



**BOARD OF DIRECTORS REGULAR MEETING AGENDA
JANUARY 28, 2011
SANTA CRUZ CITY COUNCIL CHAMBERS*
809 CENTER STREET
SANTA CRUZ, CALIFORNIA
9:00 a.m. – 12:00 noon**

**THE BOARD MEETING AGENDA PACKET CAN BE FOUND ONLINE AT
WWW.SCMTD.COM OR AT SANTA CRUZ METRO'S ADMINISTRATIVE
OFFICES LOCATED AT 110 VERNON STREET, SANTA CRUZ, CA**

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

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

1. ROLL CALL
2. **ORAL ANNOUNCEMENT:** AMY WEISS WILL BE AVAILABLE FOR SPANISH LANGUAGE INTERPRETATION DURING "ORAL COMMUNICATIONS" AND FOR ANY OTHER AGENDA ITEM FOR WHICH THESE SERVICES ARE NEEDED
3. CONSIDERATION OF:
 - 1) ELECTION OF DIRECTORS TO SERVE AS BOARD OFFICERS
 - 2) APPOINTMENTS TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR 2011Presented by: Leslie R. White, General Manager
4. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS
5. LABOR ORGANIZATION COMMUNICATIONS
6. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 7-1. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF OCTOBER 2010
- 7-2. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORTS FOR OCTOBER 2010 AND APPROVAL OF BUDGET TRANSFERS
- 7-3. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF NOVEMBER 2010

- 7-4. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORTS FOR NOVEMBER 2010 AND APPROVAL OF BUDGET TRANSFERS
- 7-5. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF NOVEMBER 2010
- 7-6. ACCEPT AND FILE RIDERSHIP AND PERFORMANCE REPORT FOR NOVEMBER 2010
- 7-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR NOVEMBER 2010
- 7-8. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ MONTHLY SERVICE REPORT FOR NOVEMBER 2010
- 7-9. APPROVE REGULAR BOARD MEETING MINUTES OF DECEMBER 17, 2010
- 7-10. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS
- 7-11. ACCEPT AND FILE STATUS REPORT OF ACTIVE GRANTS AND SUBMITTED GRANT PROPOSALS FOR JANUARY 2011
- 7-12. ACCEPT AND FILE STATUS REPORT OF FEDERAL AND STATE LEGISLATION AND CURRENT LEGISLATIVE ISSUES
- 7-13. CONSIDERATION OF ADOPTING A RESOLUTION AUTHORIZING THE EXECUTION OF CERTIFICATIONS AND ASSURANCES AND DESIGNATING THE GENERAL MANAGER AS THE AUTHORIZED AGENT TO EXECUTE ACTIONS NECESSARY TO RECEIVE PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) FUNDS ON BEHALF OF SANTA CRUZ METRO
- 7-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE CONTRACT WITH THE LAW OFFICES OF MARIE F. SANG FOR LEGAL SERVICES IN THE AREA OF WORKERS' COMPENSATION TO EXTEND THE TERM OF THE CONTRACT FOR ONE (1) ADDITIONAL YEAR.
- 7-15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A ONE YEAR CONTRACT RENEWAL FOR FURNISHING HEAVY DUTY COACH AND AUTOMOTIVE BATTERIES WITH BATTERIES USA, INC. FOR AN AMOUNT NOT TO EXCEED \$25,000
- 7-16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO THE CONTRACT WITH SC FUELS FOR DELIVERY OF ULTRA-LOW SULFUR DIESEL FUEL FOR AN AMOUNT NOT TO EXCEED \$1,500,000

- 7-17. CONSIDERATION OF AGREEMENT WITH THE SANTA CRUZ SEASIDE COMPANY FOR THE PROVISION OF LATE-NIGHT SERVICE
- 7-18. ACCEPT AND FILE REPORT ON STATUS OF METRO GFI GENFARE AUTOMATIC FARE COLLECTION SYSTEM UPGRADE

