER ST	4,532.93	
						1819	4/24-6/24 111 DUB	1,380.60	
12884	07/09/04	444.48	107	SAN LORENZO LUMBER		1820	REPAIRS/MAINTENANCE	444.48	
12885	07/09/04	2,374.94	110	JESSICA GROCERY STORE, INC.		1869	JUN CUSTODIAN SVCS	2,374.94	
12886	07/09/04	182.46	115	SNAP-ON TOOLS CORPORATION		1821	TIRE INFLATOR/FLT	182.46	
12887	07/09/04	1,658.14	135	SANTA CRUZ AUTO PARTS, INC.		1822	REV VEH PARTS/SUPPLY	1,658.14	
12888	07/09/04	896.45	191	GOLDEN GATE PETROLEUM		1823	JUN FUEL - FLEET	896.45	
12889	07/09/04	165.30	220	JONES COMPANY, THE ED		1824	SUPERVISOR BADGES	165.30	
12890	07/09/04	7,680.06	221	VEHICLE MAINTENANCE PROGRAM		1825	REV VEH PARTS 4142	4,142.00	
						1826	REV VEH PARTS 3538	3,538.06	
12891	07/09/04	1,051.32	225	MISSION PRINTERS	7	1827	PRINT BUS PASSES	1,051.32	
12892	07/09/04	933.90	273	QUIKPRINT		1828	PRINTING/ADMIN	933.90	
12893	07/09/04	908.90	378	STEWART & STEVENSON		1829	REV VEH PARTS/SUPPLY	47.94	
						1830	REV VEH PARTS	79.13	
						1831	REV VEH PARTS	781.83	
12894	07/09/04	380.74	389	KEN'S AUTO PARTS, INC.		1832	SAFETY SUPPLIES	380.74	
12895	07/09/04	9.41	418	COUNTY OF SANTA CRUZ		1833	CNG FUEL	9.41	
12896	07/09/04	53.20	434B	VERIZON CALIFORNIA		1834	MT. BIEWLASKI	53.20	
12897	07/09/04	752.86	448	UNISOURCE		1835	COPY PAPER/FLT	125.71	
						1836	CLEANING SUPPLIES	374.54	
						1837	COPY PAPER/OPS	252.61	
12898	07/09/04	7,095.60	475	TRAPEZE SOFTWARE GROUP, INC.		1872	TRAPEZE FOR PT	7,095.60	
12899	07/09/04	1,595.33	504	CUMMINS WEST, INC.		1838	REV VEH PARTS	1,567.45	
						1839	REV VEH PARTS	27.88	
12900	07/09/04	1,097.88	527	RECARO NORTH AMERICA, INC.		1840	MOBILE SUPPLIES 991	1,097.88	
12901	07/09/04	73.79	570	SCMTD PETTY CASH - PLANNING		1841	PETTY CASH/PLANG	73.79	
12902	07/09/04	912.18	661	CONTROL PRODUCTS COMPANY		1842	CURRENCY BAGS/OPS	912.18	
12903	07/09/04	1,006.21	664	BAY COUNTIES PITCOCK PETROLEUM		1843	FUEL - FLEET	1,006.21	
12904	07/09/04	9,056.25	683	TRISTAR RISK MANANGEMENT		1844	JUL WC SVC FEE	9,056.25	
12905	07/09/04	852.60	733	CLAREMONT BEHAVIORAL SERVICES		1845	JUL EAP PREMIUM	852.60	
12906	07/09/04	396.17	788	SCMTD PETTY CASH - FINANCE		1846	PETTY CASH/FINANCE	396.17	
12907	07/09/04	6,723.00	804	ORTHOPAEDIC HOSPITAL	7	1847	MAY PROF/TECH SVCS	6,723.00	
12908	07/09/04	193,153.71	904	RNL DESIGN		1848	REIMBRS EXP TO 4/30	7,427.89	
						1849	PROF SVCS THRU 4/30	185,725.82	
12909	07/09/04	9,182.11	909	CLASSIC GRAPHICS		1850	OUT REPAIR VEHICLES	9,182.11	
12910	07/09/04	3,729.73	912	FOLGER GRAPHICS		1873	GRAPHIC DESIGN SVCS	3,729.73	
12911	07/09/04	1,020.00	931	PAGE, SALISBURY & DUDLEY	7	1874	LEGAL SERVICES	1,020.00	
12912	07/09/04	94,704.05	975	TRISTAR RISK MANAGEMENT NO. 2		1851	JUN TRUST ACCOUNT	94,704.05	
12913	07/09/04	100.00	B001	AINSWORTH, SHERYL	7	1858	JUN BOARD MEETING	100.00	
12914	07/09/04	100.00	B003	BEAUTZ, JAN	7	1859	JUN BOARD MEETING	100.00	
12915	07/09/04	50.00	B006	HINKLE, MICHELLE	7	1860	JUN BOARD MEETING	50.00	

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12916	07/09/04	100.00	B007	KEOGH, MICHAEL		7 1861	JUN BOARD MEETING	100.00	
12917	07/09/04	100.00	B011	REILLY, EMILY		7 1862	JUN BOARD MEETING	100.00	
12918	07/09/04	100.00	B012	SPENCE, PAT		7 1865	JUN BOARD MEETING	100.00	
12919	07/09/04	100.00	B014	CITY OF WATSONVILLE			1867 JUN BOARD MEETING	100.00	
12920	07/09/04	100.00	B015	ROTKIN, MIKE		7 1863	JUN BOARD MEETING	100.00	
12921	07/09/04	100.00	B016	SKILLICORN, DALE		7 1864	JUN BOARD MEETING	100.00	
12922	07/09/04	100.00	B017	STONE, MARK		7 1866	JUN BOARD MEETING	100.00	
12923	07/09/04	114.55	E030	FENN, MARILYN			1852 6/12-6/16 GFOA CONF	114.55	
12924	07/09/04	34.00	E116	ELLIOTT, EDWARD			1853 DMV FEES	34.00	
12925	07/09/04	44.00	E160	CUMMINGS, CYNTHIA			1854 DMV/VTT FEES	44.00	
12926	07/09/04	44.00	E163	TAKEHANA, SCOTT			1855 DMV/VTT FEES	44.00	
12927	07/09/04	44.00	E473	FITZPATRICK, MICHELLE			1856 DMV/VTT FEES	44.00	
12928	07/09/04	44.00	E882	FERRICK, MARY			1857 DMV/VTT FEES	44.00	
12929	07/16/04	909.26	001031	AMSAN WEST			1875 CLEANING SUPPLIES	909.26	
12930	07/16/04	138.03	001296	LEXISNEXIS MATTHEW BENDER			1960 CA PUBLIC LABOR R#15	138.03	
12931	07/16/04	184.82	001315	WASTE MANAGEMENT			1876 JUN MT HERMON/KINGS	41.87	
							1877 JUN KINGS VILLAGE	142.95	
12932	07/16/04	999.90	001379	SAFETY-KLEEN SYSTEMS, INC.			1878 HAZ WASTE DISPOSAL	999.90	
12933	07/16/04	156.25	001492	EVERGREEN OIL INC.			1879 HAZ WASTE DISPOSAL	156.25	
12934	07/16/04	785.00	001712	ABACHERLI FENCE COMPANY		7	1880 REPAIR FENCE/OPS	785.00	
12935	07/16/04	1,145.02	001800	THERMO KING OF SALINAS, INC			1881 REV VEH PARTS	1,145.02	
12936	07/16/04	75.00	001856	BAY COMMUNICATIONS		7	1882 OUT REPAIR PHONES	75.00	
12937	07/16/04	438.39	002063	COSTCO			1883 PHOTO PROCESS/OPS	15.65	
							1884 EMP INCENTIVE/OPS	422.74	
12938	07/16/04	323.26	002069	A TOOL SHED, INC.			1885 EQUIPMENT RENTAL	165.96	
							1886 EQUIPMENT RENTAL	157.30	
12939	07/16/04	100.65	002161	APPLIED INDUSTRIAL TECH			1887 IDLER PULLEY/FAC	100.65	
12940	07/16/04	2,550.00	002287	CALIFORNIA SERVICE EMPLOYEES			1888 JUL MEDICAL	2,550.00	
12941	07/16/04	25,849.20	002295	FIRST ALARM			1889 JUN SECURITY	25,849.20	
12942	07/16/04	1,000.52	002504	TIFCO INDUSTRIES			1890 PARTS & SUPPLIES	953.78	
							1891 PARTS & SUPPLIES	46.74	
12943	07/16/04	310.00	002624	DIGITAL RECORDERS			1892 REV VEH PARTS	310.00	
12944	07/16/04	1,885.80	002713	SANTA CRUZ AUTO TECH, INC.			1893 OUT REPAIR/#201	597.10	
							1894 OUT REPAIR/#9951	477.24	
							1895 OUT REPAIR/#8016	200.28	
							1896 OUT REPAIR/#8014	429.16	
							1897 OUT REPAIR/#202	182.02	
12945	07/16/04	11,566.50	009	PACIFIC GAS & ELECTRIC			1898 5/29-6/30 RODRIGUEZ	1,457.32	
							1899 6/2-6/30 HRVY WEST	31.53	
							1900 6/2-6/30 GOLF CLUB	132.28	
							1901 6/2-6/30 GOLF CLUB	1,869.58	
							1902 6/2-6/30 RIVER ST	1,794.83	
							1903 6/2-6/30 111 DUB	924.74	
							1904 6/2-6/30 111 DUB	251.09	
							1905 6/2-6/30 RIVER ST	156.79	
							1906 6/2-6/30 370 ENC	2,790.92	
							1907 6/2-6/30 370 ENC	66.19	
							1908 5/29-6/30 RODRIGUEZ	26.77	
							1909 5/29-6/30 BEACH ST	122.91	
							1910 6/2-6/30 CNG/E RVR	1,941.55	

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12946	07/16/04	50.65	021	WHOLY WATER		1911	OUT REPAIR EQUIP/OPS	50.65	
12947	07/16/04	1,157.45	039	KINKO'S INC.		1912	JUN PRINTING	1,157.45	
12948	07/16/04	2,481.17	041	MISSION UNIFORM		1913	JUN UNIFORMS/LAUNDRY	73.28	
						1914	JUN UNIFORMS/LAUNDRY	463.36	
						1915	JUN UNIFORMS/LAUNDRY	1,944.53	
12949	07/16/04	232.38	042	ORCHARD SUPPLY HARDWARE		1916	REPAIRS/MAINTENANCE	232.38	
12950	07/16/04	700.15	067	ROTO-ROOTER SEWER/PLUMBING		1917	OUT REPAIR BLDGS/IMP	700.15	
12951	07/16/04	122.10	079	SANTA CRUZ MUNICIPAL UTILITIES		1918	JUN LANDFILL	122.10	
12952	07/16/04	14,747.44	085	DIXON & SON TIRE, INC.		1919	OUT REPAIR REV VEH	288.81	
						1920	JUN TIRES/TUBES	14,458.63	
12953	07/16/04	472.43	087	RECOGNITION SERVICES LTD.		1921	EMP INCENTIVE 409	472.43	
12954	07/16/04	162.60	147	ZEE MEDICAL SERVICE		1922	SAFETY SUPPLIES	162.60	
12955	07/16/04	488.28	149	SANTA CRUZ SENTINEL		1923	JUN ADVERTISING	488.28	
12956	07/16/04	738.14	170	TOWNSEND'S AUTO PARTS		1924	REV VEH PARTS/SUPPLY	738.14	
12957	07/16/04	63.82	192	ALWAYS UNDER PRESSURE		1925	REPAIRS/MAINTENANCE	63.82	
12958	07/16/04	777.60	215	IKON OFFICE SOLUTIONS		1926	4/26-7/25 COPIER/OPS	777.60	
12959	07/16/04	788.20	221	VEHICLE MAINTENANCE PROGRAM		1927	REV VEH PARTS 331	330.80	
						1928	REV VEH PARTS 457	457.40	
12960	07/16/04	120.00	271	CARLSON, BRENT D., M.D., INC.	7	1929	MAY/JUN DRUG TESTING	120.00	
12961	07/16/04	313.26	282	GRAINGER		1930	WATER CHILLER/DISP	313.26	
12962	07/16/04	153.00	367	COMMUNITY TELEVISION OF		1931	TV COVERAGE 6/25 MTG	153.00	
12963	07/16/04	3,841.59	378	STEWART & STEVENSON		1932	REV VEH PARTS	73.12	
						1933	REV VEH PARTS	2,842.61	
12964	07/16/04	241.22	395	APPLIED GRAPHICS, INC.		1934	REV VEH PARTS	925.86	
						1935	LETTERHEAD/LGL	59.10	
						1936	BUSINESS CARDS/OPS	91.06	
						1937	BUSINESS CARDS/RISK	91.06	
12965	07/16/04	84.07	405	JOHN'S ELECTRIC MOTOR SVC	7	1938	OUR CLOCK/FAC	84.07	
12966	07/16/04	230.94	434	VERIZON WIRELESS-PAGERS		1939	JUL PAGERS	230.94	
12967	07/16/04	228.96	436	WEST PAYMENT CENTER		1940	CA CIVIL PROC 04/LGL	138.24	
						1941	CONSTR LITIG HDBK 04	90.72	
12968	07/16/04	6,937.87	448	UNISOURCE		1942	CLEANING SUPPLIES	6,937.87	
12969	07/16/04	190.00	478	BEE CLENE	0	1943	CUSTODIAL SVCS/CRPTS	190.00	
12970	07/16/04	1,285.20	480	DIESEL MARINE ELECTRIC		1944	REV VEH PARTS	1,285.20	
12971	07/16/04	386.10	504	CUMMINS WEST, INC.		1945	OUT REPAIR REV VEH	386.10	
12972	07/16/04	226.00	511	LUMINATOR		1946	REV VEH PARTS 226	226.00	
12973	07/16/04	102.07	534	REGENTS OF UNIVERSITY OF CALIF		1947	PREPARE FOR TRIAL	102.07	
12974	07/16/04	69.63	566	ARROWHEAD MTN SPRING WATER		1948	JUN WATER ADMIN	69.63	
12975	07/16/04	310.56	647	GFI GENFARE		1949	REV VEH PARTS	310.56	
12976	07/16/04	755.06	851	I.M.P.A.C. GOVERNMENT SERVICES		1950	4055019201230622	755.06	
12977	07/16/04	1,288.00	852	LAW OFFICES OF MARIE F. SANG	7	1951	WORKERS COMP CLAIMS	1,288.00	
12978	07/16/04	828.78	856	ANGI INTERNATIONAL LLC		1952	IDLER/PULLEY PARTS	828.78	
12979	07/16/04	3,248.91	909	CLASSIC GRAPHICS		1953	OUT REPAIR/#2238	1,582.59	
						1954	OUT REPAIR/#9825	1,666.32	
12980	07/16/04	966.99	973	SANTA CRUZ DODGE		1955	REV VEH PARTS	966.99	
12981	07/16/04	22,401.39	975	TRISTAR RISK MANAGEMENT NO. 2		1956	SPCL REPLENISHMENT	22,401.39	
12982	07/16/04	10.00	E048	MARTINEZ, MARK		1957	VTT FEES	10.00	
12983	07/16/04	208.97	E397	GALLAGHER, MARGARET		1958	EMP INCENTIVE/LGL	41.94	
						1959	MILEAGE/PARKING SF	167.03	
12984	07/23/04	595.06	001	SBC		1961	JUL PHONE/IT	595.06	

CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 07/01/04 THRU 07/31/04

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
12985	07/23/04	181.60	001025	COUNTY OF SANTA CRUZ		1962	JUN REFUSE	181.60	
12986	07/23/04	4,638.90	001036	STANDARD INSURANCE COMPANY		2013	AUG LIFE/AD&D INS	4,638.90	
12987	07/23/04	424.31	001063	NEW FLYER INDUSTRIES LIMITED		1963	REV VEH PARTS 127	141.27	
						1964	REV VEH PARTS 283	283.04	
12988	07/23/04	19,280.49	001346	CITY OF SANTA CRUZ		1965	JAN-JUN OFFICER/MET	16,795.51	
						1966	PARKING DEF FEES	1,211.10	
						1967	04/05 COOP RETL MGMT	1,273.88	
12989	07/23/04	36.48	001648	STEVE'S UNION SERVICE		1968	JUN FUEL	36.48	
12990	07/23/04	147,611.02	001762	COMMUNITY BRIDGES		1969	JUN ADA PARATRANSIT	147,611.02	
12991	07/23/04	2,199.61	001A	SBC/MCI		1970	JUN PHONES	2,199.61	
12992	07/23/04	2,000.00	002352	U.S. POSTAL SERVICE(AMS-TMS)		1971	POSTAGE FOR METER	2,000.00	
12993	07/23/04	325.75	002707	PITNEY BOWES CREDIT CORP		1972	6/30-9/30 RENTAL	325.75	
12994	07/23/04	10,688.98	009	PACIFIC GAS & ELECTRIC		1973	6/5-7/7 PACIFIC	1,138.23	
						1974	6/5-7/7 PACIFIC	667.52	
						1975	6/5-7/7 PACIFIC	137.32	
						1976	6/11-7/12 KINGS VLG	526.20	
						1977	6/11-7/12 KINGS VLG	14.75	
						2014	6/1-7/6 CNG/G RVR	8,204.96	
12995	07/23/04	8,848.91	018	SALINAS VALLEY FORD SALES		1978	REV VEH PARTS	3,890.38	
						1979	REV VEH PARTS	1,847.58	
						1980	REV VEH PARTS	3,110.95	
12996	07/23/04	1,048.32	059	BATTERIES USA, INC.		1981	REV VEH PARTS	1,048.32	
12997	07/23/04	4,418.00	080	STATE BOARD OF EQUALIZATION		2015	APR-JUN USE TAX	4,418.00	
12998	07/23/04	2,041.41	080A	STATE BOARD OF EQUALIZATION		1982	APR-JUN FUEL TAX	2,041.41	
12999	07/23/04	414.46	083	THYSSENKRUPP ELEVATOR -042		1983	JUL-SEP ELEV SVC	414.46	
13000	07/23/04	366.50	090	CRYSTAL SPRINGS WATER CO.		1984	JUN WATER FLEET	366.50	
13001	07/23/04	95.88	130	CITY OF WATSONVILLE UTILITIES		1985	6/4-7/1 SAKATA	13.38	
						1986	6/4-7/1 RODRIGUEZ	9.46	
						1987	6/1-7/1 SAKATA	73.04	
13002	07/23/04	4,121.02	134	DAY WIRELESS SYSTEMS		1988	JUN OUT REPAIR EQUIP	4,121.02	
13003	07/23/04	50.00	149	SANTA CRUZ SENTINEL		2016	JOBFINDER.COM	50.00	
13004	07/23/04	7.00	172	CENTRAL WELDER'S SUPPLY, INC.		1989	PARTS & SUPPLIES	7.00	
13005	07/23/04	32,068.00	174	SAYLOR & HILL COMPANY		1990	04/05 PROPERTY INS	32,068.00	
13006	07/23/04	777.60	215	IKON OFFICE SOLUTIONS		1991	7/26-10/25 COPIR/OPS	777.60	
13007	07/23/04	801.81	291	STANLEY ACCESS TECHNOLOGIES		1992	REPAIR WTC DOORS	801.81	
13008	07/23/04	546.67	294	ANDY'S AUTO SUPPLY		1993	REV VEH PARTS/SUPPLY	546.67	
13009	07/23/04	418.29	378	STEWART & STEVENSON		1994	REBUILD TRANSMISSION	418.29	
13010	07/23/04	866.58	395	APPLIED GRAPHICS, INC.		1995	PURCHASE ORDER FORMS	866.58	
13011	07/23/04	123.26	436	WEST PAYMENT CENTER		1996	JUN ACCESS CHGS	123.26	
13012	07/23/04	4,141.48	447	FERRIS HOIST & REPAIR, INC.		1997	OUT REPAIR HOIST	4,141.48	
13013	07/23/04	391.44	448	UNISOURCE		1998	CLEANING SUPPLIES	391.44	
13014	07/23/04	321.00	481	PIED PIPER EXTERMINATORS, INC.		1999	JUN PEST CONTROL/	271.00	
						2000	CHINA EXPRESS	50.00	
13015	07/23/04	191.92	510	ASCOM HASLER LEASING		2001	AUG EQUIP RENTAL	191.92	
13016	07/23/04	3,263.86	527	RECARO NORTH AMERICA, INC.		2002	MOBILE SUPPLIES 3001	3,263.86	
13017	07/23/04	20.00	562	SECRETARY OF STATE		2003	STMT NONPROFIT CORP	20.00	
13018	07/23/04	2,086.56	566	ARROWHEAD MTN SPRING WATER		2017	QTY 6 WATER COOLERS	2,086.56	
13019	07/23/04	1,127.20	580	BLOCK AND COMPANY, INC.		2004	DEPOSIT BAGS/OPS	1,127.20	
13020	07/23/04	48.90	604	YENGLE SOLUTIONS	7	2005	TRANSLATION SVCS	48.90	
13021	07/23/04	15,778.00	616	BROWN ARMSTRONG		2006	AUDIT SERVICES	15,778.00	

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ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 07/01/04 THRU 07/31/04

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
13022	07/23/04	760.20	629	HUGHES & ASSOCIATES	7	2007	INVESTIGATIVE SVCS	760.20	
13023	07/23/04	4,885.70	647	GFI GENFARE		2008	REMOTE KEYPAD	4,885.70	
13024	07/23/04	108.65	754	WINZER CORPORATION		2018	PARTS & SUPPLIES	108.65	
13025	07/23/04	90,934.00	858	CSAC EXCESS INSURANCE AUTHORITY		2019	EXCESS WORK COMP INS	90,934.00	
13026	07/23/04	4,400.00	865	KINGSTON, GEORGE & ASSOCIATES	7	2020	AUDIT SVCS WORK COMP	4,400.00	
13027	07/23/04	222.48	914	CALTRONICS BUSINESS SYSTEMS		2022	OUT REPAIR COPIR/FLT	222.48	
13028	07/23/04	88.70	932	A.L. LEASE COMPANY, INC.		2021	REPAIRS/MAINTENANCE	88.70	
13029	07/23/04	34.00	E080	ESCARCEGA, MIGUEL GALINDO		2009	DMV RENEWAL	34.00	
13030	07/23/04	10.00	E116	ELLIOTT, EDWARD		2010	VTT FEES	10.00	
13031	07/23/04	3,807.00	R422	BLOOMBECKER, JAY LAW OFFICE	7	2011	SETTLEMENT CLAIM	3,807.00	
13032	07/23/04	6,193.00	R423	CHAVEZ, GUILLERMO	7	2012	SETTLEMENT CLAIM	6,193.00	
13033M07/26/04		85.00	R421	HAMAKO, CONRAD M.D. MEDICAL PAYMENT		2023	MEDICAL PAYMENT	85.00	MANUAL
13034	07/28/04	1,407.05	001119	MACERICH PARTNERSHIP LP	7	9000118	CAPITOL MALL RENT	1,407.05	
13035	07/28/04	31,581.00	002116	HINSHAW, EDWARD & BARBARA	7	9000119	120 DUBOIS RENT	6,435.77	
						9000120	370 ENCINAL RENT	25,145.23	
13036	07/28/04	10,794.22	002117	IULIANO, NICK	7	9000121	111 DUBOIS RENT	10,794.22	
13037	07/28/04	2,422.21	002610	FREDERICK ELECTRONICS CORP.		9000122	375 ENCINAL RENT	2,422.21	
13038	07/28/04	900.00	840	BOUCHARD, BRENT	7	9000123	VERNON ST RENT	900.00	
13039	07/28/04	249.84	M001	HORTON, JOSEPH		9000124	MED INS PREMIUM REIM	249.84	
13040	07/28/04	41.14	M002	RACKLEY, EARL		9000125	MED INS PREMIUM REIM	41.14	
13041	07/28/04	228.77	M003	WYANT, JUDI		9000126	MED INS PREMIUM REIM	228.77	
13042	07/28/04	228.77	M005	ROSS, EMERY		9000127	MED INS PREM REIMB	228.77	
13043	07/28/04	596.40	M006	VAN DER ZANDE, ED		9000128	MED INS PREM REIMB	596.40	
13044	07/28/04	489.54	M007	BLAIR-ALWARD, GREGORY		9000129	MED INS PREM REIMB	489.54	
13045	07/28/04	280.84	M008	CAMPOS, ARVILLA		9000130	MED INS PREM REIMB	280.84	
13046	07/28/04	816.40	M009	FREEMAN, MARY		9000131	MED INS PREM REIMB	816.40	
13047	07/28/04	280.84	M010	SHORT, SLOAN		9000132	MED INS PREM REIMB	280.84	
13048	07/28/04	41.14	M011	LAWSON, LOIS		9000133	MED INS PREM REIMB	41.14	
13049	07/28/04	41.14	M012	ROSE, JACK		9000134	MED INS PREM REIMB	41.14	
13050	07/28/04	72.14	M013	JAHNKE, EILEEN		9000135	MED INS PREM REIMB	72.14	
13051	07/28/04	41.14	M015	HETH, KATHRYN		9000136	MED INS PREM REIMB	41.14	
13052	07/28/04	20.07	M016	HICKLIN, DONALD KENT		9000137	MED INS PREM REIMB	20.07	
13053	07/28/04	20.07	M017	PORTILLA, EARLENE		9000138	MED INS PREM REIMB	20.07	
13054	07/28/04	72.14	M019	WILLIAMS, ROBERT		9000139	MED INS PREM REIMB	72.14	
13055	07/28/04	219.57	M022	CAPELLA, KATHLEEN		9000140	MED INS PREM REIMB	219.57	
13056	07/28/04	8.94	M023	CARLSON, WILLIAM		9000141	MED INS PREM REIMB	8.94	
13057	07/28/04	30.44	M024	DOBBS, GLENN		9000142	MED INS PREM REIMB	30.44	
13058	07/28/04	35.19	M025	ELIA, LARRY		9000143	MED INS PREM REIMB	35.19	
13059	07/28/04	30.44	M028	ORTEGA, MANUELA		9000144	MED INS PREM REIMB	30.44	
13060	07/28/04	39.94	M029	REESE, CHARLES		9000145	MED INS PREM REIMB	39.94	
13061	07/28/04	11.34	M032	TOWE, JANIE		9000146	MED INS PREM REIMB	11.34	
13062M07/30/04		342.00	896	BUTLER, ANN 1122 RIVER STREET		2112	1122 RIVER STREET	342.00	MANUAL
TOTAL		1,379,215.19		COAST COMMERCIAL BANK			TOTAL CHECKS	217	1,379,215.19

Santa Cruz METRO July 2004 Ridership Report

FAREBOX REVENUE AND RIDERSHIP SUMMARY BY ROUTE

ROUTE	REVENUE	RIDERSHIP	UC Student	UC Staff Faculty	Day Pass	S/D Riders	W/C	S/D Day Pass	Cabrillo	Bike	Passes/Free Rides
10	\$ 2,607.75	13,427	6,390	3,465	25	53	14	3	62	629	1,754
13	\$ -	-	-	-	-	-	-	-	-	-	-
15	\$ -	-	-	-	-	-	-	-	-	-	-
16	\$ 6,747.44	26,026	12,059	5,856	68	129	43	21	162	1,071	3,671
19	\$ 2,023.00	8,618	4,410	1,690	15	52	3	19	50	427	1,198
2	\$ 2,341.96	4,526	823	374	62	59	8	13	78	145	1,811
3A	\$ 1,101.44	2,437	137	187	30	44	4	35	40	66	1,386
3B	\$ 1,630.19	3,338	200	168	35	77	26	20	92	123	1,816
3N	\$ 82.20	194	24	11	-	2	-	-	-	9	108
3C	\$ 278.81	620	59	53	2	10	9	6	4	32	322
4	\$ 1,511.69	5,189	120	72	27	143	11	41	49	82	3,565
7	\$ 529.75	1,845	25	22	4	42	22	27	41	24	1,350
7N	\$ 1,695.40	2,373	86	62	1	43	10	-	37	95	1,039
9	\$ 47.95	208	3	12	-	6	2	2	5	3	153
12A	\$ -	-	-	-	-	-	-	-	-	-	-
12B	\$ -	-	-	-	-	-	-	-	-	-	-
20	\$ 146.14	923	470	223	1	4	-	-	11	54	118
22	\$ -	-	-	-	-	-	-	-	-	-	-
31	\$ 2,081.63	3,227	81	94	43	66	24	30	56	146	1,644
32	\$ 218.90	513	13	21	1	9	15	1	3	14	328
33	\$ -	-	-	-	-	-	-	-	-	-	-
34	\$ -	-	-	-	-	-	-	-	-	-	-
35	\$ 26,551.83	33,852	348	290	365	560	75	191	434	1,615	15,844
36	\$ 214.72	383	-	55	7	12	-	-	9	34	158
40	\$ 1,560.00	1,403	25	24	69	24	-	8	4	178	511
41	\$ 1,028.75	1,482	85	119	17	23	3	3	66	223	522
42	\$ 886.93	1,050	21	14	4	14	-	5	13	109	445
52	\$ 256.78	590	5	11	6	45	3	12	15	9	397
53	\$ 464.22	872	12	10	8	48	77	18	44	36	514
54	\$ 575.84	1,118	10	14	4	38	12	14	70	63	635
55	\$ 1,770.26	3,355	22	30	38	107	82	29	413	98	1,784
56	\$ 132.28	649	-	4	2	4	-	2	75	16	344
58	\$ -	-	-	-	-	-	-	-	-	-	-
65	\$ 4,403.18	7,142	160	259	84	236	87	75	80	210	3,776
66	\$ 10,221.01	14,552	276	387	156	291	165	98	246	408	7,068
67	\$ 5,486.69	8,237	205	245	91	196	63	63	76	334	4,186
69	\$ 7,150.74	12,765	506	477	107	356	113	86	244	497	6,789
69A	\$ 16,947.91	21,462	393	391	216	641	145	123	221	716	9,246
69N	\$ 1,696.96	2,544	100	78	2	49	14	1	79	131	1,149
69W	\$ 19,067.51	26,662	445	576	190	601	184	138	1,139	903	11,740
70	\$ -	-	-	-	-	-	-	-	-	-	-
71	\$ 60,214.76	75,623	754	1,020	590	2,194	313	439	3,320	2,505	30,560
72	\$ 6,802.28	7,266	4	39	95	389	40	55	129	101	2,647
73	\$ 5,611.02	5,733	-	12	48	337	38	49	86	58	1,976
75	\$ 9,341.20	9,412	5	6	102	638	41	101	177	153	3,149
78	\$ 127.06	129	-	-	-	16	4	1	-	3	43
79	\$ 1,888.56	2,366	7	5	29	169	21	57	36	31	1,139
91	\$ 5,579.35	6,846	54	147	132	94	35	22	710	433	2,334
Unknown	\$ 91.10	400	-	290	9	-	3	4	2	3	7
TOTAL	\$211,115.19	319,357	28,337	16,813	2,685	7,821	1,709	1,812	8,378	11,787	127,226

ROUTE	REVENUE	RIDERSHIP	VTA/SC Day Pass	CalTrain	17 Day Pass	S/D Riders	W/C	METRO	ECO Pass	Bike	Monthly Pass
17	\$ 23,749.79	14,588	21	103	119	961	21	4,008	136	961	7,518

RIDERSHIP	
Night Owl	-
Beach Shuttle	5,856
TOTAL	5,856

July Ridership	339,801
July Revenue	\$ 234,864.98

Page 1 of the July Ridership Report will be presented for consideration at the August 27, 2004 Board Meeting.

BUS OPERATOR LIFT TEST *PULL-OUT*

VEHICLE CATEGORY	TOTAL BUSES	AVG # DEAD IN GARAGE	AVG # AVAIL. FOR SERVICE	AVG # IN SERVICE	AVG # SPARE BUSES	AVG # LIFTS OPERATING	% LIFTS WORKING ON PULL-OUT BUSES
FLYER/HIGHWAY 17 - 40'	7	0	7	1	6	1	100%
FLYER/LOW FLOOR - 40'	12	1	11	4	7	4	100%
FLYER/LOW FLOOR - 35'	18	4	14	13	1	13	100%
FLYER/HIGH FLOOR - 35'	15	1	14	5	9	5	100%
GILLIG/SAM TRANS - 40'	10	1	9	9	0	9	100%
DIESEL CONVERSION - 35'	15	3	12	12	0	12	100%
DIESEL CONVERSION - 40'	14	2	12	10	2	10	100%
ORION/HIGHWAY 17 - 40'	11	2	9	7	2	7	100%
CHAMPION	4	1	3	1	2	1	100%
TROLLEY	1	0	1	1	0	1	100%
CNG NEW FLYER - 40'	8	1	7	5	2	5	100%

Service Interruption Summary Report
Lift Problems
07/01/2004 to 07/31/2004

AM Peak Hour/Mile	Midday Hour/Mile	PM Peak Hour/Mile	Other Hour/Mile	Weekday Hour/Mile	Saturday Hour/Mile	Sunday Hour/Mile
00:00/0	00:00/00.00	00:00/00.00	0:00	00:00/00.00	00:00/0	00:00/0

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF JULY 2004

BUS #	DATE	DAY	REASON
2203CG	14-Jul	WEDNESDAY	Front skid plate drags excessively
2210CG	24-Jul	SATURDAY	Kneel doesn't come up until after you start driving
2237CN	29-Jul	THURSDAY	Kneel switch on dash is loose
2308OR	7-Jul	WEDNESDAY	Kneel doesn't want to release
8079F	30-Jul	FRIDAY	Won't lower properly
8095F	16-Jul	FRIDAY	Lift failed to stow
9807LF	23-Jul	FRIDAY	Lift sticks when deploying
9829LF	2-Jul	FRIDAY	Bus continues to roll in kneeling position

- F New Flyer
- G Gillig
- C Champion
- LF Low Floor Flyer
- GM GMC
- CG CNG
- CN SR855 & SR854
- OR Orion/Hwy 17

Note: Lift operating problems that cause delays of less than 30 minutes.

GOVERNMENT TORT CLAIM

RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Donald Carter Received: July 19, 2004 Claim #: 04-0013
Date of Incident: 06/02/04 Occurrence Report No.: SC 06-04-01

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- cl* 2. Deny the application to file a late claim.
- cl* 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- cl* 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$ _____ and reject the balance.

By *Margaret Gallagher* Date: 7/26/04
 Margaret Gallagher
 DISTRICT COUNSEL

I, Cindi Thomas, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of August the 27, 2004.

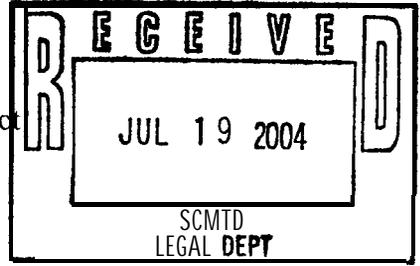
By _____ Date: _____
 Cindi Thomas
 RECORDING SECRETARY

MG/mm
Attachment(s)

CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

(Pursuant to Section 910 et Seq., Government Code)

Claim # 24-0013



TO: BOARD OF DIRECTORS, Santa Cruz Metropolitan Transit District

ATTN: Secretary to the Board of Directors
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

1. Claimant's Name: Donald Carter

Claimant's Address/Post Office Box: 15 Westlake # 506
Watsonville CA, 95076

Claimant's Phone Number: 831-783-3605

2. Address to which notices are to be sent: SAME

3. Occurrence: I was walking off the 69^A bus and was injured from the wheelchair lift. (11 stitches)
Date: 6-2-04 Time: After 6pm Place: Watsonville Transit Center.
Circumstances of occurrence or transaction giving rise to claim: As I was walking off the bus I heard beeping, but it's the same beeping when the bus driver lowers and raises the bus to let people off and on the bus. So I didn't know the lift was being raised, and walked into a wheelchair ramp unaware.

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: I was traumatized, and since the incident I get occasional pain in leg. That occurrence was the most traumatic thing that's ever happened to me and I hope this claim is not of neglect.

5. Name or names of public employees or employees causing injury, damage, or loss, if known: don't know

6. Amount claimed now \$ 1000.00
Estimated amount of future loss, if known \$ don't know
TOTAL \$ 1000.00

7. Basis of above computations: pain and suffering, having to go through this ordeal, and live with this scar on leg. (Ambulance) Medical doesn't cover ambulance bill!

Donald Carter
CLAIMANT'S SIGNATURE (or Company Representative or Parent of Minor Claimant)

7-16-04
DATE

Note: Claim must be presented to the Secretary to the Board of Directors, Santa Cruz Metropolitan Transit District

After the incident on 6-2-04, I Donald Carter was riding a bus one day and asked a bus driver whose fault it was. He said the driver, because the bus driver should look for passengers before raising the ramp. ~~He~~ He also said ~~that~~ and demonstrated at a bus stop the difference in raising the ^{wheelchair} ramp, or ~~or~~ just raising or lowering the bus, to let off or on passengers. (sounds beeping are all the same) Since I've been riding the bus for over 20 years all drivers have announced or told people to exit through the back door of the bus. So when I was walking off the bus that treacherous day in June and going into shock and traumatized severely, I can honestly say without a doubt that when I heard the beeping I thought the driver was lowering the bus not the ramp, and if you do your investigation you'll find I'm right. ^{wheelchair} The driver did not try to stop me because he was ^{raising ramp or just lowering the bus} facing toward his seat to raise ramp, by the time I got to the front door it was too late.

P.S. ~~to~~ To save you from other people getting hurt from the wheelchair lift, their needs to be a different sound when you raised the wheelchair ramp from lowering the bus or raising the bus to let people on or off the bus. The sound is virtually the same, and if claim is not met, ~~and~~ I have an Attorney who will take my case.

Sincerely Yours

Donald Carter

GOVERNMENT TORT CLAIM

RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Dellacross, Ahmahnee Received: 8/13/04 Claim #: 04-0015
Date of Incident: 5/5/04 Occurrence Report No.: SC 05-04-03

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late claim.
- 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$_____ and reject the balance.

By Margaret Gallagher
Margaret Gallagher
DISTRICT COUNSEL

Date: 8/18/04

I, Cindi Thomas, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of August the 27, 2004.

BY _____
Cindi Thomas
RECORDING SECRETARY

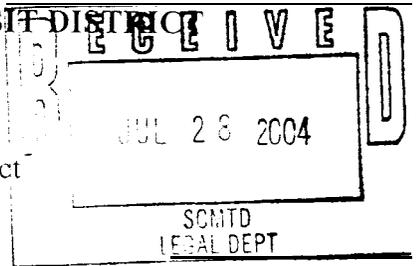
Date: _____

MG/mm
Attachment(s)

CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

(Pursuant to Section 910 et. Seq., Government Code)

Claim # 04-0015



TO: BOARD OF DIRECTORS, Santa Cruz Metropolitan Transit District

ATTN: Secretary to the Board of Directors
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

1. Claimant's Name: Ahmadnee P dellaCross

Claimant's Address/Post Office Box: P.O. Box 11 95061

Claimant's Phone Number: 423-3857
Santa Cruz, CA

2. Address to which notices are to be sent: Same as Above

3. Occurrence: Cart for shopping, wheel snagged

in between bus + curbside

Date: MAY 5/2004 Time: afternoon Place: Metro Center

Circumstances of occurrence or transaction giving rise to claim: was unable to

Review guidance that would have prevented
damage to cart wheel

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: wheel crushed

5. Name or names of public employees or employees causing injury, damage, or loss, if known: Frederick Coda

6. Amount claimed now s what ever I

Estimated amount of future loss, if known s take to have

TOTAL s new cart

7. Basis of above computations: _____

A.P. dellaCross

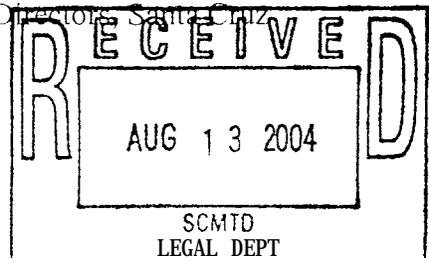
July 27/2004

CLAIMANT'S SIGNATURE (or Company Representative or Parent of Minor Claimant)

DATE

estamt
of cost
60-70
Bucks

Note: Claim must be presented to the Secretary to the Board of Directors, Santa Cruz Metropolitan Transit District





Agenda Metro Advisory Committee

6:00 pm
August 18, 2004
920 Pacific Avenue
Santa Cruz, California

- I. Roll Call
- II. Agenda Additions/ Deletions
- III. Oral/Written Communication
- IV. Consideration of Minutes of July 21, 2004 MAC Meeting
- V. Consideration of Recommendation Regarding Process for Board Removal of Advisory Committee Members.
- VI. Receive Request from Gary Harrold to Consider Bikes on Buses Accessibility.
- VII. Review of Transition of ParaCruz Operations.
- VIII. Consideration of the Actions Taken by the California Transportation Commission on August 5, 2004 and the impact on MetroBase Funding.
- IX. Discussion of State of California General Fund Debt to Transportation Fund.
- X. Receive Information Regarding Comparability of METRO Labor Costs to Other Bay Area Transit Systems.
- XI. Review and Discussion of the State Transportation Improvement Program (STIP) 2004/2009 and the SCCRTC Expenditure Plan being submitted to the Voters.
- XII. Consideration of Recommending an Individual to the METRO Board of Directors for Appointment to serve as a Permanent Member of the SCCRTC Paratransit Coordination Task Force.
- XIII. Communications to METRO General Manager.



August 2004

Dear MASTF members,

Elizabeth Miller is bringing treats to MASTF meetings to share. Come and share them with us.

This month MASTF will be voting on by-laws amendments. A 2/3 majority will be needed to pass these proposed amendments. The new proposed text reads:

3. Membership

(between b and c) Attendance prior to acquisition of MASTF membership shall count towards attendance requirements for voting on MASTF motions, by-laws changes and elections.

(between e and f) Organizations may join MASTF.

These will be referred to as "Affiliate Organizations".

- a. Affiliate Organizations shall have full voting rights.
- b. Affiliate Organizations membership belongs to the Affiliate Organization, not to the individual representing the organization. Thus, the individual representing the organization may change without affecting the fulfillment of attendance requirements for voting.

- c. Individual who represent Affiliate Organizations may also have personal membership, but may vote only in one capacity at any given MASTF meeting.
- d. An Affiliate Organization may not serve on the MASTF Executive committee.

(added to f) MASTF believes all people should have a voice in MASTF meetings, and encourages public participation. *Non-members may participate in MASTF discussions, but may not make or second motions or vote. (Note: Italicized section is already in by-laws, but is included here to give context.)*

Also proposed for By-laws amendment is the removal of section 4f:

- 4f) The agenda will include the following items:
 - i) Call to Order and Introductions
 - ii) Approval of Previous Meeting Minutes
 - iii) Oral Communications and Correspondence
 - iv) Additions and Deletions to this Agenda
 - v) Ongoing Business
 - vi) New Business
 - vii) Adjournment

Current MASTF By-laws can be found on the MASTF website

www.MASTF.org

http://www.mastf.org/admin/04_bylaws.htm

In this packet is:

1. August Agenda
2. July Minutes
3. Proposed Affiliate Organization Membership Application



AGENDA

Metro Accessible Services Transit Forum (MASTF) *

(*An official Advisory group to the Metro Board of Directors and the ADA Paratransit Program)

Thursday , August 19, 2004 2:00-4:30 p.m.
The NIAC Building in the Training Center
333 Front Street, Santa Cruz, CA.

ELIGIBLE VOTING MEMBERS FOR THIS MEETING:

Sharon Barbour, Scott Bugental, Ted Chatterton, Connie Day, Shelley Day, Jeff LeBlanc, Elizabeth Miller, Thom Onan, and Bob Yount

Public participation in MASTF meeting discussions is encouraged and greatly appreciated.

- I. Call to Order and Introductions
- II. Approval of the July 15, 2004 MASTF Minutes
- III. Oral Communication and Correspondence

MASTF will receive oral and written communications during this time on items NOT on this meeting agenda. Topics presented must be within the jurisdiction of MASTF. Presentations may be limited in time at the discretion of the Chair. MASTF members will not take action or respond immediately to any presentation, but may choose to follow up at a later time.

IV. Amendments to this Agenda

V. Ongoing Business

- a. Vote on By-Laws Changes (2/3 majority needed to pass) Please see cover letter for exact wording.
 - i. Affiliate organizations membership
 - ii. Relationship between attendance, membership application, and voting rights
 - iii. Removal of "The agenda will include the following items:" section from by-laws (Section 4-f)
- b. Proposed wording for by-laws change:
Credit for attendance at MASTF meetings shall be given to both the individual and the organization when the person attending the MASTF meeting is a representative of an Affiliate Organization and also an individual MASTF members in his/her own right.
- c. Approval of Affiliate Organization Membership Application
- d. MASTF Membership Recruitment
- e. MASTF Finances and Fund Raising
- f. Paratransit Issues
- g. Status of METRO No Smoking Policy

VI. New Business

MASTF COMMITTEE REPORTS

- a. Reports from MASTF/Board liaisons.

- b. Bus Stop Improvement Committee Report (Jeff LeBlanc)
 - i. Bus Stop Advisory Committee (BSAC) Report
- c. Bus Service Committee Report (Connie Day)
 - i. MAC report
 - ii. Service Planning and Review Report
- d. Training and Procedures Committee Report
- e. The Paratransit Services Committee Report
 - i. Santa Cruz County Commission on Disabilities Report
- f. Elderly and Disabled Transportation Advisory Committee (E&D TAC) Report (Bob Yount)

OTHER REPORTS

- g. Paratransit Report (Link Spooner)
- h. CCCIL ADA Paratransit Transportation Advocacy (Thom Onan)
- i. UTU Report (Jeff North)
- j. SEIU/SEA Report (Eileen Pavlik)

VII. Next Month's Agenda Items

VIII. Adjournment

Note: This meeting is held at a location that is accessible to persons using wheelchairs. If you have questions, or want additional information about MASTF, please contact Sharon Barbour by phone at (831) 338-6647, visit the MASTF web site at www.mastf.org or address email to chair@MASTF.Org



MASTF Minutes 15 July 2004

Metro Accessible Services Transit Forum (MASTF)*
(*An official Advisory group to the Metro Board of Directors
and the ADA Paratransit Program)

The Metro Accessible Services Transit Forum met in the Training Room of the NIAC Building, 333 Front Street, Santa Cruz, CA.

MASTF MEMBERS PRESENT: Sharon Barbour, Scott Bugental, Ted Chatterton, Connie Day, Shelley Day, Jeff LeBlanc, Elizabeth Miller, Thom Onan, and Bob Yount

METRO STAFF PRESENT: Ian McFadden, Steve Paulson

BOARD MEMBERS PRESENT: None

MASTF MOTIONS RELATED TO THE METRO BOARD OF DIRECTORS:

NEEDS ASSESSMENT FOR THE SENIOR AND DISABLED
ON
FIXED ROUTE AND PARATRANSIT:

1. Restoration of lost fixed route service.

2. Holiday Service.
3. Upgrading head-signs on buses so that all head-signs are of the same level of legibility as those most recently purchased.
4. Bus stops and bus routing in front of all senior and disabled trip generators.
5. Paratransit service outside the ADA service area.
6. More ADA compliant bus stop improvements, including benches, shelters, and lighting.
7. Brail and raised numerals on bus signage at bus stops indicating which bus routes are being offered at each stop.

MASTF MOTIONS RELATED TO THE METRO MANAGEMENT:

1. MASTF commends District planning staff for making the present round of service cuts as fair and reasonable as possible under the circumstances.

MASTF MOTIONS Passed:

- 1) Accept June 17, 2004 Minutes
 - 2) Approval of proposed language for By-laws changes
(Please see cover letter for exact wording)
-

- I. I. Call to Order and Introductions: The meeting opened at 2:03 PM.
- II. Approval of the June 17, 2004 MASTF Minutes (LeBlanc/Yount) Passes Unanimously
- II. Oral Communication and Correspondence
 1. Announcement that the MASTF Executive Committee has appointed Elizabeth Miller to be MASTF Secretary (a new executive committee seat) until the November elections.

III. Amendments to this Agenda:

Bus Service Planning and Review Report brought to head of agenda.

IV. Ongoing Business

- a. Drafting of specific language for potential By-Laws changes (Please see attached cover letter for actual language of proposed By-laws Changes)
 - i. Affiliate organizations membership (LeBlanc/Onan)
 - ii. Attendance and Voting eligibility (Bugental/Onan)
 - iii. Agenda (Onan/LeBlanc)
- b. MASTF Membership Recruitment – not discussed
- c. MASTF Finances and Fund Raising – not discussed
- d. Paratransit Issues – Discussion, no motion made
- e. Status of METRO No Smoking Policy – Not discussed

IX. New Business

- a. Needs Assessment – Discussion and approval of needs assessment for the senior and disabled on fixed rout and Paratransit (Onan/Yount)

Please see “MASTF Motions related to the Metro Board of Directors” above for the list.

MASTF COMMITTEE REPORTS

- b. Reports from MASTF/Board liaisons: None
- c. Training and Procedures Committee Report: None
- d. Bus Service Committee Report (Connie Day):

- i. MAC report: Report given
- ii. Service Planning and Review Report:

Ian McFadden gave a presentation at the beginning of the meeting of Metro service cuts to be implemented in September. A discussion followed.

Motion made that MASTF commends District planning staff for making the present round of service cuts as fair and reasonable as possible under the circumstances. (LeBlanc/C. Day)
Passes

- e. Bus Stop Improvement Committee Report (Jeff LeBlanc)
 - i. Bus Stop Advisory Committee (BSAC) Report: None
- f. Elderly and Disabled Transportation Advisory Committee (E&D TAC) Report (Bob Yount): None

OTHER REPORTS

- g. Paratransit Report (Link Spooner): None
- h. CCCIL Transportation Advocacy (Thom Onan): Nothing to report
- i. UTU Report (Jeff North): None
- j. SEIU/SEA Report (Eileen Pavlik): None

X. Next Month's Agenda Items

XI. Adjournment: Chair Barbour adjourned the meeting at 4:40 p.m.

Respectfully Submitted by Elizabeth Miller

NOTE: SANTA CRUZ METRO TRANSIT DISTRICT BOARD OF DIRECTORS MEETING IS:

Second Friday of the month at 9:00 AM in the S.C.M.T.D.
Administrative Offices, 370 Encinal Street, Santa Cruz, CA.
Fourth Friday of the month at 9:00 AM at the Santa Cruz City Council
Chambers, 809 Center Street, Santa Cruz, CA.