REGULAR AGENDA

- 8. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS
PRESENTED BY: CHAIR PIRE
- 9. CONSIDERATION OF ADOPTION OF RESOLUTION OF APPRECIATION FOR THE SERVICES OF MIKE ROTKIN AS A MEMBER OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
Presented by: Chair Pirie
- 10. CONSIDERATION OF ADOPTION OF RESOLUTION OF APPRECIATION FOR THE SERVICES OF MARCELA TAVANTZIS AS A MEMBER OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
Presented by: Chair Pirie
- 11. CONSIDERATION OF A RESOLUTION OF APPRECIATION FOR THE SERVICES OF BATTISTA BREGANTE AS FACILITIES MAINTENANCE WORKER I FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
Presented by: Chair Pirie
- 12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH CAPITALEGE ADVOCACY, LLC FOR FEDERAL LEGISLATIVE SERVICES
Presented by: Leslie R. White, General Manager
- 13. CONSIDERATION OF LETTER FROM CABRILLO COLLEGE REGARDING CESSATION OF STUDENT BUS PASS PROGRAM
Presented by: Angela Aitken, Finance Manager and Acting Assistant General Manager
- 14. CONSIDERATION OF A RESOLUTION APPROVING THE TRANSFER OF THE 2002 CHANCE COACH COMPRESSED NATURAL GAS RUBBER TIRED TROLLEY TO SOUTH METRO AREA REGIONAL TRANSIT IN WILSONVILLE, OREGON, A FEDERAL TRANSPORTATION ADMINISTRATION (FTA) DIRECT RECIPIENT AGENCY, UPON RECEIPT OF THE CITY OF SANTA CRUZ'S RELEASE OF INTEREST AND FTA APPROVAL OF SUCH TRANSFER
Presented by: Angela Aitken, Finance Manager and Acting Assistant General Manager
- 15. CONSIDERATION OF A GRANT BUDGET AMENDMENT TO SUPPLEMENT THE LOCAL MATCH AMOUNT ON FTA 5309 CAPITAL GRANT CA-04-0156 FOR THE PURCHASE OF NEW FAREBOXES AND REDUCE THE CAPITAL BUDGET FOR THIS PROJECT BY \$12,380
Presented by: Angela Aitken, Finance Manager and Acting Assistant General Manager

16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH MOORE & ASSOCIATES FOR WATSONVILLE TRANSIT PLANNING STUDY
Presented by: Angela Aitken, Finance Manager and Acting Assistant General Manager
17. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH DAY WIRELESS FOR UPGRADE OF SANTA CRUZ METRO'S LAND MOBILE RADIO SYSTEM
Presented by: Ciro Aguirre, Operations Manager
18. CONSIDERATION OF WRITTEN REQUEST TO PROVIDE BUS ADVERTISING SPACE FOR THE PURPOSE OF PROMOTING "POETRY ON THE BUS" AFFILIATED WITH THE POETRY IN MOTION PROJECT
Presented by: Ciro Aguirre, Operations Manager
19. ACCEPT AND FILE FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS REPORT FOR YEAR ENDING JUNE 30, 2010
Presented by: Debbie Kinslow, Assistant Finance Manager
20. **ORAL ANNOUNCEMENT:** THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, FEBRUARY 11, 2011 AT 9:30 A.M. AT THE SANTA CRUZ METRO ADMINISTRATIVE OFFICES LOCATED AT 110 VERNON STREET, SANTA CRUZ
Presented by: Chair Pirie

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 #3 "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 Santa Cruz METRO Resolution 69-2-1.

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The City Council Chambers is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Tony Tapiz, Administrative Services Coordinator, at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting Santa Cruz METRO regarding special requirements to participate in the Board meeting. A Spanish language translator will be available during "Oral Communications" and for any other agenda item for which these services are needed. This meeting will be broadcast live by Community Television of Santa Cruz on Channel 26.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF ELECTING DIRECTORS TO SERVE AS BOARD OFFICERS, ELECTION OF REPRESENTATIVES AND ALTERNATES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION.

I. RECOMMENDED ACTION

That the Board of Directors elect individuals to the positions Board Chair, Vice Chair, Representatives and Alternates for the Santa Cruz County Regional Transportation Commission.

II. SUMMARY OF ISSUES

- Article 6 of the METRO Bylaws provides that the Board of Directors shall annually elect individuals to the positions of Chair and Vice Chair.
- In order to maintain representation on the Santa Cruz County Regional Transportation Commission (SCCRTC) it is necessary that the Board of Directors elect individuals to the three positions and three alternate positions that are provided for METRO.
- On January 14, 2011 the Board of Directors nominated individuals to stand for election to the positions referenced in this Staff Report.
- Elections for the positions referenced in this Staff Report are scheduled to be held at the beginning of the January 28, 2011 Board of Directors meeting.

III. DISCUSSION

The terms of the officers and appointees of the Board of Directors in the positions of Chair, Vice Chair, and SCCRTC appointees expire in January 2011. The METRO Bylaws provide that the Board of Directors shall identify nominees to be considered for election to the positions herein referenced. On January 14, 2011 the Board of Directors nominated individuals for consideration for election to the offices referenced in this Staff Report.

Staff recommends that the Board of Directors elect members to the positions of Chair, Vice Chair, and SCCRTC appointees and alternates. In accordance with the METRO Bylaws, nominations remain open until the positions are filled through election. The election for the referenced positions is scheduled to be held on January 28, 2011.

IV. FINANCIAL CONSIDERATIONS

Funding support for the positions identified in this Staff Report is contained in the adopted METRO FY 2010/2011 Operating Budget.

V. ATTACHMENTS

Attachment A: List of individuals nominated by the Board of Directors January 14, 2011

ATTACHMENT A

Board Nominees January 14, 2011

Chair

John Leopold
Ellen Pirie

Vice Chair

Lynn Robinson

SCCRTC Representatives

Dene Bustichi
Daniel Dodge
Donald (Norm) Hagen
Lynn Robinson

SCCRTC Alternates (in order)

Ron Graves
Daniel Dodge
Michelle Hinkle

HCA Representative

None

HCA Alternate

None

Note: With exception of the SCCRTC Alternates, the Nominees are listed in alphabetical order.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR ACCOUNTS PAYABLE

DATE: 10/01/10 THRU 10/31/10

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
37341	10/04/10	120.00 E636	AGUIRRE, CIRO	36057	EL DORADO BUS SALES	120.00	VOIDED		
37341	10/28/10	-120.00 E636	AGUIRRE, CIRO	36057	EL DORADO BUS SALES	-120.00	**VOID		
37342	10/04/10	280.00 E437	AITKEN, ANGELA	35982	APTA 2010	280.00			
37343	10/04/10	17,710.81 941	ASSURANT EMPLOYEE BENEFITS	36058	OCT 10 LTD	17,710.81			
37344	10/04/10	3,998.35 001D	AT&T	36067	TRUNK LINE	0.31			
37345	10/04/10	34,385.92 R587	BRYAN, LAUREN AND	36068	8/19-9/18 PHONES	3,998.04			
37346	10/04/10	333.70 002189	BUS & EQUIPMENT	36069	SETTLEMENT/RISK	34,385.92			
37347	10/04/10	402.26 001159	CATTO'S GRAPHICS, INC.	35983	REV VEH PARTS/PT	121.33			
37348	10/04/10	722.70 002627	CDW GOVERNMENT, INC.	35984	REV VEH PARTS/PT	212.37			
37349	10/04/10	50.70 667	CITY OF SCOTT'S VALLEY	35988	RT. 66 & 68 BUS STK	201.13			
37350	10/04/10	125.00 001113	CLARKE, SUSAN	35988	RT. 30 & 74 BUS STK	201.13			
37351	10/04/10	900.00 002923	CLAUDE DAMSON AMES, ESQ.	35985	LANTRONIX SVR	328.50			
37352	10/04/10	27,045.88 001124	CLEAN ENERGY	35986	HP TONER	394.20			
37353	10/04/10	184.00 367	COMMUNITY TELEVISION OF	36043	7/15-9/15 SVTC	50.70			
37354	10/04/10	13.17 002063	COSTCO	35989	9/16-9/20 BUS AUDIT	125.00			
37355	10/04/10	1,239.54 001000	DAIMLER BUSES N. AMERICA INC.	36059	PROF/TECH FEE	900.00			
37356	10/04/10	24,709.88 800	DELTA DENTAL PLAN	35990	LNG 9/10/10	9,525.49			
37357	10/04/10	18,016.13 002835	DEPT OF TOXIC SUBSTANCES CTRL	35991	LNG 9/13/10	8,519.84			
37358	10/04/10	7,627.89 001316	DEVCO OIL	35992	LNG 9/16/10	9,000.55			
37359	10/04/10	1,724.63 480	DIESEL MARINE ELECTRIC, INC.	36070	8/27 BOD MTG	184.00			
37360	10/04/10	1,521.16 085	DIXON & SON TIRE, INC.	36071	9/24 BOD MTG	13.17			
37361	10/04/10	2,765.19 001329	DOC AUTO LLC	36074	REV VEH PARTS/FL	179.03			
37362	10/04/10	4,114.08 R588	DOMINICAN HOSPITAL	35996	REV VEH PARTS/FL	1,724.63			
37363	10/04/10	900.00 432	EXPRESS EMPLOYMENT PROS	35997	SEP TIRES & TUBES/PT	113.43			
37364	10/04/10	40.02 372	FEDERAL EXPRESS	35998	SEP TIRES & TUBES/FL	239.72			
37365	10/04/10	6.14 001172	FERGUSON ENTERPRISES INC.	35999	SEP TIRES& TUBES/FL	725.63			
37366	10/04/10	49.00 E436	FERNANDEZ, JUAN	36000	SEP TIRES & TUBES/FL	442.38			
37367	10/04/10	2,104.08 001203	GREYHOUND LINES, INC.	36001	OUT RPR REV VEH/PT	781.06			
37368	10/04/10	120.00 E322	HICKEY, MARK	36002	OUT RPR REV VEH/PT	785.79			
37369	10/04/10	212.78 166	HOSE SHOP, THE	36003	OUT RPR REV VEH/PT	74.80			
37370	10/04/10	3,558.25 629	HUGHES & ASSOCIATES	36075	OUT RPR REV VEH/PT	1,123.54			
37371	10/04/10	2,166.80 039	KINKO'S INC.	36076	SETTLEMENT/RISK	4,114.08			
				36004	TEMP/FAC W/E 9/12	900.00			
				36005	POSTAGE/MAILING MB	40.02			
				36006	RPRS & MAINT/FAC	6.14			
				36007	DMV/VTT FEES	49.00			
				36093	OUT-DEC 10 RENT	2,104.08			
				36061	EL DORADO BUS SALES	120.00			
				36012	RPRS & MAINT/FAC	79.63			
				36013	REV VEH PARTS/FL	133.15			
				36014	INVESTIGATIVE SVCS	1,072.75			
				36015	INVESTIGATIVE SVCS	2,485.50			
				36016	PRINT POSTERS	149.80			
				36016	PRINT POSTERS	2,017.00			