XIV. Communications to METRO Board of Directors.

XV. Items for Next Meeting Agenda.

XVI. Adjournment

Next Meeting: Wednesday September 15, 2004 @ 6:00 pm
Santa Cruz Metro Center Conference Room
Santa Cruz Metro Center

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Elisabeth Ross, Finance Manager

SUBJECT: MONTHLY BUDGET STATUS REPORT FOR JUNE 2004; APPROVAL OF BUDGET TRANSFERS; DESIGNATION OF EXCESS SALES TAX FUNDS IN THE AMOUNT OF \$800,000 FOR CARRYOVER IN THE FY 04-05 BUDGET, AND THE REMAINDER, IF ANY, FOR CAPITAL RESERVES; AND ADOPTION OF SCHEDULE OF RESERVE ACCOUNTS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors approve the budget transfers for the period of July 1-31, 2004; designate \$800,000 from sales tax revenue for carryover in the FY 04-05 budget, and designate the remainder of available sales tax revenue for allocation to capital reserves; and adopt the attached schedule of reserve accounts.

II. SUMMARY OF ISSUES

- The attached monthly revenue and expense report represents the status of the District's FY 03-04 revised budget, as of June 30, 2004, the end of the fiscal year. The numbers in the report are preliminary, since all accounting adjustments have not yet been completed.
- Operating revenue for the year (preliminary) totals \$30,897,289 or \$1,157,711 under the amount of revenue expected to be received during the fiscal year based on the revised budget.
- Total operating expenses for the year to date (preliminary) in the amount of \$29,793,405, are at 92.9% of the budget.
- A total of \$5,680,584 has been expended (preliminary) for the FY 03-04 Capital Improvement Program.
- Since workers' compensation costs are over budget for the year, there will be no allocation to reserves for that purpose. Staff recommends that any excess sales tax revenue be allocated to capital reserves, in accordance with the schedule of reserve accounts (Attachment B).
- The amount of revenue received exceeds total expenses by \$1,157,711 in this preliminary report. Of this, \$800,000 is required to be carried forward to the FY 04-05 budget. Although several accounting adjustments are still required in preparation for the final audit, the amount required for carryover should be available. The final reserve balances will be reported in the audited financial statements for the fiscal

year. If the schedule of reserve accounts changes significantly following all audit adjustments, it will be brought back to the Board.

III. DISCUSSION

An analysis of the District's budget status is prepared monthly in order to apprise the Board of Directors of the District's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue and expense report represents the status of the District's FY 03-04 budget as of June 30, 2004. The fiscal year is 100% elapsed.

A. Operating Revenues.

Operating revenue is \$1,157,711 or 3.6% under the amount expected to be received for the fiscal year, based on the revised budget adopted by the Board in December. Operating revenue variances are discussed in the attached notes to the report. The largest variance is sales tax revenue, which is \$220,773 or 1.4% under the budgeted amount for the year.

Paratransit fare revenue is \$30,412 or 9.8% under the amount expected to be received for the year. Paratransit fares are under budget only because the number of trips taken did not meet projections. As a result, the District achieved a corresponding savings in expense.

Because actual operating revenue exceeds operating expenses, funds do not need to be transferred from reserves to meet expenses. The FY 02-03 carryover can be used to fund the carryover required in the FY 04-05 budget. The transfer for MetroBase project manager expenses is not required because those expenses have been removed from total operating expenses and designated as capital expenditures.

B. Operating Expenses.

Total operating expenses are at 92.9% of the revised budget for the year (preliminary). There are no significant departmental budget overruns. All overruns are explained in the attached notes. Total expenses are within the budgeted amount for the year.

Several accounting adjustments are yet to be entered which will increase expenses, including depreciation.

C. Capital Improvement Program.

Expenses for the capital improvement program total \$5,680,584 for the year. Several of the capital projects will be carried over to FY 04-05. A total of \$520,905 in District reserves was required for the District share of capital projects in FY 03-04. All of the State Transit Assistance (STA) funding received will be reserved for MetroBase.

D. Allocation to Reserves.

For the past five years, the Board of Directors has designated excess sales tax revenue at year end for various reserves. Based on preliminary year end figures, it appears that there will be

excess sales tax revenues in FY 03-04 since expenses came in under budget. In several key areas, operating expenses did not reach budgeted levels, including wage and benefit expense (\$870,360 under budget), and services (\$419,503 under budget). These savings are of a one-time nature, primarily due to personnel vacancies. In addition, the contract transportation expense for the paratransit program was \$566,688 under budget for the year, due to fewer trips than projected, cost controls in the Community Bridges contract and the recertification program.

Staff proposes that funds be allocated to the reserve accounts in accordance with the schedule of reserve accounts (Attachment B). Since the final accounting adjustments have not yet been completed, the final amounts for the reserves may change slightly, in particular, the capital reserve. The final amounts will be available upon completion of the financial audit later this calendar year.

IV. FINANCIAL CONSIDERATIONS

Based on the preliminary numbers, FY 03-04 revenues exceed expenses (excluding depreciation) by approximately \$1,103,884 and should allow for the required carryover to FY 04-05.

Approval of the budget transfers will increase some line item expenses and decrease others. Overall, the changes are expense-neutral.

V. ATTACHMENTS

Attachment A: Revenue and Expense Report for June, and Budget Transfers

Attachment B: Schedule of Reserve Accounts

**MONTHLY REVENUE AND EXPENSE REPORT
OPERATING REVENUE - JUNE 2004**

Operating Revenue	FY 03-04 Budgeted for Month	FY 03-04 Actual for Month	FY 03-04 Budgeted YTD	FY 02-03 Actual YTD	FY 03-04 Actual YTD	YTD Variance from Budgetec	
Passenger Fares	\$ 344,425	\$ 308,306	\$ 3,684,173	\$ 3,055,479	\$ 3,789,874	\$ 105,701	
Paratransit Fares	\$ 52,881	\$ 44,635	\$ 309,000	\$ 210,280	\$ 278,588	\$ (30,412)	
Special Transit Fares	\$ 90,777	\$ 171,209	\$ 1,814,197	\$ 1,837,234	\$ 2,180,107	\$ 365,910	
Highway 17 Revenue	\$ 49,012	\$ 101,481	\$ 682,217	\$ 795,312	\$ 738,348	\$ 56,131	
<i>Subtotal Passenger Rev</i>	\$ 537,095	\$ 625,631	\$ 6,489,587	\$ 5,898,305	\$ 6,986,917	\$ 497,330	See Note 1
Advertising Income - OBIE	\$ -	\$ -	\$ -	\$ 90,000	\$ -	\$ -	
Advertising Income - Dist	\$ -	\$ -	\$ -	\$ 25,822	\$ 20,689	\$ 20,689	See Note 2
Commissions	\$ 767	\$ 506	\$ 9,200	\$ 9,063	\$ 7,133	\$ (2,067)	See Note 3
Rent Income	\$ 13,382	\$ 13,400	\$ 153,250	\$ 144,612	\$ 153,005	\$ (245)	See Note 4
Interest - General Fund	\$ 24,164	\$ 20,864	\$ 290,000	\$ 400,059	\$ 274,065	\$ (15,935)	See Note 5
Non-Transportation Rev	\$ 175	\$ 595	\$ 2,100	\$ 14,961	\$ 59,390	\$ 57,290	See Note 6
Sales Tax Income	\$ 1,288,000	\$ 1,430,719	\$ 15,409,000	\$ 15,187,728	\$ 15,188,227	\$ (220,773)	See Note 7
TDA Funds	\$ -	\$ -	\$ 5,337,724	\$ 5,134,522	\$ 5,337,724	\$ -	
FTA Op Asst - Sec 5307	\$ -	\$ -	\$ 2,804,435	\$ 1,229,934	\$ 2,804,435	\$ -	
FTA Op Asst - Sec 5311	\$ -	\$ -	\$ 65,704	\$ 46,701	\$ 65,704	\$ -	
Paratransit Carryover	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ -	
FY 02-03 Carryover	\$ -	\$ -	\$ 950,000	\$ 450,000	\$ -	\$ (950,000)	See Note 8
Transfer from Reserves	\$ -	\$ -	\$ 350,000	\$ 1,200,000	\$ -	\$ (350,000)	See Note 9
Transfer from Insurance Reserves	\$ -	\$ -	\$ 100,000	\$ 130,000	\$ -	\$ (100,000)	See Note 10
Transfer - Proj Mgr	\$ -	\$ -	\$ 94,000	\$ -	\$ -	\$ (94,000)	See Note 11
Total Operating Revenue	\$ 1,863,583	\$ 2,091,715	\$ 32,055,000	\$ 30,061,707	\$ 30,897,289	\$ (1,157,711)	

**MONTHLY REVENUE AND EXPENSE REPORT
OPERATING EXPENSE SUMMARY - JUNE 2004**

	FY 03-04 Final Budget	FY 03-04 Revised Budget	FY 02-03 Expended YTD	FY 03-04 Expended YTD	Percent Expended of Budget	
PERSONNEL ACCOUNTS						
Administration	\$ 891,383	\$ 903,109	\$ 631,734	\$ 846,375	93.7%	
Finance	\$ 522,456	\$ 523,672	\$ 462,614	\$ 493,739	94.3%	
Customer Service	\$ 519,934	\$ 515,069	\$ 567,491	\$ 403,728	78.4%	
Human Resources	\$ 327,189	\$ 334,866	\$ 312,650	\$ 372,369	111.2%	See Note 12
Information Technology	\$ 413,963	\$ 427,948	\$ 387,423	\$ 418,704	97.8%	
District Counsel	\$ 358,878	\$ 349,527	\$ 329,777	\$ 307,288	87.9%	
Facilities Maintenance	\$ 1,029,512	\$ 1,033,569	\$ 902,432	\$ 1,015,565	98.3%	
Paratransit Program	\$ 229,377	\$ 229,922	\$ 211,928	\$ 212,120	92.3%	
Operations	\$ 1,908,172	\$ 1,906,819	\$ 1,702,541	\$ 1,828,157	95.9%	
Bus Operators	\$ 12,044,316	\$ 11,828,193	\$ 11,381,882	\$ 11,862,632	100.3%	See Note 13
Fleet Maintenance	\$ 4,120,660	\$ 4,018,858	\$ 3,429,511	\$ 3,543,949	88.2%	
Retired Employees/COBRA	\$ 833,989	\$ 856,780	\$ 710,017	\$ 753,345	87.9%	
Total Personnel	\$ 23,199,828	\$ 22,928,331	\$ 21,030,001	\$ 22,057,970	96.2%	
NON-PERSONNEL ACCOUNTS						
Administration	\$ 585,535	\$ 585,662	\$ 506,742	\$ 533,102	91.0%	
Finance	\$ 950,128	\$ 933,101	\$ 713,254	\$ 876,959	94.0%	
Customer Service	\$ 114,080	\$ 95,280	\$ 120,990	\$ 84,054	88.2%	
Human Resources	\$ 59,322	\$ 59,379	\$ 25,078	\$ 34,607	58.3%	
Information Technology	\$ 103,670	\$ 97,727	\$ 61,070	\$ 59,616	61.0%	
District Counsel	\$ 21,735	\$ 21,777	\$ 11,877	\$ 12,982	59.6%	
Risk Management	\$ 206,350	\$ 206,350	\$ 427,744	\$ 67,939	32.9%	See Note 14
Facilities Maintenance	\$ 476,840	\$ 476,840	\$ 378,518	\$ 379,293	79.5%	
Paratransit Program	\$ 3,506,306	\$ 3,178,703	\$ 2,762,252	\$ 2,527,021	79.5%	See Note 15
Operations	\$ 534,490	\$ 584,599	\$ 471,358	\$ 485,584	83.1%	
Bus Operators	\$ 7,400	\$ 7,400	\$ 3,912	\$ 3,760	50.8%	
Fleet Maintenance	\$ 2,953,059	\$ 2,878,594	\$ 2,596,572	\$ 2,670,518	92.8%	
Op Prog/SCCIC	\$ 1,257	\$ 1,257	\$ 187	\$ -	0.0%	
Total Non-Personnel	\$ 9,520,172	\$ 9,126,669	\$ 8,079,554	\$ 7,735,434	84.8%	
Subtotal Operating Expense	\$ 32,720,000	\$ 32,055,000	\$ 29,109,555	\$ 29,793,405	92.9%	
Grant Funded Studies/Programs	\$ -	\$ -		\$ -	0.0%	
Transfer to/from Cap Program	\$ -	\$ -		\$ -	0.0%	
Pass Through Programs	\$ -	\$ -		\$ -	0.0%	
Total Operating Expense	\$ 32,720,000	\$ 32,055,000	\$ 29,109,555	\$ 29,793,405	92.9%	
YTD Operating Revenue Over YTD Expense				\$ 1,103,884		

**CONSOLIDATED OPERATING EXPENSE
JUNE 2004**

	FY 03-04 Final Budget	FY 03-04 Revised Budget	FY 02-03 Expended YTD	FY 03-04 Expended YTD	% Exp YTD of Budget	
LABOR						
Operators Wages	\$ 6,363,193	\$ 5,842,355	\$ 5,704,261	\$ 5,857,789	100.3%	See Note 16
Operators Overtime	\$ 927,591	\$ 1,227,591	\$ 1,123,727	\$ 1,268,210	103.3%	See Note 17
Other Salaries & Wages	\$ 6,390,190	\$ 6,137,485	\$ 5,210,492	\$ 5,461,410	89.0%	
Other Overtime	\$ 139,709	\$ 271,146	\$ 257,656	\$ 261,863	96.6%	
	\$ 13,820,683	\$ 13,478,577	\$ 12,296,136	\$ 12,849,272	95.3%	
FRINGE BENEFITS						
Medicare/Soc Sec	\$ 148,453	\$ 148,453	\$ 137,741	\$ 144,994	97.7%	
PERS Retirement	\$ 1,164,898	\$ 1,150,821	\$ 845,923	\$ 1,024,064	89.0%	
Medical Insurance	\$ 2,667,738	\$ 2,735,219	\$ 2,275,829	\$ 2,581,673	94.4%	
Dental Plan	\$ 455,704	\$ 465,509	\$ 401,154	\$ 386,377	83.0%	
Vision Insurance	\$ 123,307	\$ 123,307	\$ 118,351	\$ 115,477	93.6%	
Life Insurance	\$ 60,472	\$ 60,472	\$ 52,880	\$ 52,325	86.5%	
State Disability Ins	\$ 196,085	\$ 196,085	\$ 116,173	\$ 157,299	80.2%	
Long Term Disability Ins	\$ 221,054	\$ 221,054	\$ 313,640	\$ 209,596	94.8%	
Unemployment Insurance	\$ 46,893	\$ 46,893	\$ 28,714	\$ 59,856	127.6%	See Note 18
Workers Comp	\$ 1,666,634	\$ 1,673,634	\$ 1,801,644	\$ 1,824,925	109.0%	See Note 19
Absence w/ Pay	\$ 2,596,775	\$ 2,596,776	\$ 2,622,853	\$ 2,629,351	101.3%	See Note 20
Other Fringe Benefits	\$ 31,131	\$ 31,531	\$ 18,961	\$ 22,761	72.2%	
	\$ 9,379,144	\$ 9,449,753	\$ 8,733,865	\$ 9,208,698	97.4%	
SERVICES						
Acctng/Admin/Bank Fees	\$ 299,484	\$ 291,484	\$ 285,483	\$ 268,523	92.1%	
Prof/Legis/Legal Services	\$ 490,180	\$ 490,480	\$ 391,628	\$ 304,154	62.0%	See Note 21
Temporary Help	\$ -	\$ 6,000	\$ -	\$ 4,514	75.2%	
Custodial Services	\$ 89,000	\$ 89,000	\$ 73,122	\$ 73,512	82.6%	
Uniforms & Laundry	\$ 40,500	\$ 40,239	\$ 34,207	\$ 33,065	82.2%	
Security Services	\$ 346,188	\$ 392,188	\$ 299,589	\$ 314,770	80.3%	See Note 22
Outside Repair - Bldgs/Eqmt	\$ 188,686	\$ 188,686	\$ 156,744	\$ 134,690	71.4%	
Outside Repair - Vehicles	\$ 271,570	\$ 278,070	\$ 296,506	\$ 248,221	89.3%	
Waste Disp/Ads/Other	\$ 109,845	\$ 92,737	\$ 62,685	\$ 67,931	73.3%	
	\$ 1,835,453	\$ 1,868,884	\$ 1,599,962	\$ 1,449,381	77.6%	
CONTRACT TRANSPORTATION						
Contract Transportation	\$ 100	\$ 100	\$ -	\$ -	0.0%	
Paratransit Service	\$ 3,289,256	\$ 2,961,653	\$ 2,565,373	\$ 2,394,965	80.9%	See Note 23
	\$ 3,289,356	\$ 2,961,753	\$ 2,565,373	\$ 2,394,965	80.9%	
MOBILE MATERIALS						
Fuels & Lubricants	\$ 1,486,549	\$ 1,380,249	\$ 1,121,221	\$ 1,306,688	94.7%	
Tires & Tubes	\$ 131,000	\$ 161,000	\$ 136,455	\$ 158,150	98.2%	
Other Mobile Supplies	\$ 6,500	\$ 11,500	\$ 6,914	\$ 9,712	84.5%	
Inventory Adjustment	\$ -	\$ -	\$ -	\$ (63,259)	0.0%	See Note 24
Revenue Vehicle Parts	\$ 515,000	\$ 498,000	\$ 536,875	\$ 555,283	111.5%	See Note 24
	\$ 2,139,049	\$ 2,050,749	\$ 1,801,465	\$ 1,966,575	95.9%	

**CONSOLIDATED OPERATING EXPENSE
JUNE 2004**

	FY 03-04 Final Budget	FY 03-04 Revised Budget	FY 02-03 Expended YTD	FY 03-04 Expended YTD	% Exp YTD of Budget	
OTHER MATERIALS						
Postage & Mailing/Freight	\$ 22,367	\$ 19,125	\$ 21,258	\$ 12,732	66.6%	
Printing	\$ 73,275	\$ 81,122	\$ 84,355	\$ 63,330	78.1%	
Office/Computer Supplies	\$ 64,250	\$ 62,313	\$ 53,263	\$ 44,583	71.5%	
Safety Supplies	\$ 19,825	\$ 18,325	\$ 14,044	\$ 12,178	66.5%	
Cleaning Supplies	\$ 66,100	\$ 61,100	\$ 54,714	\$ 45,126	73.9%	
Repair/Maint Supplies	\$ 65,000	\$ 64,900	\$ 46,263	\$ 57,116	88.0%	
Parts, Non-Inventory	\$ 50,000	\$ 48,300	\$ 48,221	\$ 38,581	79.9%	
Tools/Tool Allowance	\$ 9,600	\$ 9,600	\$ 7,866	\$ 4,104	42.8%	
Promo/Photo Supplies	\$ 14,400	\$ 11,425	\$ 3,392	\$ 3,545	31.0%	
	\$ 384,817	\$ 376,210	\$ 333,376	\$ 281,294	74.8%	
UTILITIES	\$ 323,677	\$ 334,817	\$ 300,212	\$ 298,166	89.1%	
CASUALTY & LIABILITY						
Insurance - Prop/PL & PD	\$ 641,500	\$ 632,800	\$ 424,163	\$ 601,515	95.1%	
Settlement Costs	\$ 100,000	\$ 100,000	\$ 345,500	\$ 37,761	37.8%	See Note 25
Repairs to Prop	\$ -	\$ -	\$ (19,176)	\$ (20,649)	0.0%	See Note 26
Prof/Other Services	\$ -	\$ -	\$ 36	\$ -	0.0%	
	\$ 741,500	\$ 732,800	\$ 750,522	\$ 618,627	84.4%	
TAXES	\$ 49,433	\$ 49,048	\$ 37,696	\$ 38,240	78.0%	
MISC EXPENSES						
Dues & Subscriptions	\$ 51,970	\$ 52,830	\$ 52,309	\$ 51,924	98.3%	
Media Advertising	\$ 3,000	\$ 1,500	\$ 129	\$ 40	2.7%	
Employee Incentive Program	\$ 10,381	\$ 10,642	\$ 10,002	\$ 9,884	92.9%	
Training	\$ 28,775	\$ 26,675	\$ 9,211	\$ 9,796	36.7%	See Note 27
Travel	\$ 35,941	\$ 35,941	\$ 22,753	\$ 19,537	54.4%	See Note 27
Other Misc Expenses	\$ 18,314	\$ 18,314	\$ 10,584	\$ 15,041	82.1%	
	\$ 148,381	\$ 145,902	\$ 104,988	\$ 106,222	72.8%	
OTHER EXPENSES						
Leases & Rentals	\$ 608,506	\$ 606,506	\$ 585,960	\$ 581,964	96.0%	
	\$ 608,506	\$ 606,506	\$ 585,960	\$ 581,964	96.0%	
Total Operating Expense	\$ 32,720,000	\$ 32,055,000	\$ 29,109,555	\$ 29,793,405	92.9%	

**MONTHLY REVENUE AND EXPENSE REPORT
FY 03-04 CAPITAL IMPROVEMENT PROGRAM**

CAPITAL PROJECTS	Program Budget	Expended in June	YTD Expended
<u>Grant Funded Projects</u>			
MetroBase	\$ 9,306,548	\$ 195,409	\$ 914,122
Urban Bus Replacement	\$ 6,018,365		\$ 4,519,202
Metro Center Renovation Project	\$ 108,891		\$ 8,212
Spare Parts for New Buses (carryover)	\$ 97,550		\$ 64,308
Talking Bus (carryover)	\$ 9,000	\$ 1,625	\$ 35,740
	\$ 15,540,354		
<u>District Funded Projects</u>			
Bus Stop Improvements	\$ 60,000		\$ -
IT Projects including GIRO carryover	\$ 46,370		\$ 45,081
Paratransit Program	\$ 15,000	\$ 7,096	\$ 15,337
Facilities Repairs & Improvements	\$ 65,000	\$ 35,090	\$ 41,349
Radio Repeater	\$ 13,000		\$ 7,560
Bus Windows	\$ 29,000		\$ -
Non-Revenue Vehicle Replacement	\$ 116,000		\$ 15,035
Office Equipment	\$ 39,500		\$ 12,640
Storage Container	\$ 1,800		\$ 1,998
Transfer to Operating Budget	\$ 350,000		\$ -
	\$ 735,670		
TOTAL CAPITAL PROJECTS	\$ 16,276,024	\$ 239,219	\$ 5,680,584
<u>CAPITAL FUNDING SOURCES</u>			
	Budget	Received in June	YTD Received
Federal Capital Grants	\$ 8,309,278	\$ 302,260	\$ 1,410,954
State/Local Capital Grants	\$ 4,844,713	\$ (1,425)	\$ 3,748,725
STA Funding	\$ 821,414	\$ 205,354	\$ 821,201
District Reserves	\$ 2,260,249		\$ 520,905
TOTAL CAPITAL FUNDING	\$ 16,235,654	\$ 506,189	\$ 6,501,785

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO REVENUE AND EXPENSE REPORT

1. Passenger fares (farebox and pass sales) are \$105,701 over the revised budget amount for the year. This revenue source increased by 24% from last year due to the new fare structure effective July 1, 2003. Paratransit fares are \$30,412 or 9.8% under budget for the year because ridership is below projected levels. A total of 103,000 trips were forecast while 91,704 were actually taken, with some advance tickets sold.

Special transit fares (contracts) are \$365,910 or 20% over the budgeted amount. UCSC contract revenue is \$326,045 over the projected revenue for the year and 19% over the amount of revenue collected in the previous fiscal year. Cabrillo College contract revenue is \$25,044 over the projected revenue for the year and 18% over the revenue collected in FY 02-03. The employer bus pass program revenue from the Seaside Company, Dominican Hospital, City of Santa Cruz, County of Santa Cruz and Seagate is \$7,160 over the budgeted revenue and 14% over last year's revenue. Shuttle revenue is \$7,658 over the budgeted amount.

Highway 17 Express revenue is \$56,131 or 8% over the budgeted amount. Together, all four passenger revenue accounts are over the budgeted amount for the fiscal year by a net \$497,330 or 7.7%.

2. Advertising income shows revenue of \$20,689 due to a final payment from OBIE Media that was not budgeted, and payment from advertisers for ads on buses after the OBIE contract concluded.
3. Commissions were \$2,067 or 22% under the budgeted amount for the year due to a 21% decrease in pay telephone commissions at Metro Center.
4. Rent income is \$245 below budget due to a vacancy in the Watsonville Transit Center at the beginning of the year.
5. Interest income is \$15,935 or 5.5% under budget due to continued low interest rates.
6. Non-transportation revenue is \$57,290 over budget primarily due to a credit for past life insurance policies and a parts credit in lieu of liquidated damages.
7. Sales tax income is \$220,773 under the revised budget for the year. An increase of 1.3% over the previous year was forecast, while the District's revenue actually was flat.
8. To assist in balancing the FY 03-04 budget, \$950,000 in carryover funds from FY 02-03 were budgeted. However, since revenues exceeded expenses, these funds will be used for the carryover for next year's budget.
9. A total of \$350,000 was budgeted as a transfer from the capital reserve fund to cover operating expenses in FY 03-04. Since revenues exceeded expenses, these monies will remain in the reserve fund.
10. A total of \$100,000 was budgeted as a transfer from liability insurance reserves to cover settlement costs in FY 03-04. Since settlement costs only totaled \$37,761 for the year, these funds will remain in the reserves.

11. A total of \$94,000 was budgeted to cover the personnel costs of the MetroBase project manager since the expenses were shown in Department 1100 during the year. However, at year-end, all those expenses were removed from that department and designated as capital expenditures, so the \$94,000 remains in the capital reserve fund.
12. Human Resources personnel expense is at 111.2% of the budget or \$37,503 over budget due to settlement of a workers' compensation claim.
13. Bus Operator personnel expense is at 100.3% of the budget or \$34,439 over budget due to the payment of more vacation cash-outs than budgeted which results when employees do not take all of the vacation earned for the period.
14. Risk management expense is only at 32.9% of the budget because only \$37,761 was spent for settlement costs and only \$1,584 was spent for outside legal services with \$53,000 budgeted.
15. Paratransit program expense is only at 79.5% of the budget because ridership totals were well below projections for the year. A total of 103,000 rides were budgeted and 91,704 were taken. Also, cost controls were implemented in the Community Bridges contract and the recertification program continued to ensure that only eligible riders utilized the service. Further, Orthopaedic Hospital billings were significantly below the budgeted amount.
16. Operators wages are at 100.3% of the budget or \$15,434 over budget due to the hiring of additional operators to cover the new Highway 17 AMTRAK service which began in late April and was not budgeted. However, new AMTRAK revenue covered the overrun.
17. Operators overtime expense is at 103.3% of the budget or \$40,619 over budget for the year due to the addition of the new Highway 17 AMTRAK service. New AMTRAK revenue covered the overrun.
18. State unemployment insurance is at 127.6% of the budget or \$12,963 over budget due to a doubling of the District's payroll tax rate effective January 1, 2004. The budget had included only a 10% increase.
19. Workers Compensation expense is at 109.0% of the budget or \$151,291 over budget due to the high number of claims paid out this fiscal year, including the settlement of many long-term claims.
20. Absence with pay is at 101.3% of the budget or \$32,575 over budget due to more payments of vacation cash-outs than budgeted.
21. Professional/legislative/legal services are only at 62.0% of the budget or \$186,326 under budget primarily due to the use of only \$29,427 in professional/legal services in Risk Management out of \$105,000 budgeted, and savings in the costs of the recertification program.
22. Security services are only at 80.3% of the budget or \$77,418 under budget due to the savings from one month of services when Paige's departed without notice, and billing from the City of

Santa Cruz for only six months of the shared police officer program. (The payment for the second six-month period will be made in FY 04-05.)

23. Contract transportation for paratransit services is only at 80.9% of the budget or \$566,688 under budget based on Community Bridges billings. See Note 15.
24. Revenue vehicle parts are over budget by \$57,283 but this overrun is offset by the annual inventory adjustment in the amount of \$63,259 which brings the parts expense within budget for the year.
25. Settlement costs are at 37.8% for the year or \$62,239 under the budgeted amount of \$100,000 due to settlement of fewer claims than anticipated.
26. Repairs to property is a casualty and liability account to which repairs to District vehicles and property are charged when another party is liable for the damage. All collections made from other parties for property repair are applied to this account to offset the District's repair costs.
27. Training is only at 36.7% of the budget due to deferral of optional employee training sessions to reduce overall operating expenses. Similarly, travel is only at 54.5% of the budget since only essential travel was funded. Together, the two accounts are \$33,283 under budget.

FY 03-04 BUDGET TRANSFERS
7/1/04-7/31/04

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
TRANSFER # 04-028			
TRANSFER FROM:	503033-1700	Legal Services	\$ (400)
TRANSFER TO:	509011-1700	Dues & Subscriptions	\$ 400
REASON:	To cover expected expenditures in the Legal Department for the remainder of FY 03-04.		
TRANSFER # 04-029			
TRANSFER FROM:	509121-1500	Employee Training	\$ (100)
TRANSFER TO:	509011-1500	Dues & Subscriptions	\$ 100
REASON:	To cover expected expenditures in the IT Department for the remainder of FY 03-04.		
TRANSFER # 04-030			
TRANSFER FROM:	501021-3200	Other Salaries	\$ (16,437)
TRANSFER TO:	501023-3200	Other Overtime	\$ 16,437
REASON:	To cover Supervisor overtime in the Operations Department for the remainder of FY 03-04.		
TRANSFER # 04-031			
TRANSFER FROM:	504012-4100	Fuels & Lubricants	\$ (36,300)
TRANSFER TO:	502251-4100	DMV Medical Exam	\$ 200
	504161-4100	Other Mobile Supplies	\$ 5,000
	504191-4100	Revenue Vehicle Parts	\$ 23,600
	503353-4100	Out Repair - Rev Veh	\$ 7,500
			\$ 36,300
REASON:	To cover expected expenditures in the Fleet Maintenance Department for the remainder of FY 03-04.		
TRANSFER # 04-032			
TRANSFER FROM:	504311-1300	Office Supplies	\$ (1,078)
TRANSFER TO:	505031-1300	Telecommunications	\$ 1,078
REASON:	To cover expected expenditures in the Customer Service Department for the remainder of FY 03-04.		

FY 03-04 BUDGET TRANSFERS
7/1/04-7/31/04

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
TRANSFER # 04-033			
TRANSFER FROM:	503225-1300	Graphics Services	\$ (2,700)
	504211-1300	Postage & Mailing	\$ (4,542)
	504217-1300	Photo Supply/Processing	\$ (1,400)
			<u>\$ (8,642)</u>
TRANSFER TO:	504215-1300	Printing	\$ 8,642
REASON:	To cover printing expenses for Headways and route stickers in the Customer Service Department.		
TRANSFER # 04-034			
TRANSFER FROM:	503011-1200	Accounting/Audit Fees	\$ (2,900)
TRANSFER TO:	503012-1200	Admin/Bank Fees	\$ 2,900
REASON:	To cover various fees including merchant card fees, NSF bank fees, and accounting adjustments in the Finance Dept.		
TRANSFER # 04-035			
TRANSFER FROM:	506021-1200	Insurance - Other	\$ (8,700)
TRANSFER TO:	503031-1300	Prof/Technical Services	\$ 8,700
REASON:	To cover cost of tickets and passes provided to Metro Ticket Agents in return for services.		

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF RESERVE ACCOUNTS
JUNE 30, 2004**

	Recommended Minimum Balance	Reason	Balance at 6/30/03	Rec Addition/ (Withdrawal)	Outstanding Obligations	Available Balance at 6/30/04
Liability Insurance Reserve	\$ 750,000	<i>\$250,000 SIR plus estimated liability on outstanding cases</i>	\$ 770,000	\$ -	\$ -	\$ 770,000
Workers Compensation Reserve	\$ 4,409,775	<i>Long term portion of workers compensation liability per 6/30/04 audit</i>	\$ 1,320,000	\$ -	\$ 4,409,775	\$ (3,089,775)
Bus Stop Improvement Reserve	\$ 400,000	<i>To provide a dedicated source of funding for ADA improvements at bus stops</i>	\$ 400,000	\$ -	\$ 400,000	\$ -
Alternative Fuel Conversion Fund	\$ 3,222,600	<i>Board-approved program of allocating \$462,000 per year for six years plus interest to convert buses to alternative fuel</i>	\$ 462,000	\$ -	\$ 3,222,600	\$ (2,760,600)
Cash Flow Reserve	\$ 2,600,000	<i>To cover one month's payroll and accounts payable</i>	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000
Capital Funding Reserve	\$ 17,266,476	<i>To cover District's share of capital project costs in the District's five year plan, plus MetroBase</i>	\$ 10,135,117	\$ 300,000 *	\$ 17,266,476	\$ (6,831,359) *

* Estimated

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Steve Paulson, Paratransit Administrator

SUBJECT: METRO PARACRUZ PROGRAM STATUS MONTHLY UPDATE

I. RECOMMENDED ACTION

This report is for information only- no action requested

II. SUMMARY OF ISSUES

- The Board receives monthly reports on the status of the federally mandated ADA complementary paratransit program
- Operating Statistics reported are for the month of May 2004
- Cost reflects hourly rate increased by 4% over previous fiscal year.
- Revenue and subsidy figures reflect impact of July 2003 fare increase.
- Eligibility/Recertification statistics reported are through July 31, 2004

III. DISCUSSION

Operating Statistics for May 2004

	This May	Last May	% Change	FYTD	Last FYTD	% Change
Cost	\$212,965.36	\$185,696.56	+14.68%	\$2,228,973.09	\$2,394,674.80	-6.92%
Revenue	\$22,611*	\$17,644	+28.15 %	\$249,072*	\$190,844	+30.51 %
Subsidy	\$190,354.36	\$168,052.56	+13.27%	\$1,979,901.09	\$2,203,830.80	-10.16 %
Rides performed	7621	8979	-15.12 %	84,403	97,793	-13.69 %
Cost/ Ride	\$27.94	\$20.68	35.12%	\$26.41	\$24.49	+7.85%
Productivity	1.91 rides per hour	1.78 rides per hour		2.02 rides per hour	1.93 rides per hour	

* Revenue does not equal \$3.00/ride because no revenue is generated by rides to and from certification interviews and appeals.

Performance Measures

	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	FYTD
Rides	7,887	7,402	8,157	8,709	7,471	7,168	6,983	6,787	8,280	7,938	7,621	84,403
late pick ups (more than 20 minutes)	452	379	537	878	498	388	297	324	487	436	403	5,079
% late	5.73%	5.12%	6.58%	10.08%	6.67	5.41%	4.25%	4.77%	5.88%	5.49%	5.29%	6.09%
Picked up too early (more than 10 minutes)	252	271	327	164	134	132	92	75	65	93	61	1,666
Total rides not "on time"	704	650	864	1,042	632	520	389	399	552	529	464	6,745
% "on time"	91.1%	91.2%	89.4%	88.0%	91.5%	92.7%	94.4%	94.1%	93.33%	93.34%	93.91%	92.01%
missed trips	2	5	5	9	0	2	3	3	3	4	1	37
Excessively late scheduled (more than 60 minutes)	14	4	15	38	9	12	8	3	10	9	9	131
Excessively late will call (more than 100 minutes)	4	3	11	14	5	1	3	4	10	3	5	63
total violation w/ \$50 penalty	20	12	31	61	14	15	14	10	23	16	15	231
Total violation w/\$100 penalty	0	0	0	0	0	9	0	9	12	0	0	30
Liquidated damages	\$1,000	\$600	\$1,500	\$3,050	\$700	\$1,650	\$700	\$1,400	\$2,350	\$800	\$750	\$14,550

Eligibility Certification/ Recertification

The initial recertification process has been completed. There are no eligibility appeals pending.

During the month of July 2004, there was a net increase of 93 riders eligible for service.

IV. FINANCIAL CONSIDERATIONS

none

V. ATTACHMENTS

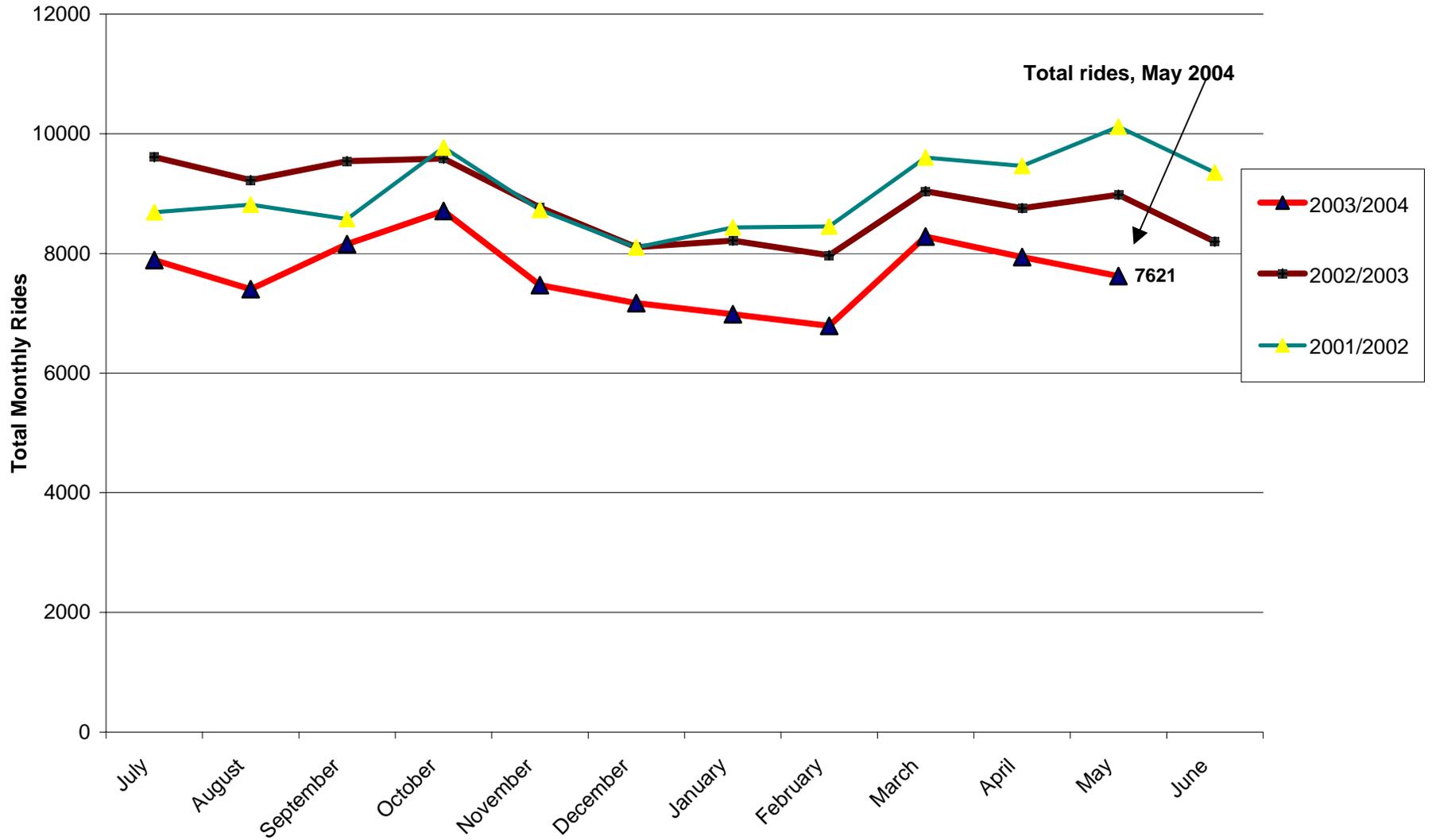
Attachment A: METRO ParaCruz Rides by Month

Attachment B: METRO ParaCruz Cost by Month

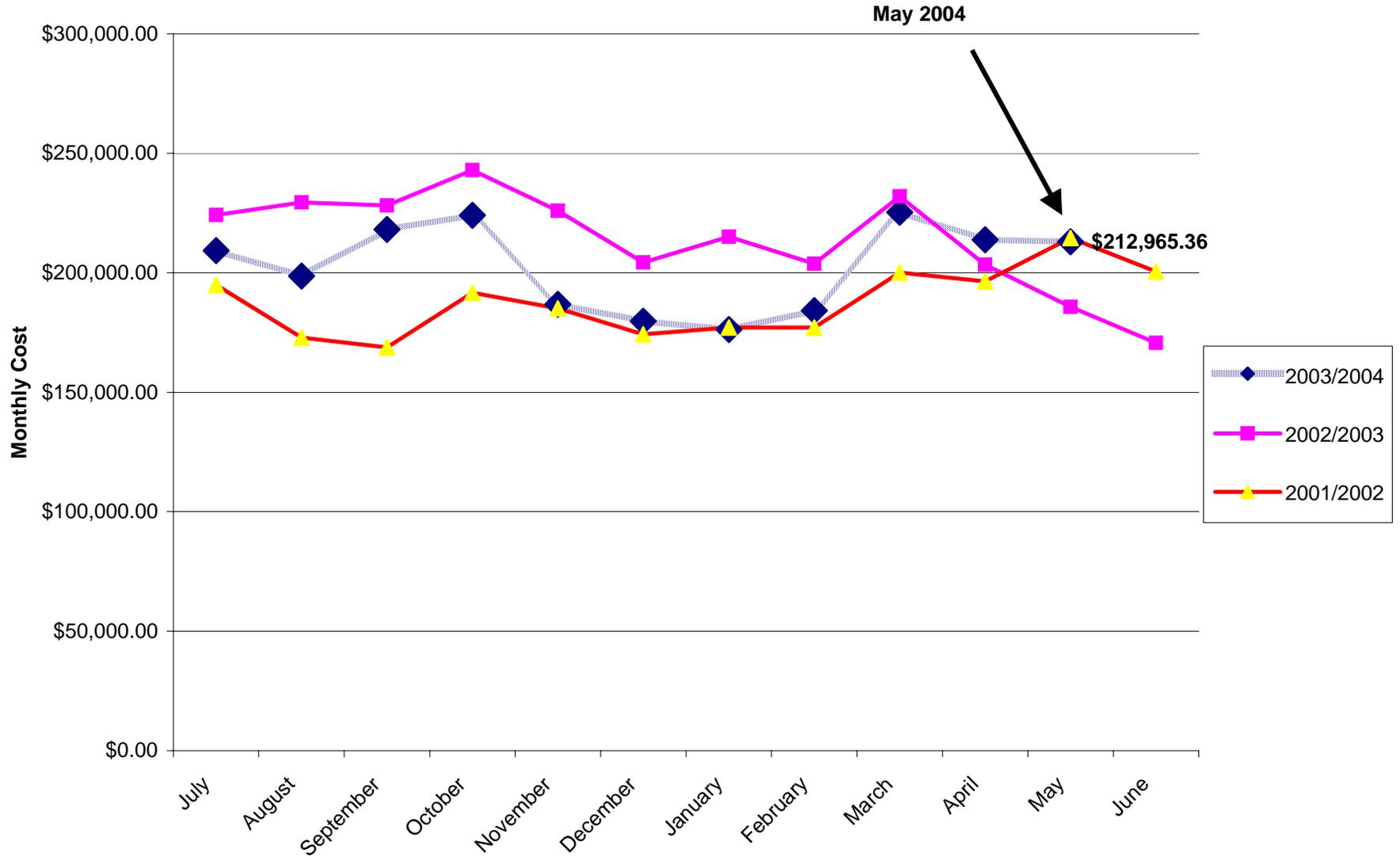
Attachment C: Recertification and New Applicant Eligibility Determinations

Attachment D: METRO ParaCruz Registrants by Month

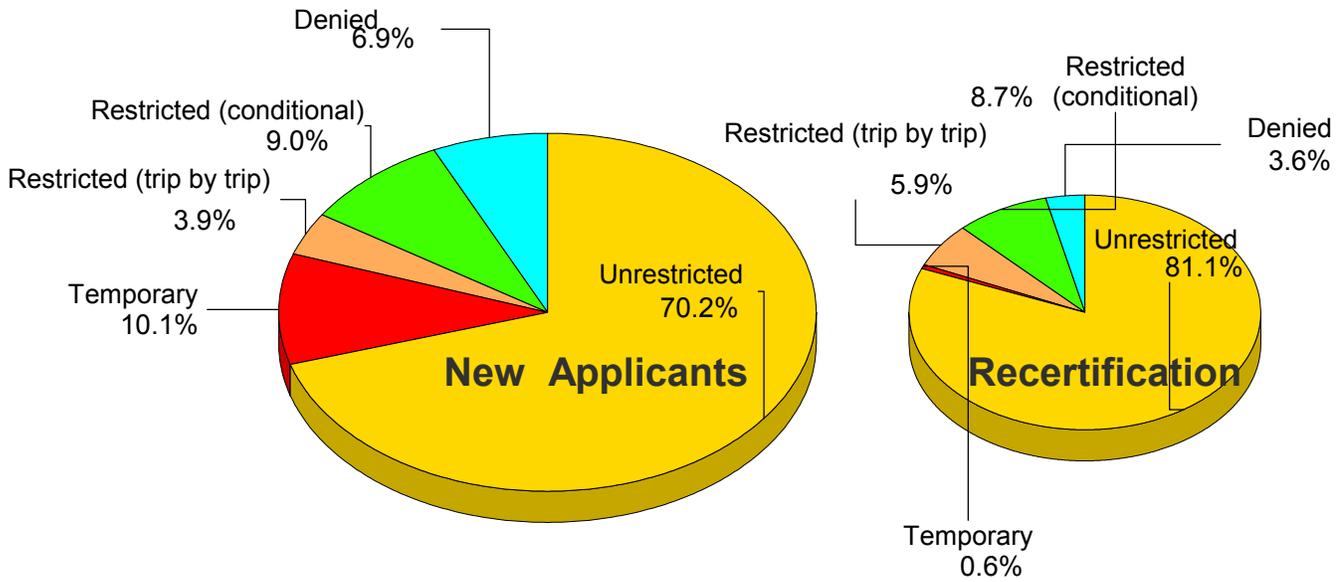
METRO ParaCruz Rides by Month



METRO ParaCruz Cost By Month



METRO ParaCruz Eligibility Determinations - Aug 1 02 through July 31 04



New Applicants

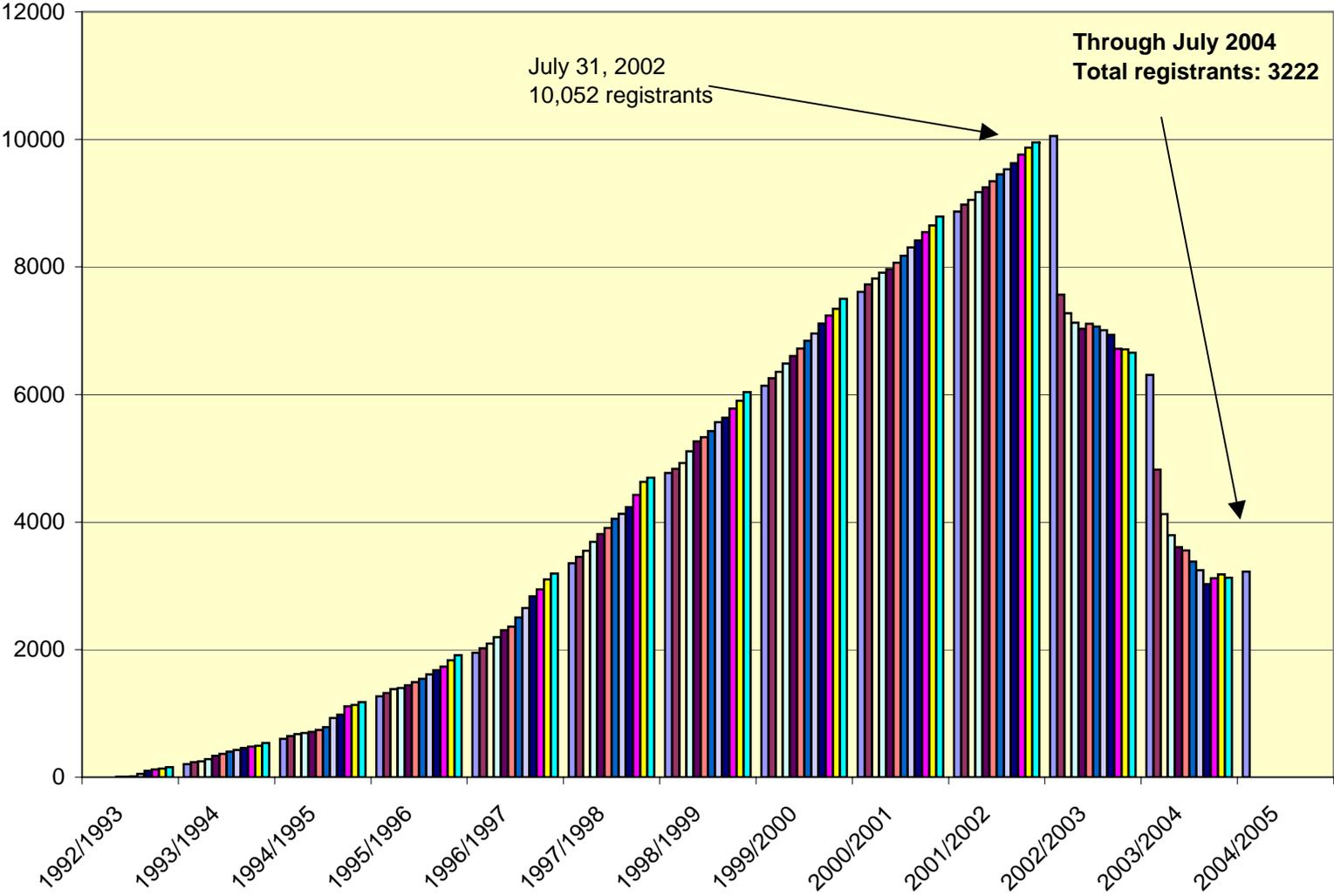
Unrestricted	1520
Temporary	218
Restricted (trip by trip)	84
Restricted (conditional)	194
Denied	150
Group Total:	<u>2167</u>

Recertification

Unrestricted	1151
Temporary	9
Restricted (trip by trip)	84
Restricted (conditional)	124
Denied	51
Group Total:	<u>1419</u>

Grand Total: 3584

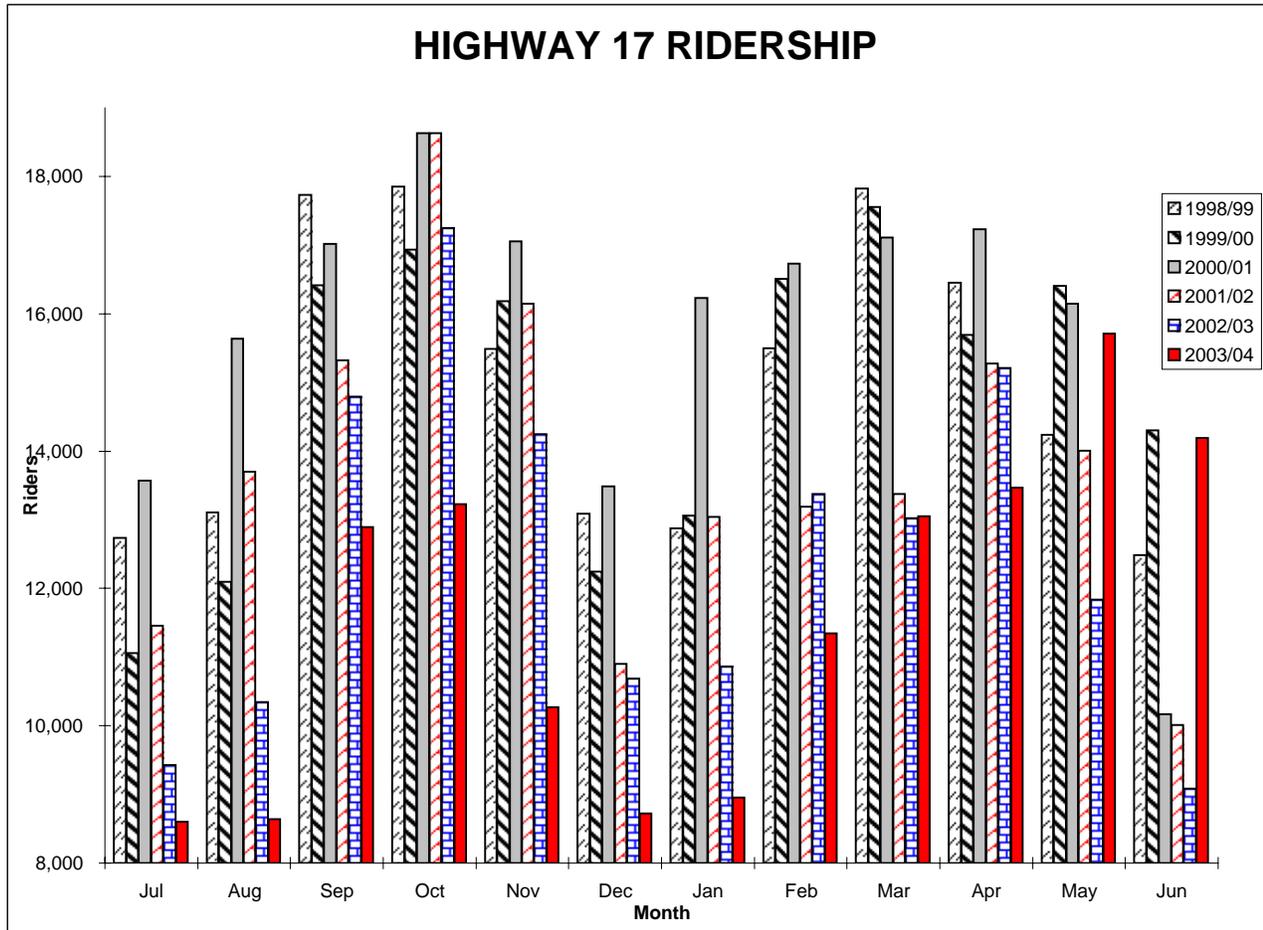
METRO ParaCruz Registrants



Growth by Month Since Inception

HIGHWAY 17 - JUNE 2004

	May			YTD		
	This Year	Last Year	%	This Year	Last Year	%
FINANCIAL						
Cost	\$ 116,315	\$ 84,177	38.2%	\$ 1,054,903	\$ 1,198,684	(12.0%)
Farebox	\$ 54,570	\$ 22,363	144.0%	\$ 396,456	\$ 357,891	10.8%
Operating Deficit	\$ 61,745	\$ 61,814	(0.1%)	\$ 640,759	\$ 802,815	(20.2%)
Santa Clara Subsidy	\$ 30,872	\$ 30,907	(0.1%)	\$ 320,380	\$ 401,408	(20.2%)
METRO Subsidy	\$ 30,872	\$ 30,907	(0.1%)	\$ 320,380	\$ 401,408	(20.2%)
San Jose State Subsidy	\$ -	\$ -		\$ 17,689	\$ 37,978	(53.4%)
STATISTICS						
Passengers	14,191	9,081	56.3%	139,073	150,128	(7.4%)
Revenue Miles	41,268	34,201	20.7%	376,914	413,667	(8.9%)
Revenue Hours	1,682	1,361	23.6%	15,358	16,459	(6.7%)
PRODUCTIVITY						
Cost/Passenger	\$ 8.20	\$ 9.27	(11.6%)	\$ 7.59	\$ 7.98	(5.0%)
Revenue/Passenger	\$ 3.85	\$ 2.46	56.2%	\$ 2.85	\$ 2.38	19.6%
Subsidy/Passenger	\$ 4.35	\$ 6.81	(36.1%)	\$ 4.73	\$ 5.60	(15.5%)
Passengers/Mile	0.34	0.27	29.5%	0.37	0.36	1.7%
Passengers/Hour	8.44	6.67	26.5%	9.06	9.12	(0.7%)
Recovery Ratio	46.9%	26.6%	76.6%	37.6%	29.9%	25.9%



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004
TO: Board of Directors
FROM: Bryant J. Baehr, Manager of Operations
SUBJECT: UNIVERSITY OF CALIFORNIA - SANTA CRUZ SERVICE UPDATE

I. RECOMMENDED ACTION

This report is for information purposes only. No action is required

II. SUMMARY OF ISSUES

- Student trips for June 2004 decreased by (5.6%) versus June 2003. Year to date student billable trips have increased by 9.6%.
- Faculty / staff trips for June 2004 increased by 17.2% versus June 2003. Year to date faculty / staff billable trips have increased by 22.5%.
- Revenue received from UCSC for June 2004 was \$86,724 versus \$79,137 for June 2003 an increase of 9.6%.