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37372	10/04/10	1,446.02 002240		KLEEN-RITE PRESSURE WASHERS	7	36077	SVCE/WTC PRESS WASH	1,446.02	
37373	10/04/10	682.00 852		LAW OFFICES OF MARIE F. SANG	7	36017	WORK COMP FEE	682.00	
37374	10/04/10	787.80 001145		MANAGED HEALTH NETWORK		36062	OCT 10 EAP	787.80	
37375	10/04/10	1,138.47 001052		MID VALLEY SUPPLY		36018	CLEAN SUPPLY/FAC	1,138.47	
37376	10/04/10	302.64 041		MISSION UNIFORM		36019	UNIF & LAUNDRY/FL	69.85	
						36020	UNIF & LAUNDRY/FL	171.67	
						36021	UNIF & LAUNDRY/FAC	61.12	
37377	10/04/10	788.00 469		MONTEREY BAY UNIFIED AIR		36078	PERMITS-GLF, VRN, RV	788.00	
37378	10/04/10	500.86 002323		NORTHERN SAFETY CO., INC.		36022	SAFETY SUPPLY/FL	500.86	
37379	10/04/10	357.82 002922		PACIFIC CREDIT SERVICES, INC.		36063	WORK COMP FEE	357.82	
37380	10/04/10	2,013.08 872		PACIFIC MATERIAL HANDLING SOL.		36079	FORK LIFT RPR/FL	2,013.08	
37381	10/04/10	797.63 043		PALACE ART & OFFICE SUPPLY		36023	OFFICE SUPPLY/IT	494.39	
						36024	OFFICE SUPPLY/OPS	69.81	
37382	10/04/10	424.00 481		PIED PIPER EXTERMINATORS, INC.		36081	OFFICE SUPPLY/OPS	233.43	
						36025	SEPT PEST CTRL	241.00	
37383	10/04/10	93.06 107A		PROBUILD		36026	REV VEH PARTS/FL	93.06	
37384	10/04/10	5,305.74 001098		ROBERT HALF MANAGEMENT RESOURCE		36064	TEMP/RR W/E 9/10	734.40	
						36082	TEMP/ADM W/E 8/20	799.36	
						36083	TEMP/ADM W/E 8/27	999.20	
						36084	TEMP/ADM W/E 9/3	999.20	
						36085	TEMP/ADM W/E 9/10	774.38	
						36086	TEMP/ADM W/E 9/17	999.20	
37385	10/04/10	56.92 E533		RODRIGUEZ, SENAIDA		36065	POSTAGE/MAIL/OPS	56.92	
37386	10/04/10	18,441.75 966		S.C. FUELS	0	36089	9/11/10 DIESEL/FLT	18,441.75	
37387	10/04/10	2,875.85 001237		SAN JOSE BLUEPRINT		35856	PRINTING/MB	2,875.85	
37388	10/04/10	494.45 135		SANTA CRUZ AUTO PARTS, INC.		36027	REV VEH PARTS/PT	318.14	
						36028	REV VEH PARTS/PT	18.02	
						36029	REV VEH PARTS/PT	76.57	
						36030	SMALL TOOL/FL	65.28	
						36031	REV VEH PARTS/FL	16.44	
37389	10/04/10	9,016.15 079		SANTA CRUZ MUNICIPAL UTILITIES		36032	BUS STOP BINS	558.40	
						36033	8/13-9/14 GOLF	326.39	
						36034	8/13-9/14 GOLF	1,194.98	
						36035	8/13-9/14 1200B RVR	922.73	
						36036	8/13-9/14 111 DUBOIS	67.92	
						36037	8/13-9/14 PACIFIC	2,609.97	
						36038	8/13-9/14 PACIFIC	92.32	
						36039	8/13-9/14 111 DUBOIS	16.16	
						36040	8/13-9/14 VERNON	45.59	
						36041	8/13-9/14 110 VERNON	438.71	
						36042	8/13-9/14 1200A RVR	2,622.89	
						36087	8/13-9/14 1217 RV MB	120.09	
37390	10/04/10	167.96 149		SANTA CRUZ SENTINEL	0	36088	10/10-10/11 SUBSCRIPT	167.96	
37391	10/04/10	504.27 001232		SPECIALIZED AUTO AND		36044	OUT RPR REV VEH/PT	343.33	
						36045	OUT RPR REV VEH/PT	160.94	
37392	10/04/10	12,818.93 001360		SPECTRUM HUMAN RESOURCE		36046	iVANTAGE ADM TRAIN	1,200.00	
						36047	iVANTAGE PC TRAIN	1,200.00	
						36048	IMPLEM PLAN & ANALYS	10,418.93	
37393	10/04/10	10.00 R589		STATE OF CALIFORNIA		36094	REQUEST WC FILE	10.00	