	Faculty/Staff Ridership	Student Ridership	Monthly Increase - (Decrease) Student	Monthly Increase - (Decrease) Faculty-Staff
This Year	17,133	84,537	(5.6)	17.2
Last Year	14,614	89,581		

In 2003 UCSC ended instruction on June 12, 2003. In 2004, instruction ended on June 10, 2004.

III. DISCUSSION

September 25, 2003 started the fall instructional session at UCSC. A summary of the results for June 2004 is:

- Student billable trips for the month of June 2004 were 84,537 vs. 89,581 for June 2003 a decrease of(5.6%).
- Faculty / staff billable trips for the month of June 2004 were 17,133 vs.14, 614 for June 2003 an increase of 17.2%.
- Year to date Student billable trips increased by 9.6% and faculty / staff billable trips increased by 22.5%.
- Revenue for June 2004 was \$86,724 versus \$79,137 for June 2003.

IV. FINANCIAL CONSIDERATIONS

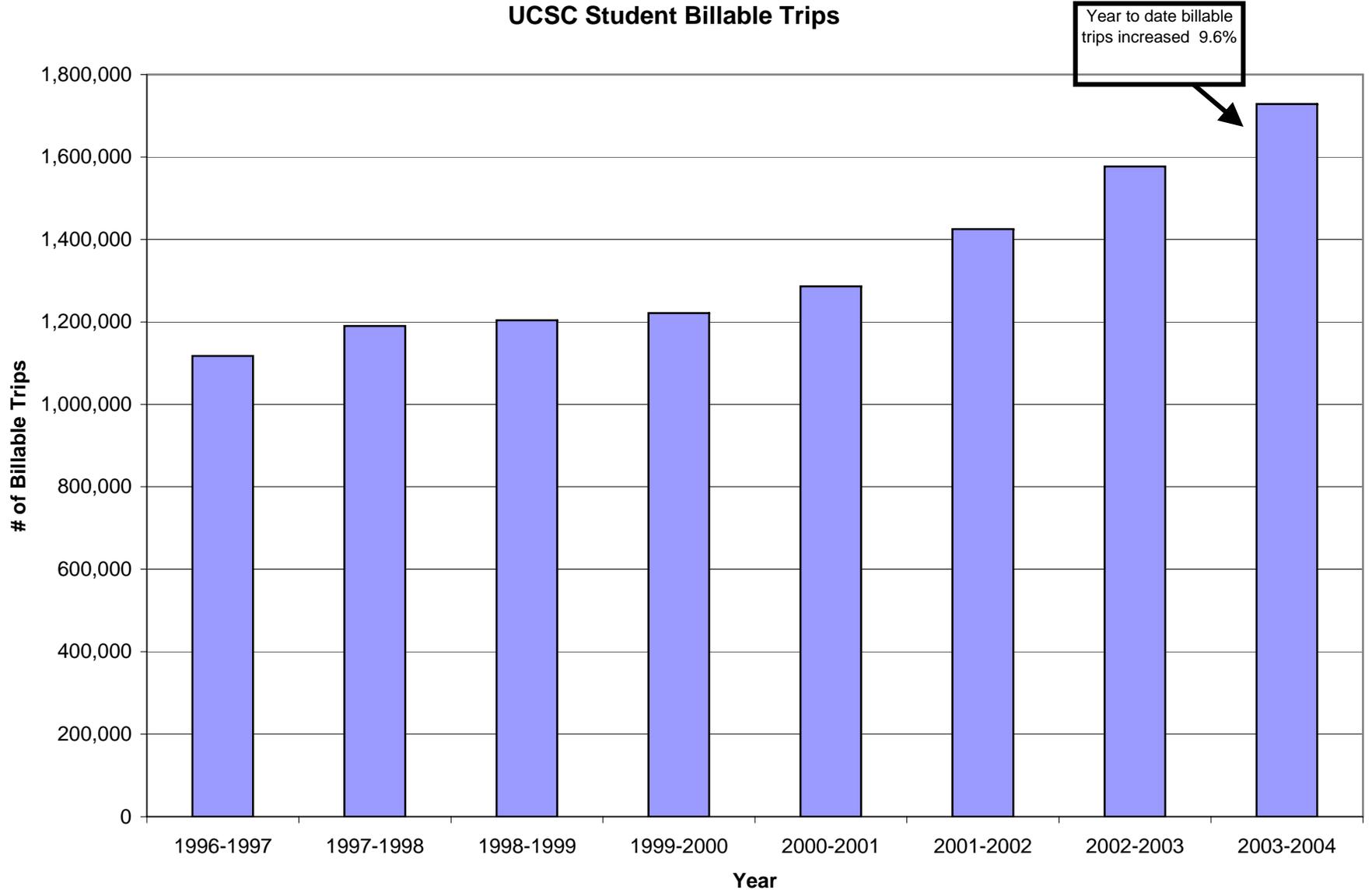
NONE

V. ATTACHMENTS

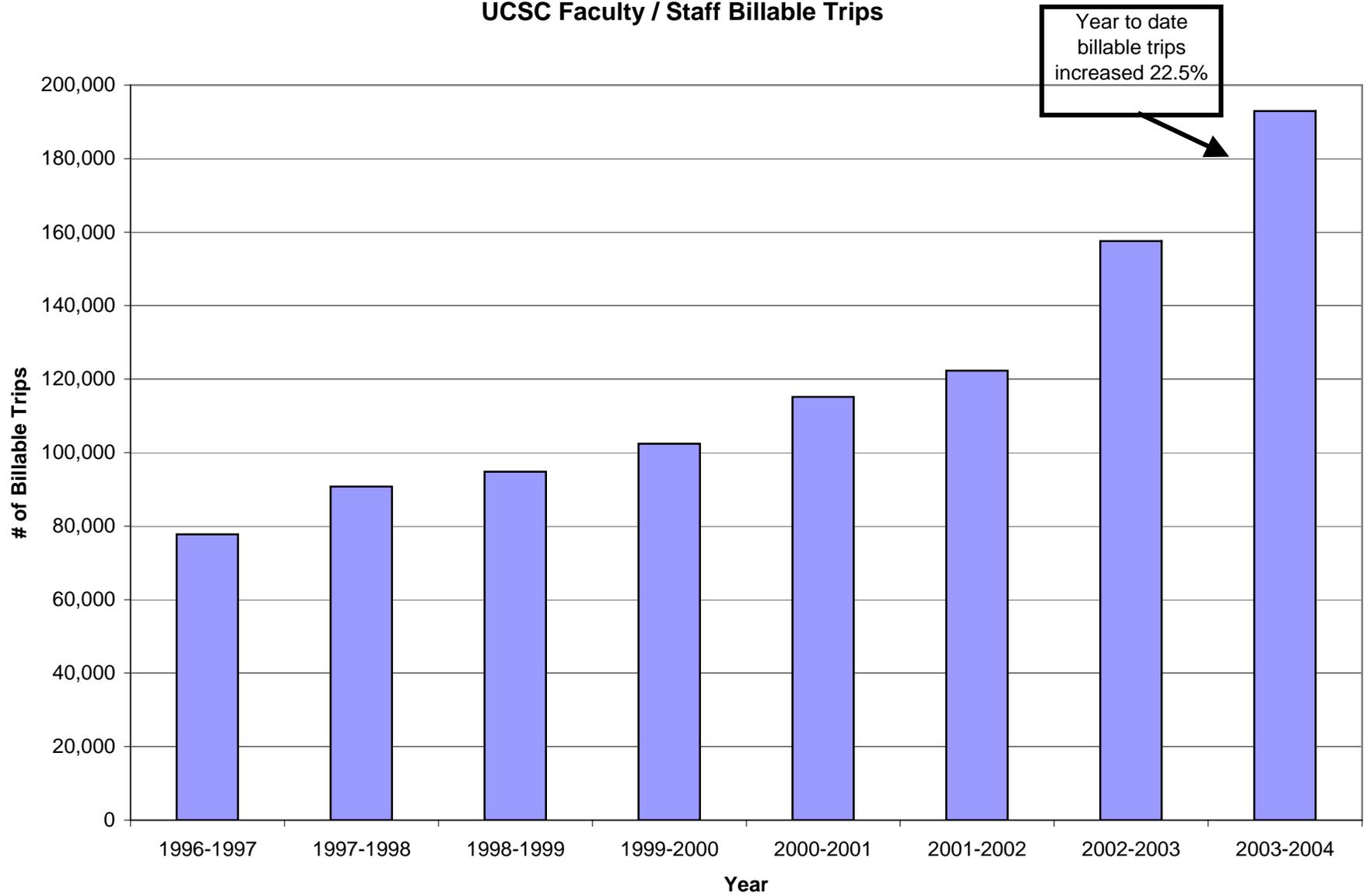
Attachment A: UCSC Student Billable Trips

Attachment B: UCSC Faculty / Staff Billable Trips

UCSC Student Billable Trips



UCSC Faculty / Staff Billable Trips



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004
TO: Board of Directors
FROM: Frank L. Cheng, Project Manager
SUBJECT: STATUS OF THE METROBASE PROJECT

I. RECOMMENDED ACTION

That the Board of Directors receive an oral presentation by RNL Design regarding the status of the MetroBase Project.

II. SUMMARY OF ISSUES

- The MetroBase Project is currently proceeding in accordance with the schedule attached to this Staff Report, which is the schedule that has been developed by RNL Design.
- The City of Santa Cruz Redevelopment Agency is continuing to work on the real estate acquisition and relocation phase of the project.
- Negotiations with property on 1122 River Street have concluded with an Agreement to Purchase signed by the owner and METRO.
- On August 13th and 27th, RNL Design will present an oral status report regarding the MetroBase Project.

III. DISCUSSION

The MetroBase Project is proceeding as per the attached timeline (Attachment A & B). The chart reflects the timeline and events that are contained in the schedule that has been developed by RNL Design. Using this document allows Metro to directly track the progress of the project. RNL Design is progressing on schedule at this point in the design and engineering process.

The completed components of the project for the review period are as follows:

A. Right Of Way (ROW)

- Encroachment Lease @ 1200 River Street extended 40 years, approved by Santa Cruz City Council, will be submitted to Metro Board of District for approval.
- Concluded escrow with owner of 1122 River Street
- Reviewing Final Draft of Negative Declaration before 30- day circulation. Circulation to begin July 7, 2004. Will be submitted to Board for consideration at August 27, 2004 meeting.

B. Finance

- 25 Sakata Lane, Watsonville property being prepared for sale.
- Initial appraisal of property is underway.

C. Architectural & Engineering (A&E)

- Received 65% Design Drawings and Draft Construction Documents on June 30, 2004.
- RNL: Design Phase will be 65% complete by July 31, 2004.
- RNL Design making an oral presentation regarding design and aesthetic issues on August 13th and 27th.

D. Construction Management (CM)

- Board of Director approved a contract for Construction Management services with Harris & Associates on June 25, 2004. Notice to proceed has been issued.

E. Construction Schedule

- Goal to issue an invitation to bid on L/CNG Fueling Station equipment by late Summer 2004
- Goal to request bids for General Construction by late Fall 2004
- Commencement and Completion of
 - i. Demolition of A Tool Shed, Surf City & Construct Service Facility in Jan. 2005 to Aug. 2005
 - ii. Demolition of Slo-Fill Fuel, Site Work, & Construction of Operations Building in Sep. 2005 to Mar. 2007
 - iii. Demolition of existing Operations Building and Final Site Work in May. 2007 to Jul. 2007
 - iv. Demolition of Parts Building & Construction of Maintenance Building in Aug. 2007 to Sep. 2008
 - v. Renovate existing Maintenance Building & Construction of new Parts Building in Nov. 2008 to Apr. 2009
 - vi. Final Site Work in Jun. 2009 to Aug. 2009

IV. FINANCIAL CONSIDERATIONS

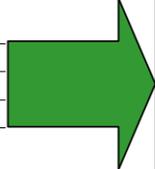
During the reporting period the lack of inclusion of the MetroBase project in the 2004/2009 STIP has placed \$7.8 million in project funding in question.

V. ATTACHMENTS

Attachment A: Timelines

**Project Schedule
Santa Cruz Metropolitan Transit District
Metro Base**

TASK / WORK ITEM	2003					2004												2005
	August	September	October	November	December	January	February	March	April	May	June	July	August	September	October	November	December	Jan
	11 18 25	1 8 15 22 29	6 13 20 27	3 10 17 24	1 8 15 22 29	5 12 19 26	2 9 16 23	1 8 15 22 29	5 12 19 26	3 10 17 24 31	7 14 21 28	5 12 19 26	2 9 16 23 30	6 13 20 27	4 11 18 25	1 8 15 22 29	1 8 15 22 29	5 12 19 26
Notice to Proceed	*																	
Task I Program Confirmation & Master Plan																		
-Kick Off Meeting/Distribute Questionnaires	█																	
-On-Site Interviews/Program Confirmation		█																
-Develop Space Needs Program		█	█															
-District Review/Approval			█															
-Master Planning On Site Session			█															
-Master Plan Documents			█	█														
-Conduct Survey, Soils Report		█	█	█														
-District Review/Approval				█														
Task II Preliminary Design																		
-On Site Design Session				█														
-Prepare Schematic Design (35%)				█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
-Peer Review					█													
-Value Engineering						█												
-Prepare Cost Estimate						█												
-QA/QC Review						█												
-District Review/Approval						█												
Task III Final Construction Documents																		
-Prepare Design Development Documents									█	█	█	█	█	█	█	█	█	█
-Prepare Construction Documents (65%, 95%)									█	█	█	█	█	█	█	█	█	█
-Prepare Specifications											█							
-Prepare Cost Estimate											█							
-QA/QC Review											█							
-District Review/Approval									█		█							
Phase IV Permitting																		
-Planning Dept. (Courtesy Meeting)																		
-City Building Dept. Plan Check																		
-Plan Check Revisions																		
-Final Review (100% Documents)																		
Task V Bidding																		
-Bidding																		
-Award Construction Contract																		
Task VI Construction Administration																		
-Construction																		
-Start Up/Operational Manuals																		
-Move In																		
-Record Drawings																		
City Meetings / Presentations																		
-District/RNL Design Progress Meetings	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*
-Presentations SCMTD Board														*			*	



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Mark J. Dorfman, Assistant General Manager

SUBJECT: ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS

I. RECOMMENDED ACTION

That the Board of Directors accept and file the voting results from appointees to the Santa Cruz County Regional Transportation Commission.

II. SUMMARY OF ISSUES

- Per the action taken by the Board of Directors, staff is providing the minutes from the most recent meetings of the Santa Cruz County Regional Transportation Commission.
- Each month staff will provide the minutes from the previous month's SCCRTC meetings.

III. DISCUSSION

At the January Board of Directors Meeting of the Santa Cruz Metropolitan Transit District, the Board requested that staff include in the Board Packet information relating to the voting results from the appointees to the Santa Cruz County Regional Transportation Commission. Staff is enclosing the minutes from these meetings as a mechanism of complying with this request.

IV. FINANCIAL CONSIDERATIONS

There is no cost impact from this action.

V. ATTACHMENTS

- Attachment A:** Minutes of the June 3, 2004 Regular SCCRTC Meeting
- Attachment B:** Minutes of the June 3, 2004 Draft Expenditure Plan Public Hearing
- Attachment C:** Minutes of the June 17, 2004 Transportation Policy Workshop

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
AND
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

MINUTES

**Thursday,
June 3, 2004
9:00 a.m.**

**Board of Supervisors Chambers
701 Ocean Street
Santa Cruz CA 95060**

1. Roll Call

Members Present:	Jan Beautz	Dennis Norton
	Mike Keogh	Emily Reilly
	Scott Kennedy	Pat Spence
	Randy Johnson	Ellen Pirie
	Mardi Wormhoudt	Donna Ziel
	Rich Krumholz (Alt. ex officio)	
Staff Present	Pat Dellin	Cory Irimes
	Kim Shultz	Karena Pushnik
	Rachel Moriconi	Gini Pineda
	Luis Mendez	Tegan Speiser

2. Oral Communications

Dave Eselius expressed concern that support for the Highway 1 widening is flagging and strongly suggested that the Commission should more actively put forward its position in favor of the project.

Michael Park said that one reason why streets in the County are in such poor condition is due to people being diverted to arterials because Highway 1 is often clogged.

3. Additions or Deletions to Consent and Regular Agendas

Deputy Director Pat Dellin noted replacements for pages 5-5 and 5-6 of the Transportation Policy Workshop minutes for May 20, 2004. Ms. Dellin also noted a typo on page 11-1 and changed the years covered in the Triennial Performance Audit to read "fiscal years 00-01, 01-02, 02-03 (three years ending June 30, 2003)."

Commissioner Spence asked that Item 28 be moved up on the agenda to follow Item 24.

Commissioner Wormhoudt said that there was no mention that the Environmental Impact Report described in Item 6 was available on the Commission website. Deputy Director Dellin said that there is a policy to put all documents on the website as soon as possible and that when the draft EIR had been completed it would be posted.

Commissioner Pirie asked to pull Items 6 and 9 from the Consent Agenda. Chair Beautz designated them as Items 28.1 and 28.2 respectively.

CONSENT AGENDA (as amended) (Wormhoudt/Reilly)

4. Approved Minutes of May 6, 2004 Regular SCCRTC Meeting
5. Approved Minutes of May 20, 2004 Transportation Policy Workshop Meeting

POLICY

No Consent Items

PROJECTS and PLANNING

6. Approve Staff Recommendations Regarding Cooperative Agreement and Consultant Selection for Environmental Impact Report for the Regional Transportation Plan - Moved to regular Agenda as Item 28.1
7. Accepted Bicycle Committee Annual Report

COMMISSION BUDGET and EXPENDITURES

8. Approved Staff Recommendation Regarding Contract for Final Phase of Website Redesign and Implementation (Resolution 40-04)
9. Approve Staff Recommendations Regarding Amendment to the FY03-04 SCCRTC Budget and Amendments to Contracts with the Highway 1 and Expenditure Plan On-Call Consultants to Extend the Terms and Increase the Expenditure Limits - Moved to regular Agenda as Item 28.2
- 9a. Approved Staff Recommendations Regarding Public Agency Sponsorship of the Santa Cruz Area Transportation Management Association's AB2766 Grant Application for an Expanded Emergency Ride Home Program (Resolution 41-04)

ADMINISTRATION

10. Approved Addendum to Lease for Office Space for the Commission Offices
11. Accepted Triennial Performance of the SCCRTC's Operations and Forward to the Budget and Administration/Personnel Committee for Responses to Recommendations

COMMITTEE MINUTES

12. Accepted Draft Minutes of the Expenditure Plan Subcommittee Meeting of May 3, 2004
13. Accepted Draft Minutes of the Interagency Technical Advisory Committee Meeting of May 20, 2004
14. Accepted Draft Minutes of the Bicycle Committee Meeting of May 10, 2004
15. Accepted Draft Minutes of the Paratransit Task Force Meeting of May 19, 2004

INFORMATION/OTHER

16. Accepted Monthly Meeting Schedule
17. Accepted SCCRTC Staff Comment Letters on Draft Environmental Documents and Plans Prepared by Other Agencies
 - a. Quarterly Report
18. Accepted Letters from SCCRTC Committees and Staff to Other Agencies on Policy Issues
 - a. Letter from Bicycle Committee to Watsonville Mayor Judy Doering-Nielsen Regarding Bike Path to Pajaro Valley High School
 - b. Letter from Bicycle Committee to Caltrans Regarding Wilder Bicycle Path Signs
19. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues
20. Accepted Handouts from Previous Regional Transportation Commission Meeting - None
21. Accepted Information Items
 - a. Letter from Department of Transportation Regarding

Coast Hotel Notice of Preparation

SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

No Items

REGULAR AGENDA

22. Commissioner Reports - None

23. Director's Report

Deputy Director Pat Dellin said that most of her report concerned the status of the State Transportation Improvement Program (STIP) and would be discussed under that item.

24. Caltrans Report

Rich Krumholz, Caltrans District 5, said that the report was correct as written and that he would answer any questions.

Commission Alternate Ziel and Commissioner Kennedy arrived.

25. FY 04-05 Transportation Development Act Claim from the City of Santa Cruz on Behalf of the Volunteer Center

Deputy Director Dellin said that the claim was consistent with the approved budget and recommended approval.

Commissioner Wormhoudt moved and Commissioner Reilly seconded to approve the Elderly & Disabled Transportation Advisory Committee and staff recommendations that the Santa Cruz County Regional Transportation Commission approve by resolution the claim for ~~\$524,460~~ \$62,436 in FY 2004-05 Transportation Development Act funds from the City of Santa Cruz on behalf of the ~~Consolidated Transportation Services Agency operated under the umbrella of Community Bridges~~ Volunteer Center.

The motion (Resolution 42-04) passed unanimously.

26. FY 04-05 Transportation Development Act Claim from the City of Santa Cruz on Behalf of the Consolidated Transportation Services Agency

Deputy Director Dellin said that the claim was consistent with the approved budget and recommended approval.

Link Spooner, Community Bridges, spoke on behalf of the Lift Line program saying the Transportation Development Act (TDA) funding provides rides for the Consolidated Transportation

Services Agency which is striving to fill unmet transportation needs. He said that Lift Line is fiscally healthier than last year due to cuts to services, positions and benefits but noted that Worker's Compensation and fuel costs have increased. Mr. Spooner said that Community Bridges is participating in the Paratransit Coordination Task Force.

Commissioner Wormhoudt moved and Commissioner Norton seconded to approve the Elderly & Disabled Transportation Advisory Committee and staff recommendations that the Santa Cruz County Regional Transportation Commission approve by resolution the claim for \$524,460 in FY 2004-05 Transportation Development Act funds from the City of Santa Cruz on behalf of the Consolidated Transportation Services Agency operated under the umbrella of Community Bridges.

The motion (Resolution 43-04) passed unanimously.

27. Status Report on Highway 1 Projects

Deputy Director Pat Dellin said that Nolte Associates, the consultants preparing the Project Approval/Environmental Document (PA/ED) for the Highway 1 Widening/HOV Project, would present their quarterly progress report and introduced Nolte Associates consultant Chris Metzger.

Mr. Metzger said that the architectural field work was completed and that archeological field work was 95% complete. He said that completion of the mapping of biological resources is expected to be complete by the end of the month and that the collector distributor system between 41st and Bay/Porter has been refined and presented to the City of Capitola for comment.

Mr. Metzger said that traffic modeling forms the basis for the purpose and need of the project and that release of the updated AMBAG model, originally expected for November 2003, continued to experience delays and was now scheduled for August 2004.

Mr. Metzger referred to a handout describing the public outreach process stating that between 150 to 160 people had attended the two informational meetings and that they had received over 30 written comments in response to mail and email notices. He said that the comments are sorted by whether or not they fit into the scope of the purpose and need of the project. If the comments meet the criteria, they are categorized as either engineering, environmental or community specific. If they do not meet the criteria, they are referred to the Commission as policy comments.

Rich Krumholz, Caltrans District 5, asked if the auxiliary lanes are part of the overall widening or stand alone projects. Mr. Metzger replied that they are stand alone utility projects.

Commissioner Beautz thanked Mr. Metzger for a good report.

Dave Eselius said that on the San Tomas Expressway in Santa Clara County, access and egress to the HOV lanes are on the shoulder side and would like to see the advantages and disadvantages of this application in the Environmental Impact Report (EIR). Mr. Eselius also asked that a review of pavement surfaces that can be applied to the road to attenuate sound be addressed in the Environmental Impact Report and specifically mentioned rubberized asphalt.

Mr. Metzger said that rubberized asphalt, which has old tires mixed into the asphalt, is shown to reduce noise in the 5 decibel range initially and that testing is still being done to see if it is effective over the long range.

Mr. Krumholz noted that open graded rubberized asphalt is being considered as an application for this project and that open graded asphalt allowed for quicker water drainage.

Deputy Director Dellin repeated that the delay in the AMBAG model is problematic and encouraged members of the AMBAG board to be cognizant of the need to complete the model.

Commissioner Wormhoudt made a motion to accept the status report. Commissioner Pirie seconded and the motion passed unanimously.

28. Report on California Transportation Commission Hearings on the 2004 State Transportation Improvement Program (STIP) (carried over from May 20, 2004 Transportation Policy Workshop meeting)

This item was taken out of order after Item 24.

Deputy Director Pat Dellin said staff has been working actively with the California Transportation Commission (CTC) and the SCMTD to correct the original CTC summary of the 2004 Regional Transportation Improvement Program (RTIP) which failed to accurately reflect or represent the proposals included by the Regional Transportation Commission in the 2004 RTIP and submitted by the SCCRTC to the CTC, both of which included \$7.8 million for the MetroBase project.

Ms. Dellin said the CTC will decide on the 2004 STIP at its meeting on August 5th. She said that if the CTC doesn't

include all of the SCCRTC's RTIP projects in the STIP, staff would return to the Commission with options, including the possible option of temporarily deprogramming some later year RTIP projects to make room for the MetroBase and/or the Highway 1/17 Merge Lanes Project.

Senior Planner Rachel Moriconi noted that the CTC summary contained several errors that staff was working with the CTC to correct.

Commissioners discussed the best strategies to get the CTC to correct their errors.

Commissioner Keogh said that in the absence of a corrected summary, it was imperative to have staff and board leadership at the meeting in August. He asked that the issue of the 2004 STIP be brought back to every Regional Transportation Commission meeting for updates.

Commissioner Wormhoudt made a motion to approve the staff recommendations that the Regional Transportation Commission:

1. Accept this update on the 2004 State Transportation Improvement Program (STIP);
2. Accept information on Commission staff work in response to Commission direction on the 2004 Regional Transportation Improvement Program (RTIP);
3. Direct staff to continue to work with California Transportation Commission (CTC) staff to correct the summary of SCCRTC's 2004 Regional Transportation Improvement Program and to obtain STIP funding for the Highway 1/17 Merge Lanes Project and the MetroBase project;
4. Direct staff to continue to work with local legislators, CTC staff, Caltrans, and Santa Cruz Metropolitan Transit District (SCMTD) on STIP or other options to complete the funding package for implementation of the MetroBase project and the Highway 1/17 Merge Lanes Project ; and
5. Direct staff to return to the August 19, 2004 Transportation Policy Workshop meeting with a report on the California Transportation Commission's (CTC) action on the 2004 STIP and recommendations if the CTC does not include MetroBase in the 2004 State Transportation Improvement Program or Highway 1/17 in the early years of the 2004 State Transportation Improvement Program,

with the addition that staff bring monthly reports on the item to each meeting until the matter is resolved. Commissioner Reilly seconded and the motion passed unanimously.

28.1 Approve Staff Recommendations Regarding Cooperative Agreement and Consultant Selection for Environmental Impact Report for the Regional Transportation Plan - Formerly Item 6 on the Consent Agenda

Commissioners discussed the agreement which splits the cost for the Regional Transportation Plan (RTP) in equal thirds even though Monterey County is so much bigger.

In response to a question from Commissioner Pirie, Deputy Director Pat Dellin said that the work that goes into the document preparation is determined more by the number of projects each agency is planning rather than simply the population. She said that sharing the costs saves money and time because the SCCRTC would not only have to pay for its own EIR but would also have to review each of the EIRs for the other agencies involved.

Commissioner Pirie moved and Commissioner Reilly seconded to approve the staff recommendations that the Regional Transportation Commission:

1. Approve the attached Cooperative Agreement for the development of the Environmental Impact Report (EIR) covering the 2005 Regional Transportation Plan (RTP)/ or the Metropolitan Transportation Plan (MTP) with the Association of Monterey Bay Area Governments (AMBAG) and the Transportation Agency for Monterey County (TAMC);
2. Approve the interview panel's recommendation to contract with the consulting firm Lamphier-Gregory to prepare the EIR; and,
3. Authorize the expenditure of up to \$29,790 to pay the one-third SCCRTC share of the EIR.

The motion passed unanimously.

28.2 Approve Staff Recommendations Regarding Amendment to the FY03-04 SCCRTC Budget and Amendments to Contracts with the Highway 1 and Expenditure Plan On-Call Consultants to Extend the Terms and Increase the Expenditure Limits - Formerly Item 9 on the Consent Agenda

Commissioner Pirie expressed concern about the proposal to transfer \$15,000 from the FY03-04 budget allocation for public information to pay for the services of on-call consultants before a public information program was developed.

Deputy Director Pat Dellin noted that there is \$50,000

allocated to the Expenditure Plan Public Information budget and that fact sheets and public information expenses have been being paid for from the regular budget. Ms. Dellin said that on-call consultant Eileen Goodwin, Apex Strategies, provided staff support to develop the Expenditure Plan and that her contract needed to be extended through June 30, 2004. She said that Ms. Goodwin includes public information tasks in the scope of her work.

Ms. Dellin noted that the Expenditure Plan Subcommittee was going to recommend not conducting another poll, which would put \$20,000 back into the public information budget.

Commissioner Pirie asked that the contract amendment for Dale Dennis, dba Project Management Delivery Group, be put over for discussion at the next Transportation Policy Workshop (TPW) so that more detail could be provided regarding what work has been done, what has been paid for, etc. Deputy Director Dellin said she would be happy to do it.

Commissioner Pirie moved to continue the item to the August Transportation Policy Workshop meeting.

Deputy Director Dellin said that would be feasible with the Dale Dennis contract but that Eileen Goodwin's contract did not have sufficient funding to retain her services through the end of the fiscal year.

Commissioner Pirie amended the motion to transfer \$5,000 to Apex Strategies and to continue the rest of the item to the June TPW. Commissioner Norton seconded and the motion passed unanimously.

CLOSED SESSION

The Closed Session was cancelled.

29. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport

Agency Negotiator: Kirk Trost, Miller, Owen & Trost

Negotiation Parties: SCCRTC, Union Pacific

Under Negotiation: All terms

OPEN SESSION

30. Next Meetings/Adjournment

The meeting adjourned at 10:20 a.m.

A public hearing on the Draft Expenditure Plan is scheduled for Thursday June 3, 2004 at 7:30 p.m., with an Open House from 7:00 to 7:30p.m., at the County Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz CA 95060.

The next Transportation Policy Workshop is scheduled for Thursday, June 17, 2004 at 9:00 a.m. at the SCCRTC offices, 1523 Pacific Avenue, Santa Cruz, CA 95060.

A public hearing on the Draft EIR for the Recreational Rail Project is scheduled for Thursday, June 17, 2004 at 7:00 p.m. at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz CA 95060.

The next regular SCCRTC meeting is scheduled for Thursday, August 5, 2004 at 9:00 a.m. at Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz CA 95060.

Respectfully submitted,

Gini Pineda, Staff

ATTENDEES

<u>Name</u>	<u>Representing</u>
Charles Sanchez	Caltrans
Sandra Coley	PVMTA
Bill Comfort	
Paul Elerick	CFST
Piet Canin	TMA
Les White	SCMTD
Link Spooner	Consolidated Transportation
Services Agency	
Michael Park	
Jim Conklin	Business Council
Sam Storey	Community Bridges
Andrew Horne	SCCARED
Bob Scott	SCCRTC Consultant
Ilene Hooten	Community Bridges

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
AND
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES

MINUTES

**Thursday,
June 3, 2004
7:30 p.m.**

**Board of Supervisors Chambers
701 Ocean Street
Santa Cruz CA 95060**

1. Roll Call

Members Present:	Jan Beautz	Dennis Norton
	Richard De La Paz	Ellen Pirie
	Scott Kennedy	Emily Reilly
	Mike Keogh	Pat Spence
	Randy Johnson	Mardi Wormhoudt
	Donna Ziel (Alt.)	

Staff Present	Pat Dellin	Cory Irimes
	Kim Shultz	Karena Pushnik
	Rachel Moriconi	Gini Pineda
	Tegan Speiser	Grace Blakeslee

2. Oral Communications

Dave Eselius said that the existing website is not suitable for general public consumption. He requested that the website be improved to provide better information on the Highway 1 projects.

Neil McElwee said that he has asked about the business plan for the Recreational Rail Project. He said that before money is allocated for rail acquisition there should be a business plan for the Recreational Rail Project.

Deputy Director Pat Dellin said the SCCRTC website is currently undergoing review and revisions.

3. Additions or Deletions to Agenda

4. Supplemental Report on the *Financial Plan* for the Transportation Sales Tax Measure

Deputy Director Pat Dellin reported that at the May 20th Transportation Policy Workshop meeting, Commissioners asked

Assistant County Administrative Officer (CAO) Pat Busch to return with a report on how an increased sales tax growth rate from 1% to 1.5% could allow for acceleration of the Highway 1 Widening/Carpool Lane project and that Mr. Busch present a supplemental report discussing sales tax growth rates and the project construction schedule.

Mr. Busch provided a background on the historic growth in taxable sales in Santa Cruz County and presented a set of economic assumptions which provided for constructing Phases I and II of the project over a ten year period with the completion of Phase II in 2017.

Commissioners discussed the economic trends that would affect a growth in sales tax and the assumption that State and Federal assistance would continue through 2026-27.

Commissioner Wormhoudt noted that inflation had not been factored in and that it was not unusual to build in a percentage for cost overruns.

Pat Busch said he understands that contingencies for estimating error were included in the Caltrans construction cost estimate.

Commissioner Johnson observed that if there were a spike in construction costs there would likely be a correlating spike in sales tax.

Deputy Director Dellin noted that no matter what the level of funding is over the life of the tax measure, whether from sales tax dollars, state and federal assistance, earmarks or grants that the HCA is able to secure, the highway will still only receive 64% of the total funding from the sales tax measure, assuming the Commission decides to approve the expenditure plan as it is currently written. She said that the assumption has always been that none of the projects will be fully funded by the tax measure.

Commissioners discussed the debt service for bonds issued against the sales tax revenues and clarified that debt service for the Highway 1 Widening /Carpool Lane would take priority over indebtedness for other projects.

Jim Conklin, Santa Cruz Business Council suggested having Ernst & Young review the financial plan.

Jeff Ringold asked if it is expected that the increase in sales tax will match an increase in land costs and said that it is misleading to estimate construction costs without completing the environmental review, engineering and design

of the project.

Richard Stover said that it would be better to compare the sales tax growth against the inflation rate of highway construction rather than the growth of inflation as indicated by the Consumer Price Index (CPI). He said that oil prices were going to increase adding to inflation.

Mr. Busch said that the Bay Area CPI is a pretty aggressive measure of inflation and that the 22 year period studied had lots of ups and downs and was not just a rosy period.

Dave Eselius said that his issue is that conversation is non productive and that Ernst and Young were quite capable to review the Expenditure Plan.

Micah Posner asked for an accurate figure on how much the highway widening will cost and how much the interest on the bonds will cost.

Charles Paulding said that the freeway belongs to the state and suggested to lease the property to a private entity and pay for it and get on to county business.

In answer to questions posed by Commissioner Reilly, Assistant CAO Pat Busch said that assuming that more tax than was originally anticipated will be collected, more money can be borrowed which will allow for more interest while it is banked and a quicker construction schedule.

5. 7:30 PM Public Hearing on the Transportation Sales Tax Measure Expenditure Plan and Ordinance

Deputy Director Pat Dellin reported that the Cities of Watsonville and Scotts Valley along with the County of Santa Cruz had approved the Expenditure Plan. She said that the City of Capitola has comments on the plan and that the Transit District would discuss the plan at its next meeting.

Commissioner Norton said that the Capitola City Council had a problem with the size and scope of the project within its community. He said that because there was such a strong demand to improve roads and sidewalks, the City favored 40% of the sales tax revenues going to local jurisdictions and that the amount allocated to senior and disabled services be increased from 3% to 6%. He also said that the local jurisdiction distribution percentages based on population is not fair and suggested that 90% be distributed according to population figures and 10% on how much sales tax the jurisdiction produced. He noted that Capitola produces 24% of the sales tax revenue in the County.

Commissioner Kennedy said that the Santa Cruz City Council voted 6-1 to remain neutral and take no formal position on the plan.

Commissioner De La Paz said that the City of Watsonville had done a survey for a general tax increase which received a 67% approval and that approval for a specific increase was 75%.

Commissioner Johnson said that support in Scotts Valley to widen the highway was strong at about 67%.

In answer to questions from Commissioner Wormhoudt, Commissioner Norton said that he recommended amending the plan with more money targeted for local jurisdictions. He said that the City Council favored going forward with the Expenditure Plan to the public but that it questioned the distribution.

Deputy Director Dellin continued with the staff report noting changes to the ordinance and Expenditure Plan language. She said there were two versions of ballot language for Commissioners to consider and that the Expenditure Plan Subcommittee recommended not conducting another poll but to use remaining funds for public information.

The floor was opened for the Public Hearing.

Dave Eselius said he did not think the Commission had justified the expenditure and cost to make the rail trail useful. He questioned the locations of the pedestrian overpasses and said he wanted both items considered further.

Charles Paulding said that what was needed was an overall general plan that put work where housing is. He added that the Commission was rushing through with no business plan and no Environmental Impact Report.

Kristen Mueller said everyone wants less traffic but that constituents can be served by bringing jobs to Watsonville. She said it was important to preserve our beautiful community and to look at alternative modes of transportation.

Commissioner Pirie responded, saying that many constituents already drive to jobs in Aptos and Watsonville as well as over hill.

Elliott Crowder said relief from congestion was needed and thinks rail is a good idea. He said he had had an emergency during a time when Highway 1 was completely closed and would

have liked to have had access to a rubber-tired trolley.

Debbie Bulger questioned how neighborhood traffic would be reduced if the highway is widened saying that for HOV lanes to work other lanes must be gridlocked. She said the Expenditure Plan should contain money for traffic calming to mitigate increased traffic.

Jeff Ringold said that according to the MTIS, commuter speed will only increase slightly if the highway is widened. He said that widening will increase pollution levels.

Scott Bugental said there will be a flood of former baby boomers aging and that plans should be made now. He recommended increasing the amount set aside for elderly and disabled services from 3 to 12%.

Katherine Herndon said she was from a little town in southern California where the street cars were torn up and a freeway put in which increased congestion and that by the end of the week after the Century Freeway was put in, traffic was stopped cold. She said freeways do not make driving pleasant and that alternative transportation was the only way to go.

David Wright, Friends of the Rail Trail, said the group is neutral on the highway but that he, personally, has mixed feelings. He said it seems like the Commission has a double standard regarding the information needed for the rail trail versus the highway project and that the public doesn't think it is a good idea to kill one project to get another.

Paul Elerick said the Campaign for Sensible Transportation will organize opposition to widening the highway because the additional lane won't solve congestion problems. He said the fishhook won't be fixed. He used Highways 85, 101 and 880 between Brokaw and 101 as examples of widened highways that filled up very quickly and are currently congested again.

Peter Scott, Campaign for Sensible Transportation, said that the Expenditure Plan is highly biased towards the use of the automobile providing only token support for other modes of transportation.

Libby Huyck said she wants to widen the highway now and was concerned about the \$135 million bond interest. She said it should be included in the Expenditure Plan.

Neil McElwee said the HOV lane includes busses and asked if busses will run on diesel or on CNG and where will they be fueled and where is the MetroBase. He said it would be

better to put \$7.8 million to the MetroBase rather than allocate \$21 million to the rail trail.

John Garza said he hates congestion and supports widening as part of a well-rounded transportation policy but that the current plan is not well-rounded. He said he did not think that the measure would pass because it won't solve congestion and will preclude real progress on transportation issues and that more importance should be placed on use of the rail line.

Eileen Beaudry said that transportation problems are complex. She said she supports widening and the rail trail and wants to see more funding for alternative transportation.

Brad Allen expressed concern about allocation for Highway 1 soundwalls. He said that cost, aesthetics and redirecting sound are aspects to consider. He asked that the Regional Transportation Commission assess if sound walls help or not, and if they don't help, don't build them and if they do help, then to do them right.

Scott Graham said the public is being sold a pig in a poke. He said the project will cost 5 times what is being proposed. He noted that the second phase has 2 rail bridges which are very expensive. He added the tax should be a user tax like a gas tax or taxes on tires and auto parts and not a general tax.

Kem Akol said he is not against highway widening but that the Expenditure Plan is not balanced. He said the tax is a regressive tax and will hurt poor people more than those with higher incomes. He said that drivers will keep driving and that the widening should be separated from other issues.

Michael Bradshaw was concerned about the cost estimates saying that cement being shipped to projects in China is being delayed and the cost of steel is rising. He also applauded the City of Capitola for supporting an increase in funding to elderly and disabled services.

Bill Comfort said he supports widening with HOV lanes and that discouraging auto use doesn't work. He said the population has quadrupled since the highway was built and it did not make sense to allow people who are already here to sit in congestion.

Kathleen Johnson said she is proud of the City of Capitola's position, saying that this is an opportunity to prepare for the future needs of an aging population by increasing the percentage allocated to elderly and disabled services.

Micah Posner said if the tax passes it will be based on a public perception of integrity and reliability, so it won't look good if the figures change. He questioned some of the calculations and cautioned that if amounts for alternate transportation are lowered it will be a hard sell because widening alone will not ease congestion.

Bruce Englehardt said freeway widening is not a long term solution and said that at times even the carpool lanes on Highway 680 are jammed. He said he supports light rail from Bay Street to Watsonville with bus or cog rail links to UCSC and someday linked to Monterey.

Piet Canin said the bike coalition is neutral on the sales tax but that the issue has polarized the community, pitting bike people against motorists. He said heightened aggression against cyclists could result.

Bruce Van Allen expressed concern that the tax measure was not politically viable, citing the lack of detailed financial projections and a completed Highway 1 environmental review to take to the voters. He said support is decreasing and suggested a longer term strategy instead of lose now and try later.

Mike Dalbey supports a bike trail and noted that different projects seem to be held to different standards, saying that the relatively inexpensive projects are held to the highest standards.

Kersha Darham said she has seen more and more space paved over for cars and that it is important to design a city to get around without cars. She said the key is multi-modal transportation options.

Stephen Ainsworth asked not to widen the highway, saying that he has never seen a freeway that didn't fill up instantly.

Public comment was closed.

Commissioner Beautz asked Eileen Goodwin, Apex Strategies, to discuss the issue of congestion in neighborhoods and parallel streets.

Ms. Goodwin said that it is true that Highway 85 was full right away, but that it was supposed to have been built 35 years earlier. She said it was promoted as relieving congestion on parallel routes and while there is now more traffic adjacent to interchanges, there are reductions on parallel routes. Ms Goodwin noted that there will be a

definite benefit to carpooling.

Commissioners discussed whether to decide on the Expenditure Plan now or to give direction to the Expenditure Plan Subcommittee to return to the Transportation Policy Workshop.

Commissioner Wormhoudt spoke in favor of moving forward and Commissioner Pirie moved to adopt the plan as it stood.

Commissioner De La Paz seconded.

Commissioner Pirie had a question about the \$21 million for the rail trail saying it is written so it could be used for purchasing the right-of-way.

Deputy Director Pat Dellin referred to replacement page 5-53, item 4f, which clarified that up to 50% could be used for acquisition.

Commissioner Pirie asked what would happen to the \$21 million if negotiations with Union Pacific failed or if the Commission decided not to purchase the rail line, noting that the ordinance allows for an amendment for distribution of money but not for substitution of projects.

County Counsel Rahn Garcia explained that the revenue taxation code requires that the ordinance identify specific projects to be funded by the measure but does not state in the tax code that it is required to maintain a specific distribution, so there is the flexibility to make shifts of funding allocated to projects. He said, however, that there were procedural requirements even to do these amendments.

Commissioner Beautz had concerns about the ability to shift projects and asked for clarity regarding what that procedure would be.

Mr. Garcia explained the various options for amendment of the plan. He said that the amendment procedure would be incorporated into the ordinance. It was noted that some flexibility to shift funding was necessary in the event outside funding became available and sales tax money was not needed for a specific project.

Commissioners discussed the amendment options. Commissioner Wormhoudt took issue that only the approval of the Board of Supervisors, three cities and a majority of the population of the unincorporated area was necessary. She said she preferred approval by all four cities instead of only three cities.

Commissioner Norton said that decisions to shift money should go to the voters.

Eileen Goodwin proposed another option: that an amendment either be by a vote of the public or by the method described above. Ms. Goodwin suggested that a non-controversial change could be done administratively whereas a more controversial change could be put to the electorate.

Commissioners and Mr. Garcia discussed whether or not a vote of the people would be an advisory vote since the tax was already in place.

Commissioner Kennedy said the added wording on replacement page 5-53 that "Up to 50% of funds could be used for right-of-way" should be struck as he felt it sent a message to the California Transportation Commission that the Commission wasn't committed to securing Proposition 116 funds.

Commissioner Kennedy moved to strike the sentence. He suggested that the wording could say that in the event that Proposition 116 funds cannot be used, up to 50% of funds could be used for right-of-way. He noted that people in Santa Cruz want to know how committed the Commission is to rail.

Commissioner Norton seconded the motion.

Commissioners discussed the options and whether to strike the language.

Commissioner Wormhoudt asked for a vote on the amendment saying there is a plan for purchasing the rail right-of-way and that adding the language looks disingenuous.

Deputy Director Dellin clarified that Section 5A1 of the proposed Expenditure Plan allowed for funds to be used for acquisition for any of the Expenditure Plan projects.

It was clarified that the main motion was to approve the Expenditure Plan as shown in the replacement pages, and that the amendment was to revise the underlined phrase on page 5-53 to say if the California Transportation Commission denies the Proposition 116 funds then up to 50% of funds could be used for purchase.

Commissioners Kennedy, Wormhoudt, Reilly, Norton and Stone voted in favor of the amended motion. Commissioners Beautz, De La Paz, Johnson, Keogh, Pirie and Spence voted against it and the motion did not pass.

Commissioner Keogh proposed removing all of the underlined

language regarding the use of the funds as stated on replacement page 5-53, leaving the option open of either building a trail or purchasing the right-of-way with sales tax revenues, if necessary.

Commissioner Keogh made a motion to remove the revised language. Commissioner Kennedy seconded and the motion passed unanimously.

Commissioner Johnson said he did not recommend any wholesale changes to the Expenditure Plan but thought that an increase to senior and disabled services could meet a critical need in the future.

Commissioner Norton asked when construction of Phase II of the Highway project would be completed, based on the revised financial plan using the 1.5% growth figure. Pat Busch said Phase II should start in FY13-14 and conclude in FY17-18.

Commissioners discussed bonding schedules, increasing funding for elderly and disabled services, the ability to leverage funding for local jurisdictions and increasing funding in all areas by using the money for Phase II.

In answer to Commissioner Norton's assumption that the \$109 million for Phase II would not be needed for 10 years, Commissioner De La Paz said that the use of the terms Phase I and Phase II are for financial calculations only and do not necessarily dictate the order in which actual construction will take place.

Commissioner De La Paz moved to amend the fund distribution and add 1% to senior and disabled transportation services and reduce the share to local jurisdictions by 1%.

Commissioner Pirie accepted the motion as a friendly amendment to the main motion.

Commissioner Reilly said that she had heard several comments at the City of Santa Cruz public hearing the night before that the sales tax measure might not pass. She asked how the Expenditure Plan Subcommittee decided to go forward with placing the measure on the ballot in November.

Commissioner Beautz said the subcommittee started with the premise that a sales tax was needed to build and complete the highway in a reasonable amount of time and that other projects were added to address a variety of local concerns.

Commissioner Pirie noted that a ½ cent sales tax is already in place to go directly to the transit district.

Commissioner Kennedy asked that the Commission examine the possibility of putting the measure over to the March 2005 election at the next Transportation Policy Workshop. He said if there is not enough support it would be foolhardy to go ahead, that it seems that more time is needed to clarify issues and that the presidential election could overshadow the sales tax measure.

Commissioner Beautz said that the group that wants to run the campaign would want to think about it and reminded the Commissioners that there was an underlying motion.

Commissioner Wormhoudt said that she would support putting the measure on the ballot when the proponents wanted to, but that she could not support the Expenditure Plan itself. She said that the plan did not give enough credence to looking in a visionary way and that only 9% in the whole plan is allocated for non-road related projects. Ms. Wormhoudt said that 30 years is a long time to be tied to a tax. She said if the public is going to be asked for a ½ cent sales tax, the Commission has an obligation to be visionary.

Commissioner Keogh said that the highway widening had been talked about for 25 years and it was time to citizens to vote.

It was clarified that the motion on the table was to accept the Expenditure Plan as given, with the changes in language already approved, and with the addition of reducing the local jurisdiction share by 1% and increasing the share for elderly and disabled services by 1%.

Commissioner Keogh noted that the Commission is also voting to accept the 1.5% growth assumption as presented in Item 4.

Mr. Garcia asked if the Commission wanted an opinion on the amendment procedure and the Commission decided by consensus to defer discussion about the amendment procedure for the Transportation Policy Workshop (TPW).

The motion passed with Commissioners Wormhoudt, Reilly and Norton voting "no".

Commissioner Keogh moved and Commissioner De La Paz seconded to put the measure on the November 2004 ballot.

Commissioner Kennedy moved to amend the motion to bring discussion about the pros and cons, costs and timeframes for both the November and March ballots to the Transportation Policy Workshop.

Commissioner Norton seconded.

After a brief discussion, the vote was taken on the amended motion which failed to pass with Commissioners Beautz, De La Paz, Keogh, Reilly, Spence, Wormhoudt and Ziel voting against it and Commissioners Johnson, Kennedy, Norton and Pirie in favor of it.

The vote on the main motion passed unanimously.

Commissioners discussed the two versions of the ballot language.

Commissioner De La Paz moved and Commission Alternate Ziel seconded to approve the first version of the ballot measure language. The motion passed unanimously.

Commissioner Kennedy moved to not conduct another poll among likely voters regarding the ballot language and ordinance. Commissioner Pirie seconded and the motion passed unanimously.

Staff will revise the fact sheets to reflect the changes including the 1.5% growth figure.

6. Next Meetings/Adjournment

The meeting adjourned at 11:40 pm.

The next Transportation Policy Workshop is scheduled for Thursday, June 17, 2004 at 9:00 a.m. at the SCCRTC offices, 1523 Pacific Avenue, Santa Cruz, CA 95060.

A public hearing on the Draft EIR for the Recreational Rail Project is scheduled for Thursday, June 17, 2004 at 7:00 p.m. at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz CA 95060.

The next regular SCCRTC meeting is scheduled for Thursday, August 5, 2004 at 9:00 a.m. at Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz CA 95060.

Respectfully submitted,

Gini Pineda, Staff

ATTENDEES

<u>Name</u>	<u>Representing</u>
Neil McElwee	
Bill Comfort	
Sue Renner	
Ken Kannegaard	RMC
Debbie Bulger	Mission Pedestrians
Charles Paulden	
Robert Jones	
Paul Elerick	CFST
Micah Posner	People Power
Peter Scott	CFST
Elliot Crowder	
Jim Danaher	Sierra Club
Libby Huyck	
Eileen Beaudry	
Liana Harp	
Katherine Herndon	
David Wright	Friends of the Rail Trail
Cassidy Wright	
Mike Dalbey	Friends of the Rail Trail
Piet Canin	Bike to Work
Ken Hill	Caltrans/RW
Bruce Englehardt	
Steve McIntyre	
Jeff Ringold	
Karsten Mueller	
Bruce Van Allen	
Donald Owen	
Scott Bugental	Seniors Council
Al Walters	
Devon Pearse	
John Garza	
Keresha Durham	Population Connection
Scott Graham	
Michael Bradshaw	
Maria Stolz	Community Bridges
Richard Stover	
Shalom Compost	
David Eselius	
Dean Lundholm	
Kathleen Johnson	
Bradley Allen	
Jim Conklin	Business Council
Peter Newton	Friends of the Rail Trail

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REGIONAL TRANSPORTATION COMMISSION

Transportation Policy Workshop

MINUTES

Thursday, June 17, 2004
9:00 am
SCCRTC Conference Room
Santa Cruz, CA 95060

Members Present: Jan Beautz Ellen Pirie
 Scott Kennedy Randy Johnson
 Michelle Hinkle (Alt) Dennis Norton
 Emily Reilly Tony Campos
 Pat Spence Mark Stone
 Mardi Wormhoudt Rich Krumholz (ex-officio) (Alt.)

Staff Present: Pat Dellin Tegan Speiser
 Karena Pushnik Kim Shultz
 Luis Mendez Gini Pineda
 Rachel Moriconi

1. Introductions

Introductions were made.

2. Oral Communications

3. Additions/Deletions to the Agenda

Commissioner Beautz asked to pull Item 6. Chair Johnson designated it as Item 13.1 on the Regular Agenda.

CONSENT AGENDA – (Reilly/Kennedy)

4. Accepted Minutes of the May 20, 2004 TPW Meeting

5. Accepted Legislative Status Report

6. Accept Information on Funding Transfers for the Highway 1/HOV Project Approval/Environmental Document (PA/ED) and Local Projects – Moved to Regular Agenda as Item 13.1

7. Accepted Information on Notice of Preparation and Scoping Meeting for the Environmental Impact Report on the Regional Transportation Plan
8. Approved Amendment to the FY03-04 SCCRTC Budget and Amendments to Contracts with the Highway 1 and Expenditure Plan on-Call Consultants to Extend the Terms and Increase the Expenditure Limits (Resolutions 45-04 and 46-04)
9. Approved Amendment to the FY03-04 SCCRTC Budget for Transportation Congestion Relief Act Exchange Funds to the City of Watsonville's Transit Center Daycare Facility (Resolution 47-04)
10. Accepted Miscellaneous Public Comments

REGULAR AGENDA

11. Update on the 2004 State Transportation Improvement Program (STIP)

Deputy Director Pat Dellin gave an oral report stating that Senior Planner Rachel Moriconi was working with the California Transportation Commission (CTC), the Commission's legislative assistants, SCMTD and the SCMTD's legislative assistants to support including the MetroBase and Highway 17 projects in the 2004 State Transportation Improvement Program (STIP). She said that a letter writing and phone campaign to contact CTC representatives was underway.

12. Approve Staff Recommendations Regarding Expenditure Plan and Ordinance for Local Transportation Sales Tax Measure

Deputy Director Pat Dellin said that there were several specific issues to discuss in the Expenditure Plan and Ordinance and suggested that following discussion of those issues, Commissioners go through the ordinance page by page with comments and questions. The issues to be discussed were identified as: the amendment process, the Independent Audit Committee, administrative roles and environmental review.

County Counsel Rahn Garcia addressed the amendment process and the two alternative language proposals, but said he had concluded that any amendment to the Expenditure Plan needed to be approved by a 2/3rd vote of the people. Mr. Garcia said that, typically, self-help funding counties have relied upon a general initiative law to place a sales tax measure on the ballot. He said under a general initiative law an amendment provision could be incorporated into the ordinance, but that the County of Santa Cruz is using a revenue and taxation statute that does not include provisions for amendments and requires that voters approve both the tax and the ordinance by a 2/3rd majority vote.

Deputy Director Dellin reported that the Expenditure Plan Subcommittee discussed the composition of the Independent Audit Committee, how members would be selected, what groups should nominate members and what professional expertise should be required. A revised proposal regarding an Independent Audit Committee was presented to

Commissioners in the replacement pages for the Proposed Final Expenditure Plan and Ordinance, revised June 16, 2004.

Commissioners agreed that no elected officials should be on the auditing committee. Commissioners discussed staffing the committee and the length of time a member could serve on the committee. Commissioner Wormhoudt noted that nominating groups needed to be asked if they were interested in participating. Commissioner Beautz said she wanted something in writing to indicate a group's interest in participating. Commissioners emphasized that the actual audits would be done by auditors and that the purpose of the Committee was to oversee annual financial audits, allocations and expenditures of revenues.

Eileen Goodwin, Apex Strategies, presented a summary on how some other communities formed their citizen oversight committee.

Auditor-Controller Gary Knutson pointed out that some of the nominating groups named may not be in their present form 30 years from now and that it might be a good idea to add language that successor organizations or other organizations as approved by the HCA are allowed to follow the original groups and provide members to the committee.

Regarding administrative roles, Deputy Director Dellin said that the Expenditure Plan Subcommittee had discussed some changes which had been incorporated in the final draft ordinance and Expenditure Plan. With these changes, the Auditor-Controller would collect and distribute all sales and use tax measure funds and establish a new fund in the County Treasury specifically for the "Measure X Regional Transportation Fund". Ms. Dellin said that the Commission would continue to allocate any Measure "X" funds not directly allocated to the Highway Authority or to local jurisdictions.

Ms. Dellin said that the Auditor-Controller would be authorized to distribute up to 1% of the annual net amount of revenue raised by the tax measure for administrative expenses, audits and other implementation and oversight responsibilities.

Regarding environmental review, Ms. Dellin said that since all the projects included in the Expenditure Plan were examined in the Environmental Impact Report for the 2001 Regional Transportation Plan (RTP), an addendum to the RTP has been prepared to address the California Environmental Quality Act (CEQA) requirements.

County Counsel Rahn Garcia said that the addendum has to be certified before the Board of Supervisors can place the Expenditure Plan on the ballot.

Commissioners discussed options for meeting times to consider the addendum along with the final Expenditure Plan and Ordinance language. A special meeting of the Commission on July 27, 2004 at 9:00 am at the Board of Supervisors Chambers was agreed upon by consensus.

Returning to the subject of the amendment procedure, Commissioner Wormhoudt noted that there were two references to amendments being made by a vote of the people in the ordinance.

Commissioner Beautz moved to approve the amendment process as indicated in the ordinance. Commissioner Pirie seconded and the motion passed unanimously.

Commissioners began an in-depth discussion about the Independent Audit Committee. Commissioner Wormhoudt agreed with the categories of representation as stated in the ordinance but objected to limiting participation to specific organizations. She said the committee members should be appointed by the Commission.

Commissioners clarified that the audit committee would not be making decisions about the Expenditure Plan or the distribution of money.

Commissioner Johnson asked Auditor-Controller Gary Knutson to further explain his suggestion about determining successor organizations.

Mr. Knutson said that most audit committees are about governance and that most ordinances include categories for the committee which consists of about 5 members. He said that language could be added to the ordinance saying that members could be appointed as follows with their concurrence or successor organizations as approved.

Commissioners discussed how many people need to be on the committee, what areas of expertise should be represented, who decides the composition of the committee, whether the Commission should or should not appoint the membership and if the concurrence of the cities should be required.

Commissioner Pirie made a motion to accept the composition and structure of the Independent Audit Committee as written in the revised ordinance with language that says the committee shall consist of members appointed by the named entity, the successor entity or if it ceases to exist, an alternative entity appointed by the Commission. Commissioner Beautz seconded with the addition that written acceptance from the participating nominating groups be obtained.

The motion passed with Commissioners Kennedy, Wormhoudt and Reilly voting "no".

Deputy Director Dellin asked Commissioners to consider the division of administrative roles. Commissioner Kennedy moved to accept the Expenditure Plan Subcommittee and staff recommendations as reflected in the revised ordinance regarding the sharing of roles and division of responsibilities between the Auditor-Controller and the SCCRTC. Commissioner Wormhoudt seconded and the motion passed unanimously.

Commissioner Wormhoudt moved to approve the Maintenance of Effort provision as described in the revised ordinance which states that each local jurisdiction will maintain their existing commitment of local funds for street, highway and public transit purposes and that sales tax revenues will be used to supplement existing local revenues.

Commissioner Kennedy pointed out that in the short term the City of Santa Cruz cannot maintain its efforts and that this clause does not address this or similar situations.

Assistant CAO Pat Busch agreed that the phraseology may be inappropriate for the economic times.

Commissioner Wormhoudt withdrew the motion.

Eileen Goodwin, Apex Strategies, commented that typically in good times this would be a big issue and very important so as to prevent a bait and switch scenario, but in these harder economic times it might be more appropriate to make the gist of the provision be that the sales tax revenue is to augment money a city would use for transportation projects and to concentrate on the intent of the provision.

Commissioner Pirie made a motion to revise provisions under maintenance of effort to require all agencies to continue their statutory commitments, with final language to be determined by County Counsel. Commissioner Kennedy seconded and the motion passed unanimously.

Commissioner Kennedy moved to schedule a public meeting to approve the environmental review of the Expenditure Plan as part of the July 27th Regional Transportation Commission meeting. Commissioner Beautz seconded and the motion passed unanimously.

Commissioners began to discuss the ordinance page by page.

After discussion about changes to the preamble proposed by Commission Alternate Quintanilla, Commissioner Pirie moved to strike the preamble.

After further discussion about whether the preamble was necessary, if it would be read by voters and if the summary and purpose statements in the ordinance itself were sufficient to explain the ordinance, Commissioner Reilly seconded the motion. The motion passed unanimously.

Regarding the description of the Highway 1 project on page 12-21, Commissioner Kennedy moved to strike the words “during peak periods” and substitute “public transit” for “buses”.

Discussion ensued about what “peak periods” could mean. Commissioner Beautz noted that the revised language would not allow the lane to be used as a free flow lane. Commissioner Reilly said that not including the phrase could give the wrong impression. Commissioner Kennedy withdrew his motion.

Commissioner Pirie moved to strike the word “exclusive” describing the use of the lanes page 12-21.

Assistant County Counsel Rahn Garcia said that the concept is that use of a carpool lane may include carpools, public transit, and emergency vehicles.

Rich Krumholz, Caltrans District 5, said that Caltrans has HOV guidelines developed in consultation with the California Highway Patrol.

There was no second to the motion.

Commissioner Kennedy moved to bring back proper language to the July 27th meeting after consulting with Caltrans. The Commission agreed by consensus.

Commissioner Kennedy said that there was a major flaw on page 12-24 to suggest that there were funds available for acquisition of the rail line and were not limited to improvements for a bicycle / pedestrian trail.

Eileen Goodwin, Apex Strategies, noted that the termination date should be when money from the State Board of Equalization stops being collected, as it sometimes comes in late.

Commissioner Kennedy moved to make sure that the termination date ensures sufficient time for the distribution of funds. Commissioner Beautz seconded and the motion passed unanimously.

Staff indicated that the revised final ordinance and expenditure plan will be brought back to the Commission for its approval at the July 27th meeting.

13. Approve Staff and Consultant Recommendations Regarding a Public Education and Outreach Effort for the Local Transportation Sales Tax Measure Expenditure Plan

Deputy Director Pat Dellin gave the staff report saying that Commissioners have been provided with three scenarios outlining the scope and levels of various public education programs. Ms. Dellin said that feedback from Commissioners was important so that staff could return in August with a proposed plan for public information.

Eileen Goodwin talked about the three levels of public education effort that basically correlate to staff and Commission time and to budget constraints.

Commissioners discussed the memo from an attorney describing rules for public agency officials and employees in connection with ballot measure campaigns.

Commissioner Wormhoudt asked if public officials applied to Commissioners. County Counsel Rahn Garcia said he would have to research this further. He defined employees as staff during work hours.

Commissioner Wormhoudt noted that there is a fine line between informational and promotional material.

Senior Planner Tegan Speiser asked if there was a distinction between communicating information about the Expenditure Plan and the ballot measure itself. Mr. Garcia reiterated that the key is whether the information given is purely informational or if it crosses the line to advocacy.

Commissioner Spence suggested getting labor unions to get the information out.

Eileen Goodwin said that the focus for today is to understand what role the Commission sees for itself and for staff and how much staff support is necessary.

Commissioner Beautz said that if Commissioners speak it should be on their own time and that they should not use staff for their presentations. She said that staff should set up a speaker's bureau to arrange the appearances. Ms. Beautz recommended that Commissioners speak on their own without PowerPoint but that there should be written information and a list of frequently asked questions.

Commission Alternate Quintanilla asked that staff put together a PowerPoint presentation.

Commissioner Pirie recommended a mailing to all households but said there may not be the resources to do it.

Paul Elerick said he thought the public information forums should be sponsored by the Business Council.

Commissioner Johnson suggested emailing Deputy Director Dellin with ideas.

13.1 Accept Information on Funding Transfers for the Highway 1/HOV Project Approval/Environmental Document (PA/ED) and Local Projects – Formerly Item 6

Commissioner Beautz moved to approve the Item. Commissioner Campos seconded and the motion passed unanimously.

14. Next Meetings / Adjournment

A special meeting of the SCCRTC will be held Tuesday, July 27th at 9:00 am at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, CA 95060.

The next regular Commission Meeting will be held Thursday, August 5, 2004 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, CA 95060.

The next Transportation Policy Workshop will be held Thursday, August 19, 2004 at 9:00 a.m. at the RTC Office, /1523 Pacific Avenue, Santa Cruz, CA.

Respectfully submitted,

Gini Pineda, Staff

ATTENDEES

Marcela Tavantzis	SCMTD
Bob Yount	MASTF/MAC
Pat Busch	CAO Office
Gary Knutson	Auditor-Controller
Maria Esther Rodriguez	City of Watsonville
Piet Canin	Bike to Work
Donna Ziel	Commission Alternate
Paul Elerick	CFST
Rahn Garcia	County Counsel
Eileen Goodwin	Apex Strategies
Edenilson Quintanilla	Commission Alternate

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF CONTRACT EXTENSION WITH CAROLYN C. CHANEY & ASSOCIATES FOR FEDERAL LEGISLATIVE SERVICES

I. RECOMMENDED ACTION

It is recommended that the Board of Directors authorize the General Manager to enter into a contract extension with Carolyn C. Chaney & Associates for Federal Legislative Services in an amount not to exceed \$45,000 per year plus up to \$4,000 for expenses.

II. SUMMARY OF ISSUES

- The District has had a contract with Carolyn C. Chaney & Associates for the past seven years.
- The current contract approved by the Board of Directors on October 26, 2000 for a term of one year with four options for renewal for one year each.
- Last year the Board of Directors authorized a one-year contract extension, leaving one (1) one-year option available.
- Carolyn C. Chaney & Associates has effectively represented the District in Washington D.C. over the course of the past year and therefore, a contract extension is recommended.

III. DISCUSSION

The District has utilized the services of a professional firm for legislative representation at the federal level for seven years. The District has been successful in getting federal earmarks and having language beneficial to the District included in legislation. The firm that has had the contract for the past seven years is Carolyn C. Chaney & Associates.

On October 20, 2000 the Board of Directors authorized the execution of a contract with Carolyn C. Chaney & Associates for a one-year period of time with four one-year extensions as an option. The selection of Carolyn C. Chaney & Associates was the result of a Request for Proposals (RFP) process, which was issued on August 28, 2000 and distributed to 65 firms. Nine firms responded to the RFP. A selection committee of the Board of Directors screened the top three firms and selected Carolyn C. Chaney & Associates. Last year the Board of Directors approved a one-year contract extension with Carolyn C. Chaney & Associates, leaving one one-year extension remaining on the contract.

Over the past year, the quality of service provided by Carolyn C. Chaney & Associates has been excellent and the District has had effective representation with regard to major legislative issues. In the coming year, Federal Authorization and Federal Regulatory issues will require the continuation of a firm located in Washington D.C. to represent the District. Staff recommends that the District exercise the option for a one-year contract extension with Carolyn C. Chaney & Associates for an amount not to exceed \$45,000 plus reimbursement of up to \$4,000 for expenses incurred as a part of the contract. Eligible expenses would include long distance telephone charges, photocopying, postage, courier, overnight mail and other types of expenses appropriate to representation of the District. Staff further recommends that the Board of Directors authorize the General Manager to sign a one-year contract extension on behalf of the District.

IV. FINANCIAL CONSIDERATIONS

Funds are included in the fiscal year 2004-05 budget necessary to support this contract.

V. ATTACHMENTS

Attachment A: Contract Amendment

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FOURTH AMENDMENT TO CONTRACT NO. 00-04
FOR FEDERAL LEGISLATIVE SERVICES**

This Fourth Amendment to Contract No. 00-04 for Federal Legislative Services is made effective November 1, 2004 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“District”) and Carolyn C. Chaney & Associates, Inc. (“Contractor”).

I. RECITALS

1.1 District and Contractor entered into a Contract for Federal Legislative Services (“Contract”) on November 1, 2000.

1.2 The Contract allows for the extension upon mutual written consent.

Therefore, District and Contractor amend the Contract as follows:

II. TERM

2.1 Article 4.01 is amended to include the following language:

This contract shall continue through October 31, 2005. This Contract may be mutually extended by agreement of both parties.

III. REMAINING TERMS AND CONDITIONS

3.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

IV. AUTHORITY

4.1 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

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
CAROLYN C. CHANEY & ASSOCIATES, INC.

By _____

Carolyn C. Chaney
President

APPROVED AS TO FORM:

Margaret R. Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF CONTRACT EXTENSION WITH SHAW/YODER, INC. FOR STATE LEGISLATIVE SERVICES

I. RECOMMENDED ACTION

It is recommended that the Board of Directors authorize the General Manager to enter into a contract extension with Shaw/Yoder, Inc. for State Legislative Services in an amount not to exceed \$24,000 per year.

II. SUMMARY OF ISSUES

- The District has had a contract with Shaw/Yoder, Inc. for the past eight years.
- The current contract, approved by the Board of Directors on August 18, 2000, was for a term of one year with four one-year options for renewal.
- Last year the Board of Directors authorized a one-year contract extension, leaving one remaining one-year option available.
- Shaw/Yoder, Inc. has effectively represented the District in Sacramento over the course of the past year and therefore, a contract extension is recommended.

III. DISCUSSION

The District has utilized the services of a professional firm for legislative representation at the state level for eight years. On August 18, 2000, the Board of Directors authorized the General Manager to execute a one-year contract with the option of four (4) one-year extensions with Shaw/Yoder, Inc. for professional legislative services. Last year the Board of Directors authorized a one-year contract extension, leaving one (1) one-year option available.

The selection of Shaw/Yoder, Inc. was the result of a Request for Proposals (RFP) process, which was issued on June 26, 2000 and sent to fifteen (15) firms. A selection committee of the Board of Directors screened the top three firms and selected Shaw/Yoder, Inc. to represent the District.

In the past year, Shaw/Yoder, Inc. has done an excellent job of representing the interests of the District at the state level. Shaw/Yoder, Inc. has been effective in maintaining open lines of communication with members of the Assembly and the Senate as well as the Office of the Governor. Shaw/Yoder, Inc. was instrumental in preserving funds made available under the

Traffic Congestion Reduction Plan so that the District was able to proceed with the acquisition of new vehicles as well as Phase I of the Metro Center Project. Based upon the performance of Shaw/Yoder, Inc., staff recommends that the District exercise the option for a one-year contract extension for an amount not to exceed \$24,000.

IV. FINANCIAL CONSIDERATIONS

Funds are included in the fiscal year 2004-05 budget necessary to support this contract.

V. ATTACHMENTS

Attachment A: Contract Amendment

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FOURTH AMENDMENT TO CONTRACT NO. 99-35
FOR STATE LEGISLATIVE SERVICES**

This Fourth Amendment to Contract No. 99-35 for State Legislative Services is made effective October 1, 2004 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“District”) and Shaw/Yoder, Inc. (“Contractor”).

I. RECITALS

- 1.1 District and Contractor entered into a Contract for State Legislative Services (“Contract”) on October 1, 2000.
- 1.2 The Contract allows for the extension upon mutual written consent.

Therefore, District and Contractor amend the Contract as follows:

II. TERM

- 2.1 Article 4.01 is amended to include the following language:

This Contract shall continue through September 30, 2005. This Contract may be mutually extended by agreement of both parties.

III. REMAINING TERMS AND CONDITIONS

- 3.1 All other provisions of the Contract that are not affected by this amendment shall remain unchanged and in full force and effect.

IV. AUTHORITY

- 4.1 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

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
SHAW/YODER, INC.

By _____
Joshua W. Shaw
Partner

Approved as to Form:

Margaret R. Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Robyn D. Slater, Human Resources Manager

SUBJECT: CONSIDERATION OF EXTENDING THE CONTRACT WITH TRISTAR UNTIL DECEMBER 31, 2004 TO ALLOW ENOUGH TIME TO COMPLETE THE RFP PROCESS

I. RECOMMENDED ACTION

It is recommended that the Board of Directors approve the extension of the contract with Tristar Risk Management (Tristar), our third party administrator for workers' compensation claims from October 23, 2004 to December 31, 2004.

II. SUMMARY OF ISSUES

- METRO contracts with Tristar to administer our workers' compensation claims.
- If METRO selects a new carrier extending the contract would provide a longer transition period. Most carriers request a 60 to 90 day transition period.
- The State has mandated reports based on the calendar year. If METRO changes carriers it would be beneficial to have all the reports for the year from one carrier.
- If METRO stayed with Tristar until the end of the calendar year Tristar would be able to assist us in developing a medical provider network as specified under the new workers' compensation law. If METRO transitions to a new carrier it would be difficult to develop the medical provider network by January 1, 2005 (the required date of implementation).

III. DISCUSSION

METRO has used Tristar as the third party workers compensation administrator for the past 12 years (these were through multiple competitive bid processes). There have been name changes as the result of mergers and/or acquisitions however METRO has not had to transfer claims files for many years. If a new carrier is selected it is important that both electric and hard files are successfully transferred. Also, payments to employees and medical providers must be timely for both the well being of the employee and to prevent any possible penalties. The additional time afforded by extending the contract would greatly assist in a smooth transition from one carrier to the next.

The State of California requires the completion of the OSHA 300 form. This form is based on a calendar year. By maintaining our contract with Tristar until the end of the year that report can be easily generated.

Tristar has agreed to extend the contract under the current terms and conditions until December 31, 2005.

IV. FINANCIAL CONSIDERATIONS

There was a 3.5% increase when the contract with Tristar was renewed in October 2003. It is likely that whatever carrier METRO selects would increase the administrative fee so there is a potential small savings in extending the contract.

V. ATTACHMENTS

NONE

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004
TO: Board of Directors
FROM: Elisabeth Ross, Finance Manager
SUBJECT: RESOLUTION ESTABLISHING A PETTY CASH FUND FOR THE PARACRUZ FACILITY

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors adopt the attached resolution establishing a petty cash fund for the ParaCruz facility.

II. SUMMARY OF ISSUES

- The District maintains a petty cash fund at each operating facility for small purchases.
- The new ParaCruz facility at 2880 Research Park Drive, Soquel, will require a petty cash fund.
- An appropriate amount for the fund is \$200, the same amount as the petty cash fund at the River Street facility.

III. DISCUSSION

A petty cash fund is maintained at the each operating facility with an administrative office. The fund is used to reimburse designated departmental employees for small purchases under \$30 that are required to be made immediately, rather than waiting for the bi-weekly check run. The new ParaCruz facility will require such a fund.

IV. FINANCIAL CONSIDERATIONS

Since purchases from the petty cash fund are charged against the appropriate department and account, there is no budgetary impact from this action.

V. ATTACHMENTS

Attachment A: Resolution Establishing a Petty Cash Fund for the ParaCruz Facility.

**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 ESTABLISHING A PETTY CASH FUND
FOR THE PARACRUZ FACILITY**

WHEREAS, the Santa Cruz Metropolitan Transit District has a need for a petty cash fund for the ParaCruz facility at 2880 Research Park Drive, Soquel, CA.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that this Board does hereby authorize establishment of a petty cash fund for the ParaCruz facility containing a maximum amount of \$200.00;

BE IT FURTHER RESOLVED AND ORDERED, that the General Manager is hereby authorized and directed to draw a warrant in the amount of \$200.00 for such petty cash fund.

PASSED AND ADOPTED this 27th day of August, 2004, by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____
Chairperson

ATTEST _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Robyn D. Slater, Human Resources Manager

SUBJECT: CONSIDERATION OF APPROVAL OF RESOLUTIONS TO ALLOW CALPERS TO ADJUST THE PREMIUM PAYMENT CAPS FOR MEDICAL FOR SEIU AND MANAGEMENT

I. RECOMMENDED ACTION

It is recommended that the Board of Directors approve the attached Resolutions to revise the fixed contribution toward medical coverage for two of the Districts employee groups under the California Public Employee's Retirement System (CalPERS) medical insurance program.

II. SUMMARY OF ISSUES

- METRO contracts with CalPERS to provide employee/retiree medical insurance coverage.
- In December 2003 METRO passed separate resolutions as required by CalPERS to establish the maximum monthly premium contributions that METRO would pay for SEIU Local 415 and management employees beginning in 2004.
- The Memorandum of Understanding with SEIU Local 415 includes language which guarantees METRO will "pay premiums at a level sufficient to cover the cost of the basic monthly medical insurance premiums for HMO plans... by the CalPERS medical program".
- Medical premiums paid by METRO for management employees mirror the agreements as set forth in SEIU Memorandum of Understanding.
- As of January 2005 the cost of premiums for CalPERS HMO has increased requiring new resolutions for SEIU Local 415 and management employees.

III. DISCUSSION

The California Public Employees' Medical and Hospital Care Act requires local public agencies contracting with CalPERS for employee medical insurance to fix the amount of the employer's contribution(s). METRO established fixed maximum monthly contributions with CalPERS effective January 1, 2004. This year the monthly premiums for the CalPERS HMO exceeds the fixed maximum monthly contributions established with CalPERS. In order to revise the maximum monthly contributions, the attached Resolutions must be approved by the Board of

Directors and submitted to CalPERS. The maximum monthly contributions by METRO for SEIU Local 415 and management employees have changed for 2005 to:

<u>Enrollment</u>	<u>old maximum</u>	<u>2004 rate</u>
Employee/retiree only	\$315.22	\$ 389.96
Employee/retiree +1	\$630.44	\$ 779.92
Employee/retiree + 2 or more	\$819.77	\$1,013.90

IV. FINANCIAL CONSIDERATIONS

The increased cost has been addressed in the current budget.

V. ATTACHMENTS

Attachment A: A Resolution fixing the contribution under the Public Employees' Medical and Hospital Care Act for the Management Unit.

Attachment B: A Resolution fixing the contribution under the Public Employees' Medical and Hospital Care Act for the Service Employees International Union Local 415.

**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
FIXING THE CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND
HOSPITAL CARE ACT FOR THE MANAGEMENT UNIT**

WHEREAS, Government Code Section 22825.6 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22825 of the Act: and

WHEREAS, Santa Cruz Metropolitan Transit District, hereinafter referred to as Public Agency, is a local agency contracting under the Act for participation by members in the non-represented Management Unit who are employees and annuitants of the agency;

NOW, THEREFORE, BE IT RESOLVED, that the employer's contribution for each employee or annuitant of the non-represented Management Unit shall be the amount necessary to pay a portion or full cost of his/her enrollment, including the enrollment of his/her eligible family members, in a health benefits plan up to a maximum of the Blue Shield basic/supplemental premium rates based on the employee's designated category (employee only, employee plus one, family); plus administrative fees and Contingency Reserve Fund Assessments.

BE IT FURTHER RESOLVED AND ORDERED, that the Board of Directors appoint and direct, and it does hereby appoint and direct the Human Resources Manager to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said public Agency all functions required of it under the Act and Regulation of the Board of Administration; and

BE IF FURTHER RESOLVED AND ORDERED, that the maximum employer contribution for coverage under the Act shall be effective beginning January 1, 2005, for employees in and annuitants from the non-represented Management Unit.

PASSED AND ADOPTED this 27th day of August 2004, by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____
EMILY REILLY
Chairperson

ATTEST _____
LESLIE WHITE
Secretary/General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

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
FIXING THE CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND
HOSPITAL CARE ACT FOR THE SERVICE EMPLOYEES INTERNATIONAL UNION
LOCAL 415**

WHEREAS, Government Code Section 22825.6 provides that a local agency contracting under the Public Employees' Medical and Hospital Care Act shall fix the amount of the employer's contribution at an amount not less than the amount required under Section 22825 of the Act: and

WHEREAS, Santa Cruz Metropolitan Transit District, hereinafter referred to as Public Agency, is a local agency contracting under the Act for participation by members represented by the Service Employees International Union Local 415 who are employees and annuitants of the agency;

NOW, THEREFORE, BE IT RESOLVED, that the employer's contribution for each employee or annuitant of the Service Employees International Union Local 415 shall be the amount necessary to pay a portion or full cost of his/her enrollment, including the enrollment of his/her eligible family members, in a health benefits plan up to a maximum of the Blue Shield basic/supplemental premium rates based on the employee's designated category (employee only, employee plus one, family); plus administrative fees and Contingency Reserve Fund Assessments.

BE IT FURTHER RESOLVED AND ORDERED, that the Board of Directors appoint and direct, and it does hereby appoint and direct the Human Resources Manager to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said public Agency all functions required of it under the Act and Regulation of the Board of Administration; and

BE IF FURTHER RESOLVED AND ORDERED, that the maximum employer contribution for coverage under the Act shall be effective beginning January 1, 2005, for employees in and annuitants from the Service Employees International Union Local 415.

PASSED AND ADOPTED this 27th day of August 2004, by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____

EMILY REILLY
Chairperson

ATTEST _____

LESLIE WHITE
Secretary/General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 13, 2004

TO: Board of Directors

FROM: Leslie R. White, General Manager

**SUBJECT: CONSIDERATION OF APPOINTING LESLEY WRIGHT AS A
TEMPORARY METRO ADVISORY COMMITTEE (MAC)
REPRESENTATIVE TO ATTEND THE AUGUST MEETING OF THE
PARATRANSIT COORDINATION TASK FORCE.**

I. RECOMMENDED ACTION

That the Board of Directors appoint Lesley Wright as the temporary representative from the Metro Advisory Committee (MAC) to the Paratransit Coordination Task Force for the meeting to be held on August 18, 2004.

II. SUMMARY OF ISSUES

- The METRO Board of Directors is responsible for appointing three (3) representative to the Santa Cruz County Regional Transportation Commission's Paratransit Coordination Task Force.
- One of the appointments to the Paratransit Coordination Task Force is reserved for a representative of the Metro Advisory Committee (MAC).
- Previously the Board of Directors appointed Norm Hagen Jr. as the individual representing the MAC on the Paratransit Coordination Task Force.
- Norm Hagen Jr. has submitted a letter of resignation from the Task Force to be effective upon receipt.
- On July 21, 2004 the MAC recommended that the Board of Directors appoint Lesley Wright as a temporary member of the Task Force for the August 18, 2004 meeting.

III. DISCUSSION

The Santa Cruz County Regional Transportation Commission (SCCRTC) created the Paratransit Coordination Task Force to address the long-term issues of service quality, service quantity, coordination, and service funding for the various paratransit services provided in the County. In constructing the Task Force the SCCRTC requested that the METRO Board of Directors appoint individuals to fill three (3) positions, with one of the positions representing the Metro Advisory Committee (MAC). The Board of Directors, in response to a recommendation for the MAC appointed Norm Hagen Jr. as a Member of the Task Force. Norm Hagen Jr. has submitted his resignation from the Task Force to the MAC and to the Board.

On July 21, 2004 the MAC recommended that the Board of Directors appoint MAC Member Lesley Wright as an interim representative to attend the Task Force meeting scheduled to be held on August 18, 2004. The Mac also indicated that it would present a recommendation for an individual to be the permanent replacement for Norm Hagen Jr. once a candidate had been identified.

Staff recommends that the Board of Directors take action on August 13, 2004 to appoint Lesley Wright as an interim representative on the SCCRTC Paratransit Coordination Task Force for the meeting of August 18, 2004.

IV. FINANCIAL CONSIDERATIONS

The appointment of Lesley Wright as an interim representative on the SCCRTC Paratransit Coordination Task Force will not have an impact on the METRO operating or Capital Budgets.

V. ATTACHMENTS

Attachment A: MAC July 23, 2004 Memo to the Board

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

M E M O R A N D U M

Date: July 23, 2004
To: Board of Directors
From: Metro Advisory Committee
Subject: Paratransit Coordination Task Force

On July 21, 2004 Metro Advisory Committee Member (MAC) Norm Hagen Jr. informed the Committee that he would be submitting a letter of to the METRO Board of Directors indicating that he was resigning from the Santa Cruz County Regional Transportation Commission's (SCCRTC) Paratransit Coordination Task Force. Norm Hagen Jr. served on the Task Force as an appointee of the Board of Directors filling the position that was designated to be held by a member of the MAC. At the July 21, 2004 meeting of the MAC Norm Hagen Jr. indicated that he wanted his resignation to be effective immediately and that he would not be available to attend the meeting of the SCCRTC Paratransit Coordination Task Force scheduled to be held on August 18, 2004.

At the July 21, 2004 meeting the MAC voted to request that the METRO Board of Directors appoint MAC Member Lesley Wright to represent METRO on the Paratransit Coordination Task Force for the August 18, 2004 meeting. Lesley Wright has indicated that she would only be available to represent METRO for the August 18, 2004 meeting and would not be receptive to accepting a permanent appointment. The MAC will submit a recommendation for a permanent appointment to the Board of Directors after the August 18, 2004 MAC meeting.

The Members of MAC appreciate the Board's consideration of appointing Lesley Wright to represent METRO as a member of the SCCRTC Paratransit Coordination Task for the August 18, 2004 meeting.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Mark Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE OPTION TO PURCHASE TWO 40 FOOT COMPRESSED NATURAL GAS BUSES FROM THE CITY OF CULVER CITY WITH NEW FLYER OF AMERICA

I. RECOMMENDED ACTION

It is recommended that the Board authorize the General Manager to execute the option from the City of Culver City for the purchase of two (2) Compressed Natural Gas 40-foot low-floor transit buses and be authorized to take all necessary steps to negotiate and sign a contract with New Flyer of America to purchase these two (2) buses.

II. SUMMARY OF ISSUES

- The District currently has a grant for two (2) new 40 foot CNG buses.
- The District has investigated other transit systems that have existing contracts for the purchase of similar buses.
- The City of Culver City in Southern California has options for this type of vehicle that it will not be using.
- The City of Culver City is willing to allow the District to purchase two (2) buses using their contract options.

III. DISCUSSION

The District currently has an existing grant for the purchase of two (2) 40-foot transit buses. These are for CNG Low-Floor Buses. The bid process is a long and lengthy process that generates a great deal of staff time.

The District has attempted to identify other transit agencies that have available options to purchase under existing bus purchase contracts that they are not utilizing. This process is referred to as “piggy-backing” on another agency’s order. Staff has identified the City of Culver City having options for 40-foot low-floor CNG buses that it will not be to using this year. Staff has had discussions with officials at the City of Culver City and they have agreed to assign to the District the right to purchase two (2) buses (Attachment A).

This process has the benefit of knowing the base price for the buses since the options were tied to the Producer Price Index (PPI) for Truck and Bus Bodies (Category 1413). Originally, the base price of the bus for the City of Culver City was \$358,237.50 in October of 2003. Using the formula in the contract with the City of Culver City, when the District signs a contract with New Flyer, the price for the bus will be tied to the PPI for the month the contract is signed. Negotiations will occur with New Flyer to add those options to the bus that are desired by the District such as paint scheme, bus annunciation system, etc. In this way, the cost of the bus will be substantially less than if we were to bid the bus at this time for a two bus order. A further advantage in this approach is that we will add two (2) additional buses from the same manufacturer, New Flyer of America, and this will make it easier to maintain the buses by not requiring new parts to maintain the buses.

It is recommended that the Board authorize the General Manager to execute the option from the City of Culver City for the purchase of two (2) Compressed Natural Gas 40-foot low-floor transit buses and be authorized to take all necessary steps to negotiate and sign a contract with New Flyer of America to purchase these two (2) buses.

IV. FINANCIAL CONSIDERATIONS

Funds are available for the purchase of these vehicles in the Capital program. These are funded with FTA funds and local funds.

V. ATTACHMENTS

Attachment A: July 27, 2004 Letter from City of Culver City with Assignment of Option Agreement



CITY OF CULVER CITY

TRANSPORTATION DEPARTMENT

4343 DUQUESNE AVENUE, CULVER CITY, CA 90232

(310) 253-6544 FAX (310) 253-6513

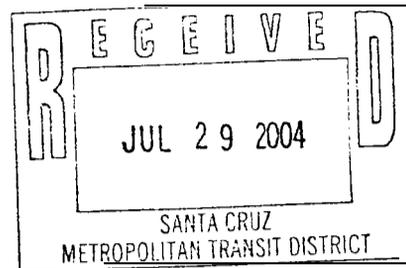
Attachment **A**
Culver CITY

STEPHEN C. CUNNINGHAM

Transportation Director

July 27, 2004

Mr. Mark J. Dorfman
Assistant General Manager
Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite # 100
Santa Cruz, CA 95096
83 1.426.6080



Dear Mr. Dorfman;

Please find enclosed an Assignability for Options Agreement for the two (2) buses that you have requested from our recent procurement for 40-foot, CNG powered, low floor transit buses. We will secure two (2) buses for the Santa Cruz Metropolitan Transit District. Please sign where indicated and return both original documents back to my attention. Upon full execution of the Assignment of Option Contract, I will forward a completed document back to you for your permanent records. The procurement documents and bid contract is forthcoming by separate mailing. This package is very large, so please confirm (by phone) when you receive the information.

As you know, we awarded New Flyer of America the contract for our buses. The basic package is a New Flyer C40LF, and it is equipped with a 280hp Cummins engine C8.3+, Allison World Transmission B400R, MAN axles, Seven (7) Lincoln Composites CNG fuel tanks (450 mile range, est.), Amerex fire suppression system, methane detection system, and 40 passenger capacity with two (2) wheel chair positions. The warranty package is also enhanced with many of the coach amenities having greater warranty.

Please feel free to contact me with any questions, and good luck with the new coaches!

Sincerely,

Paul Condran
Equipment Maintenance Manager
City of Culver City
4343 Duquense Ave.
Culver City, CA 90232
3 10.253.6520
3 10253.6564 Facsimile
paul.condran@culvercity.org

Culver City Employees take pride in effectively providing the highest level/s of service to enrich the quality of life for the community by building on our tradition of more than seventy-five years of public service, by our present commitment, and by our dedication to meet the challenges of the future.

PRINTED ON RECYCLED PAPER

ASSIGNMENT OF OPTION

The City of Culver City, California, "Assignor", hereby assigns to Santa Cruz Metropolitan Transit District "Assignee", an option to purchase from New Flyer of America Inc., of Crookston, Minnesota, "Seller" two (2) New Flyer Low Floor 40-foot CNG transit buses ("Option Buses") at a price as determined by, and under certain terms and conditions contained in, Assignor's Contract with Seller, dated October 28, 2003 ("Contract"). It is understood by all three (3) parties that the Assignee and Seller will enter into a separate contract for the manufacture and delivery of the two (2) Option Buses, but that such contract will incorporate, as appropriate, terms and conditions set forth in the Contract.

Such option commenced, per terms of the Contract, on October 28, 2003, and may be exercised at any time on or before October 28, 2008.

With respect to the Option Buses assigned hereunder and this Assignment, Assignee agrees to perform all appropriate covenants, conditions and obligations required of Assignor under the Contract and agrees to defend, indemnify and hold Assignor harmless from any liability or obligation under the Contract. Assignee further agrees to hold Assignor harmless from any deficiency or defect in the legality or enforcement of the terms of the Contract or option to purchase thereunder. Assignee agrees and understands that Assignor is not acting as a broker or agent in this transaction and is not representing Seller or Assignee, but rather is acting as a principle in assigning its interest in the above-referenced option to purchase the Option Buses under the Contract to Assignee.

Assignee hereby unconditionally releases and covenants not to sue Assignor upon any claims, liabilities, damages, obligations or judgments whatsoever, in law or in equity, whether known or unknown, or claimed, which they or either of them have or claim to have or which they or either of them may have or claim to have in the future against Assignor, with respect to the Option Buses or any rights whatsoever assigned hereunder.

CITY OF CULVER CITY

SANTA CRUZ METROPOLITIAN TRANSIT DISTRICT

By: _____
Jerry Fulwood
Chief Administrative Officer
Assignor

By: _____
NAME
TITLE
Assignee

Dated: _____

Dated: _____

APPROVED AS TO CONTENT:

By:  _____
Stephen C. Cunningham
Transportation Director

City of Culver City

APPROVED AS TO FINANCING:

By: _____
Eric Shapiro
City Controller

APPROVED AS TO FORM:

By: _____
Carol A. Schwab
City Attorney

I hereby accept and approve the terms of Assignment and agree to hold Assignor harmless from any further liability or obligation under the above referenced Contract for the option in question.

Paul Smith
Vice President-Sales and Marketing
New Flyer of America, Inc.
Seller

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF STATUS OF FEDERAL REAUTHORIZATION LEGISLATION AND THE IMPACT ON METRO.

I. RECOMMENDED ACTION

That the Board of Directors review the status of Federal Reauthorization Legislation and assess the financial impact on METRO.