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37394	10/04/10	75.00 001165	75.00	THANH N. VU MD	7	36049	EMPLOY EXAM/OPS	75.00	
37395	10/04/10	186.68 007	186.68	UNITED PARCEL SERVICE		36050	FRT OUT/FLT	111.10	
37396	10/04/10	54.57 434B	54.57	VERIZON CALIFORNIA		36090	FRT OUT/FLT	75.58	
37397	10/04/10	11,357.50 001043	11,357.50	VISION SERVICE PLAN		36066	OCT 10 VSP	11,357.50	
37398	10/04/10	2,500.00 001239	2,500.00	WALD, RUHNKE & DOST ARCHITECTS		36092	8/1-8/31 PROF SVC CD	2,500.00	
37399	10/04/10	1,251.88 001223	1,251.88	WATSONVILLE CADILLAC, BUICK,		36051	REV VEH PARTS/PT	242.64	
37400	10/04/10	701.67 186	701.67	WILSON, GEORGE H., INC.		36052	REV VEH PARTS/PT	1,009.24	
37401	10/11/10	678.86 192	678.86	ALWAYS UNDER PRESSURE		36053	RPRS & MAINT/FAC	11.67	
37402	10/11/10	228.78 002861	228.78	AMERICAN MESSAGING SVCS, LLC		36054	JUL QT HVAC/1200B RV	125.00	
37403	10/11/10	408.93 002918	408.93	AT BATTERY COMPANY		36055	JUL QT HVAC/138 GOLF	435.00	
37404	10/11/10	49.00 E306	49.00	BOWERS, CAROLYN		36056	JUL QT HVAC/SVTC	130.00	
37405	10/11/10	50.00 B018	50.00	BUSTICHI, DENE	7	36105	RPRS & MAINT/FAC	678.86	
37406	10/11/10	5,000.00 001324	5,000.00	CAPITALEGE ADVOCACY, LLC		36104	OCT 10 PAGERS	228.78	
37407	10/11/10	176.45 172	176.45	CENTRAL WELDER'S SUPPLY, INC.		36182	PS-1270 BATTERIES	408.93	
37408	10/11/10	15,722.29 001124	15,722.29	CLEAN ENERGY		36106	DMV FEES	39.00	
37409	10/11/10	132.45 075	132.45	COAST PAPER & SUPPLY INC.		36197	VTT FEE/OPS	10.00	
37410	10/11/10	606.15 504	606.15	CUMMINS WEST, INC.		36095	9/24 BOD MTG	50.00	
37411	10/11/10	939.25 001000	939.25	DAIMLER BUSES N. AMERICA INC.		36107	OCT 10 LEG SVCS	5,000.00	
37412	10/11/10	3,793.75 085	3,793.75	DIXON & SON TIRE, INC.		36111	PARTS & SUPP/FL	176.45	
37413	10/11/10	1,181.48 001329	1,181.48	DOC AUTO LLC		36108	LNG 9/19/10	7,810.86	
37414	10/11/10	2,046.15 001183	2,046.15	ECOLAB VEHICLE CARE DIVISION		36109	LNG 9/22/10	7,911.43	
37415	10/11/10	5,925.25 001492	5,925.25	EVERGREEN OIL INC.		36112	CLEAN SUPPLY/FAC	132.45	
37416	10/11/10	900.00 432	900.00	EXPRESS EMPLOYMENT PROS		36110	REV VEH PARTS/FL	606.15	
37417	10/11/10	200.00 001302	200.00	GARDA CL WEST, INC.		36113	REV VEH PARTS/FL	58.82	
37418	10/11/10	249,297.80 002123	249,297.80	GIRO, INC.		36114	REV VEH PARTS/FL	87.87	
37419	10/11/10	670.33 001323	670.33	GOVDELIVERY, INC.		36115	REV VEH PARTS/FL	792.56	
37420	10/11/10	1,981.76 282	1,981.76	GRAINGER		36116	SEP TIRES & TUBES/FL	935.90	
						36117	SEP TIRES & TUBES/FL	958.87	
						36118	SEP TIRES & TUBES/FL	442.38	
						36119	SEP TIRES & TUBES/FL	1,306.88	
						36120	SEP TIRES & TUBES/FL	149.72	
						36121	OUT RPR REV VEH /PT	70.31	
						36122	OUT RPR REV VEH /PT	1,017.67	
						36183	OUT RPR REV VEH/PT	93.50	
						36123	CLEAN SUPPLY/FAC	2,046.15	
						36184	HAZ WASTE DISP	986.00	
						36185	HAZ WASTE DISP	1,599.25	
						36186	HAZ WASTE DISP	3,340.00	
						36124	TEMP/FAC W/E 9/19	900.00	
						36125	OCT ARMORED CAR SVC	200.00	
						36194	TRAINING	11,775.00	
						36194	LIC FEE/SVCS/EXP	237,522.80	
						36187	SEP 10 EMAIL SUBSCRIP	670.33	
						35847	SAFETY SUPPLY CR/FAC	-649.94	
						35878	RPRS & MAINT/FAC	152.09	
						35879	RPRS & MAINT/FAC	248.11	
						36008	RPRS & MAINT/FAC	105.21	
						36009	RPRS & MAINT CR/FAC	-105.21	
						36010	RPRS & MAINT/FAC	140.88	