II. SUMMARY OF ISSUES

- The Transportation Equity Act for the 21st Century (TEA21) expired on September 30, 2003.
- TEA 21 provided the authorization for the expenditure of federal funds on all modes of surface transportation including public transit.
- Subsequent to September 30, 2003 federal funding has continued for transportation functions due to a series of short-term extensions, the latest of which extended the program through September 30, 2004.
- The U.S. House of Representatives and the U.S. Senate have passed Reauthorization Bills that would provide a five to six year extension for federal surface transportation funds as well as make certain modifications to the program structure.
- As the House and Senate Bills contain different funding levels and different program modifications it has been necessary for both houses of the Congress to appoint representatives to a Senate/House Conference Committee (attachment B).
- The Transportation Conference Committee has been meeting in an attempt to reconcile the two versions of Reauthorization Bills at a funding level that would not leave the final version susceptible to a veto by President Bush.
- Both of the Reauthorization Bills that have been passed contain provisions for the creation of a new tier in the formula program for small communities that have a high intensity of transit service and ridership.
- The proposed High Intensity Transit Tier (HITT) would provide \$6,098,494 to METRO in the House version or \$16,339,168 to METRO in the Senate version.
- METRO has earmarked all of the potential funding from the proposed HITT for the MetroBase Project (attachment C).

- While both Houses of Congress have passed Bills containing a HITT provision the absence of an agreed upon final Bill that would be signed by the President places a significant amount of potential funding for MetroBase in jeopardy.

III. DISCUSSION

The ability of the United States Congress to provide transportation funding is created by the passage of a multi-year Authorization Bill. The most recent multi-year Authorization Bill for transportation funding was the Transportation Equity Act for the 21st Century (TEA 21). The TEA 21 expired on September 30, 2003. In order to maintain funding for the basic transportation programs Congress has passed a number of short-term extensions in the form of Continuing Resolutions.

Both Houses of Congress have passed Reauthorization Bills. However the House and Senate Bills have different program changes and fund programs at different levels. Therefore in order to reconcile the differences in the two Bills a Transportation Conference Committee has been appointed (attachment B). The Conference Committee has been meeting to attempt to develop a Conference Report that would be acceptable to both Houses. A complicating factor in the process is the indication by President Bush that he will veto any Reauthorization Bill that is funded at a level higher than his budget proposal. Both the Senate and House Bills fund transportation at levels higher than the President recommended. An overview of the status of the Conference Committee progress, prepared in the Washington Letter on Transportation by the Carmen Group is attached to this Staff Report (attachment A).

METRO, the American Public Transportation Association, and many small transit systems have advocated for the development of a High Intensity Transit Tier (HITT) within the formula program that would recognize, and provide supplemental funding to, smaller communities that have high transit service levels and high transit ridership. In a Study released by the Federal Transit Administration in September 2000 Santa Cruz METRO was identified as one of the top four (4) systems in the nation operating in communities of fewer than 200,000 in population.

As a result of the Federal Transit Administration Study, and the advocacy of transit systems that have similar operating characteristics as Santa Cruz, both Bills that have been passed contain language establishing the HITT program and funding it at the level that we requested. However for the HITT provision to be implemented the new Reauthorization Bill must be enacted into law.

METRO has earmarked all of the funds that would be received, were the HITT provision enacted into law, to the MetroBase Project (attachment C). With the recent uncertainty regarding STIP funding for MetroBase from the Regional Transportation Commission the necessity to encourage the Congress to move forward to enact a multi-year Reauthorization Bill becomes even more critical. METRO staff will continue to provide information to Members of Congress on the Reauthorization issue and its effect in Santa Cruz. We will continue to focus on the Members of

Congress who are on the Conference Committee, as they must take the first step to reconcile the two Bills that have been passed.

IV. FINANCIAL CONSIDERATIONS

The absence of enactment of a multi-year Reauthorization Bill will place approximately \$6,000,000 in federal funds earmarked for the MetroBase Project in jeopardy.

V. ATTACHMENTS

- Attachment A:** Excerpt from July 26, 2004 Washington Letter on Transportation.
Attachment B: Transportation Conference Committee
Attachment C: MetroBase Project Funding Chart

Transportation Conferees Unable To Achieve Funding Agreement...

as members met twice last week in an attempt to work out differences before leaving Washington last Friday for the extended six-week summer recess (see below). The lack of a funding agreement increases the odds that a new six-year highway and transit reauthorization bill will not be enacted this year. But an apparent breakthrough did occur last week when a key House player said the **White House could support a \$284 billion bill** (see below). The pace of the reauthorization process picked up last Tuesday when Senate Environment & Public Works (EPW) Chairman James Inhofe (R-OK), the conference committee chairman, tried to revive the reauthorization process **by laying out a second Senate offer**, which Democrats did not play a role in crafting, that is \$11 billion less in guaranteed funding than the Senate-passed \$318 billion reauthorization bill. Meanwhile, the House Appropriations Committee completed work on a FY 2005 Transportation/Treasury and Independent Agencies spending bill totaling a little more than \$89.9 billion (see below).

Inhofe, once seen as the champion of the \$318 billion funding level, insisted to conferees that his compromise is sellable and represents only a 0.69 decrease in the overall spending level in the Senate's bill. He called his plan "our last shot" to move a transportation reauthorization bill this year, saying "you can't change the numbers anymore." Conferees were given until last Thursday to review Inhofe's plan, in preparation for a possible a formal vote of conferees. But in a surprise move, House conferees made a counteroffer last Thursday of \$284 billion in guaranteed funding and \$299 billion in contract authority.

The House decision to make the offer was reached after a Republican-only House conferee meeting last Wednesday afternoon. Senate conferees had been waiting for a formal response to their \$318 billion offer since it was made on June 23. The original House-passed bill authorizes \$279.4 billion in guaranteed funds and \$284 billion in contract authority, while the Senate-passed reauthorization bill contains \$301 billion guaranteed funding and \$318 billion in contract authority.

The House offer also included a rescission of \$15 billion in existing contract authority to meet a White House demand that budget authority equal guaranteed funding (\$284 billion). Despite the lack of details, it is widely assumed that a state's minimum guarantee formula allocation would increase from 90.5 percent to 94 percent, but House leaders insisted that details such as the minimum guarantee formula would be worked out after agreement is reached on a funding level.

Critics contend that the House offer still fails to solve an overall funding level shortfall, since additional monies will be needed to meet a 94 percent minimum guarantee rate of return. Many of these critics believe that the additional dollars needed to make up the difference will come at the expense of transit. To ease the concerns of transit supporters, a Democratic staffer said that conferees may include a re-opener provision (requiring the bill to be reopened within the next two years), which would give

Congress the authority to revisit funding levels.

House Transportation & Infrastructure (T&I) Committee Chairman Don Young (R-AK) expressed support for a re-opener provision during the meeting, but was abruptly shot down by House Ways and Means Committee Chairman Bill Thomas (R-CA). Thomas made it clear that to retain White House support, conferees should not "enhance" the overall funding level and the legislation must conform to the White House's reauthorization principles (see February 9, 2004 issue). **If these conditions are met, Thomas assured conferees that the President would sign the bill.** A White House spokesman speaking to the Bureau of National Affairs last Friday responded to Thomas' statement by saying that the "president wants to continue to work with the Congress to produce a responsible transportation bill that funds our infrastructure needs in a fiscally responsible fashion," but he stopped short of endorsing the \$284 billion number.

If Thomas' statement is accurate, this is the first time the administration has revealed any bend in its position, but the latest proposal did not go far enough to garner the support of Senate conferees. Inhofe said that the proposal would be taken under consideration, but if a vote were conducted "today," the offer would fail. Senate Transportation & Infrastructure Subcommittee Chairman Christopher Bond (R-MO) asserted that Senate conferees "are not ready to accept the number," but the offer allows negotiations to continue with the House over the summer recess. Young's top lieutenant, House T&I Highways and Transit Subcommittee Chairman Tom Petri (R-WI), expressed doubt that conferees could make the number work, adding "I don't see how this would work without some of them [states] getting hammered." Petri predicted "without more money, you're going to have a train wreck."

Young noted that both the House and Senate bills remain intact -- and that the conference would negotiate the details once a number is agreed upon. Senate Budget Committee ranking member Kent Conrad (D-ND) shared the concern of North Dakota's DOT director about the impact of the offer on small states. Conrad noted that an equity bonus was not guaranteed for low-population states and that the omission of a population density provision made the offer a "non-starter" for him. Young replied by offering assurance that the needs of small states would be addressed as part of the conference.

Inhofe's Latest Offer. Inhofe's proposal, while dropping below the Senate's formal offer, still tops the House counteroffer. His proposal, \$289 billion in guaranteed funds and \$301 billion in contract authority, represents the middle ground between the House- and Senate-passed reauthorization bills. The plan would ramp up the current 90.5 percent minimum guarantee rate of return to 94 percent on taxes states contribute to the highway trust fund by FY 2009. The plan calls for \$9.5 billion for projects included in the House bill that would not count toward a state's minimum guarantee rate of return. According to Inhofe, the plan contains a "historic split" in guaranteed funding for highway, transit and safety programs. [Click here](#) (.pdf) for the full details of Inhofe's plan.

Reaction To Inhofe's Plan. House T&I Committee Chairman Young called the offer a "very discussable plan," but that it lacked the critical details on "how it affects every single state and how it affects the House bill." Young told Inhofe "I won't accept the proposal as written" due to the lack of details. Senate critics ignored Young's remarks because his funding offer made last Thursday also lacked details. House T&I Committee

ranking member James Oberstar (D-MN) said Inhofe's plan is a "constructive proposal," but it was not appealing enough to House Democrats, who entered the conference with the understanding that the House-passed \$284 billion figure would be increased significantly.

Democrats Continue To Push For Higher Funding Level. Senate Minority Whip Harry Reid (D-NV) asserted that he was "very, very concerned about the funding number." Reid called the Inhofe proposal a "desperate effort" to produce any highway and transit bill this year, regardless of its merit. His response should not come as a surprise to Republican conferees, because at the July 7 conference meeting he predicted that there would be no highway bill in 2004 and announced that he would not support any bill that is funded at less than \$318 billion. Another key Democrat, Senator Max Baucus (D-MT), the ranking member of the Finance Committee, urged Senate conferees to stick to the Senate's original \$318 billion proposal. Baucus, who many on Capitol Hill believe was speaking for the entire Senate Democratic caucus, argued that the Senate's \$318 billion bill is defensible and does not add to the deficit. He concluded that this is "not the time for the Senate to cave," adding "we have time to get a better number."

Senator Barbara Boxer (D-CA) reminded conferees that lawmakers are not here to serve the administration. Boxer urged conferees to "show a little backbone here and move this thing forward" with or without the White House. In what could be seen as a show of support for Boxer's position, Inhofe asserted that he has "no objection to doing something that would be vetoed." There is a strong case to be made for Boxer and Inhofe's position, but realistically there is little possibility that their strategy would materialize since House GOP leaders will not approve a reauthorization conference report lacking the administration's blessing.

Lawmakers Approve Fifth Transportation Extension. As work on TEA-21's successor remains in limbo, House and Senate lawmakers last week approved the fifth highway and transit reauthorization extension. The bill will fund transportation programs at their current levels until the end of the current fiscal year, September 30, except for the federal-aid highway program, which is funded through September 24. Controversial language adding a \$2 billion set-aside for projects and a funding guarantee for donor states was pulled, although these issues may resurface again when Congress faces the almost certain prospect of passing yet another extension for transportation programs in late September. Lawmakers decided to pass a "clean" extension until September 30, because by closing out the fiscal year, at least 12 donor states would face a funding shortfall that would drop them below the 90.5 percent minimum guarantee for highway funds. A proposal to add \$400 million to the extension bill to keep these states at or above 90.5 percent was rejected by the Senate. By extending funding to FHWA through September 24, Congress keeps most of DOT running for the rest of the fiscal year but gives itself the opportunity to address the shortfall before the fiscal year ends.

The plan House and Senate leaders approved sets the **highway obligation limitation** at \$5.3 billion for the two-month period and **\$5.08 billion in contract authority** through September 24. States will be given the maximum flexibility to move dollars between programs during the two-month period of the bill. The two-month extension keeps in place all policies authorized in TEA-21 and highway and transit programs will continue to be protected by a **budgetary firewall**, a federal budget provision in TEA-21 that ensures that transportation funding in the highway

trust fund may only be spent on transportation programs and must be appropriated at the levels directed in the authorization for FY 2004.

For transit, the proposal would extend all currently authorized federal transit programs for two months at an obligation level of **\$1.18 billion**. Eighty percent of this total funding level, or \$944 million, is provided as contract authority from the mass transit account of the highway trust fund. The other 20 percent, or **\$236 million**, is to be appropriated from the general fund. The two-month extension also preserves the current transit project structure and extends New Starts project authorizations for the term of the extension.

Outlook. Both reauthorization plans appear to be non-starters for many GOP and Democratic conferees. With the House, Senate and White House not closer to reaching a funding agreement, none of the parties involved in the process seems to be serious about finishing a bill this year. Even if a funding agreement is reached, huge hurdles remain such as the minimum guarantee rate of return and several controversial environmental provisions before a final agreement can be sealed. The tone of last week's conference meetings left some veteran Capitol Hill observers with the impression that all the Congress and the White House are looking for is political cover.

In that case, it looks like they achieved their goal; because everyone can point the finger of blame at someone else. The House can blame the Senate for its unwillingness to come down from \$318 billion. The Senate can blame the House for pushing an unrealistically low funding level. And now that the White House has signaled its willingness to increase its original proposal by \$28 billion, it can point the finger at Congress for its failure to support the administration's offer. The bottom line is the process right now is heading for a September train wreck.

Election year politics are complicating the negotiations. The closer it gets to November 2, the less likely Democrats will give a green light to any reauthorization bill. Democratic sources believe that given the current political landscape, there is no incentive for their party to complete a so-called "jobs" bill only weeks before the general election. Rep. Jerrold Nadler (D-NY), who is also a conferee, went even further, saying "I hope we don't pass a bill until after the election." Nadler's said that a much better bill could be produced after the election and that at this point it makes little difference to states whether the bill is finished in September, November or next year. With the end of the 2004 construction season in site in many parts of the country, the full effects of a reauthorization bill would not be felt until 2005 at the earliest, and probably not until 2006.

With the lack of a firm funding agreement, it remains unclear how much work staff can do over the six-week summer recess since many of the important highway and transit policy decisions are tied directly to funding levels. Unless conferees can hammer out their differences by September 30, state and local transportation officials should keep their FY 2006 budgets in pencil and anticipate at the very least a sixth reauthorization extension.

At that point lawmakers will be faced with the decision of how long the next extension will be. The dwindling band of Capitol Hill optimists predict that the next extension will run until sometime after the November election with the hope that Congress will return for a post-election session to finish work on a six-year bill before the 108th Congress adjourns sine die. But there is scant enthusiasm among lawmakers for a post-election

session, which will be reduced further if either of the houses of Congress or the White House changes hands.

Another avenue that Congress may pursue is to pass a long-term one-or two-year extension. The precedent for a short-term reauthorization bill or extension would be TEA-21 itself, enacted in 1998, nine months after the expiration date of the 1991 ISTEA. However, state and local transportation programs could suffer if the funding horizon shrinks to a year or two in a stopgap bill. States depend on the **long-term predictability** of the federal-aid highway program as essential for planning and financing their highway projects. It is also blurry as to whether the extension under this scenario would contain projects or other substantive changes to current law.

Others are concerned that the extension may be a vehicle for a number of unrelated pieces of legislation (see June 28, 2004 issue) that might add to the ballooning federal deficit, which could prompt the President to veto the bill. Inhofe himself recognized the possibility of another extension, although he warned against it saying "there is an alternative and the alternative is to vote on an extension and let me just warn my colleagues that extensions are not good."

Transportation Conference Committee

HOUSE

The conferees are as follows:

For the entire House bill and Senate amendment: DeLay (TX).

From the Committee on Transportation and Infrastructure, for the entire bill and Senate amendment EXCEPT for revenue-related provisions:

Republicans (13): Young (AK), Petri (WI), Boehlert (NY), Coble (NC), Duncan (TN), Mica (FL), Hoekstra (MI), Ehlers (MI), Bachus (AL), LaTourette (OH), Gary Miller (CA), Rehberg (MT), and Beauprez (CO).

Democrats (11): Oberstar (MN), Rahall (WV), Lipinski (IL), DeFazio (OR), Costello (IL), Norton (DC), Nadler (NY), Menendez (NJ), Brown (FL), Filner (CA), and E.B. Johnson (TX).

From the Committee on Ways and Means for exclusive consideration of revenue-related provisions: Thomas (CA), McCrery (LA) and Rangel (NY)

From the following committees for consideration of certain provisions only:

Committee on the Budget: Nussle (IA), Shays (CT) and Spratt (SC).

Committee on Education and the Workforce: Ballenger (NC), Biggert (IL) and George Miller (CA).

Committee on Energy and Commerce: Barton (TX), Pickering (MS) and Dingell (MI).

Committee on Government Reform: Tom Davis (VA), Schrock (VA) and Waxman (CA).

Committee on the Judiciary: Sensenbrenner (WI), Smith (TX) and Conyers (MI).

Committee on Resources: Pombo (CA), Gibbons (NV) and Kind (WI).

Committee on Rules: Dreier (CA), Sessions (TX) and Frost (TX).

Committee on Science: Gilchrest (MD), Neugebarger (TX) and Gordon (TN).

SENATE

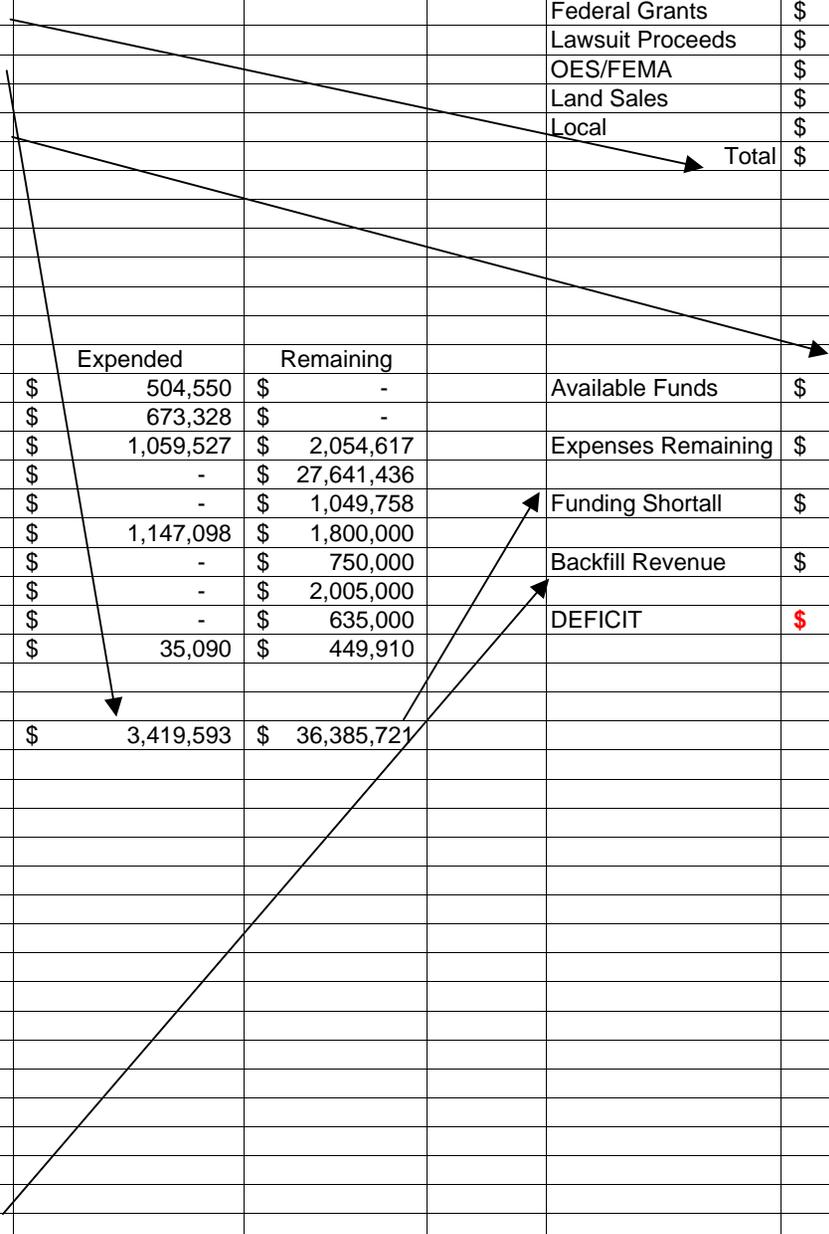
Republicans: Inhofe (OK); Warner (VA); Bond (MO); Voinovich (OH); Grassley (IA); Shelby (AL); Hatch (UT); Lott (MS); McConnell (KY); McCain (AZ); Nickles (OK)

Democrats: Reid (NV); Graham (FL); Lieberman (CT); Boxer (CA); Daschle (SD); Hollings (SC); Sarbanes (MD); Baucus (MT); Conrad (ND)

Independent: Jeffords (VT)

METROBASE PROJECT Phase I - 98 Buses

MetroBase Funding				METROBASE FUNDING			
	All Revenues Available	\$ 22,973,313				Federal Grants	\$ 9,788,226
	Expended-to-Date	\$ 3,419,593				Lawsuit Proceeds	\$ 6,839,482
	FUNDS REMAINING	\$ 19,553,720				OES/FEMA	\$ 898,548
						Land Sales	\$ 3,000,000
						Local	\$ 2,447,057
						Total	\$ 22,973,313
MetroBase Costs		Contract/ Amount	Expended	Remaining			
	Previous Preliminary Engineering	\$ 504,550	\$ 504,550	\$ -		Available Funds	\$ 19,553,720
	Design - Waterleaf Contract	\$ 673,328	\$ 673,328	\$ -			
	Design - RNL Contract	\$ 3,114,144	\$ 1,059,527	\$ 2,054,617		Expenses Remaining	\$ 36,385,721
	Construction Estimate	\$ 27,641,436	\$ -	\$ 27,641,436			
	Construction Management	\$ 1,049,758	\$ -	\$ 1,049,758		Funding Shortall	\$ 16,832,001
	Real Estate Acquisition	\$ 2,947,098	\$ 1,147,098	\$ 1,800,000		Backfill Revenue	\$ 16,845,662
	Relocation	\$ 750,000	\$ -	\$ 750,000			
	Other Direct Owner Costs	\$ 2,005,000	\$ -	\$ 2,005,000		DEFICIT	\$ 13,661
	Furniture Fixtures & Equipment	\$ 635,000	\$ -	\$ 635,000			
	Metro Project Manager	\$ 485,000	\$ 35,090	\$ 449,910			
		\$ 39,805,314	\$ 3,419,593	\$ 36,385,721			
Potential Revenues to Backfill							
	State STIP Funding	\$ 7,800,000					
	STA FY 2004	\$ 830,000					
	STA FY 2005	\$ 830,000					
	STA FY 2006	\$ 830,000					
	STA FY 2007	\$ 830,000					
	STA FY 2008	\$ 830,000					
	STA FY 2009	\$ 830,000					
	HITT FY 2005	\$ 908,795					
	HITT FY 2006	\$ 980,542					
	HITT FY 2007	\$ 1,052,289					
	HITT FY 2008	\$ 1,124,036					
	TOTAL	\$16,845,662.00					



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF MODIFICATIONS TO THE DESIGN BUILD AUTHORITY FOR TRANSIT SYSTEMS ADOPTED BY THE CALIFORNIA STATE LEGISLATURE AND SIGNED INTO LAW BY THE GOVERNOR.

I. RECOMMENDED ACTION

That the Board of Directors review the modifications contained in the bill extending the design build authority for transit systems adopted by the California State Legislature and signed into law by the Governor.

II. SUMMARY OF ISSUES

- The ability of public transit districts in the State of California to use a design build approach to implementing construction projects is derived from authority granted by the Legislature.
- The current authority for the use of a design build approach to construction projects was scheduled to expire on January 1, 2005.
- Senate Bill 1130 was introduced in the Legislature by Senator Scott and provided for a two (2) year extension of the design build authority for transit agencies.
- In the process of considering SB 1130 an amendment was added that specifically prohibited transit agencies from using the design build authority to implement the construction on the State Highway system or local street and road construction.
- The final version of SB 1130 that was passed by both Houses of the Legislature and signed into law by the Governor contained the probation of the use of the transit design build authority for construction on the State Highway system or local streets and roads. The new law does extend the design build authority for transit systems through January 1, 2007.

III. DISCUSSION

There are a variety of approaches that can be used on construction projects to assist in achieving the goals of “on-time/under-budget”. The typical approach to implementing projects in the public sector is the traditional “design-bid- build” sequence. In recent years many public agencies have explored the option of using a “design-build” approach that allows the General Contractor greater flexibility in developing a project that can move on a faster schedule. In California the

ability of public agencies to use a design build approach is very limited. Transit agencies in California have had the design build authority for the past few years. The Orange county Transportation Authority has used the design build authority to fast track the construction of High Occupancy Vehicle (HOV) Lanes. The authority for transit agencies in California to use the design build approach on construction projects was scheduled to expire January 1, 2005.

Senate Bill 1130 was introduced in the State Legislature for the purpose of extending the authority of transit agencies to use the design build approach on construction projects. As a part of the process of considering SB 1130 an amendment was added that provided that the transit agency authority for the use of the design build approach was for "transit projects" only. The amendment specifically prohibited the use of the design build authority granted to transit agencies for the construction of highway projects on state highway system or for local street and road projects.

METRO is currently a member of the Highway 1 HOV/Widening Joint Powers Authority (JPA). At the time that METRO joined the JPA it was felt that the transit design build authority could be used for the HOV Project on Highway 1. With the passage of SB1130 by the Legislature and signature by the Governor METRO will continue to have the design build authority but will be restricted from using it on highway, street, and road construction projects.

Staff recommends that the Board of Directors authorize the General Manager to transmit a letter to the Highway 1 HOV/Widening JPA informing them of the change in the statute governing METRO's design build authority.

IV. FINANCIAL CONSIDERATIONS

The enactment of SB 1130 into law is not anticipated to have an impact on the METRO operating or Capital Budget.

V. ATTACHMENTS

Attachment A: SB 1130

BILL NUMBER: SB 1130 CHAPTERED
BILL TEXT

CHAPTER 196
FILED WITH SECRETARY OF STATE JULY 27, 2004
APPROVED BY GOVERNOR JULY 27, 2004
PASSED THE SENATE JULY 12, 2004
PASSED THE ASSEMBLY JULY 1, 2004
AMENDED IN ASSEMBLY JUNE 24, 2004
AMENDED IN ASSEMBLY JUNE 15, 2004
AMENDED IN SENATE MAY 11, 2004
AMENDED IN SENATE FEBRUARY 18, 2004

INTRODUCED BY Senator Scott

JANUARY 14, 2004

An act to amend Sections 20209.12, 20209.13, and 20209.14 of the Public Contract Code, relating to public contracts.

LEGISLATIVE COUNSEL'S DIGEST

SB 1130, Scott. Public contracts: transit design-build contracts.

Existing law authorizes transit operators to enter into a design-build contract, as defined, according to specified procedures.

A transit operator that uses the design-build process is required to report to the Legislative Analyst before December 1, 2005, on each public works project procured through the design-build process and completed on or before November 1, 2005. Existing law repeals these provisions on January 1, 2005.

This bill would specify that these provisions apply only to transit projects, and that transit projects do not include state highway construction or local street and road projects. This bill would revise the reporting requirements by requiring a transit operator that uses the design-build process to report to the Legislative Analyst within 120 days of the design-build project being put into operation or by December 1, 2005, whichever occurs first.

This bill would extend the duration of these provisions until January 1, 2007.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. It is the intent of the Legislature that nothing in this act shall be construed to limit transit operators from engaging in qualified transit projects that would require minor modifications to local roads that are incidental to light rail or bus transit improvements.

SEC. 2. Section 20209.12 of the Public Contract Code is amended to read:

20209.12. Each transit operator that elects to proceed under this article and use the design-build method on a public works project shall prepare and deliver to the Legislative Analyst's office within

120 days of the design-build project being put into operation or by December 1, 2005, whichever occurs first, a report containing a description of each public works project financed with public funds, procured through the design-build process, and completed on or before November 1, 2005. However, if a project has been commenced, but not completed on or before November 1, 2005, the transit operator shall complete a report no later than 120 days after completion of the project. The report shall include, but not be limited to, all of the following information:

- (a) The type of facility.
- (b) The gross square footage of the facility.
- (c) The company or contractor who was awarded the project.
- (d) The estimated and actual length of time to complete the project.
- (e) The findings established pursuant to Section 20133.
- (f) Any Labor Code violations discovered during the course of construction or following completion of the project, as well as any fines or penalties assessed.
- (g) The estimated and actual project cost.
- (h) A description of any written protests concerning any aspect of the solicitation, bid, proposal, or award of the design-build project, including the resolution of the protest.
- (i) An assessment of the prequalification process and criteria.
- (j) An assessment of the impact of retaining 5 percent retention on the project.
- (k) A description of the labor force compliance program and an assessment of the project impact, where required.
- (l) A description of the method used to award the contract. If best value was the method, the factors used to evaluate the bid shall be described, including the weighting of each factor and an assessment of the effectiveness of the methodology.
- (m) An assessment of the project impact of "skilled labor force availability."
- (n) An assessment of the design-build dollar limits on transit projects. This shall include projects where the transit operator wanted to use design-build and was precluded by the dollar limitation. It shall also include projects where the best value method of awarding contracts was not used, due to dollar limitations.
- (o) An assessment of the most appropriate uses for the design-build approach.
- (p) Any transit operator that elects not to use the authority granted may also submit a report to the entities named in accordance with the schedule in this section. This report may include an analysis of why the authority granted was not used by the operator.

SEC. 3. Section 20209.13 of the Public Contract Code is amended to read:

20209.13. (a) Unless expressly set forth in this article, nothing in this article is intended to affect, expand, alter, or limit any rights or remedies otherwise available at law.

(b) This article applies only to transit projects. "Transit projects" for the purposes of this article does not include state highway construction or local street and road projects.

SEC. 4. Section 20209.14 of the Public Contract Code is amended to read:

20209.14. This article shall remain in effect only until January

1, 2007, and as of that date is repealed.

DATE: August 27, 2004

TO: Board of Directors

FROM: Mark Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN INDEPENDENT CONTRACTOR AGREEMENT WITH SANTA CRUZ COUNTY AS THE PASS-THROUGH AGENCY FOR A GRANT TO BUY NEW BICYCLE RACKS FOR METRO BUSES.

I. RECOMMENDED ACTION

Authorize the General Manager to execute an Independent Contractor Agreement with Santa Cruz County as the Pass-Through Agency for a grant to buy new bicycle racks for METRO buses.

II. SUMMARY OF ISSUES

- In November 2002, the Board adopted a resolution authorizing staff to submit a grant application through Santa Cruz County to the California Department of Transportation (Caltrans) Bicycle Transportation Account for demonstration funding to upgrade the bike racks on buses to carry 3 instead of 2 bikes.
- In January 2004, Caltrans awarded \$81,000 in grant funds through Santa Cruz County Public Works Department to upgrade bike racks on METRO buses.
- An Independent Contract Agreement between Santa Cruz County Public Works and METRO is necessary to start the project.
- If authorized, METRO staff will demonstrate the new 3-bay bike racks on a limited number of METRO buses. If successful, the new bike racks will be deployed on the entire METRO fleet.

III. DISCUSSION

The California Department of Transportation (Caltrans) solicited grant applications in August 2002 for funds from the State's Bicycle Transportation Account to fund projects that improve safety and convenience for bicycle commuters. The Board authorized the General Manager to submit an application through the Santa Cruz County Public Works Department to upgrade bike racks on METRO buses from the current model which carries 2 bikes per rack to a new model which can carry 3 bikes in each rack. METRO staff prepared an application, and the County submitted it to Caltrans in advance of the December 1, 2002 deadline.

METRO's application was successful. In January 2004, Caltrans awarded \$81,000 in grant funds through the Santa Cruz County Public Works Department to METRO to upgrade the bike racks as proposed in the application. The total project cost of \$90,000 requires a contributing 10% local match of \$9,000. In addition, Santa Cruz County charges a 7% fee (approximately \$5,300) for administering the pass-through funds.

At this time, the Santa Cruz County Public Works Department requires an Independent Contractor Agreement with the District to specify authority and obligations of the two parties. After executing the Agreement, METRO can start the project.

Staff proposes a phased approach to deploying the new racks. Before installing the new racks on all 104 METRO buses, up to 10 racks will be deployed on buses serving UCSC and the Highway 17 Express in order to demonstrate safety, effectiveness and user acceptance. If the racks prove to be satisfactory, METRO would implement the second phase of the project to deploy the new racks throughout the fleet.

Bicycle rack usage has increased significantly on the Highway 17 Express since the buses began serving Metro Center in downtown Santa Cruz. The attached table shows the counts for bicycle boardings on all routes. This project will increase the carrying capacity of METRO's front-mounted bicycle racks by 50%

IV. FINANCIAL CONSIDERATIONS

This grant provides \$75,700.93 to METRO to purchase new bike racks. Capital funds are available in the FY 2005 budget to pay the local match of up to \$14,299.

V. ATTACHMENTS

Attachment A: Bicycles Carried on METRO Buses.

Bicycles Carried on METRO Buses

Year	Fixed Routes	Highway 17 Express	TOTAL
1997	156,253	6,197	162,450
1998	155,016	5,578	160,594
1999	183,943	5,817	189,760
2000	187,666	5,543	193,209
2001	175,009	5,287	180,296
2002	164,919	6,644	171,563
2003	159,707	5,171	164,878
2004*	80,053	4,002	84,055

* Through June

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Mark J. Dorfman, Assistant General Manager

SUBJECT: REQUEST FOR SHUTTLE SERVICE FROM COUNTY OF SANTA CRUZ FOR RUDOLPH F. MONTE FOUNDATION FIREWORKS FUNDRAISER

I. RECOMMENDED ACTION

That the Board of Directors consider providing special shuttle service to the 2003 Fireworks Fundraiser as requested by the County of Santa Cruz for the Rudolph F. Monte Foundation Fireworks Fundraiser and authorize the General Manager to execute an agreement with the County.

II. SUMMARY OF ISSUES

- For the past few years, Santa Cruz METRO has provided Shuttle Services to the Rudolph F. Monte Foundation Fireworks Fundraiser.
- The County of Santa Cruz is providing funding to the Fireworks Fundraiser and is requesting that Santa Cruz METRO provide Shuttle Service.

III. DISCUSSION

In the past, METRO has provided shuttle bus service to the Fireworks Fundraiser operated by the Rudolph F. Monte Foundation. This service has been instrumental in enabling the large number of attendees to attend the event and provide funds for area schools. The County of Santa Cruz will be entering into a contract with the Rudolph F. Monte Foundation for various services. They are requesting (Attachment A) the METRO provide shuttle services again this year. The service requested from the Monte Foundation would operate from parking lots and Cabrillo College and shuttle people to the Fireworks. This is operated like any other route, and it is available to any member of the public.

Staff recommends that the service be provided as long as it complies with the Board Policy that all shuttles must pay for their operation with no subsidy provided by METRO. The County of Santa Cruz will provide full funding for the service. Staff recommends that the General Manager be authorized to execute an agreement with the County of Santa Cruz.

IV. FINANCIAL CONSIDERATIONS

Per existing Board Policy, there will be no impact to the District budget as a result of providing this service.

V. ATTACHMENTS

Attachment A: Letter from County of Santa Cruz



County of Santa Cruz

PARKS, OPEN SPACE & CULTURAL SERVICES

979 17TH AVENUE, SANTA CRUZ, CA 95062

(831) 454-7901 FAX: (831) 454-7940 TDD: (831) 454-7978

BARRY C. SAMUEL, DIRECTOR

August 11, 2004

Mr. Les White
Santa Cruz Metropolitan Transit District
370 Encinal Street
Santa Cruz, CA 95060

AUG 13 2004

Subject: **Monte Foundation Fireworks**

Dear Mr. White:

The County and the Monte Foundation are planning for the 10th Annual Fireworks display to be held October 9, 2004. More than 30,000 people are expected to attend and parking is very limited. The Santa Cruz Metropolitan Transit District has been very gracious in the past and has contracted to provide high capacity handicapped accessible buses to assist in shuttling people to the event from a remote parking site.

In the past the Metro has used 5 buses for the shuttle service between Cabrillo College and Seacliff State Beach. The times of service are from 12:30 p.m. – 10:00 p.m. on Saturday, October 9. We would also like to provide signage for the buses that would advertise the “Free Shuttle Service”.

County Parks will be seeking authorization from the Board of Supervisors, in mid September, to enter into a contract with the District for these services.

Thank you for your cooperation and if you have any questions please call.

Sincerely,

Barry C. Samuel
Director

cc: Rudolph F. Monte Foundation

The Mission of the Santa Cruz County Department of Parks, Open Space and Cultural Services is to provide safe, well designed and maintained parks and a wide variety of recreational and cultural opportunities for our diverse community

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004
TO: Board of Directors
FROM: Robyn Slater, Human Resources Manager
SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors recognize the anniversaries and retirements of those District employees named on the attached list and that the Chairperson present them with awards.

II. SUMMARY OF ISSUES

- None.

III. DISCUSSION

Many employees have provided dedicated and valuable years to the Santa Cruz Metropolitan Transit District. In order to recognize these employees, anniversary awards are presented at five-year increments beginning with the tenth year. In an effort to accommodate those employees that are to be recognized, they will be invited to attend the Board meetings to receive their awards. Additionally five employees who have given years of excellent service to METRO are retiring. These employees are also listed on Attachment A and will be invited to the Board meeting to be recognized for their service.

IV. FINANCIAL CONSIDERATIONS

None.

V. ATTACHMENTS

Attachment A: Employee Recognition List

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EMPLOYEE RECOGNITION

TEN YEAR

None

FIFTEEN YEARS

None

TWENTY YEARS

Gary S. Blair, Bus Operator
Timon W. Read, Bus Operator
Douglas J. Grosjean, Bus Operator
Issac E. Glenn, Bus Operator

TWENTY-FIVE YEARS

None

THIRTY YEARS

None

RETIREES

Geneva Blake, Operations Supervisor, 30 Years
Chris Bridinger, Bus Operator, 24 Years
Denise Bridinger, Operations Supervisor, 27 Years 5 Months
Aurelio Preciado, Bus Operator, 29 Years 6 Months
Denise Rossi, Operations Supervisor, 28 Years 8 Months

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Robyn Slater, Human Resources Manager

SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors recognize the anniversaries of those District employees named on the attached list and that the Chairperson present them with awards.

II. SUMMARY OF ISSUES

- None.

III. DISCUSSION

Many employees have provided dedicated and valuable years to the Santa Cruz Metropolitan Transit District. In order to recognize these employees, anniversary awards are presented at five-year increments beginning with the tenth year. In an effort to accommodate those employees that are to be recognized, they will be invited to attend the Board meetings to receive their awards.

IV. FINANCIAL CONSIDERATIONS

None.

V. ATTACHMENTS

Attachment A: Employee Recognition List

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EMPLOYEE RECOGNITION

TEN YEAR

None

FIFTEEN YEARS

None

TWENTY YEARS

Gary S. Blair, Bus Operator
Timon W. Read, Bus Operator
Douglas J. Grosjean, Bus Operator
Issac E. Glenn, Bus Operator

TWENTY-FIVE YEARS

None

THIRTY YEARS

None

**Paratransit Coordination Task Force
Minutes - Meeting # 2**

June 16, 2004, 2:00 to 5:00 pm
ABC Rooms of the Santa Cruz Civic Auditorium

Members Present:

Caroline Bliss-Isberg
Michael Bradshaw
Scott Bugental
Richard Camperud
Barbara Flynn
Norm Hagen
Kathleen Johnson
Clay Kempf
Paul Marcelin-Sampson
Roger McKowan
Eileen Pavlik
Carmen Robles
Ernestina Saldana
Pat Spence
Ellen Timberlake
Adam Tomazewski
Arturo Zamudio

Alternates Present (* = voting):

Kirk Ance *
James Monroe
Edenilson Quintanilla *
Andy Schiffrin (Chair) *
Suzanne Young *

Staff Present:

Peggy Gallagher, SCMTD
Steve Paulson, SCMTD
Pat Dellin, SCCRTC
Karena Pushnik, SCCRTC
Tegan Speiser, SCCRTC
Link Spooner, Community Bridges

Others/Guests Present:

Bill Durant, Paratransit, Inc.
Kevin Welch, Paratransit, Inc.

1. Introductions

Attendees introduced themselves.

2. Oral Communications

Karena Pushnik distributed an updated Paratransit Coordination Task Force roster that includes contact information for Task Force participants. She also reported that the Expenditure Plan for the November 2004 transportation sales tax ballot measure is moving forward. Since the last Task Force meeting, the amount earmarked for Senior and Disabled Transportation in the Expenditure Plan increased from 3 to 4% of the funds that will be raised by the measure.

Pat Spence requested that groups participating in the task force give an overview of their respective agencies and what they do, board of directors, where their authority comes from, funding sources and organizational flow charts. Andy Schiffrin said that item 5a on today's agenda will focus on local paratransit services and that some of her questions may be addressed. He added that members of the task force are welcome to provide information about their organization to the task force.

3. Additions/Deletions to the Agenda

There were none.

4. **Approve Minutes of May 19, 2004 Paratransit Task Force Meeting including revised goal/issue list and work plan.** (Johnson/Kempf) The vote for approval was unanimous.

Regarding item 4.2 in the minutes (number 5, 4th bullet), Pat Spence asked for clarification about what “designating responsibilities” referred to. Staff responded that development of a work plan would include tasks and would probably identify the organizations who would implement the tasks. Ms. Spence noted that Metro staff can not take on any additional responsibilities. Chair Schifffrin clarified that the assignment of responsibilities would be the topic of future agendas.

5. **Review Existing Services and Funding**

a. **Specialized Transportation Services within Santa Cruz County.**

Karena Pushnik reviewed a matrix, still in draft form, that outlines all of the specialized transportation services in Santa Cruz County used by elderly and/or disabled individuals.

This chart is intended to give the Task Force a sense of total amount of specialized transportation rides provided annually in Santa Cruz County, where the money comes from to pay for these rides, the entity overseeing delivery of these rides, and whether there is unmet demand.

Task Force participants reviewed the outline of services offered by each specialized transportation provider and/or program listed on the chart and contributed missing information, changes and corrections to the draft form. RTC staff will update the chart to reflect this new information. A column summarizing transportation services offered by Veteran’s Services to the VA hospitals and In Home Health Services will also be added to the next version.

The specialized transportation services for elderly and/or disabled individuals listed on the chart include:

- Elderly and Disabled Riders on Santa Cruz Metro Fixed Route Transit (bus)
- ADA Paratransit (ParaCruz) provided by Santa Cruz Metro Transit District
- Medi-Cal/Alliance Transportation
- Senior Meal Sites Transportation
- Elderday Transportation
- Medical Service Rides
- Non-Emergency Medical Transport
- Stroke Center Transportation
- Taxi Scrip Program
- MSSP
- Red Cross Paratransit Services
- Volunteer Center Transportation Services
- Laidlaw Transportation Services
- Cabrillo College Disabled Student Services

- UCSC Disability Van Services
- Mental Health Client Action Network Paratransit
- On Call Taxi (Accessible Senior)
- Veteran’s Services Transportation
- In Home Health Services Transportation

b. Specialized Transportation Programs in Other California Communities

Karena Pushnik referred to the agenda packet materials regarding Specialized Transportation Ideas from other areas. She offered replacement pages for pages 5-2 to 5-6 that were reprinted to correct typos.

Karena Pushnik introduced the guest speakers from Paratransit, Inc. of Sacramento, a group has been repeatedly recognized for their innovative and successful paratransit programs. Executive Director, Bill Durant, and Mobility Training Coordinator, Kevin Welch, were present to share information about their organization, services, coordination role and especially funding. Karena highlighted that Paratransit Inc. has a dedicated source of revenue through a local sales tax measure.

A summary of Mr. Durant and Mr. Welch’s presentations including questions and answers is included in **Attachment 1**.

6. Accept Information Items

- a. Disability and age data from 2000 census**
- b. Projections through 2050 of people over 65 in Santa Cruz County**

7. Confirm Next Meeting

a. Agenda Items:

Chair Schiffrin recommended that the remainder of item 5b regarding Specialized Transportation Programs in Other California Communities be deferred until the August meeting. Additional agenda items for August include: Mandates, Labor Issues and Other Requirements.

Since there are a small number of meetings, he also recommended that people with proposals for the task force to consider on any of the goals and/or issues under the goals, or ideas of ways to improve the system may want to write up those proposals and submit them to the task force before the relevant meeting so people will have a chance to review them and provide thoughtful discussion.

Karena Pushnik added that staff would like to receive items for inclusion in the task force packets at least two weeks in advance of the meeting.

Concern was expressed about how to get information from this meeting to the transit district staff and representatives given that the general manager, assistant general manager and one of the transit district board member and alternate were not present.

Chair Schiffrin acknowledged that a transit district staff member was present and, like all groups represented on the task force, it would be up to the representative to take back information from the meeting to their respective groups.

b. The next meeting date, time and place was confirmed:

Wednesday, August 18, 2004 from 2:00 – 5:00pm at the Santa Cruz Civic Auditorium, ABC Room, 307 Church Street, Santa Cruz. (PLEASE NOTE: No meeting in July.)

8. Adjournment

The meeting adjourned at 5:00 pm.

Respectfully submitted by:

Tegan Speiser and Karena Pushnik, SCCRTC Staff

Attachment 1

**Presentations by
Paratransit Inc., Sacramento, CA
to the Paratransit Coordination Task Force
Santa Cruz, June 16, 2004**

Guest Presenter:

Bill Durant, Executive Director, Paratransit, Inc.

General Agency Information:

- Paratransit, Inc. (PI) is the CTSA (Consolidated Transportation Services Agency) for the Sacramento area, similar to the role of Community Bridges here in Santa Cruz County.
- Their annual budget is \$10-11 million.
- They are a 501c-3 non-profit organization.
- They provide or support the delivery of about 800,500 paratransit rides per year.
- They provide direct services and operate a maintenance facility that serves 20 agencies and 400 vehicles. The maintenance facility is their version of a “bake sale” (i.e. a profit center that generates revenue, but not yet enough to pay taxes).
- Their entire system is fully automated. They have mobile data computers and antennae on board all vehicles for GPS and GIS. The software they use is called PASS – a product of Trapeze Software, the industry standard for automated scheduling.
- PI started in 1978 by a group of community organizers who developed a concept paper on how human service transportation could be coordinated and at the same time provide accessible transportation for people who aren’t necessarily associated with human service organizations. They wanted to serve people who didn’t go to a meals program, weren’t involved in the disability rights movement or activities designed for people with disabilities, but were in the community and needed to be able to move around in order to survive.
- Initial organizers secured \$300,000 in operating funds from the transit district to begin service and negotiated the use of two vans owned by the community college district. Service was provided to the community college district disabled students; the rest of the time the same vehicles were used to provide paratransit service to people in the broader community.

Service Characteristics:

- Their system has no restrictions. ADA service is provided by PI. In addition, half of the rides delivered are provided by human service agencies.

- PI is purposely segregated from the fixed route system, although the goal is become more integrated. PI's position is that it's time for public transit agencies to begin to shift their paradigm and become the creators/managers of useable transportation, including use of all mobility tools (taxicabs and paratransit). This can be accomplished by: providing different services; using small buses or paratransit vehicles to provide some level of service by day of week and time of day; using different community resources; and grouping all types of riders on the same vehicle. So "those who are temporarily able bodied don't become culturally deprived because they can't ride on a bus with someone who's 100 years old."
- Question: You said that integration is one of the center pieces of your philosophy. In looking at our matrix of all these services here in Santa Cruz and focusing especially on eligibility, I'd like to know what you do in Sacramento to help the consumer, in the easiest way possible, look at their own eligibility, their own needs for flexibility and type of ride frequency and then find the most cost-effective best method? Do you have a centralized method? From a consumer's perspective how does that work?

Answer: Mr. Durant answered that by training he is a social worker. He feels that the whole eligibility process is ineffective. He questioned how many of the meeting attendees ride the bus. He questioned how many people would lie, cheat and steal to get on the bus and if there is a service that people are going to lie, cheat and steal to use, then there should be more of it, not less of it. The focus shouldn't be keeping people off the system, but rather should be getting people on the system. His feeling is let's make everyone eligible, get that off the table and put the money into service. PI used to do ADA eligibility, but gave it back to the transit district. However, they think there remains an issue with the way Regional Transit District (RTD) is doing eligibility. PI feels that the really important component that is missing is "orientation to the system", not eligibility. People are calling up who have no orientation to the service and who think that PI is a taxicab company, which they are not.

- Question: In trying to use paratransit to go to work, the issue of timing arises. For example, if a person is on time for her ride, but another person sharing the ride with her is 10-15 minutes late, the first person then arrives late to work. Does PI have this problem and how do they handle this situation? Does the person going to work have priority over the other person?

Answer: That's an issue. There are some regulations under the ADA that are difficult to deal with when you have people going to work or you have people that are developmentally disabled people where dealing with change is difficult for them. PI allows their drivers to wait 5 minutes or a little longer if they think the passenger is going to make it. They try and protect the rider's time. It's difficult enough to get people to work on time given that the freeway can become a parking lot with one accident, without people being late for their ride. In terms of rider priority, PI tries to get riders to their destinations on time and tries to get there at the same time every day for subscription riders. If a client is calling in every day, that just adds to the frustration. Those are the kinds of issues that need to be worked out as a community in terms of how to handle specific situations. How is the best way to provide that regular ride at the time when someone needs to be there and at the same time provide a shared ride system. Part of it is having people be more conscious not just of themselves, but

of other riders. "This really is the family car and families (recognize) the fact that people can't always be picked up at the same time and we have to deal with that."

- Question: In terms of providing same day trips does PI have a taxi scrip program? How do you fill that gap in the system in terms of meeting people with emergency same day needs?

Answer: PI does same day service and would like to move to real time scheduling. For example, a person could call 3 hours in advance and get a ride. The idea is to get as close to real time as possible so that the decision-making time for public transit service is fairly close to what you can get in your car. Mr. Durant believes that people who don't drive cars should have that kind of service. Funding may be available through a variety of funding sources.

Program Characteristics:

- PI pools its money with human service providers' funds to keep them in business. There's no way the ADA Paratransit program funded by the Sacramento Regional Transit Agency (RTD) could cover the 400,000 rides currently being provided by human service agencies. So it's also in the RTD's interest to work cooperatively and keep those agencies in business.
- Paratransit Inc. provides the human service agencies with vehicles and pays for their insurance, maintenance, fuel and driver training. The agencies provide and pay the drivers and do their own scheduling. PI will provide technical assistance if the agencies want and need it. Their contracts are simple, although each one is different. The agencies define what their interests are. If their interests coincide with PI's interests then they have the basis for doing business.

Mobility Training

- In the spirit of more integration, PI provides mobility training. Last year they trained 629 people successfully to ride the fixed route bus and light rail and calculated savings to the transit district of \$1.4 million. If all of these bus riders took paratransit rides instead, the cost would have been \$1.8 million. PI is trying to make sure that their public transit system serves everyone, not just commuters.
- When Mobility Training started in 1983, PI would help people learn to go wherever they wanted to go (no trip priorities) since their feeling was that wherever people were going was an important trip to that individual.

ADA and Other Paratransit Trip Coordination

- PI is currently providing ADA paratransit transportation for the Sacramento Regional Transit District. It's an expensive service and PI is trying to convince the transit agency to redesign some of the non-productive fixed route service into an integrated system that would provide a level of mobility for everyone in that community. PI is not a replacement for fixed route service, but a complement to it.

- Question: Can you provide a breakdown and associated costs for: 1) strict ADA paratransit trips - within the minimum service area prescribed by law 2) premium trips - outside the service area or at times when there's no fixed route service and 3) social service rides – including the relationships with other agencies that you're providing trips for?

Answer:

ADA Service - The regional transit agency (RTD) pays PI about 45% of the cost to provide service, about \$7-8 million annually. Pure paratransit service costs about \$55-60/hr. In this case the public transit agency is being subsidized by a non-profit. It would be difficult for the RTD to find another contractor who would come up with the other 55% of the cost. PI sees relationship as collaborative.

Agency Service – PI pays an out-of-pocket expense of \$15/hr for this service, far less than the \$55-60/hr cost to provide ADA paratransit. PI gives agencies credit for their in-kind contributions. Agencies provide and pay the driver's wages. PI trains the driver and gets him/her licensed. They also make the driver part of PI's drug screen and pull-notice program so they can keep track of their driver. A little less than half (45%) of the 800,500 trips they provide are of this type. The idea is that by providing and stabilizing human service transportation, it is recognized as a valuable part of the public transit system. It is also important for the public transit agency to realize that if the social service agencies stopped providing rides tomorrow, there would be no way to deal with the increased demand for ADA rides (agency clientele is about 80% ADA eligible). That would then be 400,000 additional trips that would then be calling the ADA call center and in Sacramento, the transit agency is in no position to deal with that. Also, this allows PI to provide subscription service outside of the ADA where there's a limit that only half of the trips can be subscription service. When they are included in to the entire system, productivity goes up. In a pure paratransit ADA system, the best Mr. Durant has ever seen is serving 2 people per hour. The productivity of Paratransit Inc is almost 3 rides per hour. So they are able to do a lot of things by supporting and recognizing the value of what human service agencies are doing. At a cost of \$15/hour, a person could barely afford to operate their own car. All are shared ride systems and contracts have productivity standards that they're expected to meet.

Other Services - PI provides services supported separately through funding generated through their maintenance shop and other activities. Mobility training is about 85% self supporting.

- Question: Could you provide more clarification about the relationship between PI and the social service providers? You provide the vehicle and agencies provide the driver.

Answer: PI pays for some or all of the following: maintenance, fuel, insurance and driver training.

- Question: Does PI interact with the Medi-Cal managed care plans, and if so, what portion do these trips account for?

Answer: PI is not a Medi-Cal provider, but would like to be. No one in Sacramento County can tell PI how much is being spent on transportation through Medi-Cal. There have been times when the regional Medi-Cal office has told clients that they don't do non-emergency medical transportation and to take paratransit instead. The problem is that demand always outstrips the ability to supply services. PI has had to go to legislators and tell them that they can't continue doing providing certain types of transportation. For example, dialysis is a growing industry in the community. In 1978, there were 4 dialysis units, now there are about 25.

- Question: Could you review how much the transit district supplies of your budget? Does that 100% cover the ADA rides? Who monitors ADA compliance?

Answer: About 45-50% of PI budget comes from the transit district. This doesn't cover all of the cost of the ADA rides. ADA compliance is monitored by transit district as they are the agency responsible by law. They have conducted FTA compliance audits and thus far everything is in conformance with federal laws, no one has been sued.

- Question: One of the reasons that the Metro's ADA Program will not allow anyone other than the ADA passenger to ride the vehicle is because they are concerned that if someone else is on the vehicle, then the transit district is subsidizing the social service program instead of transporting their ADA Paratransit individuals and that the ADA passengers have to suffer because someone else is on board. Is that an issue in Sacramento?

Answer: PI doesn't worry about it. Mr. Durant expressed confusion about why anyone wouldn't want to get as many people on the vehicle, since it's out there anyway. PI has identified 10 agencies that are also providing services to people who are eligible under the ADA. If they didn't provide the service, the regional transit district would have to provide the service and it would be much more expensive.

- Question: Regarding coordination issues and referrals, an attempt was made to request a Medi-Cal ride from PI. The caller was told that PI doesn't provide Medi-Cal rides, but no referral was given. The questioner is hearing that we have problems here in Santa Cruz with our patchwork of programs, but it seems to him that it's no different in Sacramento.

Answer: Essentially, PI used to make up a list of other agencies that do Medi-Cal rides, now there are too many. However, if a person is eligible for service, PI will make the trip. Medi-Cal eligibility is not a question that PI would ask someone if they called for a ride.

Neighborhood/Community Transit

- PI operates some "community transit service" where rides can deviate from fixed routes to communities within Sacramento not well served by public transit. PI organized Mobility Committees in these neighborhoods. Residents got involved, were able to secure TEA-21 funds to set up community transit systems and were able to have an impact on how the routes were structured. Because PI already had the real time technology, they set up fixed routes using 24' paratransit vehicles that were able to deviate from a fixed route by $\frac{3}{4}$ of a mile and provide door-to-door service.

- Initially there were two demonstration projects and currently there are eleven neighborhood routes. Every community in Sacramento County would like to have one. They go throughout the neighborhood, tie into major bus lines and they deviate providing door-to-door service from a residence or senior center. This flexibility alleviates the difficulty of a bus dropping people off at a mall and riders then having to walk across the parking lot to get to the entrance. All vehicles providing this service are accessible.
- PI has also partnered with a local Transportation Management Association (TMA) to provide community transit in a developing neighborhood. Subscription type service is provided during the peak period for people to get to and from work. In the off peak period, they provide real-time, demand-responsive door-to-door service. In addition, door-to-door links are provided to the regional transit system bus or light rail stops enabling people to go anywhere in the community served by transit. Service is provided in real time. From the time a phone call is placed, PI guarantees to pick up clients within 15 minutes. Shared rides are used as much as possible. As the universe of riders grows, the opportunity for shared rides increases.
- PI thinks this model would work in a lot of communities where neighborhoods are well-defined and where amenities are available that support neighborhoods. Because many of the trips that people want to make are within their own community, the system has both senior citizens and young people being sent to the store by their parent on the same buses. PI sees buses as kiosks running through the neighborhood where notices can be posted to sell refrigerators, find a babysitters, find homes for puppies, or take in wash, for example. "The bus becomes the new front porch; it's how you meet your neighbors. It becomes a whole new set of eyes and it's got radio contact so you can provide a level of security that wasn't there before. In some neighborhoods that's really important."

Labor Issues:

- PI has been a union shop since 1981 and is currently an Amalgamated Transit Union (ATU) property. Even being a union shop, PI and other operators can provide service at a lower cost than the transit district. PI believes that we need to start making the best possible use of the technology that's available. We can create systems that are reflective of the communities we live in.
- PI can provide service in communities that, because of the densities or the way they're constructed, are not good for fixed route service. They can provide service in those types of settings to connect people to fixed route service. The travel time getting from one community to another can be cut if that service is reallocated rather than meandering through suburban communities.
- Question: If the agency hires the drivers that are trained by PI, what is the relationship between the agency drivers and those that work specifically for PI? All they all part of the same union? Do they coordinate with each other or are they totally separate?

Answer: All drivers are part of the Sacramento Mobility Coalition. For example, PI will coordinate with human service agencies when they receive a request from a nursing home to do a group trip such as lunch downtown. PI may not be able to do that trip themselves. However, since they know that a certain agency doesn't use their vehicles during the hours needed, they make a deal with the agency with the vehicle to do the trip for PI at a negotiated price.

- Question: You said that the agencies that collaborate with you use non-union labor. The contract between Community Bridges/Lift Line and UTU forbids this practice. Was there union opposition to this and how did you overcome it? Also, who represents the fixed route drivers?

Answer: PI is aware that they are the agency charged with managing the paratransit system, not the union Amalgamated Transit Union (ATU). PI understands that the ATU has the responsibility of doing what's in the interest of the rank and file. The ability to contract out service is critical to the job PI is charged with doing and they make that clear to the ATU. It's a collective bargaining process so you give a little, you get a little. PI makes sure that they have a contract that still allows them to manage their system. The same ATU local represents the fixed route drivers as well.

- Question: There is no labor savings in driving a smaller vehicle since what drivers are paid is not a function of the size vehicle they drive. How did you address that?

Answer: The driver cost dictates the hourly cost of the service. The most expensive piece of the trip is the driver. Some properties have a dual wage system. PI pays less for specialized transportation drivers than fixed route transit drivers. However, it's important to understand this from a historical perspective. The wages that are being paid to fixed route drivers, come from a time in the early 70's when transit districts were awash in funding from the Transportation Development Act. Local service was run by people that were very smart and they were able to take advantage of the availability of that money. Unions did a good job in getting some of that money for their members. There isn't anyone who's awash in money now, so there is a need to bargain from a different perspective.

Funding:

- PI currently receives 1.8% of revenues generated by a local sales tax. A November 2004 ballot measure proposes to increase that amount to 4.5% of the revenues raised.
- PI works to help build a constituency for public transit. If public transit is going to thrive and survive in Sacramento, it needs a constituency. PI takes this on and participates in how Sacramento presents its public transit product.
- Question: PI receives \$7 million annually from the transit agency. What percentage of the transit agency's overall budget is that?

Answer: Of the transit district's \$100 million budget, it's about 7%. PI's board is committed to the ADA and to making the promises of the ADA a reality. PI is very aggressive about

being an advocate for opportunities to create partnerships for an integrated public transit system (rather than just for more money for a segregated paratransit system).

- Question: With all of the merged funding sources to make the system more efficient, how do you satisfy your funders that you're not using their money to transport someone who is not one of their clients?

Answer: PI stopped asking for funds from the Area Agency because they wanted too much documentation which drove up costs. PI let the nutrition programs go after that funding. PI will then subcontract with the social service agencies. The program that gets the most varied funding is the Mobility Options. They get funds from the Regional Center, community service block grants, regional transit funding and they handle that within their program. Most of it is computerized.

- Another issue is that sales tax money in Sacramento is designated specifically for transportation for elderly *and* disabled. Elderly is defined as 75 or older. A lot of people that are ADA eligible are not being defined as ADA, they are being defined by age and that's all being handled through the mail.
- Question: Can you clarify the amount of sales tax that PI receives?

Answer: After the money comes off the top of the sales tax, PI gets 1.8% of what's left. What this means in terms of real dollars is about \$1.6 million/year. This is a fairly stable source of revenue although it has the ability to grow if people buy more refrigerators and cars.

- Question: How are the neighborhood rides funded and how do they relate to fixed routes? How many of these neighborhood transits are there? And are they accessible?

Answer: Initially they were funded through a TEA 21 federal grant to Sacramento County. Federal dollars were matched with a coalition of paratransit, advocacy groups like the Commission on Aging for Sacramento County and Department of Human Assistance who had welfare to work money. Those operating now are exclusively funded through the regional transit district because the communities are asking for this type of service. The regional transportation provider is working to upgrade their technology so can go real time (without 24 hours in advance scheduling).

Eligibility/Orientation

- PI has discussed an idea to develop something like a credit card or other identification mechanism for people that would store the types of transportation options available specifically to them. Once eligible, a person could call PI and they would do an orientation over the phone on all the services that person can use and connect clients to mobility options/training. What's missing in Sacramento, and he suspects here as well, is a lack of understanding by clients about what's out there or how to get it. He sees this as a problem associated with eligibility, which is handled mostly through the mail without seeing people.

- From PI's perspective, it's all about the orientation. The goal is to cut down the time their call takers are on the telephone so that every time someone calls for a ride, they don't need to teach them how to use the system.

Guest Presenter:

Kevin Welch, Mobility Training Coordinator, Paratransit, Inc.

General:

- During Kevin's 9 months in 1987 developing a Mobility Training Program for Santa Cruz Metro, surveys were taken to assess the community's needs and about 50 people were trained in 4 months. Community outreach is big factor in the success of mobility training.
- PI's Kevin Walsh was in Santa Cruz County for 9 months in 1987 during which time he developed the mobility training program for Santa Cruz Metro. He was thrilled to see that the brochure he produced is still in use. However, he expressed concern that he hasn't heard much about mobility training at the Task Force meeting and wondered whether it was still happening and viable. METRO said that they trained 30 people in the past year.

Program Information:

- In Sacramento, PI has 6 full time mobility trainers who go out in the community every day training seniors and people with disabilities. The annual budget for Mobility Training is \$50,000. Trainees are referred from a wide variety of sources. Community outreach is a key component of the Mobility Training Program. Kevin's job is to visit the senior centers and residential facilities to get the word out about mobility training. He also works with the transit district to have them publicize the mobility training program. Recently, a new policy was adopted by the transit district that everyone 75 years or older is entitled to a lifetime bus pass so they'll never pay for public transit again. This is a real enticement for seniors to get comfortable riding fixed route service and helps reduce the need /cost for ADA paratransit.
- PI and the Sacramento RTD are trying to create "bus riders for life." When faced with the option of using the free lifetime bus pass vs. paying \$6 to ride paratransit, seniors usually choose the free public transit option. When seniors start using the transit system, they notice the beauty parlors and bakeries that they can get to by bus. PI has found that there are two main reasons people don't take the bus 1) they rely on family and friends for rides and 2) or just don't know how. PI also arranges senior group trip training where they will take 10-15 people out on an initial bus experience trip. If there is interest, PI will follow up with one-on-one or up to three-on-one training. Out of the 8,560 people trained since the program's inception 4,040 were seniors, the rest were developmentally and physically disabled individuals.
- PI's trainees are taught how to use the bus, how to make transfers, how to travel the streets safely, and how to advocate for their mobility needs. They are advised about what they are entitled to when using public transit, and about how to communicate their needs to bus drivers.

- Statistics for mobility training 2002-2003: Cost avoidance of \$1.4 million annually to transit; 629 people successfully trained. About 84-90% of the people trained continued to ride transit 3 months later.
- Trainers have found that they can go into a center and find a senior who is interested in acting as a mobility training organizer for the entire community. One example is Trudy who is almost 90. She approached them to come into the facility where she lived because she observed neighbors pulling out of the parking lot and almost getting hit. Since the time Trudy contacted them a year and a half ago, PI has trained 163 people out of the 313 residents to ride transit. Now Trudy sends PI referrals directly. Once trained, seniors are also able to take the bus down to city hall to ask for what they need. PI took a whole group to city hall to bring forth issues about a certain traffic light that was not long enough for them to cross the street safely. (In six days, the crossing light time was corrected.)
- A component of the Mobility Training program includes use of an out of service bus to teach trainees how to use the lifts before they ever get out to the streets, so that when the bus arrives, they know how to board and de-board the bus. This greatly assists transit drivers.
- PI is also involved in sensitivity training of regional transit drivers about disabled riders. PI spends a full day out in the community, putting drivers in blindfolds, wheelchairs and visual acuity glasses. They take them to one of the malls and have them spend an afternoon trying to order lunch and get around with these limitations. Then come back and discuss the experience. It has a great impact on the drivers when they actually get out on the street.
- PI mobility trainers have flexible hours beginning and/or ending sessions based on client needs. They get referrals from their Regional Center (like our San Andreas) the Department of Rehabilitation. For no cost, PI provides individuals with an ID, valid bus pass sticker for time they are training, and assistance in filling out the ADA applications in case they need to use paratransit for some or all of their trips. PI also considers itself a mobility options department: advising trainees about their transportation options including how to use light rail. In the future PI may have ambassador or buddy programs.
- Regarding training manuals, PI found that seniors like to have written resource materials. PI creates different books for each place that they train. PI also has developed a Mobility Training Certification handbook that includes what the trainer has to learn. The key is to hire people who have excellent people skills, are compassionate and that will do a good job.
- Question: Please explain more about free bus passes for people 75 and over.

Answer: This program was devised by the public transit agency to create an incentive for seniors to look at using bus and light rail transit first rather than using paratransit. Public transit should be the first mobility option people should think about when they lose their driver's license, not complementary ADA Paratransit.

Comment: This is a concept that could really help both Metro and paratransit: a free bus pass at \$23/month is equivalent to the cost for approximately paratransit trip. (

- Question: What type of programs has PI or the transit district created to encourage people to use public transit besides the free 75+ bus pass? One of the problems here is ridership is not expanding. How do we entice people to ride the bus?

Answer: First, by showing people that they can easily use public transit. Second, there is a benefit to creating relationships; training one senior, doesn't accomplish what happens when two are trained. When people move to a senior facility, they usually don't know anyone. If a couple of people can teamed to ride transit together, they start going out into the community more. Then they tell some more people and it snowballs. They have groups of people that they see out in the community all the time. They go out together shopping, and forming groups. They're forming lunch clubs. The biggest incentives are free or reduced passes. PI doesn't offer hats and bags or cutesy things like that. What the bus pass offers is independence and freedom of mobility. Paratransit in Sacramento requires one to two days advance notice. Public transit users can travel where ever they want to go – whenever the bus is running.

Funding:

- Question: You said the bus passes are given away free by the regional transit. They must be subsidized. How are they paid for?

Answer: The regional transit agency has chosen to pay for them out of their operating budget and find that it saves them ADA paratransit costs.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

STAFF REPORT

DATE: August 27, 2004

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: CONSIDERATION OF MODIFICATIONS TO SANTA CRUZ METRO'S BYLAWS TO CLARIFY THAT APPOINTEES TO THE METROS ADVISORY COMMITTEE (MAC) SERVE AT THE PLEASURE OF THE BOARD OF DIRECTORS

I. RECOMMENDED ACTION

Modify Santa Cruz METRO's Bylaws in accordance with Attachment D, which would Clarify that Appointees to MAC Serve at the Pleasure of the Board of Directors

II. SUMMARY OF ISSUES

- On October 24, 2003, the Santa Cruz METRO's Board of Directors approved replacing the Metro Users Group (MUG) with a new advisory committee that was designated the METRO Advisory Committee (MAC).
- On December 19, 2003, the Board of Directors modified Santa Cruz METRO's Bylaws to reflect the creation of MAC and the elimination of MUG (Attachment A relevant Bylaw's section). The Board also approved MAC's Bylaws (Attachment B).
- On March 12, 2004, Santa Cruz METRO's Directors nominated individuals from the community to be considered by the Board of Directors for appointment to MAC.
- On March 26, 2004, the Board of Directors appointed eleven individuals to serve on MAC.
- MAC held its first meeting in April 2004, and has met monthly since that date.
- On April 19, 2004, Bonnie Morr, Chairperson of the United Transportation Union, Local 23, forwarded a letter (Attachment C) to Emily Reilly, the Chair of the METRO Board of Directors in which she asked for a discussion regarding removal of a MAC appointee.
- The Board of Directors asked that this matter be agendaized so that the matter could be fully discussed.

III. DISCUSSION

For many years Santa Cruz METRO was served by two advisory groups: the METRO Users Group (MUG) and the METRO Accessible Services Transit Forum (MASTF). However, in the Fall of 2003, the Board of Directors determined that it would be better served by replacing MUG with a new advisory group which it called the METRO Advisory Committee (MAC) in which individual directors of the Board nominate individuals to serve on the committee and the Board of Directors makes the actual appointments. The Board of Directors modified its Bylaws to reflect the creation of MAC as an 11-member advisory group. The Bylaws provide for the method of appointments but do not address the issue of removal of a MAC member. METRO's Bylaws do provide that the Board of Directors shall approve bylaws to be followed by MAC (Attachment A).

MAC's Bylaws provide for each appointee to serve a two-year term and allows for members to be reappointed for two successive terms for a total of 6 consecutive years. The only allowance for the removal of a MAC member is if a position automatically is declared vacant because a MAC appointee was absent without excuse from four committee meetings in any twelve-month period (Attachment B).

In her April 19, 2004, letter (Attachment C) regarding the "Removal of an Appointee", UTU Chairperson Bonnie Morr expressed concerns regarding an "appointee's accountability to the public they serve and the Board that appointed them". Ms. Morr wrote:

We feel that an area that needs introduction, discussion and procedural language created is for the "Removal of an Appointee". Should the individual's behavior not be conducive nor display a commitment that will support the Santa Cruz Metropolitan District and/ or its policies, ridership, service or employees; what is to be done to rectify the issue?

Santa Cruz METRO's Board of Directors has broad authority to create advisory groups and committees and to make appointments to such groups, as it deems necessary, unless otherwise limited by its enabling statutes or the general laws of this state. METRO's enabling statutes direct the Board of Directors to provide for "all matters and things necessary for the proper administration of the affairs of the District" which are not otherwise specifically provided for (Public Utilities Code §98111). The Board of Directors, therefore establishes the powers, duties, and method of appointment for such groups. While the Board of Directors can establish criteria for such appointments for membership on its groups and committees, it must insure that the criteria does not discriminate based on sex, race, creed, color or national or ethnic origins (Cal. Constitution Article 1, Section 8). Because these groups and committees are created by the Board of Directors, the Board retains authority to eliminate the group itself or remove a particular member. Indeed, during the discussions regarding whether MASTF should remain an advisory group, the point was often made that MASTF's membership as an "independent body"

could not be affected by the Board of Directors whereas the membership of an advisory body actually created by the Board itself could be impacted by Board action.

Clearly, the Board could, through an affirmative vote of 6 of its members eliminate MAC or modify the number of appointments or change the subject matter jurisdiction of MAC through a modification to the Bylaws. Adding language such as, "Appointments to MAC serve at the pleasure of the Board of Directors" would make it clear that the Board of Directors retain authority to remove an appointed member.

In adopting this or similar language, the Board of Directors must be cognitive of the constitutional tenet that public officials may not deny or deprive a person of a government benefit or privilege on a basis that infringes on the person's constitutionally protected interests including his/her interest in freedom of speech (*Perry v. Sinderman*, 408 U.S. 593, 92 S. Ct 2694, 33 L. Ed 2d 570 (1972)). United States Supreme Court cases recognize a variety of public benefits, in addition to public employment, which cannot be denied because of the recipient's exercise of constitutional rights (*Rutan v. Republican Party*, 497 U.S. 672 110 S. Ct 2729, 111 L. Ed 2d 52 (1990)). Retaliatory actions, such as loss of a government volunteer position, have been held egregious enough to invoke the protections of the Constitution because a person is being punished for engaging in protected speech (*Hyland v. Wonder*, 972 F.2d 1129 (9th Cir. 1992)). The *Hyland* Court reasoned that a government volunteer position could be found to be a government benefit or privilege because as a government volunteer, a person gains valuable experience and education in public administration and can make professional contacts. The Court went on to observe that the opportunity to serve as a volunteer is also important because it provides an individual the satisfaction of making a contribution or giving something back to society. (*Hyland*, supra, at 1135-1136). Therefore, even though an individual has no right to a valuable government benefit, such as a volunteer appointment, and even though the government may deny him/her the benefit for any number of reasons, there are some reasons upon which the government may not rely. It may not deny a benefit to a person on a basis that infringes his constitutionally protected rights including his/her right to freedom of speech.

Because it is likely that in accordance with the *Hyland* Court analysis an appointment to MAC would be considered a valuable governmental benefit or privilege, any removal of such appointee would be disallowed if it were in retaliation for the exercise of constitutionally protected rights.

In this inquiry it is important to know that not all speech is protected from retaliation by the government acting in its capacity as employer/supervisor. The U.S. Supreme Court formulated the "public concern" test in an effort to find a compromise between the rights of public employees to free speech and of the government to regulate its workplace (*Pickering v. Board of Education*, 391 U.S. 563, 88 S. Ct. 1731, 20 L. Ed. 2d 811 (1968)). A dismissal from employment or other loss of a governmental benefit as a consequence of speech does not run afoul of the First Amendment unless the speech addresses a matter of public concern. Determining whether speech involves a matter of public concern entails an inquiry into the

“content, form, and context of a given statement, as revealed by the whole record.” (*Hyland, infra* at 1137).

Additionally, any constitutional inquiry must include an analysis of whether the speech so severely damaged harmony and working relationships that the government’s interest in promoting an effective workplace outweighs the individual’s First Amendment rights. This is a factual question that must be decided on a case-by-case basis (*Hyland at 1139-1140*).

In conclusion, the Board of Directors has broad authority to form groups and committees in the proper administration of Santa Cruz METRO’s affairs. The Board retains authority to modify or eliminate these groups at its discretion. As discussed above, appointees to those committees serve at the pleasure of the Board of Directors except that removal from such positions should not occur in retaliation of the exercise of constitutionally protected rights.

The Board of Directors should be aware that MAC reviewed this issue at its July 21, 2004, meeting and made a motion, which was submitted, to the Board of Directors at its July 23, 2004 regular meeting. At that time MAC urged the Board of Directors to refrain from developing or implementing a process for the removal of Board Appointees to boards and committees for reasons other than absence (Attachment E).

IV. FINANCIAL CONSIDERATIONS

None

V. ATTACHMENTS

- Attachment A:** Relevant Section of Santa Cruz METRO’s Bylaws
- Attachment B:** MAC’s Bylaws
- Attachment C:** UTU Chairperson Bonnie Morr’s April 19, 2004 Letter
- Attachment D:** Proposed Language to Amend Santa Cruz METRO’s Bylaws re removal of MAC appointees.
- Attachment E:** Memorandum dated July 23, 2004, to the METRO Chair and Board of Directors from MAC re MAC’s recommendation to the Board to refrain from developing a procedure for the removal of Board appointees.

13.04 Unanimous Voice Votes in Lieu of Roll Call for Resolutions

A Director can move the passage of a Resolution by a unanimous voice vote in lieu of a roll call. If a dissent is registered then a roll call vote shall be taken.

XIV. COMMITTEES AND APPOINTMENTS

14.01 Creation of Committees

The Board of Directors may establish committees for a stated purpose. All committees and their members shall comply with the Ralph M. Brown Open Meeting Act and these Rules and Regulations. The Secretary/General Manager shall provide adequate staffing to assist the committees in doing their work. Directors who are not committee members may attend committee meetings as long as they attend only as observers when a majority of the Board of Directors is in attendance at the committee meeting. The committees shall include the following:

- (a) Working committees or subcommittees of the Board of Directors analyze, review, and make recommendations to the Board of Directors on items to be presented to the full Board. The Chair of the Board shall appoint members of the Board to such committees or subcommittees and shall also appoint a Board member to chair the committees or subcommittees. If a vacancy occurs, the Board Chair shall appoint a Director to fill the vacancy.
- (b) Minutes shall be taken at each committee and shall be prepared and distributed to the Directors at least two days prior to the regular Board meeting.
- (c) The Board of Directors may from time to time create advisory committees who shall be charged with giving advice to the Board of Directors regarding an issue relevant to the Transit District's business. Appointments to advisory committees may be made by the Chair, or the Board of Directors. Directors, employees or members of the public may sit on an advisory committee. The following are permanent advisory committees of the Board of Directors:

(i) Metro Advisory Committee (MAC)

- (a) The Metro Advisory Committee (MAC) is the official advisory committee of the Santa Cruz Metropolitan Transit District: Its purpose is to provide advise to the Board of Directors on matters of METRO policy and operations referred to the committee by the Board or the Secretary/General Manager and to perform such additional duties as assigned.
- (b) MAC shall be composed of 11 members appointed by the Board of Directors. Each director shall nominate one individual to serve as members of the MAC.
- (c) The Board of Directors shall approve bylaws to be followed by MAC.

(ii) Metro Accessible Services Transit Forum (MASTF)

- (a) The Metro Accessible Services Transit Forum (MASTF) is an independent volunteer organization that advises the Santa Cruz Metropolitan Transit District Board of Directors and District management and staff regarding the best methods and resources for providing accessible transportation services to the public. MASTF reviews Metro programs for compliance with §504 of the Vocational Rehabilitation Act of 1973, Americans with Disabilities Act of 1990 and all other appropriate local, state and federal laws and regulations.
- (b) The District shall regularly send one staff member to the MASTF meetings and this person shall share information from the District and gather concerns from MASTF. The District shall help in the preparation and distribution of meeting notices and agendas. Information on MASTF will remain in the Headways publication.

14.02 Appointment to Santa Cruz County Regional Transportation Commission

- a) The Board of Directors shall annually in January appoint three of its members to represent the Transit District on the Santa Cruz County Regional Transportation Commission (SCCRTC) for a one year term commencing in February. These Directors shall be nominated by the Board Chair. Three alternates to this commission designated in priority order shall also be

Attachment B

Drafted for 9/26/03
Revised for 10/24/03
Revised for 12/19/03
Amended/Adopted 12/19/03

BYLAWS FOR THE METRO ADVISORY COMMITTEE

Article I **GENERAL PROVISIONS**

§1.1 Purpose

These Bylaws govern the proceedings of the METRO Advisory Committee (MAC), an advisory committee established by the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO).

§1.2 Construction of Bylaws

As used in these Bylaws, “Committee” means the METRO Advisory Committee. These Bylaws shall govern the Committee’s proceedings to the extent they are not inconsistent with METRO Regulations or California or United States Statutes. These Bylaws become effective upon approval by the METRO Board of Directors

§1.3 Definitions

- a. As used in these Bylaws, “chair” means the chairperson of the Committee.
- b. As used in these Bylaws, “vice chair” means the vice chairperson of the Committee.
- c. As used in these Bylaws “staff” means staff members that are assigned to support the Committee by the METRO Secretary/General Manager.

Article II
DUTIES AND AUTHORITY

§2.1 Duties

It shall be the duty of the Committee to provide advice to the Board of Directors on matters of METRO policy and operations referred to the Committee by the Board or Secretary/General Manager and to perform such additional duties as assigned by the Board. The Committee may also address issues which members or the public raise with respect to the quantity and quality of services provided by METRO.

§2.2 Limitations on Authority

The sole jurisdiction and authority of the Committee is to serve in an advisory capacity to the Board of Directors. It shall not have any authority to take actions that bind METRO or the Board of Directors. Communications by the Committee shall be to and through the Board of Directors. No individual member of the Committee shall be entitled to compensation from METRO and any reimbursement for travel or other expenses shall receive specific prior authorization by the Board of Directors.

Article III
MEMBERSHIP

§3.1 Membership

The Committee shall be composed of 11 members appointed by the Board of Directors as follows:

Each member of the METRO Board of Directors shall nominate 1 individual to serve as members of the METRO Advisory Committee. Appointments to the METRO Advisory Committee shall be made by the METRO Board of Directors.

All members shall be residents of the County of Santa Cruz. When making its appointments, the Board shall strive to balance the membership to reflect the ethnic, gender, and geographic diversity of the County. At least 4 of the individuals appointed to the Committee shall be persons with disabilities as evidenced by possession of a METRO Discount Photo Identification Card. No member of the Board of Directors or other elected public official shall be appointed to the Committee. No employee of METRO or any agency that provides funding to, or contracts with, METRO shall be appointed to the Committee. However, individuals that have been selected to participate on the ADA Appeals Panel or participate in the Bus Operator Sensitivity Training shall be exempt

from the financial/contracting prohibition for Committee members outlined in this section.

§3.2 Members' Terms

The term of membership of each Committee member shall be two years, and members may be re-appointed for 2 successive terms for a total of 6 consecutive years. The term of each member shall commence on January 1.

§3.3 Absences

If a member is absent (without excuse) from four Committee meetings in any twelve-month period, the position shall automatically be declared vacant. The member of the Board of Directors that nominated such Committee member shall be notified of the vacancy so that they can nominate a successor to be appointed to fill the remainder of that Committee member's term.

§3.4 Vacancies

The member of the Board of Directors who nominated the original member shall nominate a replacement candidate to fill a position on the Committee that is declared vacant. The appointment of the replacement member shall be made by the Board of Directors.

Article IV OFFICERS

§4.1 Chair and Vice Chair

The Committee shall elect from its membership a chair and a vice chair at its first meeting of the calendar year, to serve for a one-year term. The chair shall preside at all meetings of the Committee and represent the Committee before the Board of Directors. The vice chair shall perform the duties of the chair when the chair is absent. In the event of a vacancy in the chair's position, the vice chair shall succeed as chair for the balance of the chair's term and the Committee shall elect a successor to fill the vacancy in the vice chair's position as provided below. In the event of a vacancy in the vice chair's position, the Committee shall elect a successor from its membership to fill the vice chair's position for the remainder of the vice chair's term.

§4.2 Staff Support

The Secretary/General Manager of METRO shall make arrangements to furnish clerical services to prepare and distribute the Committee's agendas, notices, minutes,

correspondence and other materials. The METRO staff assigned to support the committee shall maintain a record of all proceedings of the Committee as required by law and shall perform other support duties to the committee as assigned by the Secretary/General Manager. The minutes of each meeting, when approved by the Committee, shall be transmitted to the METRO Board of Directors.

Article V MEETINGS

§5.1 Regular Meetings

Regular meetings of the Committee shall be held on the third Wednesday of each month. Whenever a regular meeting falls on a holiday observed by METRO, the meeting shall be held on another day or canceled at the direction of the Committee. A rescheduled regular meeting shall be designated a regular meeting.

§5.2 Special Meetings

The Chair may call a special meeting. The meeting shall be called and noticed as provided in Section 5.3 below.

§5.3 Calling and Noticing of Meetings

All meetings shall be called, noticed and conducted in accordance with the applicable provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code). The Secretary/General Manager and METRO Counsel shall be given notice of all meetings.

§5.4 Quorum; Vote

The presence of 6 members shall constitute a quorum for the transaction of business. All official acts of the Committee shall require the affirmative vote of the majority of members present, providing that a quorum is maintained at all times.

§5.5 Thirty Minute Rule

If a quorum has not been established within thirty minutes of the noticed starting time for the meeting the meeting shall be cancelled.

§5.6 Matters Not Listed On the Agenda Requiring Committee Action

Except as provided below, a matter requiring Committee action shall be listed on the posted agenda before the Committee may act upon it. The Committee may take action on items not appearing on the posted agenda under any of the following conditions:

a. Upon a determination by an affirmative vote of the Committee that an emergency exists, as defined in Section 54956.5 of the Government Code.

b. Upon a determination by a two-thirds vote of the Committee, or if less than two-thirds of the members are present, a unanimous vote of those members present, there is a need to take immediate action and the need to take action came to the attention of the Committee subsequent to the agenda being posted.

§5.7 Time Limits for Speakers

Each member of the public appearing at a Committee meeting shall be limited to three minutes in his or her presentation, unless the chairperson, at his or her discretion, permits further remarks to be made. Any person addressing the Committee may submit written statements, petitions or other documents to complement his or her presentation. Public presentations that have been scheduled prior to the meeting with the Committee Chair shall not be subject to the time limits contained in this section.

§5.8 Impertinence; Disturbance of Meeting

Any person making personal, impertinent or indecorous remarks while addressing the Committee may be barred by the chairperson from further appearance before the Committee at that meeting, unless permission to continue is granted by an affirmative vote of the Committee. The chairperson may order any person removed from the Committee meeting who causes a disturbance or interferes with the conduct of the meeting, and the chairperson may direct the meeting room cleared when deemed necessary to maintain order.

§5.9 Access to Public Records Distributed at Meeting

Writings which are public records and which are distributed during a Committee meeting shall be made available for public inspection at the meeting if prepared by the METRO staff or a member of the Committee, or after the meeting if prepared by some other person.

Article VI
AGENDAS AND MEETING NOTICES

§6.1 Agenda Format

The agenda shall specify the starting time and location of the meeting and shall contain a brief general description of each item of business to be transacted or discussed at the meeting. The description shall be reasonably calculated to adequately inform the public of the subject matter of each agenda item. The agenda may include recommendations for Committee action as appropriate.

§6.2 Public Communications

Each agenda for a regular meeting shall provide an opportunity for members of the public to address the Committee on matters of interest to the public either before or during the Committee's consideration of the item, if it is listed on the agenda, or, if it is not listed on the agenda but is within the jurisdiction of the Committee, under the agenda item heading "Oral/Written Communications". The Committee shall not act upon an item that is not listed on the agenda except as provided under Section 5.8. Each notice for a special meeting shall provide an opportunity for members of the public to directly address the Committee concerning any item that has been described in the notice for the meeting before or during consideration of that item.

§6.3 Agenda Preparation

The METRO Staff assigned to the Committee shall prepare the agenda for each meeting in consultation with the chairperson. Material intended for placement on the agenda shall be delivered to the secretary on or before 12:00 Noon on the date established as the agenda deadline for the forthcoming meeting. The METRO Staff, in consultation with the chair, may withhold placement on the agenda of any matter that is not timely received, lacks sufficient information or is in need of staff review and report prior to Committee consideration.

§6.4 Agenda Posting and Delivery

The written agenda for each regular meeting and each meeting continued for more than five calendar days shall be posted by the METRO Staff at least 72 hours before the meeting is scheduled to begin. The written agenda for every special meeting shall be

posted by the METRO Staff at least 24 hours before the special meeting is scheduled to begin. The agenda shall be posted in a location that is freely accessible to members of the public. The agenda together with supporting documents shall be transmitted to each Committee member, the Secretary/General Manager and the METRO Counsel at least five days before each regular meeting and at least 24 hours before each special meeting.

§6.5 Meeting Notices

The METRO Staff shall transmit notices of every regular meeting at least one week prior to the date set for the meeting to each person who has filed a written request with METRO for such notice as provided in Section 54954.1 of the Government Code. The notice shall be mailed at least one week prior to the date set for the meeting. Notice of special meetings called less than seven days prior to the date set for the meeting shall be given as soon as is practical.

Article VII MISCELLANEOUS

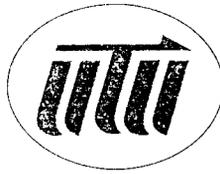
§7.1 Adoption and Amendment of Bylaws

These Bylaws shall be effective upon approval by the METRO Board of Directors.

§7.2 Committee Process

The intent of the Committee shall be to provide consensus based advice and recommendations to the METRO Board of Directors.

Approved by Board of Directors: December 19, 2003.



united transportation union

Board of Directors
Santa Cruz Metro Transit District

April 19, 2004

Attention Chairperson Reilly,

United Transportation Union Local 23 is writing this letter due to concerns that have arisen around the charter and bylaws being discussed for the Metro Advisory Committee (MAC). An area that has come to light, and has not been currently addressed by Staff or the Board is the issue around the appointees and their code of behavior. We, the members of the UTU, as the primary public service providers for the district, have concerns about appointee's accountability to the public they serve and the Board that appointed them.

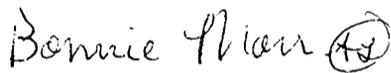
We feel that an area that needs introduction, discussion and procedural language created is for the "Removal of an Appointee". Should the individual's behavior not be conducive nor display a commitment that will support the Santa Cruz Metropolitan District and/or its policies, rider ship, service or employees; what is to be done to rectify the issue?

What is acceptable behavior? What about issues around felonies or convictions for certain crimes? Will these appointees be briefed and held to the standards of current District Policies, such as; the Sexual Harassment and Workplace Violence Policies? Will these appointees be made to complete Disclosure forms for tax purposes as other Public Commissions currently do? How will you protect your employees from disgruntled members who do not get their way or object to differing courses of action taken by the Transit District?

We realize that the Board of Directors must be tired of discussing this issue with so many pressing issues at hand. However, UTU feels that these are areas that need discussion and would like to see this added to the agenda and responded to by District's Legal Counsel.

I would like to remind you of a situation that occurred several years ago, in whereas a Board Member was having difficulties in public, on our coaches and with bus operators. At that time, the Board of Directors was powerless to effectually deal with the situation. It took quite a bit of time and money to rectify that situation. We do not want to see a repeat of those circumstances.

Respectfully,



Bonnie Morr
Chairperson UTU Local 23

Proposed Language to Amend Santa Cruz METRO's Bylaws re Removal of MAC Appointees

14.01 (b) The following are permanent advisory committees of the Board of Directors:

- (i) METRO Advisory Committee (MAC)

The METRO Advisory Committee (MAC) is the official advisory committee to the Santa Cruz Metropolitan Transit District. Its purpose is to advise the Board of Directors on matters of METRO policy and operations referred to the committee by the Board or the Secretary/General Manager and to perform such additional duties as assigned. The committee may also address issues which committee members or the public raise with respect to the quantity and quality of services provided by METRO. MAC shall be composed of 11 members appointed by the Board of Directors. **Each appointee serves at the pleasure of the Board of Directors.** Each director shall nominate one individual to serve as members of the MAC. The Board of Directors shall approve bylaws to be followed by MAC.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

M E M O R A N D U M

Date: July 23, 2004
To: METRO Chair and Board of Directors
From: Metro Advisory Committee (MAC)
Subject: Committee Actions

On July 21, 2004 the Metro Advisory Committee met and passed two motions containing recommendations to the Board of Directors. The following are the motions passed by the MAC for your consideration:

MOTION

"Mac recommends that the Members of the Board of Directors who also serve on the Santa Cruz County Regional Transportation Commission (SCCRTC) take a leadership role in finding funding for the \$7.8 million committed to the MetroBase Project in the Regional Transportation Improvement Program (RTIP) which has not been recommended for approval by the Staff of the California Transportation Commission (CTC)."

MOTION

"MAC is aware that the METRO Board of Directors has received a request to develop a process for the removal of Board appointees from Boards and Committees for reasons other than absence. MAC recommends that the Board of Directors refrain from developing or implementing a process for the removal of Board appointees to Boards and committees for reasons other than absence."

The Members of the MAC appreciate your consideration of our recommendations.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 13, 2004

TO: Board of Directors

FROM: Bryant J. Baehr, Manager of Operations

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE AGREEMENT WITH SOQUEL III ASSOCIATES FOR PROPERTY LOCATED AT 2880 RESEARCH PARK DRIVE, SUITE 160 FOR METRO PARACRUZ OPERATION.

I. RECOMMENDED ACTION

Staff is recommending that the Board of Directors authorize the General Manager to execute a lease with Soquel III Associates for property located at 2880 Research Park Drive, Suite 160 for ParaCruz operations.

II. SUMMARY OF ISSUES

- On June 25, 2004 the Board of Directors adopted the in-house ParaCruz operation model contingent upon the ratification of a tentative agreement between METRO and the United Transportation Union (UTU) Local 23. In addition staff was authorized to engage the services of a real estate professional to identify potential operating facilities for ParaCruz with a start date of November 01, 2004.
- On July 09, 2004 the Board of Directors adopted a labor / management agreement with UTU Local 23 for the in-house operation of ParaCruz.
- Staff engaged the services of Gregg Walsh of J. R. Parrish to assist in the identification of potential ParaCruz operating facilities.
- Several properties were viewed by staff and Mr. Walsh to determine if the available facility was suitable for a November 01, 2004 ParaCruz start date. Of the 10 properties viewed, the property located at 2880 Research Drive, Suite 160 was only one that was readily available and able to accommodate a November 01, 2004 ParaCruz start date. This includes the ability to perform maintenance functions, is ADA accessible and provides for adequate parking.
- Soquel III Associates is proposing a five (5) year lease with two (2) five (5) year options. Initial lease costs are identified by year in the financial considerations section of the staff report.
- Staff is recommending that the General Manager be authorized to execute a lease with Soquel III Associates for the property located at 2880 Research Park Drive, Suite 160 for ParaCruz operations.

III. DISCUSSION

On June 25, 2004 the Board of Directors authorized the in-house operation of ParaCruz contingent upon the ratification of the labor / management agreement between the Santa Cruz Metropolitan Transit District and the United Transportation Union Local 23. In addition to the ratification of the labor / management agreement, staff was authorized to engage the service of a real estate professional to identify potential operating facilities for ParaCruz. On July 09, 2004, the Board of Directors adopted a labor / management agreement with UTU Local 23 concerning the operation of ParaCruz.

Staff engaged the services of Gregg Walsh of J.R. Parrish in an effort to identify potential operating locations for ParaCruz. Over several days, METRO staff and Mr. Walsh viewed potential sites located from Soquel Avenue & 41St Avenue to the Harvey West Area. This zone was identified because it placed the ParaCruz operating facility near the center of the ParaCruz service area. Staff reviewed the following potential ParaCruz operating locations: 399 Encinal Street, 100 Pioneer Street, 324 Encinal Street, 110 Vernon Street, 155-165 Dubois Street, 115 Lime Kiln Street, 2840 Research Park Drive and 2880 Research Park Drive. In each case, with the exception of 2880 Research Park Drive, the properties viewed were not considered suitable for a November 01, 2004 ParaCruz start date. Reasons that the above listed properties, with the exception of 2880 Research Park Drive, were not considered suitable include: interior facility modification time not compatible with a November 01, 2004 start, parking was not available for the ParaCruz vans and employees, interior space would not accommodate a maintenance component, current leases were in place elongating the METRO lease process and facility configurations that were not Americans with Disabilities Act (ADA) accessible.

The property located at 2880 Research Park, Suite 160 can accommodate the needs of a November 01, 2004 ParaCruz start date. There are no major facility modifications that need to occur, the site is ADA accessible, and the property can accommodate a maintenance component. Proposed leased square footage is approximately 9,318.

Staff and District Counsel are working with Gregg Walsh to fashion lease language that is in the best interest of METRO.

IV. FINANCIAL CONSIDERATIONS

The facility lease is for a proposed five (5) year period of time. Costs for the five (5) years are as follows:

Year 1 cost – \$97,279.92 (.90+.26((estimated triple net costs))x9318x9) Soquel III Associates is proposing three (3) months of free rent.

Estimated Year 2 cost – \$129,706.56 (.90+.26((estimated triple net costs))x9318.12)

Estimated Year 3 costs - \$132,300.69 (2% minimum price increase)

Estimated Year 4 costs - \$134,946.70 (2% minimum price increase)

Estimated Year 5 costs - \$137,644.92 (2% minimum price increase)

Lease rate after year five (5) will be at market rate. Two (2) five year options available.

Staff has budgeted for lease costs in the ParaCruz budget.

V. ATTACHMENTS

Attachment A: Draft Lease Agreement With Soquel III Associates for Property Located at 2880 Research Park Drive, Suite 160

KG REAL ESTATE, INC.

August 5, 2004

Gregg S. Walsh
J.R. Parrish
9000 Soquel Avenue, Suite 200
Santa Cruz, CA 95062

RE: 2880 Research Park Drive, Suite 160

Dear Gregg:

The following is the Landlord's response to your proposal of August 5, 2004:

1. Parties:

The parties to the transaction shall be *Soquel III Assoc.* ("Landlord") and *Santa Cruz Metropolitan Transit District* ("Tenant")

2. Location:

Approximately 9,318 rentable square feet, located at *2880 Research Park Drive, Suite 160.*

3. Use:

General offices, storage and other related legal uses for public transit company.

4. Term:

The term of the Lease shall be for a period of five (5) years, commencing the later of September 1, 2004 or substantial completion of the tenant improvements provided by Landlord as described below.

5. Base Rent:

Base Rent shall start at \$.90 per square foot, NNN. Base Rent for the months 2 through 4 of the lease shall be \$0.00. Rent shall be increased annually in accordance with increase in CPI, minimum 2%, maximum 6%.

6. Operating Expenses:

NNN expenses, which are defined in Landlord's lease, are currently \$0.26 per square foot. Expenses paid directly by Tenant, e.g. utilities, janitorial, are also defined in Landlord's lease.

7. Option to Renew

Landlord shall grant Tenant two (2) options to extend the Lease an additional five (5) year period under the same terms and conditions of the original lease, except for rent which shall be at market.

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8. Security Deposit/ Prepaid Rent:

Tenant shall deposit with Landlord upon execution of the Lease a security deposit equal to one month rent and the first month's rent and NNN estimate.

9. Tenant Improvements:

Landlord shall remove all racking in warehouse area, patch and paint walls in office area, replace carpet in office area, replace damaged or stained ceiling tiles, and replace or repair damaged insulation in warehouse area. Carpet and paint shall be landlord standard grade and colors. Tenant shall be permitted to use existing furniture currently located in the Premises.

10. Parking:

Tenant shall have non-exclusive use of its pro-rata share of parking

11. Other terms and conditions:

A sample copy of Landlord's lease is attached hereto.

Landlord and Tenant acknowledge that this proposal is not a lease, but is intended as the basis of the preparation of a lease by Landlord. The lease shall be subject to Landlord and Tenant approval and only a fully-executed lease shall constitute a lease for the Premises. Broker makes no warranty or representation to Landlord or to Tenant that acceptance of this proposal will guarantee the execution of a lease for the premises.

Very truly yours,

Allen Guggenheim
Real Estate Broker
KG Real Estate, Inc.