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37421	10/11/10	50.00 B021		HAGEN, DONALD N.	7	36126	RPRS & MAINT/FAC	1,031.82	
37422	10/11/10	50.00 B006		HINKLE, MICHELLE	7	36127	CLEAN SUPPLY/FAC	1,275.16	
37423	10/11/10	416.10 001209		IKON FINANCIAL SERVICES		36128	CR CLEAN SUPPLY/FAC	-216.36	
37424	10/11/10	120.97 215		IKON OFFICE SOLUTIONS		36096	9/24 BOD MTG	50.00	
37425	10/11/10	316.56 036		KELLY-MOORE PAINT CO., INC.		36097	9/24 BOD MTG	50.00	
37426	10/11/10	126.36 002240		KLEEN-RITE PRESSURE WASHERS	7	36129	9/18-10/17/OPS	416.10	
37427	10/11/10	50.00 B026		LEOPOLD, JOHN		36130	8/19-9/18 BK MNT/ADM	120.97	
37428	10/11/10	50.00 880		LEXISNEXIS	7	36132	RPRS & MAINT/FAC	316.56	
37429	10/11/10	142.74 013		MCI SERVICE PARTS, INC.		36131	OUT RPR-EQUIP/FAC	126.36	
						36188	SEPT ACCESS CHARGES	50.00	
						36134	REV VEH PARTS/FL	137.93	
						36135	REV VEH PARTS/FL	4.81	
37430	10/11/10	1,003.81 001052		MID VALLEY SUPPLY		36133	CLEAN SUPPLY/FAC	1,003.81	
37431	10/11/10	362.22 041		MISSION UNIFORM		36136	UNIF & LAUNDRY/FL	8.74	
						36137	CR UNIF & LAUNDRY/FL	-8.74	
						36138	UNIF & LAUNDRY/FAC	62.78	
						36139	UNIF & LAUNDRY/FL	47.27	
						36140	UNIF & LAUNDRY/FL	24.03	
						36141	UNIF & LAUNDRY/FL	158.29	
						36142	UNIF & LAUNDRY/FL	69.85	
37432	10/11/10	711.94 001454		MONTEREY BAY SYSTEMS		36189	10/1-12/31/OVR/ADM	711.94	
37433	10/11/10	3,963.94 001063		NEW FLYER INDUSTRIES LIMITED		36144	REV VEH PARTS/FL	262.01	
						36145	REV VEH PARTS/FL	91.44	
						36146	REV VEH PARTS/FL	141.85	
						36147	REV VEH PARTS/FL	2,675.49	
						36148	REV VEH PARTS/FL	269.94	
						36149	REV VEH PARTS/FL	158.28	
						36150	REV VEH PARTS/FL	80.76	
						36151	REV VEH PARTS/FL	88.16	
						36190	REV VEH PARTS/FL	196.01	
37434	10/11/10	329.86 004		NORTH BAY FORD LINC-MERCURY		36143	REV VEH PARTS/PT	329.86	
37435	10/11/10	15,755.58 001176		NORTHSTAR, INC.		36152	REVS RPR/FAC	913.58	
						36153	SEPT MAINT	14,842.00	
37436	10/11/10	13,313.90 009		PACIFIC GAS & ELECTRIC		36154	8/27-9/27 115 DUBOIS	9.25	
						36155	8/28-9/27 1200 RIVER	1,446.13	
						36156	8/27-9/27 111 DUBOIS	312.42	
						36157	8/27-9/27 115 DUBOIS	132.63	
						36158	8/27-9/27 115 DUBOIS	15.18	
						36159	8/28-9/28 GOLF	5,622.47	
						36160	8/28-9/27 1122 RIVER	19.14	
						36161	8/28-9/28 VERNON	5,756.68	
37437	10/11/10	1,505.97 043		PALACE ART & OFFICE SUPPLY		36162	OFFICE SUPPLY/FAC	58.23	
						36163	OFFICE SUPPLY/FL	117.98	
						36164	OFFICE SUPPLY/FIN	191.94	
						36165	OFFICE SUPPLY/MC	397.56	
						36166	OFFICE SUPPLY/LEGAL	85.05	
						36191	OFFICE SUPPLY/ADM	141.26	
						36192	OFFICE SUPPLY/ADM	433.49	
						36195	OFFICE SUPPLY/MC	80.46	

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37438	10/11/10	290.94 950	PARADISE LANDSCAPE INC	0	36167	VINE REMOVAL/PACIFIC	200.00		
37439	10/11/10	140.00 481	PIED PIPER EXTERMINATORS, INC.		36168	IRRIG SVCE/VERNON	90.94		
37440	10/11/10	50.00 B024	PIRIE, ELLEN	7	36169	AUG PEST CTRL	70.00		
37441	10/11/10	50.00 B027	RIVAS, ANTONIO	7	36170	SEPT PEST CTRL	70.00		
37442	10/11/10	1,185.75 001098	ROBERT HALF MANAGEMENT RESOURCE		36100	9/24 BOD MTG	50.00		
37443	10/11/10	50.00 B022	ROBINSON, LYNN MARIE		36099	9/24 BOD MTG	50.00		
37444	10/11/10	50.00 B015	ROTKIN, MIKE	7	36172	TEMP/RR W/E 9/17	1,185.75		
37445	10/11/10	280.00 067	ROTO-ROOTER		36101	9/24 BOD MTG	50.00		
37446	10/11/10	1,430.01 001379	SAFETY-KLEEN		36102	9/24 BOD MTG	50.00		
37447	10/11/10	9,568.53 977	SANTA CRUZ TRANSPORTATION, LLC	7	36171	SVCE CALL/WTC	280.00		
37448	10/11/10	313.88 001232	SPECIALIZED AUTO AND		36175	HAZ WASTE DISP	1,430.01		
37449	10/11/10	50.00 B017	STONE, MARK	7	36196	SEP 10 PT SVCS	9,568.53		
37450	10/11/10	167.16 001165	THANH N. VU MD	7	36173	OUT RPR REV VEH/PT	136.20		
37451	10/11/10	500.00 T207	TRINIDAD-LOPEZ, MARIA		36174	OUT RPR REV VEH/PT	177.68		
37452	10/11/10	10.96 946	UNITED SITE SERVICES	7	36103	9/24 BOD MTG	50.00		
37453	10/11/10	411.13 001223	WATSONVILLE CADILLAC, BUICK,		36176	EMPLOY EXAM/FL	75.00		
37454	10/11/10	151.18 147	ZEE MEDICAL SERVICE CO.		36177	EMPLOY EXAM/HR	92.16		
37455	10/18/10	196.00 001093	ALERE TOXICOLOGY SERVICES, INC	7	36178	LEASE ASSIGNMENT	500.00		
37456	10/18/10	57.25 876	ATCHISON,BARISONE,CONDOTTI &		36179	9/15-10/12 RENTAL	10.96		
37457	10/18/10	8,250.00 001348	ATHENS INSURANCE SERVICE, INC.		36180	REV VEH PARTS/PT	411.13		
37458	10/18/10	57.20 E642	BEATTY, TOVE		36181	SAFETY SUPPLY/FAC	151.18		
37459	10/18/10	774.00 011	BEWLEYS CLEANING	7	36304	EMPLOY EXAMS	196.00		
37460	10/18/10	414.93 001275	BROADLUX, INC.		36306	425 PROP ACQ 9/30	57.25		
37461	10/18/10	765.42 002189	BUS & EQUIPMENT		36305	OCT 10 WORK COMP FEE	8,250.00		
37462	10/18/10	1,000.00 001099	CERTS, LLC		36268	CAL-ACT CONFERENCE	57.20		
37463	10/18/10	906.09 001346	CITY OF SANTA CRUZ		36198	SEPT JANITOR/RES PAR	774.00		
37464	10/18/10	1,141.62 130	CITY OF WATSONVILLE UTILITIES		36267	SEPT MNT/SUPPORT/FL	414.93		
37465	10/18/10	1,894.32 909	CLASSIC GRAPHICS		36200	REV VEH PARTS/PT	662.20		
37466	10/18/10	7,687.17 001124	CLEAN ENERGY		36314	CRANE INSPECTION	1,000.00		
37467	10/18/10	1,367.50 001084	CLUTCH COURIERS		36201	PARKING DEF FEES	212.50		
37468	10/18/10	87.38 075	COAST PAPER & SUPPLY INC.		36269	PARKING DEF FEES	637.50		
37469	10/18/10	168.19 001266	COMCAST		36270	SEPT LANDFILL	56.09		
37470	10/18/10	6,096.13 R478	CSAA - IIB		36307	8/24-9/27 WTC	253.04		
37471	10/18/10	15,905.49 504	CUMMINS WEST, INC.		36308	8/24-9/27 WTC	16.29		
37472	10/18/10	337.90 001501	D & G SANITATION		36309	8/24-9/27 WTC	34.67		
37473	10/18/10	542.46 001000	DAIMLER BUSES N. AMERICA INC.		36310	9/1-9/23 WTC	43.66		
37474	10/18/10	5,393.02 001316	DEVCO OIL		36311	CONTAINER/WTC	793.96		
37475	10/18/10	1,701.62 001329	DOC AUTO LLC		36202	OUT RPR # 9824	1,894.32		