LEASE AGREEMENT

1. Parties. This Lease, dated for reference purposes only as _____ 1999, is made by and between _____, a _____ ("Landlord"), and _____, a _____ corporation ("Tenant")

2. Premises. Landlord hereby leases to Tenant and Tenant hereby leases from Landlord, upon the terms and conditions hereinafter set forth, those certain premises (the "Premises") situated in _____, County of _____, State of California, described as follows: Suite _____ containing approximately _____ (_____) rentable square feet of floor space as shown on the site plan attached hereto as Exhibit "A", together with the improvements (the "Improvements") to be constructed therein pursuant to Exhibit "B" attached hereto. The Premises are located in a larger building (the "Building") containing approximately _____ (_____) square feet of floor space, which building is located at _____, _____, CA 9____.

3. Term. The term of this Lease (the "Lease Term") shall be for _____ (_____) years, commencing on the later of completion of the Improvements or _____ (the "Commencement Date") and ending _____ (_____) years thereafter unless sooner terminated pursuant to any provision hereof. Notwithstanding said Commencement Date, if for any reason Landlord cannot deliver possession of the Premises to Tenant on said date, Landlord shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Tenant hereunder, but in such case Tenant shall not be obligated to pay rent until the earlier of (a) the date possession of the Premises is tendered to Tenant, (b) the date of substantial completion of the Improvements, or (c) the date of issuance of a Certificate of Occupancy for the Improvements, and the commencement and termination dates of this Lease shall be revised to conform to the date of Landlord's delivery of possession. In the event Landlord shall permit Tenant to occupy the Premises prior to the Commencement Date, such occupancy shall be subject to all the provisions of this Lease, including the obligation to pay the Monthly Installment of rent at the same rate as that prescribed for the first month of the Lease Term.

4. Rent.

A. Tenant shall pay to Landlord as rent for the Premises the respective sums specified in Paragraph 4B below (the "Monthly Installment") each month in advance on the first day of each calendar month, without deduction or offset, prior notice or demand, commencing on the Commencement Date and continuing through the term of this Lease, together with such additional rents as are payable by Tenant to Landlord under the terms of this Lease.

B. The initial Monthly Installment of rent shall be _____ Dollars (\$_____) per month (the "Initial Monthly Installment"). On each Rental Adjustment Date, the Monthly Installment of rent shall be increased to a sum equal to the Initial Monthly Installment of rent multiplied by a fraction the numerator of which is the New Index existing at that time and the denominator of which is the Initial Index; provided, however, that in no event shall the Monthly Installment of rent payable after any Rental Adjustment Date be less than the Monthly Installment of rent payable immediately preceding such Rental Adjustment Date. In no event shall any such increase be less than four percent (4%) nor greater than eight percent (8%). The Monthly Installment of rent as adjusted on any Rental Adjustment Date shall remain in effect until the next Rental Adjustment Date. As used in this Lease, the following terms, shall have the following meanings:

(1) "Rental Adjustment Date" means each successive anniversary date of the Commencement Date of the Lease.

(2) "Index" means the Consumer Price Index for All Urban Consumers (All Items) as published by the United States Department of Labor, Bureau of Labor Statistics, for the San Francisco/Oakland Metropolitan Area (1982-84=100 Base);

(3) "Initial Index" means the Index last published prior to the Commencement Date of this Lease;

(4) "New Index" means, with respect to each Rental Adjustment Date, the Index last published prior to such Rental Adjustment Date.

C. Tenant acknowledges that late payment by Tenant to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult to ascertain. Such costs include, but are not limited to, processing and accounting charges, and late charges which may be imposed on Landlord by the terms of any mortgage or deed of trust covering the Premises. Accordingly, if any installment of rent or any other sum due from Tenant shall not be received by Landlord within five (5) days after

such amount shall be due, Tenant shall pay to Landlord, as additional rent, a late charge equal to ten percent (10%) of such overdue amount. The parties hereby agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Acceptance of such late charge by Landlord shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, nor prevent Landlord from exercising any of its other rights and remedies granted hereunder.

D. All taxes, insurance premiums, Common Area Charges, late charges, costs and expenses which Tenant is required to pay hereunder, together with all interest and penalties that may accrue thereon in the event of Tenant's failure to pay such amounts, and all reasonable damages, costs, and attorneys' fees and expenses which Landlord may incur by reason of any default of Tenant or failure on Tenant's part to comply with the terms of this Lease, shall be deemed to be additional rent ("Additional Rent") and shall be paid in addition to the Monthly Installment of rent, and in the event of nonpayment by Tenant, Landlord shall have all of the rights and remedies with respect thereto as Landlord has for the nonpayment of the Monthly Installment of rent.

E. Rent shall be payable in lawful money of the United States of America to Landlord at 14651 South Bascom Avenue, Suite #280, Los Gatos, CA 95032 or to such other person(s) or at such other place(s) as Landlord may designate in writing.

F. Upon execution of this Lease, Tenant shall pay to Landlord the sum of _____ Dollars (\$_____) to be applied to the rent and Common Area Charges due for the first month of the Lease Term.

5. Security Deposit. Upon execution of this Lease, Tenant shall deposit with Landlord the sum of _____ Dollars (\$_____) ("Security Deposit") to secure the faithful performance by Tenant of each term, covenant and condition of this Lease. If Tenant shall at any time fail to make any payment or fail to keep or perform any term, covenant and condition on its part to be made or performed or kept under this Lease, Landlord may, but shall not be obligated to and without waiving or releasing Tenant from any obligation under this Lease, use, apply or retain the whole or any part of the Security Deposit (a) to make any required payment on Tenant's behalf to a third party; or (b) to compensate Landlord for any loss, damages, attorneys' fees or expense sustained by Landlord due to Tenant's default. In such event, Tenant shall, within five (5) days of written demand by Landlord, remit to Landlord sufficient funds to restore the Security Deposit to its original sum. No interest shall accrue on the Security Deposit. If the monthly Installment of Rent shall, from time to time, increase during the term of this Lease, Tenant shall, at the time of such increase, deposit with Landlord additional money as a security deposit so that the total amount of the security deposit held by Landlord shall at all times bear the same proportion to the then current Base Rent as the initial security deposit bears to the initial monthly Installment of Rent set forth in paragraph 4 of this Lease. Landlord shall not be required to keep the Security Deposit separate from its general funds. Should Tenant comply with all the terms, covenants, and conditions of this Lease and at the end of the term of this Lease leave the Premises in the condition required by this Lease, then said Security deposit, less any sums which Landlord is entitled to keep, shall be returned to Tenant within thirty (30) days after the termination of this Lease and vacancy of the Premises by Tenant.

6. Agreed Use of Premises. Tenant shall use the Premises only in conformance with applicable governmental laws, regulations, rules and ordinances for the purpose of _____ and for no other purpose. Tenant shall indemnify, defend, and hold Landlord harmless against any loss, expense, damage, attorneys' fees or liability arising out of failure of Tenant to comply with any applicable law. Tenant shall comply with the Rules and regulations specified in Exhibit C and any changes thereto made by Landlord. Tenant shall not commit or suffer to be committed, any waste upon the Premises, or any nuisance, or other acts or things which may disturb the quiet enjoyment of any other tenant in the buildings adjacent to the Premises, or allow any sale by auction upon the Premises, or allow the Premises to be used for any unlawful purpose, or place any loads upon the floor, walls or ceiling which endanger the structure, or place any harmful liquids in the drainage system of the building. No waste materials or refuse shall be dumped upon or permitted to remain upon any part of the Premises outside of the building proper except on trash containers placed inside exterior enclosures designated for that purpose by Landlord. No materials, supplies, equipment, finished products or semi-finished products, raw materials or articles of any nature shall be stored upon or permitted to remain on any portion of the Premises outside of the building proper.

7. Taxes and Assessments.

A. Tenant's Property. Tenant shall pay before delinquency any and all taxes and assessments, license fees and public charges levied, assessed or imposed upon or against Tenant's fixtures, equipment, furnishings, furniture, appliances and personal property installed or located on or within the Premises. Tenant shall cause said fixtures, equipment, furnishings, furniture, appliances and personal property to be assessed and billed separately

from the real property of Landlord. If any of Tenant's said personal property shall be assessed with Landlord's real property, Tenant shall pay Landlord the taxes attributable to Tenant within ten (10) days after receipt of a written statement from Landlord setting forth the taxes applicable to Tenant's property.

B. Property Taxes. Tenant shall pay, as a Common Area Charge, _____ percent (____%) of all Property Taxes levied or assessed with respect to the building of which the Premises are a part (the "Building"), and ____ percent (____%) of all Property Taxes levied or assessed with respect to the land comprising the tax parcel on which the Premises are located (the "Parcel"), which become due or accrued during the term of this Lease. Tenant shall pay its share of such Property Taxes to landlord in accordance with the procedures set forth in Paragraph 12 below. For the purpose of this Lease, "Property Taxes" means and includes all taxes, assessments (including, but not limited to, assessments for public improvements or benefits), taxes based on vehicles utilizing parking areas, taxes based or measured by the rent paid, payable or received under this Lease, taxes on the value, use, or occupancy of the Premises, the Building and/or the Parcel, Environmental Surcharges, and all other governmental impositions and charges of every kind and nature whatsoever, whether or not customary or within the contemplation of the parties hereto and regardless of whether the same shall be extraordinary or ordinary, general or special, unforeseen or foreseen, or similar or dissimilar to any of the foregoing which, at any time during the Lease Term, shall be applicable to the Premises, the Building and/or the Parcel or assessed, levied or imposed upon the Premises, the Building and/or the Parcel, or become due and payable and a lien or charge upon the Premises, the Building and/or the Parcel, or any part thereof, under or by virtue of any present or future laws, statutes, ordinances, regulations or other requirements of any governmental authority whatsoever. The term "Environmental Surcharges" shall mean and include any and all expenses, taxes, charges or penalties imposed by the Federal Department of Energy, the Federal Environmental Protection Agency, the Federal Clean Air Act, or any regulations promulgated thereunder or any other local, state or federal governmental agency or entity now or hereafter vested with the power to impose taxes, assessments, or other types of surcharges a means of controlling or abating environmental pollution or the use of energy. The term "Property Taxes" shall not include any federal, state or local net income, estate, or inheritance tax imposed on Landlord.

C. Other Taxes. Tenant shall, as additional rent, pay or reimburse Landlord for, any tax based upon, allocable to, or measured by the area of the Premises or the Building or the rental payable by Tenant under this Lease, including without limitation, any gross receipts tax or excise tax levied by any state, local or federal government with respect to the receipt of such rental; any tax upon or with respect to the possession, leasing, operation, management, maintenance alteration, repair, use of occupancy of the Premises or any portion thereof; any privilege tax, excise tax, business and occupation tax, gross receipts tax, sales and/or use tax, water tax, sewer tax, employee tax, occupational license tax imposed upon Landlord or Tenant with respect to the Premises; any tax upon this transaction or any document to which Tenant is a party creating or transferring an interest or an estate in the Premises.

8. Insurance and Indemnity.

A. Indemnity. Tenant agrees to indemnify and defend Landlord against and hold Landlord harmless from any and all claims, causes of action, judgments, obligations or liabilities, and all reasonable expenses incurred in investigating or resisting the same (including reasonable attorney's fees), on account of, or arising out of, the operation, maintenance, use or occupancy of the Premises and all areas appurtenant thereto (except for the active negligence or willful misconduct of Landlord). This Lease is made on the express understanding that Landlord shall not be liable for, or suffer loss by reason of, injury to person or property, from whatever cause (except for active negligence or willful misconduct of Landlord), in any way may be connected with the operation, use or occupancy of the Premises specifically including, without limitation, any liability for injury to the person or property of the Tenant, its agents, officers, employees, licensees or invitees.

B. Liability Insurance. Tenant shall obtain and keep in force a Commercial General Liability Policy of Insurance protecting Tenant and Landlord against claims for bodily injury, personal injury and property damage based upon or arising out of the ownership, use, occupancy, or maintenance of the Premises and all areas appurtenant thereto. Such insurance shall be on an occurrence basis providing single limit coverage in an amount not less than \$2,000,000 per occurrence. The Policy shall not contain any intra-insured exclusions as between insured persons or organizations, but shall include coverage for liability assumed under this Lease as an "insured contract" for the performance of Tenant's indemnity obligations under this Lease. The limits of said insurance shall not, however, limit the liability of Tenant nor relieve Tenant of any obligation hereunder. All insurance carried by Tenant shall be primary to and not contributory with any similar insurance carried by Landlord, whose insurance shall be considered excess insurance only. Landlord and Landlord's property management company shall be named as "Additional Insured".

C. Property Insurance. Landlord shall obtain and keep in force during the term of this Lease a policy of Combined Single Limit Bodily Injury and Broad Form Property Damage Insurance, plus coverage against such other risks Landlord deems advisable from time to time, insuring Landlord, but not Tenant, against liability arising out of the ownership, use, occupancy or maintenance of the Building, exclusive of Tenant's fixtures, furnishings, equipment and other personal property. Tenant shall have no interest in or any right to the proceeds of any insurance procured by Landlord on the Building, Premises or Real Property. Tenant shall not be named as additional insured therein. If the Premises are part of a larger building, or of a group of buildings owned by Landlord which are adjacent to the Premises, the Tenant shall pay for any increase in the premiums for the property insurance of such building or buildings if said increase is caused by Tenant's acts, omissions, use or occupancy of the Premises. The cost of such insurance procured and maintained by Landlord shall be a Common Area Charge, and Tenant shall pay to Landlord, as additional rent, Tenant's share of the cost of such insurance in accordance with the procedure set forth in Paragraph 12 below. Tenant acknowledges that such insurance procured by Landlord shall contain a deductible which reduces Tenant's cost for such insurance and, in the event of loss or damage, Tenant shall be required to pay to Landlord the amount of such deductible.

D. Tenant's Property/Business Interruption Insurance. Tenant acknowledges that the insurance to be maintained by Landlord on the Premises pursuant to subparagraph C above will not insure any of Tenant's property. Accordingly, Tenant, at Tenant's own expense, shall maintain in full force and effect the following insurance:

(1) Property Damage. Tenant shall obtain and maintain insurance coverage on all of Tenant's personal property. Trade Fixtures, and Tenant Owned Alterations and Utility Installations. Such insurance shall be full replacement cost coverage with a deductible of not to exceed \$1,000 per occurrence. The proceeds from any such insurance shall be used by Tenant for the replacement of personal property, Trade Fixtures and Tenant Owned Alterations and Utility Installations. Tenant shall provide Landlord with written evidence that such insurance is in force.

(2) Business Interruption. Tenant shall obtain and maintain loss of income and extra expense insurance in amounts as will reimburse Tenant for direct loss of earnings attributable to all perils commonly insured against by prudent tenants in the business of Tenant or attributable to prevention of access to the Premises as a result of such perils.

(3) Plate Glass Insurance. Tenant, at its sole cost, shall be responsible for the maintenance, repair, and replacement of all plate glass in or enclosing the Premises. If Tenant does not procure insurance on such plate glass, Tenant shall be deemed self-insured for the full replacement cost thereof.

(4) No Representation of Adequate Coverage. Landlord makes no representation that the limits or forms of coverage of insurance specified herein are adequate to cover Tenant's property, business operations or obligations under this Lease.

E. Form of the Policies. Insurance required herein shall be by companies duly licensed or admitted to transact business in the state where the Premises are located, and maintaining during the policy a "General Policyholders Rating" of at least B+, V, as set forth in the most current issue of "Best's Insurance Guide", or such other rating as may be required by a Lender. Tenant shall not do or permit to be done anything which invalidates the required insurance policies. Tenant shall, prior to the Commencement Date, deliver to Landlord certified copies of policies of such insurance or certificates evidencing the existence and amounts of the required insurance. No such policy shall be cancelable or subject to modification except after thirty (30) days prior written notice to Landlord. Tenant shall obtain a written obligation on the part of any insurance company providing such insurance to notify Landlord in writing of any delinquency in premium payments and, at least ten (10) days prior thereto, of any cancellation of any such policy. Tenant shall, at least thirty (30) days prior to the expiration of such policies, furnish Landlord with evidence of renewals or "insurance binders" evidencing renewal thereof, or Landlord may order such insurance and charge the cost thereof to Tenant, which amount shall be payable to Tenant to Landlord upon demand. Such policies shall be for term of at least one (1) year, or the length of the remaining term of this Lease, whichever is less. Tenant agrees that if Tenant does not take out such insurance or keep the same in full force and effect, Landlord may take out the necessary insurance and pay the premiums therefor, and Tenant shall repay to Landlord, as additional rent and within ten (10) days of written demand, the amount so paid plus interest from the date of expenditure at the highest rate then permitted by California law.

F. Waiver of Subrogation. Tenant and Landlord hereby mutually waive their respective rights for recovery against each other for any loss or damage to the property of either party, to the extent such loss or damage is insured by any insurance policy required to obtain any special endorsements, if required by the insurer, whereby the insurer waives its right of subrogation against the other party hereto. The provisions of this Subparagraph F shall not apply in those instances in which waiver of subrogation would cause either party's insurance coverage to be voided or otherwise made uncollectible.

G. Exemption of Landlord from Liability. Except to the extent any loss, injury, or damage is caused by the active negligence or willful misconduct of Landlord, its employees, agents or contractors, Landlord shall not be liable for any injury or death to any person or damage or loss of use of any property from any cause whatsoever, arising out of or in any way connected with the use, occupation or enjoyment of the Premises, whether the damage or injury results from conditions arising upon the Premises or upon other portions of the Building, or from other sources. Landlord shall not be liable for any damages arising from any act or neglect of any other tenant (if any) of the Building or the Real Property. Tenant hereby agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom or for loss of or damage to the goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers, or any other person in or about the Premises or the Building, nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, whether such damage or injury is caused by or results from theft, fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, or from any other cause, whether said damage or injury results from conditions arising upon the Premises or upon other portions of the Building, or from other sources or places, or from new construction or the repair, alteration or improvement of any part of the Building, or of the equipment, fixtures or appurtenances applicable thereto and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible, Landlord shall not be liable for any damages arising from any act or neglect of any other Tenant, occupant or user of the Building, nor from the failure of Landlord to enforce the provisions of any other lease of any other Tenant of the Building.

9. Utilities. Tenant shall pay for all water, gas, light, heat, power, electricity, telephone, trash pick-up, sewer charges, and all other services supplied to or consumed on the Premises, and all taxes and surcharges thereon. In the event that any of the utility services are not separately metered to the Premises, the cost of such utility service shall be a Common Area Charge and Tenant shall pay its share of such cost to Landlord as provided in Paragraph 12 below. In addition, the cost of any utility services supplied to the Common Area shall be a Common Area Charge and Tenant shall pay its share of such cost to Landlord as provided in paragraph 12 below.

10. Repairs and Maintenance.

A. Subject to provisions of Paragraph 16, Landlord shall keep and maintain the exterior roof, structural elements and exterior walls of the building in which the Premises are located in good order and repair. Landlord shall not, however, be required to maintain, repair or replace the interior surface of exterior walls, nor shall Landlord be required to maintain, repair or replace windows, doors, skylights or plate glass. Landlord shall have no obligation to make repairs under this subparagraph until a reasonable time after receipt of written notice from Tenant of the need for such repairs. The cost of such maintenance and repairs which are the obligation of Landlord hereunder shall be a Common Area Charge, and Tenant shall reimburse Landlord, as additional rent, for Tenant's share of the cost of such maintenance and repair in accordance with the procedures set forth in Paragraph 12 below; provided, however, that Tenant shall not be required to reimburse Landlord for the cost of maintenance and repairs of the structural elements of the Building unless such maintenance or repair is required because of the negligence or willful misconduct of Tenant or its employees, agents or invitees, in which case, Tenant shall reimburse Landlord, upon demand, or one hundred percent (100%) of the cost of such maintenance or repair. As used herein, the term "structural elements of the building" shall mean and be limited to the foundation, footings, floor slab (but not flooring), structural walls, and roof structure (but not roofing or roof membrane).

B. Except as expressly provided in subparagraph A above, Tenant shall, at its sole cost, keep and maintain the entire Premises and every part thereof, including without limitation, the windows, window frames, plate glass, glazing, skylights, truck doors, doors and all door hardware, the walls and partitions, and the electrical, plumbing, lighting, heating, ventilating and air conditioning systems and equipment in good order, condition and repair. The term "repair" shall include replacements, restorations and/or renewals when necessary as well as painting. The Tenant's obligation shall extend to all alterations, additions and improvements to the Premises, and all fixtures and appurtenances therein and thereto. Tenant shall at all times during the Lease term, have in effect a service contract for the maintenance of the heating, ventilation and air conditioning (HVAC) equipment with a HVAC repair and maintenance contractor approved by Landlord which provides for periodic inspection and servicing at least once every three months during the term hereof and shall provide Landlord with a copy of such contract. Should Tenant

fail to make repairs required of Tenant hereunder forthwith upon five (5) days notice from Landlord, Landlord, in addition to all other remedies available hereunder or by law and without waiving any alternative remedies, may make the same, and in that event, Tenant shall reimburse Landlord as additional rent for the cost of such maintenance or repairs within five (5) days of written demand by Landlord. Landlord shall have no maintenance or repair obligations whatsoever with respect to the Premises except as expressly provided in Paragraphs 10A and 11. Tenant hereby expressly waives the provisions of subsection 1 of section 1932 and sections 1941 and 1942 of the Civil Code of California and all rights to make repairs at the expense of Landlord as provided in section 1942 of said Civil Code.

11. Common Area. Subject to the terms and conditions of this Lease and such rules and regulations as Landlord may from time to time prescribe, Tenant and Tenant's employees, invitees and customers shall, in common with other occupants of the parcel on which the Premises are located, and their respective employees, invitees and customers, and others entitled to the use thereof, have the non-exclusive right to use the access roads, parking areas and facilities provided and designated by Landlord for the general use and convenience of the occupants of the parcel on which the Premises are located, which areas and facilities are referred to herein as "Common Area". This right shall terminate upon the termination of the Lease. Provided it does not materially interfere with Tenant's business operations, Landlord reserves the right from time to time to make changes in the shape, size, location, amount and extent of the Common Area. Landlord further reserves the right to promulgate such reasonable rules and regulations relating to the use of the Common Area, and any part or parts thereof, as Landlord may deem appropriate for the best interest of the occupants of the parcel. The rules and regulations shall be binding upon Tenant upon delivery of a copy of them to Tenant, and Tenant shall abide by them and cooperate in their observance. Such rules and regulations may be amended by Landlord from time to time, with or without advance notice, and all amendments shall be effective upon delivery of a copy to Tenant. Tenant shall have the non-exclusive use of no more than its Prorata Share of available parking spaces in the Common Area as designated from time to time by Landlord. Tenant shall not park or permit the parking of Tenant's vehicles or trucks or the vehicles or trucks of Tenant's suppliers or others, in any portion of the Common Area not designated by Landlord for such use by Tenant. Tenant shall not abandon any inoperative vehicles or equipment on any portion of the Common Area. Tenant shall make no alterations, improvements or additions to the Common Area. Landlord shall operate, manage, maintain and repair the Common Area in good order, condition and repair. The manner in which the Common Area shall be maintained and the expenditures for such maintenance shall be at the discretion of Landlord. The cost of such repair, maintenance, operation and management, including without limitation, the cost of maintenance and repair of landscaping, irrigation systems, paving, sidewalks, fences, lighting, and monthly property management fees based on five percent (5%) of the gross receipts from the Building, shall be a Common Area Charge and Tenant shall pay to Landlord its share of such costs as provided in paragraph 12 below.

12. Common Area Charges.

A. Tenant shall pay to Landlord, as additional rent, in accordance with the procedures set forth in subparagraph B below, an amount equal to _____ percent (____%) of the Common Area Charges as defined in this Lease. Tenant acknowledges and agrees that the Common Area Charge shall include an additional five percent (5%) of the actual expenditures in order to compensate the Landlord for accounting and processing services.

B. Tenant's share of the Common Area Charges and the Property Taxes shall be payable in advance on the first day of each month, in an amount equal to one-twelfth (1/12) of Landlord's reasonable estimate of Tenant's share of the annual Common Area Charges and Property Taxes. Within ninety (90) days after the end of each calendar year, Landlord shall furnish Tenant a written statement of the actual Common Area Charges and Property Taxes incurred during the preceding calendar year. If Tenant's payments under this Paragraph 12 during said preceding calendar year exceed Tenant's share of the actual Common Area Charges and Property Taxes incurred during said previous year as indicated in said statement, Tenant shall be entitled to credit the amount of such overpayment against Tenant's share of Common Area Charges and Property Taxes next falling due. If Tenant's payments under this paragraph during said preceding calendar year were less than Tenant's share of the actual Common Area Charges and Property Taxes incurred during said previous year as indicated in said statement, Tenant shall pay to Landlord the amount of the deficiency within ten (10) days after delivery by Landlord to Tenant of said statement.

13. Alterations. Tenant shall not make, or suffer to be made, any alterations, improvements or additions in, on, about or to the Premises or any part thereof, without the prior written consent of Landlord and without a valid building permit issued by the appropriate governmental authority. As a condition to giving such consent, Landlord may require that Tenant post a payment and/or performance bond insuring that all contractor's, subcontractors and material suppliers will be timely paid and/or that Tenant agree to remove any such alteration, improvements or additions at the termination of this Lease, and to restore the Premises to their prior condition. Unless Landlord requires that Tenant remove any such alteration, improvement or addition, any alteration, addition

or improvement to the Premises, except moveable furniture and trade fixtures not affixed to the Premises, shall become the property of Landlord upon installation and shall remain upon and be surrendered with the Premises at the termination of this Lease. Without limiting the generality of the foregoing, all heating, lighting, electrical (including all wiring, conduit, outlets, drops, buss ducts, main and subpanels), air conditioning, partitioning, drapery, and carpet installations made by Tenant regardless of how affixed to the Premises, together with all other additions, alterations and improvements that have become an integral part of the building in which the Premises are a part, shall be and become the property of the Landlord upon installation, and shall not be deemed trade fixtures, and shall remain upon and be surrendered with the Premises at the termination of this Lease (see Exhibit "B"). If, during the term hereof, any alteration, addition or change of any sort to all or any portion of the Premises is required by law, regulation, ordinance or order of any public agency, Tenant shall promptly make the same at its sole cost and expense. If during the term hereof, any alteration, addition, or change to the Common Area is required by law, regulation, ordinance or order of any public agency, Landlord shall make the same and the cost of such alteration, addition or change shall be a Common Area charge and Tenant shall pay its share of said cost to Landlord as provided in Paragraph 12 above.

14. Acceptance of the Premises. By entry and taking possession of the Premises pursuant to this Lease, Tenant accepts the Premises as being in good and sanitary order, condition and repair and accepts the Premises in their condition existing as of the date of such entry. Tenant acknowledges that neither the Landlord nor Landlord's agents has made any representation or warranty as to the suitability of the Premises to the conduct of Tenant's business. Any agreements, warranties or representations not expressly contained herein shall in no way bind either Landlord or Tenant, and Landlord and Tenant expressly waive all claims for damages by reason of any statement, representation, warranty, promise or agreement, if any, not contained in this Lease. This Lease constitutes the entire understanding between the parties hereto and no addition to, or modification of, any term or provision of this Lease shall be effective until set forth in writing signed by both Landlord and Tenant.

15. Default.

A. Events of Default. A breach of this Lease shall exist if any of the following events (hereinafter referred to as "Event of Default") shall occur:

(1) Default in the payment when due of any installment of rent or other payment required to be made by Tenant hereunder, and such default shall not have been cured within three (3) days after written notice of such default is given to Tenant;

(2) Tenant's failure to perform any other term, covenant or condition contained in this Lease and such failure shall have continued for fifteen (15) days after written notice of such failure is given to Tenant;

(3) Tenant's vacating or abandonment of Premises;

(4) Tenant's assignment of its assets for the benefit of its creditors;

(5) The sequestration of, attachment of, or execution on, any substantial part of the property of Tenant or on any property essential to the conduct of Tenant's business, shall have occurred and Tenant shall have failed to obtain a return or release of such property within thirty (30) days thereafter or prior to such sale pursuant to such sequestration, attachment or levy, whichever is earlier;

(6) The Tenant or any guarantor of Tenant's obligations hereunder shall commence any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seek appointment of a receiver, trustee, custodian, or other similar official for it or for all or any substantial part of its property;

(7) The Tenant or any such guarantor shall take any corporate action to authorize any of the actions set forth in Clause 6 above; or

(8) Any case, proceeding or other action against the Tenant or any guarantor of the Tenant's obligations hereunder shall be commenced seeking to have an order for relief entered against it as debtor, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its property, and such case, proceeding or other action (i) results in the entry of an order for relief against it which is not fully stayed within seven (7) business days after the entry thereof or (ii) remains undismissed for a period of forty-five (45) days.

B. Remedies. Upon any Event of Default, Landlord shall have the following remedies, in addition to all other rights and remedies provided by law, to which Landlord may resort cumulatively, or in the alternative:

(1) **Recovery of Rent.** Landlord shall be entitled to keep this Lease in full force and effect (whether or not Tenant shall have abandoned the Premises) and to enforce all of its rights and remedies under this Lease, including the right to recover rent and other sums as they become due, plus interest at the maximum rate allowable by law per annum from the due date of each installment of rent or other sum until paid.

(2) **Termination.** Landlord may terminate this Lease by giving Tenant written notice of termination. On the giving of the notice all of Tenant's rights in the Premises and the building and parcel of which the Premises are a part, shall terminate. Upon the giving of the notice of termination, Tenant shall surrender and vacate the Premises in the condition required by Paragraph 34, and Landlord may re-enter and take possession of the Premises and all the remaining improvements or property and eject Tenant or any of Tenant's subtenants, assignees or other person or persons claiming any right under or through Tenant or eject some and not others or eject none. This Lease may also be terminated by a judgment specifically providing for termination. Any termination under this paragraph shall not release Tenant from the payment of any sum then due Landlord or from any claim for damages or rent previously accrued or then accruing against Tenant. In no event shall any one or more of the following actions by Landlord constitute a termination of this Lease:

- (a) maintenance and preservation of the Premises;
- (b) efforts to relet the Premises;
- (c) appointment of a receiver in order to protect Landlord's interest hereunder;
- (d) consent to any subletting of the Premises or assignment of this Lease by Tenant, whether pursuant to provisions hereof concerning subletting and assignment or otherwise; or
- (e) any other action by Landlord or Landlord's agents intended to mitigate the adverse effects from any breach of this Lease by Tenant.

(3) **Damages.** In the event this Lease is terminated pursuant to subparagraph 15B-2 above, or otherwise, Landlord shall be entitled to damages in the following sums:

- (a) the worth at the time of award of the unpaid rent which has been earned at the time of termination; plus
- (b) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus
- (c) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; and
- (d) any other amount necessary to compensate Landlord for all detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom including, without limitation, the following: (i) expenses for cleaning, repairing or restoring the Premises; (ii) expenses for altering, remodeling or otherwise improving the Premises for the purpose of reletting, including installation of leasehold improvements (whether such installation be funded by a reduction of rent, direct payment or allowance to the succeeding Tenant, or otherwise); (iii) real estate broker's fees, advertising costs and other expenses of reletting the Premises; (iv) costs of carrying the Premises such as taxes and insurance premiums thereon, utilities and security precautions; (v) expenses in retaking possession of the Premises; (vi) attorney's fees and court costs; and (vii) any unamortized real estate brokerage commission paid in connection with this Lease.
- (e) the "worth at the time of award" of the amounts referred to in subparagraphs (a) and (b) of this paragraph, is computed by allowing the maximum interest rate applicable by law per annum. The "worth at the time of award" of the amounts referred to in subparagraph (c) of this paragraph is computed by discounting such amount at the discount rate of the Federal Reserve

Board of San Francisco at the time of award plus one percent (1%). The term "rent" as used in this paragraph shall include all sums required to be paid by Tenant to Landlord pursuant to the terms of this Lease.

16. Destruction.

A. In the event that any portion of the Premises are destroyed or damaged by an uninsured peril, Landlord or Tenant may, upon written notice to the other, given within thirty (30) days after the occurrence of such damage or destruction, elect to terminate this Lease; provided however, that either party may, within thirty (30) days after receipt of such notice, elect to make any required repairs and/or restoration at such party's sole cost and expense, in which event this Lease shall remain in full force and effect, and the party having made such election to restore or repair shall thereafter diligently proceed with such repairs and/or restoration.

B. In the event the Premises are damaged or destroyed from any insured peril to the extent of fifty percent (50%) or more of the then replacement cost of the Premises, Landlord may, upon written notice to Tenant, given within thirty (30) days after the occurrence of such damage or destruction, elect to terminate this Lease. If Landlord does not give such notice in writing within such period, Landlord shall be deemed to have elected to rebuild or restore the Premises, in which event Landlord shall, at its expense, promptly rebuild or restore the Premises to their condition prior to the damage or destruction and Tenant shall pay to Landlord upon commencement of reconstruction the amount of any deductible from the insurance policy.

C. In the event the Premises are damaged or destroyed from any insured peril to the extent of less than fifty percent (50%) of the then replacement cost of the Premises, Landlord shall, at Landlord's expense, promptly rebuild or restore the Premises to their condition prior to the damage or destruction and Tenant shall pay to Landlord upon commencement of reconstruction the amount of any deductible from the insurance policy.

D. In the event that, pursuant to the foregoing provisions, Landlord is to rebuild or restore the Premises, Landlord shall, within thirty (30) days after the occurrence of such damage or destruction, provide Tenant with written notice of the time required for such repair or restoration. If such period is no longer than one hundred eighty (180) days from the issuance of a building permit, Tenant may, within thirty (30) days after receipt of Landlord's notice, elect to terminate the Lease by giving written notice to Landlord of such election, whereupon the Lease shall immediately terminate. The period of time for Landlord to complete the repair or restoration shall be extended for delays caused by the fault or neglect of Tenant or because of acts of God, acts of publication, labor disputes, strikes, fires, freight embargoes, rainy or stormy weather, inability to obtain materials, suppliers or fuels, acts of contractors or subcontractors, or delay of contractors or subcontractors due to such causes or other contingencies beyond the control of Landlord. Landlord's obligation to repair or restore the Premises shall not include restoration of Tenant's trade fixtures, equipment, merchandise, or any improvements, alterations or additions made by Tenant to the Premises.

E. Unless this Lease is terminated pursuant to the foregoing provisions, this Lease shall remain in full force and effect; provided however, that during any period of repairs or restoration, rent and all other amounts to be paid by Tenant on account of the Premises and this Lease shall be abated in proportion to the area of the Premises rendered not reasonably suitable for the conduct of Tenant's business thereon. Tenant hereby expressly waives the provisions of Section 1932, Subdivision 2 and Section 1933, Subdivision 4 of the California Civil Code.

17. Condemnation.

A. Definition of Terms. For the purpose of this Lease, the term (1) "Taking" means a taking of the Premises or damage to the Premises related to the exercise of the power of eminent domain and includes a voluntary conveyance, in lieu of court proceedings, to any agency, authority, public utility, person or corporate entity empowered to condemn property; (2) "Total Taking" means the taking of the entire Premises or so much of the Premises as to prevent or substantially impair the use thereof by Tenant for the uses herein specified; provided, however, in no event shall a "Taking" of less than ten percent (10%) of the Premises be deemed a Total Taking; (3) "Partial Taking" means the taking of only a portion of the Premises which does not constitute a Total Taking; (4) "Date of Taking" means the date upon which the title to the Premises, or a portion thereof, passes to and vests in the condemn or the effective date of any order for possession if issued prior to the date title vests in the condemn; and (5) "Award" means the amount of any award made, consideration paid, or damage ordered as a result of a Taking.

B. Rights. The parties agree that in the event of a Taking all rights between them or in and to an Award shall be as set forth herein and Tenant shall have no right to any Award except as set forth herein.

C. Total Taking. In the event of a Total Taking during the term hereof (1) the rights of Tenant under the Lease and the leasehold estate of Tenant in and to the Premises shall cease and terminate as of the Date of Taking; (2) Landlord shall refund to Tenant any prepaid rent; (3) Tenant shall pay the Landlord any rent or charges due Landlord under the Lease, each prorated as of the Date of Taking; (4) Tenant shall receive from the Landlord those portions of the Award attributable to trade fixtures of Tenant and for moving expenses of Tenant; and (5) the remainder of the Award shall be paid to and be the property of Landlord.

D. Partial Taking. In the event of a Partial Taking during the term hereof (1) the rights of Tenant under the Lease and the leasehold estate of Tenant in and to the portion of the Premises taken shall cease and terminate as of the Date of Taking; (2) from and after the Date of Taking the Monthly Installment of rent shall be an amount equal to the product obtained by multiplying the Monthly Installment of rent immediately prior to the taking by a fraction the numerator of which is the number of square feet contained in the Premises after the Taking and the denominator of which is the number of square feet contained in the Premises prior the Taking; (3) Tenant shall receive from the Award the portions of the Award attributable to trade fixtures of Tenant; and (4) the remainder of the Award shall be paid to and be the property of the Landlord.

18. Mechanic's Lien. Tenant shall (1) pay for all labor and services performed for, materials used by or furnished to, Tenant or any contractor employed by Tenant with respect to the Premises, and (2) indemnify, defend and hold Landlord and the Premises harmless and free from any liens, claims, demands, encumbrances, or judgments created or suffered by reason of any labor or services performed for, materials, used by or furnished to, Tenant or any contractor employed by Tenant with respect to the Premises, and (3) give notice to Landlord in writing five (5) days prior to employing any laborer or contractor to perform services related to, or receiving materials for use upon the Premises, and (4) permit Landlord to post a notice of non-responsibility in accordance with the statutory requirements of California Civil Code Section 3094 or any amendment thereof. In the event Tenant is required to post an improvement bond with a public agency in connection with the above, Tenant agrees to include Landlord as an additional obligee.

19. Inspection of the Premises. Tenant shall permit Landlord and its agents to enter the Premises at any reasonable time for the purpose of inspecting the same, performing Landlord's maintenance and repair responsibilities, posting a notice of non-responsibility for alterations, additions or repairs and at any time within ninety (90) days prior to expiration of this Lease, to place upon the Premises, ordinary "For Lease" or "For Sale" signs.

20. Compliance with Laws. Tenant shall, at its own cost, comply with all of the requirements of all municipal, county, state and federal authority now in force, or which may hereafter be in force, pertaining to the use and occupancy of the Premises, and shall faithfully observe all municipal, county, state and federal statutes or ordinances now in force or which may hereafter be in force. The judgment of any court of competent jurisdiction or the admission of Tenant in any action or proceeding against Tenant, whether Landlord be a party thereto or not, that Tenant has violated any such ordinance or statute in the use and occupancy of the Premises shall be conclusive of the fact that such violation by Tenant has occurred.

21. Subordination.

A. Rights. At the option of Landlord, the rights of Tenant under this Lease shall be subject and subordinate to any mortgage or deed of trust which are or may hereafter be placed upon the Premises, or any part thereof, by Landlord.

B. Documents. Tenant shall, upon Landlord's request, promptly execute any instrument (including an amendment to this Lease) of instruments of subordination necessary to subordinate this Lease to any mortgage or deed of trust to be placed upon the Premises, or any part thereof, by Landlord in accordance with Paragraph 21A. Tenant agrees to recognize any mortgagee or beneficiary of the deed of trust subsequently encumbering the Premises and any party acquiring title to the Premises, by judicial foreclosure or a trustee's sale, as a successor to Landlord hereunder.

22. Holding Over. This Lease shall terminate without further notice at the expiration of the Lease Term. Any holding over by Tenant after expiration shall not constitute a renewal or extension or give Tenant any rights in or to the Premises except as expressly provided in this Lease. Any holding over after the expiration with the consent of Landlord shall be construed to be a tenancy from month to month, at one hundred fifty percent (150%) of the monthly rent for the last month of the Lease Term, and shall otherwise be on the terms and conditions herein specified insofar as applicable.

23. Notices. Any notice required or desired to be given under this Lease shall be in writing with copies directed as indicated below and shall be personally served or given by mail. Any notice given by mail shall be deemed to have been given when forty-eight (48) hours have elapsed from the time which such notice was deposited in the United States mails, certified and postage prepaid, addressed to the party to be served with a copy as indicated herein at the last address given by that party to the other party under the provisions of this paragraph.

At the date of execution of this Lease, the address of Landlord is:
14651 S. Bascom Avenue, Suite 280
Los Gatos, CA 95032

At the date of execution of this Lease, the address of Tenant is:
at Premises

24. Attorneys' Fees. In the event either party shall bring any action or legal proceeding for damages for any alleged breach of any provisions of this Lease, to recover rent or possession of the Premises, to terminate this Lease, or to enforce, protect or establish any term or covenant of this Lease or right or remedy of either party, the prevailing party shall be entitled to recover as a part of such action or proceeding, reasonable attorneys' fees and court costs, including attorneys' fees and costs for appeal, as may be fixed by the court or jury. The term "prevailing party" shall mean the party who received substantially the relief requested, whether by settlement, dismissal, summary judgment, judgment, or otherwise.

25. Nonassignment.

A. Tenant's interest in this Lease is not assignable, by operation of law or otherwise, nor shall Tenant have the right to sublet the Premises, transfer any interest of Tenant therein or permit any use of the Premises by another party, without the prior written consent of Landlord to such assignment, subletting, transfer or use, which consent Landlord agrees not to unreasonably withhold subject to the provisions of Subparagraph B below. A consent to one assignment, subletting, occupancy or use by another party shall not be deemed to be a consent to any subsequent assignment, subletting, occupancy or use by another party. Any assignment or subletting without such consent shall be void and shall, at the option of Landlord, terminate this Lease. Landlord's waiver or consent to any assignment or subletting hereunder shall not relieve Tenant from any obligation under this Lease unless the consent shall so provide.

B. If Tenant desires to assign its interest in this Lease or sublet the Premises, or transfer any interest of Tenant therein, or permit the use of the Premises by another party (hereinafter collectively referred to as a "Transfer"), Tenant shall give Landlord at least thirty (30) days prior written notice of the proposed Transfer and of the terms of such proposed Transfer, including but not limited to, the name and legal composition of the proposed transferee, a financial statement of the proposed transferee, the nature of the proposed transferee's business to be carried on in the Premises, the payments to be made or other consideration to be given on account of the Transfer, and such other pertinent information as may be requested by Landlord, all in sufficient detail to enable Landlord to evaluate the proposed Transfer and the prospective transferee. It is the intent of the parties hereto that this Lease shall confer upon Tenant only the right to use and occupy the Premises, and to exercise such other rights as are conferred upon Tenant by this Lease. The parties agree that this Lease is not intended to have a bonus value nor to serve as a vehicle whereby Tenant may profit by a future Transfer of this Lease or the right to use or occupy the Premises as a result of any favorable terms contained herein, or future changes in the market for leased space. It is the intent of the parties that any such bonus value that may attach to this Lease shall be and remain the exclusive property of Landlord. Accordingly, in the event Tenant seeks to Transfer its interest in this Lease or sublease the Premises, Landlord shall have the following options, which may be exercised at its sole choice without limiting Landlord in the exercise of any other right or remedy which Landlord may have by reason of such proposed Transfer:

(i) Landlord may elect to terminate this Lease effective as of the proposed effective date of the proposed Transfer and release Tenant from any further liability hereunder accruing after such termination date by giving Tenant written notice of such termination within twenty (20) days after receipt by Landlord of Tenant's notice of intent to transfer as provided above. If Landlord makes such election to terminate this Lease, Tenant shall surrender the Premises, in accordance with Paragraph 34, on or before the effective termination date; or

(ii) Landlord may consent to the proposed Transfer on the condition that Tenant agrees to pay to Landlord, as additional rent, fifty percent (50%) of any and all rents or other consideration (including key money) received by Tenant from the transferee by reason of such Transfer in excess of the rent payable by Tenant to Landlord under this Lease (less any brokerage commissions or advertising

expenses incurred by Tenant in connection with the Transfer). Tenant expressly agrees that the foregoing is a reasonable condition for obtaining Landlord's consent to any Transfer.

C. In connection with each requested Transfer, Tenant shall pay Landlord's property manager for fees not to exceed Five Hundred Dollars (\$500.00) incurred in connection with reviewing Tenant's request.

26. Successors. The covenants and agreements contained in this Lease shall be binding on the parties hereto and on their respective heirs, successors and assigns (to the extent the Lease is assignable).

27. Mortgagee Protection. In the event of any default on the part of Landlord, Tenant will give notice by registered or certified mail to any beneficiary of a deed of trust or mortgagee of a mortgage, encumbering the Premises whose address shall have been furnished it, and shall offer such beneficiary or mortgagee a reasonable opportunity to cure the default, including time to obtain possession of the Premises by power of sale or judicial foreclosure, if such should prove necessary to effect a cure.

28. Landlord Loan or Sale. Tenant agrees promptly following request by Landlord to (A) execute and deliver to Landlord any documents, including estoppel certificates presented to Tenant by Landlord, (i) certifying that this Lease is unmodified and in full force and effect and the date to which the rent and other charges are paid in advance, if any, and (ii) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, and (iii) evidencing the status of the Lease as may be required, either by a lender making a loan to Landlord to be secured by deed of trust or mortgage covering the Premises or a purchaser of the Premises from Landlord and (B) to deliver to Landlord the financial statement of Tenant with an opinion of a certified public accountant, including a balance sheet and profit and loss statement, for the last completed fiscal year all prepared in accordance with generally accepted accounting principals consistently applied. Tenant's failure to deliver an estoppel certificate promptly following such request shall be an Event of Default under this Lease.

29. Surrender of Lease Not Merger. The Voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Landlord, terminate all or any existing subleases or subtenants, or operate as an assignment to Landlord of any or all such subleases or subtenants.

30. Waiver. The waiver of Landlord or Tenant of any breach of any term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

31. General.

A. The captions and paragraph headings used in this Lease are for the purposes of convenience only. They shall not be construed to limit or extend the meaning of any part of this Lease.

B. The term LANDLORD as used in this Lease, so far as the covenants or obligations on the part of the Landlord are concerned, shall be limited to mean and include only the owner at the time in question of the fee title of the Premises, and in the event of any transfer or transfers of the title of such fee, the Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall after the date of such transfer or conveyance be automatically freed and relieved of all liability with respect to performance of any covenants or obligations on the part of Landlord contained in this Lease, thereafter to be performed; provided, that any funds in the hands of Landlord or the then grantor at the time of such transfer, in which Tenant has an interest, shall be turned over to the grantee. It being intended that the covenants and obligations contained in this Lease on the part of Landlord shall, subject as aforesaid, be binding upon each Landlord, its heirs, personal representatives, successors and assigns only during its respective period of ownership.

C. Time is of the essence for the performance of each term, covenant and condition of this Lease.

D. In case any one or more of the provisions contained herein, except for the payment of rent, shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Lease, but this Lease shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein. This Lease shall be construed and enforced in accordance with the laws of the State of California.

E. If Tenant is more than one person or entity, each such person or entity shall be jointly and severally liable for the obligations of Tenant hereunder.

32. Signs. Tenant shall not place or permit to be placed any sign or decoration on the land or the exterior of the building in which the Premises are located without the prior written consent of Landlord. Tenant, upon written notice by Landlord, shall immediately remove any sign or decoration that Tenant has placed or permitted to be placed on the land or the exterior of the building without the prior written consent of Landlord, and if Tenant fails to so remove such sign or decoration within five (5) days after Landlord's written notice, Landlord may enter upon the Premises and remove said sign or decoration and Tenant agrees to pay Landlord, as additional rent upon demand, the cost of such removal. At the termination of this Lease, Tenant shall remove any sign which it has placed on the land or building in which the Premises are located, and shall repair any damage caused by the installation or removal of such sign. All signage shall be per Landlord's criteria and city code and shall be at Tenant's expense.

33. Interest on Past Due Obligations. Any amount due to Landlord not paid when due shall bear interest at the maximum rate applicable by law per annum from the due date. Payment of such interest shall not excuse or cure any default by Tenant under this Lease.

34. Surrender of the Premises. On the last day of the term hereof, or on sooner termination of this Lease, Tenant shall surrender the Premises to Landlord in their condition existing as of the Commencement Date of this Lease, ordinary wear and tear excepted, with all originally painted interior walls washed, and other interior walls cleaned, and repaired or replaced, all carpets shampooed and cleaned, the air conditioning and heating equipment serviced and repaired by a reputable and licensed service firm, all floors cleaned and waxed, all to the reasonable satisfaction of Landlord. Tenant shall remove all of Tenant's personal property and trade fixtures from the Premises, and all property not so removed shall be deemed abandoned by Tenant. Tenant, at its sole cost, shall repair any damage to the Premises caused by the removal of Tenant's personal property, machinery and equipment, which repair shall include the patching and filling of holes and repair of structural damage. If the Premises are not so surrendered at the termination of this Lease, Tenant shall indemnify Landlord against loss or liability resulting from delay by Tenant in so surrendering the Premises including without limitation, any claims made by any succeeding tenant or losses to Landlord due to lost opportunities to lease to succeeding tenants.

35. Authority. The undersigned parties hereby warrant that they have proper authority and are empowered to execute this Lease on behalf of Landlord and Tenant, respectively.

36. C. C. & R.'s. This Lease is made subject to all matters of public record affecting title to the property of which the Premises are a part. Tenant shall abide by and comply with all private conditions, covenants and restrictions of public record now or hereafter affecting the Premises and any amendments thereof. All assessments and charges which are imposed, levied or assessed against the parcel and buildings of which the Premises are a part pursuant to the above-described covenants, conditions and restrictions shall be a Common Area Charge and Tenant shall pay its share of such assessments and charges to Landlord as provided in Paragraph 12 above.

37. Hazardous Wastes.

A. Definitions. As used herein, the term "Hazardous Material" shall mean any substance or material which has been determined by any state, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property, including all of those materials and substances designated as hazardous or toxic by the Environmental Protection Agency, the California Water Quality Control Board, the Department of Labor, the California Department of Industrial Relations, the Department of Transportation, the Department of Agriculture, the Consumer Product Safety Commission, the Department of Health and Human Services, the Food and Drug Agency or any other governmental agency now or hereafter authorized to regulate materials and substances in the environment. Without limiting the generality of the foregoing, the term "Hazardous Material" shall include all of those materials and substances defined as "Toxic Materials" in Sections 66680 through 66685 of Title 22 of the California Administrative Code, Division 4, Chapter 30 as the same shall be amended from time to time.

B. Use Restriction. Subject to applicable law and the terms and conditions set forth herein Tenant shall not cause or permit any Hazardous Material to be used, stored, or disposed of in or about the Premises, or any other land or improvements in the vicinity of the Premises. The appearance of any Hazardous Material that is not permitted by this Lease in or about the Premises shall be deemed an Event of Default. Without limiting the generality of the foregoing, Tenant, at its sole cost, shall comply with all laws relating to the storage, use and disposal of Hazardous Materials. If the presence of Hazardous Materials on the Premises caused or permitted by Tenant results in damage to or contamination of the Premises or any plumbing or drainage systems on the Premises, or any soil in or about the Premises, Tenant, at its expense, shall promptly take all actions necessary to return the

Premises to the conditions existing prior to the appearance of such Hazardous Material. Tenant expressly agrees not to pour any Hazardous Materials into the plumbing or drainage systems on the Premises. Tenant shall defend, hold harmless, protect and indemnify Landlord and its agents and employees with respect to all claims, damages and liabilities arising out of or in connection with any Hazardous Material used, stored, or disposed of in or about the Premises. Tenant shall not suffer any lien to be recorded against the Premises as a consequence of a Hazardous Material, including any so called state, federal or local "super fund" lien related to the "clean-up" of a Hazardous Material in or about the Premises.

C. Compliance. Tenant shall immediately notify Landlord of any inquiry, test, investigation, enforcement proceeding by or against Tenant or the Premises concerning a Hazardous Material. Tenant acknowledges that Landlord, as the owner of the Property, at its election, shall have the sole right, at Tenant's expense, to negotiate, defend, approve and appeal any action taken or order issued with regard to a Hazardous Material by an applicable governmental authority. Landlord shall have the right to appoint a consultant, at Tenant's expense, to conduct an investigation to determine whether Hazardous Materials are being used, stored and disposed of in an appropriate manner. Tenant, at its expense, shall comply with all recommendations of the consultant.

D. Assignment and Subletting. It shall not be unreasonable for Landlord to withhold its consent to any proposed assignment or subletting if (i) the proposed assignee's or sublessee's anticipated use of the Premises involves the storage, use or disposal of Hazardous Materials; (ii) if the proposed assignee or sublessee has been required by any prior Landlord, lender or governmental authority to "clean-up" Hazardous Material; (iii) if the proposed assignee or sublessee is subject to investigation or an enforcement order or proceeding by any governmental authority in connection with the use, disposal or storage of a Hazardous Material.

E. Surrender. Upon the expiration or earlier termination of the Lease, Tenant, at its sole cost, shall remove all Hazardous Materials from the Premises and shall surrender the Premises free of Hazardous Materials. If Tenant fails to so surrender the Premises, Tenant shall indemnify, protect, defend and hold Landlord harmless of all damages and liabilities resulting from Tenant's failure to surrender the Premises as required by this paragraph, including without limitation any claims or damages in connection with the condition of the Premises including, without limitation, damages occasioned by the inability to relet the Premises or a reduction in the fair market and/or rental value of the Premises by reason of the existence of any Hazardous Materials in or around the Premises.

F. Landlord shall indemnify, defend and hold Tenant harmless from and against any claims, suits, causes of action, costs and fees, including attorney's fees and costs, arising out of or in connection with any contamination caused by the acts of the Landlord, its agents, employees or invitees.

G. All provisions of this paragraph 37 shall survive the termination of this Lease.

38. Option to Extend.

A. Provided that Landlord has not assigned this Landlord sublet all or any part of the Premises, and provided further that Tenant is not in default under this Lease at the time of exercise of the hereinafter described option or at the time of termination of then existing term of this Lease, as the case may be, Tenant shall have ____ option to extend the term of this Lease for a period of _____ years (the "Extended Term"). Tenant may exercise said option only by giving Landlord written notice of its exercise of said option no later than one hundred eighty (180) days prior to the expiration date of this Lease. If Tenant does not notify Landlord in writing prior to the time frame as stipulated above, this Option to Renew shall be null and void. In all respects, the terms, covenants and conditions of this Lease shall remain unchanged during the Extended Term, except that the Monthly Installment of rent payable during the Extended Term shall be increased in accordance with subparagraph B. below, and except that there shall be no further Option to Extend the term of this Lease at the end of the Extended Term. The Option to Extend hereby granted is personal to the original Tenant under this Lease and is granted so that such original Tenant can occupy the Premises for its own use during the Extended Term. Accordingly, if the original Tenant under this Lease assigns this Lease or sublets all or part of the Premises, the option hereby granted shall automatically terminate without notice

B. Promptly following the exercise of each option to extend, the parties shall meet and endeavor to agree upon the Fair Market Rental (including initial rental rate of the Extended Term and amount and timing of increases during the Extended Term) of the Premises as of the first day of the Extended Term. In determining the Fair Market Rental for the Premises, the Premises shall be compared only to buildings of a similar quality and size and with similar improvements and amenities in _____ County and all legal uses of the Premises shall be considered. If within thirty (30) days after the exercise of the option, the parties cannot agree upon the Fair Market Rental for the Premises as of the first day of the Extended Term, either party may terminate this Option by giving written notice to

the other party prior to the expiration of the thirty (30) day period. If neither party elects to terminate the Option then both parties shall submit the matter to binding appraisal in accordance with the following procedure: Within thirty (30) days after the exercise of the Option, the parties shall either (a) jointly appoint an appraiser for this purpose or (b) failing this joint action separately designate a disinterested appraiser. No person shall be appointed or designated an appraiser unless he or she has at least five (5) years experience in appraising major commercial property and is a member of a recognized society of real estate appraisers. If, within thirty five (35) days after the appointment, the two appraisers reach agreement on the Fair Market Rental for the Premises as of the first day of the Extended Term, that value shall be binding and conclusive upon the parties. If the two appraisers thus appointed cannot reach agreement on the question presented within thirty (30) days after their appointment, then the appraisers thus appointed shall appoint a third disinterested appraiser having like qualifications. If within thirty (30) days after the appointment of the third appraiser, a majority of appraisers agree on the Fair Market Rental of the Premises as of the first day of the Extended Term, that value shall be binding and conclusive upon the parties. If within thirty (30) days after the appointment of the third appraiser, a majority of the appraisers cannot reach agreement on the question presented, then the three appraisers shall each submit their independent appraisal to the parties and the appraisal farthest from the median of the three appraisals shall be disregarded and the mean average of the remaining two appraisals shall be deemed to be the Fair Market Rental of the Premises as of the first day of the Extended Term and shall be binding and conclusive upon the parties. Each party shall pay the fees and expenses of the appraiser appointed by it and shall share equally the fees and expenses of the third appraiser. If the two appraisers appointed by the parties cannot agree on the appointment of the third appraiser, they or either of them shall give notice of such failure to agree to the parties and if the parties fail to agree upon the selection of such third appraiser within ten (10) days after the appraisers appointment by the parties give such notice, then either of the parties, upon notice to the other party, may request such appointment by the American Arbitration Association, or on its failure, refusal or inability to act, may apply for such appointment to the presiding judge of the Superior Court of Santa Clara County, California.

40. Quiet Possession. Upon payment by Lessee of the rent for the Premises and the performance of all the covenants, conditions and provisions on Lessee's part to be observed and performed under this Lease, Lessee shall have quiet possession of the Premises for the entire term hereof subject to all the provisions of this Lease.

41. Attachments. Attached hereto are the following documents which constitute a part of this Lease:

- | | |
|-----------|-----------------------|
| Exhibit A | Floor Plan |
| Exhibit B | Improvements |
| Exhibit C | Rules and Regulations |
| Exhibit D | Parking Agreement |

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

LANDLORD:

TENANT:

By: _____

By: _____

Name: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A

_____ rentable sq. ft. _____ usable sq. ft.

EXHIBIT B
IMPROVEMENT PLAN

1. As soon as practicable after execution of this Lease, Landlord shall construct the following certain interior improvements (the Improvements") in the Premises as shown in Exhibit A:

(a)

2. No additional improvements to the Premises will be made by Landlord. Any additional improvements made shall be at Tenant's sole cost and expense, subject to approval of Landlord per terms of Lease Agreement and Landlord shall have no responsibility thereafter. Tenant shall have no right to order extra work or change orders with respect to the construction of the Improvements without the prior written consent of Landlord. All extra work or change orders requested by Tenant shall be made in writing and shall be effective only when approved in writing by the Landlord. In the event a change order requested by Tenant causes an increase in the costs of constructing the Improvements as determined by Landlord's contractor, Tenant shall pay to Landlord in cash prior to commencement of construction of the amount of the change order .

EXHIBIT C
RULES AND REGULATIONS

1. No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside of the Building without the written consent of Landlord and Landlord shall have the right to remove any such sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant otherwise.

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved by Landlord. Size and design to be standard for the building and Tenant will be obliged to follow criteria as set forth by the Landlord.

Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition or wall which may appear unsightly from outside the Premises. Tenant shall not without prior written consent of Landlord cause or otherwise sunscreen any window.

2. The sidewalks, passages, exits, entrances, parking lots, etc. shall not be obstructed by any of the tenants or used by them for any purpose other than for ingress to and egress from their respective Premises. These areas and the roof are not for the use of the general public and the Landlord shall in all cases retain the right to control and prevent access thereto by all persons whose presence in the judgment of the Landlord shall be prejudicial to the safety, character, reputation and interests of the Building and its tenants, provided that nothing herein contained shall be construed to prevent such access to persons with whom the tenants normally deal in the ordinary course of any tenant's business unless such persons are engaged in illegal activities. No tenant and no employees or invitees of any tenant shall go upon the roof of the Building. Any cars blocking driveway can be towed, and if the property of Tenant, Tenant will be charged for cost of said removal.

3. Tenant shall not alter any lock or install any new or additional locks or any bolts on any door of the Premises without the written consent of the Landlord.

4. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein, and the expense of any breakage, stoppage or damage resulting from violation of this rule shall be borne by the Tenant.

5. Tenant shall not overload the floor of the Premises or mark, drive nails, screw or drill into partitions, woodwork or plaster or in any way deface the Premises or any part thereof. No boring, cutting or stringing of wires or laying of linoleum or other similar floor coverings shall be permitted except with the prior written consent of the Landlord and as the Landlord may direct.

6. Landlord shall the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the Building and also the times and manner of moving the same in and out of the Building. Safes or other heavy objects shall, if considered necessary by Landlord stand on wood strips of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to the Building by moving or maintaining such safe or other property shall be repaired at the expense of Tenant. There shall not be used in any space of the Building, either by any tenant or others, any hand trucks except those equipped with rubber tires and side guards.

7. Tenant shall not use, keep or permit to be used or kept any foul, noxious or dangerous gas or substance in or around the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of the Building by reason of noise, odors and or vibrations, or interfere in any way with other Tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Premises or the Building. No Tenant shall make or permit to be made any unseemly or disturbing noises or disturb or interfere with occupants of this or neighboring Buildings or Premises or those having business with them whether by the use of any musical instrument, radio, phonograph, unusual noise, or in any other way.

8. Tenant shall not use or keep in the Premises or around the Building any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied by the Landlord.

9. Landlord will direct electricians as to where and how telephone and telegraph wires are to be introduced. No boring or cutting for wires will be allowed without the consent of Landlord. The location of telephones, call boxes and other office equipment affixed to the Premises shall be subject to the approval of Landlord.

10. All keys to offices, rooms and toilet rooms shall be obtained from Landlord's Building Management Office and Tenant shall not from any other source duplicate, obtain keys or have keys made. The Tenant, upon termination of the tenancy, shall deliver to the Landlord the keys of the offices, rooms and toilet rooms which shall have been furnished or shall pay the Landlord the cost of replacing same or of changing the lock or locks operated by such lost key if Landlord deems it necessary to make such changes.

11. No Tenant shall lay linoleum, tile, carpet or other similar floor covering so that the same shall be affixed to the floor of the Premises in any manner except as approved by the Landlord. The expense of repairing any damage resulting from a violation of this rule or removal of any floor covering shall be borne by the Tenant by whom, or by whose contractors, employees or invitees, the damage shall have been caused.

12. Landlord reserves the right to exclude or expel from the Building any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor drugs, or who shall in any manner do any act in violation of any of the Rules and Regulations of the Building.

13. The requirements of Tenant will be attended to only upon application at the Office of the Building. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from the Landlord, and no employee will admit any person (Tenant or otherwise) to Premises without specific instructions from the Landlord.

14. Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and the street address of the Building of which the Premises are a part.

15. Tenant agrees that it shall comply with all fire and security regulations that may be issued from time to time by Landlord and Tenant also shall provide Landlord with the name of a designated responsible employee to represent Tenant in all matters pertaining to such fire or security regulations.

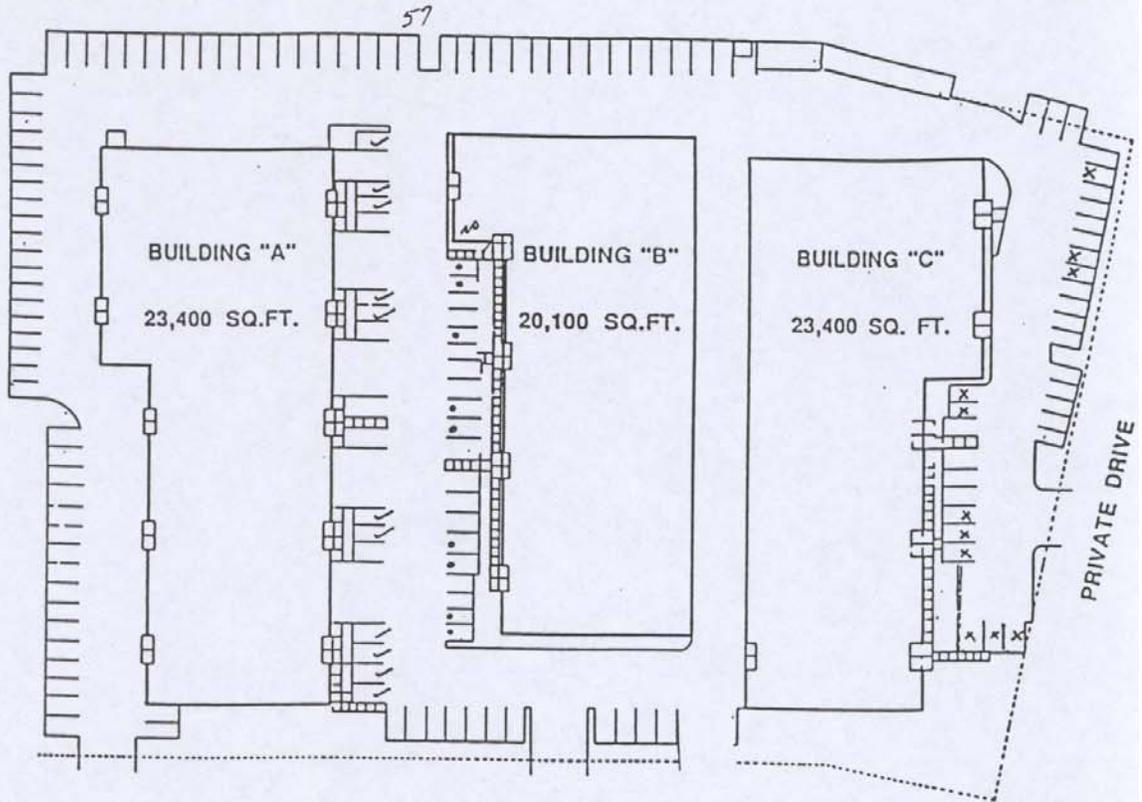
16. Landlord reserves the right by written notice to Tenant to rescind, alter or waive any rules or regulations at any time prescribed for the Building when, in Landlord's judgment, it is necessary, desirable or proper for the best interest of the Building and its tenants.

17. Tenants shall not disturb, solicit, or canvass any occupant of the Building and shall cooperate to prevent same.

18. Without the written consent of Landlord, Tenant shall not use the name of the Building in connection with or in promoting or advertising the business of Tenant except as Tenant's address.

Landlord reserves the right to make such other and further rules and regulations as in its judgment may be for the safety, care and cleanliness of the Premises and for the preservation of good order therein Tenant agrees to abide by all such rules and regulations hereinabove stated and any additional rules and regulations which are adopted.

EXHIBIT D
PARKING AGREEMENT



PRORATA SHARE IS: BLDG A - 35% ALLOTTED MARKED SPACES ARE: BLDG A - 11 CARS MARKED ✓
BLDG B - 30% BLDG B - 9 CARS MARKED •
BLDG C - 35% BLDG C - 11 CARS MARKED ×

All unmarked spaces are open parking for all three buildings.
If any loading zones are restriped for parking, the resultant spaces will be open.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF APPOINTING STUART ROSENSTEIN AS A TEMPORARY METRO ADVISORY COMMITTEE (MAC) REPRESENTATIVE TO ATTEND THE SEPTEMBER MEETING OF THE PARATRANSIT COORDINATION TASK FORCE.

I. RECOMMENDED ACTION

That the Board of Directors appoint Stuart Rosenstein as the temporary representative from the Metro Advisory Committee (MAC) to the Paratransit Coordination Task Force for the meeting to be held on September 15, 2004.

II. SUMMARY OF ISSUES

- The METRO Board of Directors is responsible for appointing three (3) representatives to the Santa Cruz County Regional Transportation Commission's Paratransit Coordination Task Force.
- One of the appointments to the Paratransit Coordination Task Force is reserved for a representative of the Metro Advisory Committee (MAC).
- Previously the Board of Directors appointed Norm Hagen Jr. as the individual representing the MAC on the Paratransit Coordination Task Force.
- Norm Hagen Jr. has submitted a letter of resignation from the Task Force to be effective upon receipt.
- On August 18, 2004 the MAC recommended that the Board of Directors appoint Stuart Rosenstein as a temporary member of the Task Force for the September 15, 2004 meeting.

III. DISCUSSION

The Santa Cruz County Regional Transportation Commission (SCCRTC) created the Paratransit Coordination Task Force to address the long-term issues of service quality, service quantity, coordination, and service funding for the various paratransit services provided in the County. In constructing the Task Force the SCCRTC requested that the METRO Board of Directors appoint individuals to fill three (3) positions, with one of the positions representing the Metro Advisory Committee (MAC). The Board of Directors, in response to a recommendation for the MAC appointed Norm Hagen Jr. as a Member of the Task Force. Norm Hagen Jr. has submitted his resignation from the Task Force to the MAC and to the Board.

On August 18, 2004 the MAC recommended that the Board of Directors appoint MAC Member Stuart Rosenstein as an interim representative to attend the Task Force meeting scheduled to be held on September 15, 2004. The Mac also indicated that it would present a recommendation for an individual to be the permanent replacement for Norm Hagen Jr. once a candidate had been identified.

Staff recommends that the Board of Directors take action on August 27, 2004 to appoint Stuart Rosenstein as an interim representative on the SCCRTC Paratransit Coordination Task Force for the meeting of September 15, 2004.

IV. FINANCIAL CONSIDERATIONS

The appointment of Stuart Rosenstein as an interim representative on the SCCRTC Paratransit Coordination Task Force will not have an impact on the METRO operating or Capital Budgets.

V. ATTACHMENTS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF MODIFYING THE BYLAWS OF THE METRO ADVISORY COMMITTEE (MAC) TO PROVIDE FOR ALTERNATE MEMBERS.

I. RECOMMENDED ACTION

That the Board of Directors consider appointing Alternates for the Members of the Metro Advisory Committee (MAC).

II. SUMMARY OF ISSUES

- The Metro Advisory Committee (MAC) consists of eleven members appointed by the Board of Directors.
- The Board of Directors inquired of MAC as to the necessity of appointing alternates for the appointed Members of the Committee.
- On May 19, 2004 the MAC discussed the need for the appointment of Alternates and determined that they did not feel that it was necessary at this time.
- On May 28, 2004 the MAC submitted a memo to the Board of Directors outlining their determination regarding the appointment of alternates.
- In receiving the memo from the MAC the Board of Directors requested that the issue of the appointment of alternates be placed on the agenda for consideration at a future meeting.
- Language that would be necessary for the amendment of the MAC Bylaws to provide for the appointment of alternates by the Board of Directors is attached to this Staff report.

III. DISCUSSION

The Board of Directors has established the Metro Advisory Committee (MAC) as an official advisory committee identified in the METRO Bylaws. The MAC consists of eleven members who are appointed by the Board based upon nominations put forward by the individual members of the Board.

In the development of the Bylaws for the MAC the Board of Directors raised the issue of the necessity to appoint alternates for the MAC members to insure that quorum requirements are

able to be met. The Board of Directors deferred discussion of the necessity to appoint alternate members to the MAC in order to allow the MAC to discuss the issue and forward a formal recommendation.

On May 19, 2004 the MAC discussed attendance requirements and the potential benefits that alternate members might provide with respect to satisfying the quorum requirements contained in the Bylaws. After discussing the issue the MAC concluded that the appointment of alternate members was not necessary at this time and voted to request that the METRO Board of Directors refrain from appointing alternate members.

On May 28, 2004 the MAC submitted their formal recommendation to the Board of Directors wherein they requested that the Board refrain from appointing alternate members to the MAC.

Staff recommends that the Board of Directors concur with the recommendation of the MAC and allow the Committee to function as currently constructed until such time as attendance patterns emerge that might require a reconsideration of the issue.

IV. FINANCIAL CONSIDERATIONS

The organization of the MAC, either with, or without alternate members will not have an impact on the METRO Operating or Capital Budgets.

V. ATTACHMENTS

Attachment A: April 21, 2004 MAC Memo to Board.

Attachment B: Bylaws Language that would Provide for Alternate MAC Members.

Attachment C: May 28, 2004 MAC Memo to Board

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

M E M O R A N D U M

Date: April 21, 2004
To: METRO Chair and Board of Directors
From: Michael Edwards, Chair, Metro Advisory Committee (MAC)
Subject: Committee Alternates

On April 21, 2004 the Metro Advisory Committee held its first meeting. The initial portion of the meeting was devoted to organizational issues such as electing officers, reviewing the Committee Bylaws and the requirements of the Brown Act. As a part of the review of the Bylaws the Committee discussed the fact that the METRO Board of Directors is scheduled to consider the addition of alternate members to MAC at the April 23, 2004 meeting. After discussion by the MAC membership a motion was passed unanimously to request that the METRO Board of Directors defer action on the addition of alternate members until the MAC has had an opportunity to more fully discuss the potential implications of such a change.

The Members of the MAC appreciate your consideration of our request.

Attachment B

§ 3.5 Alternate Members

The Board of Directors shall appoint one alternate member of the Committee for each member appointed pursuant to Section 3.1. The membership provisions and appointment process outlined in Section 3.1 shall apply to the alternate members of the Committee. The term of office for alternate members of the committee shall coincide with the term of office of the committee member that they serve as an alternate for. The term limitation provisions outlined in Section 3.2 shall not apply to alternate members of the Committee. Individuals appointed to serve as alternate members of the Committee may not be elected to the positions of chair or vice chair provided for in Section 4.1.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

M E M O R A N D U M

Date: May 28, 2004
To: METRO Chair and Board of Directors
From: Kanoa Dynek, Vice-Chair, Metro Advisory Committee (MAC)
Subject: Committee Actions

On May 19, 2004 the Metro Advisory Committee met and passed two motions containing recommendations to the Board of Directors. The following are the motions passed by the MAC for your consideration:

MOTION

"Mac recommends that the Board not appoint MAC Alternates at this time because attendance is so good."

MOTION

"MAC has reviewed and discussed Section 3.3 of the Bylaws regarding absences. The Committee recommends that Section 3.3 be modified to allow Members to accumulate four (4) unexcused absences and two (2) excused absences in a twelve (12) month period of time before their appointment is declared vacant. The Committee further recommends that the act of notifying either another Member of the Committee or METRO staff of an absence prior to the occurrence shall result in the absence being classified as excused."

The Members of the MAC appreciate your consideration of our recommendations.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Frank L. Cheng, Project Manager

SUBJECT: REVIEW OF THE ADDENDUM TO THE ADOPTED NEGATIVE DECLARATION FOR PHASE I OF THE METROBASE PROJECT, AND CONSIDERATION OF REBUILD VS. REMODEL DESIGN OPTIONS FOR THE METROBASE MAINTENANCE BUILDING.

I. RECOMMENDED ACTION

That the Board of Directors review the Addendum to the Negative Declaration for Phase I of the MetroBase Project, and consider rebuild vs. remodel design options, schedule, and costs for the MetroBase Maintenance Building.

II. SUMMARY OF ISSUES

- The Initial Study/Mitigated Negative Declaration was issued by METRO and circulated from July 9, 2004 through August 9, 2004.
- The Initial Study/Mitigated Negative Declaration found that the modification of the building design and site plan lay-out would result in no new impacts occurring in aesthetics, biological resources, cultural resources, geology/soils, hydrology/water quality, land use, traffic, and utilities/services.
- The final design and engineering of Phase I of the MetroBase Project is past the 65% development level.
- One of the design criteria that was established for Phase I of the MetroBase Project was the evaluation of the retention and reuse of all or part of the current Minor Maintenance Facility located on Golf Club Drive.
- The current facility is constructed of prefabricated metal mounted over a steel frame and, at twenty years old, is beyond its projected useful life.
- The design team has encountered significant difficulties in retaining a portion of the existing building, including an inability to meet the space requirements for the parts function and the continued use of the existing undersized service bays.
- An Addendum to the Negative Declaration has been prepared by Denise Duffy and Associates to address the modification of the Maintenance Building plan to provide for a new building vs. the retention of a portion of the existing facility.

- The design team has indicated that a completely new maintenance building that would meet the parts space requirements and offer standard sized service bays throughout the building can be constructed for \$10,358,487 as compared to \$10,580,542 for retaining the existing building.
- The final design and engineering of the MetroBase Project is at a stage where a rebuild vs. remodel option for the maintenance building can be selected without significantly impacting the overall project schedule.
- RNL Design has provided a preliminary estimate the impact to the overall design cost would be approximately \$398,688 and that the overall construction cost resulting from the change should be decreased.
- In order to change the direction to the MetroBase Design Team to provide for a completely new Maintenance Building it is necessary for the Board to first adopt the Addendum to the Negative Declaration.
- Staff recommends that the Board of Directors adopt the Addendum to the Negative Declaration.
- Staff further recommends that the RNL Design team be directed to finalize the maintenance facility portion of Phase I of the MetroBase Project based on the construction of a completely new building.

III. DISCUSSION

Currently the firm of RNL Design, Inc. is completing the final design and engineering activities for the MetroBase Project. The project is past the 65% completion stage.

When the RNL design, Inc firm was engaged a list of design and project criteria were provided to them. One of the criteria was to maximize the reuse potential of the existing buildings as long as it resulted in lower costs and did not compromise the operational capacity of the project. Early in the design process it became apparent that it would be impossible to develop a 98 bus operating facility on River Street without removing the existing building. The decision to rebuild on the River Street site rather than remodel was based on the need for additional on-site, structured parking without using a greater portion of the site for structures than what currently exists.

The design team has continued to pursue the retention of a portion of the Minor Maintenance facility on Golf Club Drive. However the capacity of the remodeled and expanded Maintenance Building cannot meet the operating requirements that METRO will have, especially in the area of parts storage. The sizes of the four (4) service bays that would be retained from the old building are smaller than standard bays designed today and present workspace challenges. The structure of the existing building is comprised of a steel frame with a metal skin attached. The Golf Club facility is approximately twenty (20) years old. Even after remodeling there remains a question as to the overall useful life of the facility.

The design team has informed METRO that selecting a complete rebuild option at this point would allow the project to proceed close to the current schedule. The design team has indicated that the problems of coupling the old and new buildings together have resulted in higher costs and lower usable space. Additionally the construction materials that can be used in joining the two building are limited. The use of "tilt-up" construction materials on a new facility could facilitate a speedier construction period as well as a less expensive cost of construction. A new facility will provide for the development of a parts function that will meet the needs of the 98-bus operation and be located in a way that will easily allow for expansion in the future. The repositioning of the four (4) bays that would have been retained in the old building to a new building will reduce the level of noise that is directed at the adjoining residences.

A new facility with greater capacity and operational efficiency can be constructed at a cost of \$10,358,487 as compared to \$10,580,542 for the retention of the portion of the existing facility. The RNL Design Team has provided a preliminary estimate indicating that the impact to the overall design cost would be approximately \$398,688. The RNL Design team will be present at the August 27, 2004 Board meetings to review the rebuild vs. remodel options in detail.

An Addendum to the Negative Declaration for the Revised MetroBase Project has been prepared by Denise Duffy and Associates in accordance to the California Environmental Quality Act (CEQA) of 1970, as amended. The Initial Study/Mitigated Negative Declaration (MND) was circulated from July 9, 2004 through August 9, 2004.

The Addendum to the Negative Declaration found that the construction of a new Maintenance Building vs. retention of a portion of the old facility would not result in significant new or increased noise or air impacts that were not addressed in the Negative Declaration. Hazardous materials abatement, as required by state law, will be implemented in either approach. Therefore the development of a new maintenance building will not result in significant new or increase hazardous materials impacts that were not addressed in the Negative Declaration. In order to change the direction to the MetroBase Design Team to provide for a completely new Maintenance Building it is necessary for the Board to first adopt the Addendum to the Negative Declaration.

Staff recommends that the Board of Directors adopt the Addendum to the Negative Declaration attached to this Staff Report.

Staff further recommends that the RNL Design team be directed to finalize the maintenance facility portion of Phase I of the MetroBase Project based on the construction of a completely new building.

IV. FINANCIAL CONSIDERATIONS

The modification of the design criteria and selection of a new facility versus the retention of the portion of the existing building for the Maintenance function is anticipated to decrease the construction cost of the project by \$222,055. The change is expected to result in increased design and engineering fees of approximately \$398,688 above the current contract. A revised budget for the design/engineering services for the project will be submitted to the Board of Directors for consideration.

V. ATTACHMENT

Attachment A: Addendum To The Negative Declaration Revised MetroBase Project.

***ADDENDUM TO THE NEGATIVE DECLARATION
REVISED METROBASE PROJECT***

To: Les White, SCMTD
From: Leianne Humble, Denise Duffy & Associates, Inc.
Date: August 27, 2004

Purpose and Background

This Addendum to the Negative Declaration for the Revised MetroBase Project is prepared in accordance with the California Environmental Quality Act (CEQA) of 1970, as amended. A Mitigated Negative Declaration was prepared for the Revised MetroBase Project in July 2004, and circulated to the public for a 30-day review period. The Mitigated Negative Declaration was adopted on August 27, 2004. The Mitigated Negative Declaration addressed the environmental impacts of revisions to the original MetroBase Project, which consisted of reconfiguration of proposed development on both the River Street and Golf Club Drive sites to enhance operations, and the addition of fuel tanks to meet immediate and long-term demand.

This Addendum addresses minor changes to the Revised MetroBase Project that are proposed only on the Golf Club Drive site. The SCMTD is considering demolition and removal of the existing maintenance building and replacement with a new building. This Addendum is prepared in accordance with §15164 of the CEQA Guidelines, which allows an Addendum to a Negative Declaration (ND) when changes or additions to the project do not raise important new issues or change the conclusions in the original Negative Declaration regarding significant effects on the environment. The Addendum must provide a brief explanation of the decision not to prepare a supplemental or subsequent ND, supported by substantial evidence. The SCMTD must consider this Addendum, along with the adopted ND, prior to making a decision on the proposed revisions; however, the Addendum does not need to be circulated for public review (CEQA §15164).

Project Description

The proposed changes to the Revised MetroBase Project consist of demolition of the existing 10,562 square-foot maintenance building on the Golf Club Drive site. The prior plans proposed to retain a portion of the existing building and remodel it to accommodate a total of 11 maintenance bays. The new building would also accommodate 11 bays. The changes are proposed to enlarge the bays to a standard size and increase open space on the site. Access and parking would remain unchanged, and no change or expansion in use is proposed.

Environmental Issues

The proposed revisions consist of demolition of the existing maintenance building and slight reconfiguration of the new building. The new structure would be located in roughly the same location and at the same height as the originally proposed building. Access would remain unchanged and no change or expansion in use is proposed. For these reasons, no new impacts would occur in the following areas: aesthetics, biological resources, cultural resources, geology/soils, hydrology/water quality, land use, traffic, and utilities/services. Demolition of the building could slightly exacerbate construction-related impacts, as described below.

Construction Noise/Air Quality Impacts: Temporary noise and air quality (dust) impacts would occur during demolition of the existing maintenance building. These impacts would be reduced through implementation of standard noise and dust control measures to a less-than-significant level. Demolition of the maintenance building would not result in significant new or increased noise or air quality impacts that were not addressed in the ND.

Hazardous Materials: Demolition of the maintenance building could encounter hazardous materials such as lead paint or asbestos. As required by state law, hazardous materials abatement measures would be implemented during demolition and removal of the building to avoid health and environmental hazards. Development of the new maintenance building would not result in significant new or increase hazardous materials impacts that were not addressed in the ND.

Noise Impacts: The new maintenance building would place the bays a few feet farther from existing residences. This could very slightly reduce noise impacts; however, the noise impact would remain significant, as identified in the Mitigated Negative Declaration. Mitigation is provided in the adopted ND to reduce noise impacts from maintenance activities to a less-than-significant level. Development of the reconfigured maintenance building would not result in significant new or increased operational noise impacts that were not addressed in the ND. Construction noise impacts are addressed above.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Frank L. Cheng, Project Manager

SUBJECT: REVIEW REBUILD VS. REMODEL DESIGN OPTIONS FOR THE METROBASE MAINTENANCE BUILDING.

I. RECOMMENDED ACTION

That the Board of Directors review the rebuild vs. remodel design options, schedule, and costs for the MetroBase Maintenance Building.

II. SUMMARY OF ISSUES

- The final design and engineering of Phase I of the MetroBase Project is past the 65% development level.
- One of the design criteria that was established for Phase I of the MetroBase Project was the evaluation of the retention and reuse of all or part of the current Minor Maintenance Facility located on Golf Club Drive.
- The current facility is constructed of prefabricated metal mounted over a steel frame and, at twenty years old, is beyond its projected useful life.
- The design team has encountered significant difficulties in retaining a portion of the existing building, including an inability to meet the space requirements for the parts function and the continued use of the existing undersized service bays.
- The design team has indicated that a completely new maintenance building that would meet the parts space and offer standard sized service bays can be constructed for the same construction cost as retaining the existing building.
- The final design and engineering of the MetroBase Project is at a stage where a rebuild vs. remodel option for the maintenance building can be selected without significantly impacting the overall project schedule.
- RNL Design has provided a preliminary estimate the impact to the overall design cost would be approximately ten (10) percent of current contract and that the increased construction cost resulting from the change should be manageable within the current project budget.
- Staff recommends that the RNL Design team be directed to finalize the maintenance facility portion of Phase I of the MetroBase Project based on the construction of a completely new building.

III. DISCUSSION

Currently the firm of RNL Design, Inc. is completing the final design and engineering activities for the MetroBase Project. The project is past the 65% completion stage.

When the RNL design, Inc firm was engaged a list of design and project criteria were provided to them. One of the criteria was to maximize the reuse potential of the existing buildings as long as it resulted in lower costs and did not compromise the operational capacity of the project. Early in the design process it became apparent that it would be impossible to develop a 98 bus operating facility on River Street without removing the existing building. The decision to rebuild on the River Street site rather than remodel was based on the need for additional on-site, structured parking without using a greater portion of the site for structures than what currently exists.

The design team has continued to pursue the retention of a portion of the Minor Maintenance facility on Golf Club Drive. However the capacity of the remodeled and expanded Maintenance Building cannot meet the operating requirements that METRO will have, especially in the area of parts storage. The sizes of the four (4) service bays that would be retained from the old building are smaller than standard and present workspace challenges. The structure of the existing building is comprised of a steel frame with a metal skin attached. The Golf Club facility is approximately twenty (20) years old.

The design team has informed METRO that selecting a complete rebuild option at this point would allow the project to proceed close to the current schedule. The design team has indicated that the problems of coupling the old and new buildings together have resulted in higher costs and lower usable space. Additionally the construction materials that can be used in joining the two building are limited. The use of "tilt-up" construction materials on a new facility could facilitate a speedier construction period. A new facility will provide for the development of a parts function that will meet the needs of the 98-bus operation and be easily expandable in the future. The repositioning of the four (4) bays that would have been retained in the old building to a new building will reduce the level of noise that is directed at the adjoining residences.

A new facility with greater capacity and operational efficiency can be constructed at a manageable increase in cost as compared to the retention of the portion of the existing facility. The RNL Design team will be present at the August 13, and 27, 2004 Board meetings to review the rebuild vs. remodel options in detail.

Staff recommends that the RNL Design team be directed to finalize the maintenance facility portion of Phase I of the MetroBase Project based on the construction of a completely new building.

IV. FINANCIAL CONSIDERATIONS

The modification of the design criteria and selection of a new facility versus the retention of the portion of the existing building for the Maintenance function is not anticipated to significantly increase the construction cost of the project. The change is expected to result in increased design and engineering fees of approximately (10) percent of the current contract. A revised budget for the design/engineering services for the project will be submitted to the Board of Directors for consideration.

V. ATTACHMENTS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Frank L. Cheng, Project Manager

SUBJECT: REVIEW OF AESTHETIC TREATMENT DESIGN OPTIONS FOR THE OPERATIONS, SERVICE, AND MAINTENANCE BUILDINGS FOR THE METROBASE PROJECT.

I. RECOMMENDED ACTION

That the Board of Directors review aesthetic design options for the MetroBase Operations, Service, and Maintenance Buildings and provide direction to the Design Team and METRO Staff Members.

II. SUMMARY OF ISSUES

- The MetroBase Project is the development of a clustered/consolidated transit operating facility designed to replace those facilities that were damaged or destroyed by the 1989 Loma Prieta Earthquake.
- On April 19, 2002, the Board of Directors selected the Harvey West Cluster No. 1 Option as the preferred alternative for the Environmental Impact Report. This was the third site to receive such designation.
- On August 8, 2003, the Board of Directors approved a contract with RNL Design, Inc for the design and final engineering of the MetroBase Project.
- The RNL Design Team is at a point where direction is required with respect to aesthetic design options.
- The RNL Design Team will be present at the Board of Directors meetings on August 13, 2004 and August 27, 2004 to outline the design options where direction from the Board is needed.

III. DISCUSSION

The MetroBase Project Design is entering the final phases. In order to complete the design of Phase I of the project it is necessary to provide direction to the Design Team in the area of aesthetics. Included in the items to be reviewed are colors, finishes, exposed materials, carpets, tiles, and other components that will affect the overall appearance of the facilities. The results of the decisions will effect the Operations, Service, and Maintenance Buildings.

The RNL design Team will be in attendance at the August 13, and 27, 2004 meetings of the Board of Directors to present design options and samples for consideration.

IV. FINANCIAL CONSIDERATIONS

The design options and materials presented to the Board of Directors for consideration will be within the budgeted amount for this component of the MetroBase Project.

V. ATTACHMENTS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 27, 2004

TO: Board of Directors

FROM: Frank L. Cheng, Project Manager

SUBJECT: PUBLIC HEARING: CONSIDERATION OF A RESOLUTION TO APPROVE A MITIGATED NEGATIVE DECLARATION FOR PHASE I OF THE METROBASE PROJECT LOCATED AT 1122/ 1200 RIVER STREET, AND 120/138 GOLF CLUB DRIVE, SANTA CRUZ.

I. RECOMMENDED ACTION

That the Board of Directors adopt a resolution approving the Mitigated Negative Declaration for Phase I of the MetroBase Project located at 1122/1200 River Street, and 120/138 Golf Club Drive, Santa Cruz.

II. SUMMARY OF ISSUES

- In February 2003 an Environmental Impact Report(EIR) was approved and certified for Phase I of the MetroBase Project.
- Subsequent to the certification of the EIR there have been modifications to the designs and the site plans for both the River Street and Golf Club Drive locations
- The changes in building design and site plan layout were incorporated into the Project to maximize operational efficiency and capacity.
- The modifications in the Phase I design have impacts on the noise, traffic flow, and fueling components of the Project.
- An initial study to evaluate the environmental impacts and identify mitigation measures was completed on July 8, 2004.
- As a result of the study a Mitigated Negative Declaration was circulated from July 9, 2004 through August 9, 2004.
- A summary of the comments that were received during the circulation and the responses to the comments are attached to this Staff Report.
- As the impacts outlined in the Initial Study are all able to be mitigated Staff recommends that the Board of Directors adopt a Mitigated Negative Declaration Resolution for Phase I of the MetroBase Project.
- Public Hearing being held August 27th, 2004 for final input on the Mitigated Negative Declaration.

III. DISCUSSION

In February 2003 the METRO Board of Directors adopted an Environmental Impact report (EIR) for Phase I of the MetroBase Project. The design of the operations and maintenance buildings and site layout resulted in identified impacts. All of the impacts identified in the EIR were able to be mitigated with measures contained in the EIR and adopted by the Board of Directors. When the RNL Design firm was brought into the MetroBase Project to execute final design and engineering activities a redesign of the buildings and the site layout of River Street and Golf Club Drive locations resulted. The redesign was created to maximize the capacity and operational efficiency of the two sites. The changes improved the operation of the two facilities and accommodated the current 98 bus fleet requirement.

In accordance with the agreement with the California Association Resource Board (CARB), Santa Cruz METRO is required to have onsite Compress Natural Gas (CNG) fueling capability by the end of 2005. With the acquisition of 1122 River Street property, a service building will be built on this parcel. The service building on the eastern part of River Street site will consist of two drive-through lanes. Each lane will fuel, detail, and wash the buses. For the fueling, Liquid Natural Gas(LNG) will be trucked in to the site and stored in two vertical 15,000 gallon tanks. LNG will be converted to CNG before fueling the buses. The second LNG tank will be installed as a part of Phase II.

In Phase I, the operations building will consist of a two story building and two story parking structure. This will be located on the western part of the River Street site. The original plans did not include a new building for Operations.

Two concerns, traffic flow and sound, were identified with regard to the Golf Club Drive site. Due to the blind T corner at Golf Club Drive and River Street, a clockwise bus flow of buses was developed for the Maintenance Building site that will result in buses exiting towards the Vernon Street side. This change will alleviate the concerns about the blind corner.

The other topic of concern was regarding sound. In the original plans, the new maintenance building would have been along the north side of the 120 Golf Drive lot. The new design placed the building on the west portion of the combined Golf Drive lot. In order to alleviate the noise, a 15-foot sound wall separating the site from the residential properties, was recommended.

Environmental Review: The District contracted with Denise Duffy & Associates to prepare an Initial Study/Mitigated Negative Declaration on the MetroBase Project to determine the potential issues with the new site plan. Denise Duffy & Associates used Higgins Associates for the Traffic Study, and Salter Associates for the Noise Study.

Based upon the Environmental Site Assessment, a Mitigated Negative Declaration was prepared and circulated for public review from July 9, 2004 through August 9, 2004. The complete Initial Study/Mitigated Negative Declaration documents are available for inspection and review at the METRO Administration Offices at 370 Encinal Street, Santa Cruz, California. The comments received during the circulation period, and the responses are attached to this Staff Report (attachment B). In reviewing the comments, no concerns were identified that could not be mitigated through the measures contained in the Initial Study. On August 27th, 2004, a public hearing will be held for the final input of the Environmental review.

Staff recommends that the Board of Directors adopt the Mitigated Negative Declaration Resolution attached to this Staff Report.

IV. FINANCIAL CONSIDERATIONS

Adoption of the mitigation measures contained in the Initial Study/Mitigated Negative Declaration Resolution will not result in project costs that exceed the funds that have been set-aside for this purpose in the MetroBase Project Budget.

V. ATTACHMENTS

Attachment A: Initial Study/Mitigated Negative Declaration Resolution.
Attachment B: Summary of Comments and Responses.

**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: _____

**ADOPTION OF MITIGATED NEGATIVE DECLARATION
FOR PHASE I OF
THE METROBASE PROJECT**

WHEREAS, the Santa Cruz Metropolitan Transit District desires to design, develop, and construct new operating and maintenance facilities, commonly referred to as the MetroBase Project, on the properties located at 1200/1122 River Street and 138/120 Golf Club Drive, Santa Cruz, and

WHEREAS, the Santa Cruz Metropolitan Transit District is bound by California law to implement the requirements of the California Environmental Quality Act (CEQA) in the pursuit of transit projects using public funding, and

WHEREAS, the Santa Cruz Metropolitan Transit District has previously adopted Resolution 03-2-2 Certifying a Final Environmental Impact Statement for Phase I of the MetroBase Project in compliance with the California Environmental Quality Act and its Guidelines for the implementation of CEQA, and

WHEREAS, subsequent to the Certification of the Environmental Impact Report for Phase I of the MetroBase Project certain buildings were scheduled for demolition and replacement and the site plan lay-out was modified to improve operational efficiency and capacity, and

WHEREAS, the Santa Cruz Metropolitan Transit District has caused to be performed an Initial Study/Negative Declaration that has been circulated July 9, 2004- August 9, 2004, and

WHEREAS, the Santa Cruz Metropolitan Transit District Board of Directors finds, based upon the whole record before it, that there is no substantial evidence that the implementation of the replaced/redesigned buildings and site plan lay-out will have a significant effect on the environment with implementation of the mitigation measures specified in the February 2003 Certified Environmental Impact Report and the July 2004 Initial Study/Mitigated Negative Declaration, and

WHEREAS, the Mitigated Negative Declaration dated July 8, 2004 reflects the independent judgment and analysis of the Santa Cruz Metropolitan Transit District Board of Directors, and

WHEREAS, all environmental documents and other materials that constitute the record of proceedings upon which this decision is based are located at 370 Encinal Street, Santa Cruz, CA 95060.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, that it hereby adopts the Mitigated Negative Declaration as included in the Initial Study/Mitigated Negative Declaration dated July 8, 2004 for the implementation of the revised replacement/redesigned building plan and the revised site lay-out plan.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on August 27, 2004, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

EMILY REILLY
Chairperson

ATTEST:

LESLIE WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

**METROBASE INITIAL STUDY/NEGATIVE DECLARATION
SUMMARY OF COMMENTS
7/9/04-8/12/04**

Name; Company	Date	Comments	Response
Jannet Brennan, Supervising Planner for Planning and Air Monitoring Division; Monterey Bay Unified Air Pollution Control District	07/16/04; received by METRO on 07/20/04	Mike Sheehan, District Compliance Division for Monterey Bay Unified Air Pollution Control District should be contacted regarding District requirements for demolition	The District will be contacting them.
Denise Tsuji, Unit Chief for Northern California Coastal Cleanup Operations; Branch Department of Toxic Substances Control (DTSC)	07/21/04; received by METRO on 07/23/04	<p>Letter from DTSC addresses the following issues regarding hazardous substances release at the following locations of the Project:</p> <ol style="list-style-type: none"> 1. Fueling area and vehicle service/washing facility at the River Street site; contaminants to include: <ol style="list-style-type: none"> a. solvents; b. oil/grease; c. other types of petroleum hydrocarbons; d. existence of fuel storage tanks, above or below ground level. 2. Vehicle maintenance areas at the Golf Club Drive site; contaminants to include: <ol style="list-style-type: none"> a. solvents; b. oil/grease; c. other types of petroleum hydrocarbons; d. existence of fuel storage tanks, above or below ground level. <p>The DTSC is submitting comments to ensure that the environmental documentation prepared for this project to address the CEQA adequately addresses any required remediation activities, and the CEQA document should include the following:</p> <ol style="list-style-type: none"> (1) An assessment of air impacts and health impacts associated with the excavation activities; (2) Identification of any applicable 	The District will notify DTSC on meetings about issues relevant to their statutory authority.

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		<p>local standards which may be exceeded by the excavation activities, including dust levels and noise;</p> <p>(3) Transportation impacts from the removal or remedial activities; and</p> <p>(4) Risk of upset should be there an accident at the Site</p>	
<p>S. Joseph Simitian, Assembly member, Twenty-First District; Assembly California Legislature</p>	<p>07/16/04; received by METRO on 07/26/04</p>	<p>This comment letter is written by Assembly member to the Chairman for the California Transportation Commission (CTC) to encourage the CTC to include 2 projects in the 2004 State Transportation Improvement Program (STIP), as follows:</p> <ol style="list-style-type: none"> 1. Allocate 7.8 million dollars of the region's unprogrammed County Share balance to the MetroBase Bus Consolidated Operations Facility; and 2. Allocate funds to the Highway 1/17 Merge Lanes project (FY04/05, FY05/06) or as a last choice, for GARVEE bonds. 	<p>No action needed.</p>
<p>Chris Shaeffer, Development Review, District 5 Department of Transportation State of California Business, Transp. & Housing Agency San Luis Obispo</p>	<p>08/06/04; received by METRO on 08/09/04</p>	<p>This comment letter was written by Chris Shaeffer for the State of California's Department of Transportation -Business, Transportation and Housing Agency as follows:</p> <ol style="list-style-type: none"> 1. Proposed project revision of Mitigated Negative Declaration (MND) will intensify project access points, if approved, will require an updated traffic analysis, including a cumulative analysis out to 2025; must coincide with RTC's RTP. 2. A comprehensive operational analysis will also be required. 3. Discussion should include why and when the existing ingress/egress restrictions were put into place, the effects of removing these restrictions and any driveway improvements that may be necessary. 4. Parking prohibitions on northbound River St. adjacent to the project and/or a continuous two way left turn lane 	<p>Traffic and Operational analysis will be studied.</p>

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		<p style="text-align: center;">should be analyzed as well.</p> <p>The Department may condition the permit on one or more of these improvements.</p>	
<p>Nicolas Papadakis, Executive Director, Association of Monterey Bay Area Governments</p>	<p>08/12/04; received by METRO on 08/13/04</p>	<p>This comment letter was written by Nicolas Papadakis for the Association of Monterey Bay Area Governments to state that no comments at this time.</p>	<p>No action needed.</p>