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37476	10/18/10	916	355.00	DOCTORS ON DUTY MEDICAL GROUP		36210	OUT RPR REV VEH/PT	143.59	
						36211	OUT RPR REV VEH/PT	1,025.41	
						36212	OUT RPR REV VEH/PT	476.52	
						36315	EMPLOY EXAM	35.00	
						36316	EMPLOY EXAM	30.00	
						36317	EMPLOY EXAM	35.00	
						36318	EMPLOY EXAM	30.00	
						36319	EMPLOY EXAM	35.00	
						36320	EMPLOY EXAM	30.00	
						36321	EMPLOY EXAM	35.00	
						36322	EMPLOY EXAM	35.00	
						36323	EMPLOY EXAM	30.00	
						36324	EMPLOY EXAM	30.00	
						36325	EMPLOY EXAM	30.00	
37477	10/18/10	002388	55.00	DOGHERRA'S	7	36213	OUT RPR REV VEH/PT	55.00	
37478	10/18/10	002862	500.00	ECOLOGICAL CONCERNS INC.		36326	WATER DRAIN/SEPT MB	500.00	
37479	10/18/10	432	900.00	EXPRESS EMPLOYMENT PROS		36214	TEMP/FAC W/E 9/26	900.00	
37480	10/18/10	959	39.12	FIRST ADVANTAGE CORPORATION		36327	EMPLOY EXAM	39.12	
37481	10/18/10	117	579.32	GILLIG LLC		36215	REV VEH PARTS/FL	579.32	
37482	10/18/10	001039	196.01	GRAFFITI REMOVAL, INC.		36273	REV VEH PARTS/FLT	196.01	
37483	10/18/10	001097	929.52	GREENWASTE RECOVERY, INC.		36328	SEPT GARB/GRN VALLEY	18.02	
						36329	SEPT GARB/SVTC	88.90	
						36330	SEPT GARB/SVTC	227.94	
						36331	OCT-DEC/SOQUEL	54.06	
						36332	OCT-DEC/FREEDOM	54.06	
						36333	OCT-DEC/FREEDOM	54.06	
						36334	OCT-DEC/SOQUEL	54.06	
						36335	OCT-DEC/LOMOND	54.06	
						36336	OCT-DEC/BIG BASIN	54.06	
						36337	OCT-DEC/AIRPORT	108.12	
						36338	OCT-DEC/HWY 17	162.18	
37484	10/18/10	001035	150.00	HARRIS & ASSOCIATES		36339	PROF SVCS 9/30 MB	150.00	
37485	10/18/10	510A	43.06	HASLER, INC.		36340	11/1-11/30 RENT/PT	43.06	
37486	10/18/10	001209	391.31	IKON FINANCIAL SERVICES		36341	9/18-10/17/PT	391.31	
37487	10/18/10	220	2,341.25	JONES COMPANY, THE ED		36216	EMPLOY ENCENT	2,341.25	
37488	10/18/10	167	228.76	KEYSTON BROTHERS		36217	REV VEH PARTS/FL	228.76	
37489	10/18/10	002240	818.46	KLEEN-RITE PRESSURE WASHERS	7	36274	RPRS & MAINT/FAC	818.46	
37490	10/18/10	994	175.00	LA GANGA PUBLICATION		36218	PUB HRG 10/22	175.00	
37491	10/18/10	852	201.50	LAW OFFICES OF MARIE F. SANG	7	36342	WORK COMP FEE	155.00	
						36343	WORK COMP FEE	46.50	
37492	10/18/10	041	336.40	MISSION UNIFORM		36219	UNIF & LAUNDRY/PT	33.94	
						36220	UNIF & LAUNDRY/FAC	61.12	
						36221	UNIF & LAUNDRY/FL	171.49	
37493	10/18/10	001454	60.91	MONTEREY BAY SYSTEMS		36222	UNIF & LAUNDRY/FL	69.85	
37494	10/18/10	887	500.00	NEOPOST, INC		36275	COPIER MAINT/FLT	60.91	
						36266	MAINT AGREE/EQUIP	250.00	
37495	10/18/10	001063	2,262.02	NEW FLYER INDUSTRIES LIMITED		36276	ANNUAL MAINT	250.00	
						36223	REV VEH PARTS/FL	211.89	
						36224	REV VEH PARTS/FL	850.39	
						36277	REV VEH PARTS/FL	8.81	

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37496	10/18/10	1,740.00 E645	OLANDER, JOY			36278	REV VEH PARTS/FL	239.37	
37497	10/18/10	25.00 188	PACIFIC BUS MUSEUM			36279	REV VEH PARTS/FL	62.15	
37498	10/18/10	161.24 009	PACIFIC GAS & ELECTRIC			36280	REV VEH PARTS/FL	889.41	
37499	10/18/10	980.79 043	PALACE ART & OFFICE SUPPLY			36281	EDUCATION EXP	1,650.00	
						36282	EDUCATION EXP	90.00	
						36345	MEMBERSHIP RENEWAL	25.00	
						36344	8/28-9/28 1217 RV MB	161.24	
						36225	OFFICE SUPPLY/PT	490.56	
						36226	OFFICE SUPPLY/PT	315.45	
						36283	OFFICE SUPPLY/HR	87.41	
						36284	OFFICE SUPPLY/HR	87.37	
37500	10/18/10	1,221.95 950	PARADISE LANDSCAPE INC		0	36285	OCT MAINT	887.00	
						36286	IRRIGATION/WTC	97.65	
						36346	SVCE/SVTC IRRIGATION	237.30	
37501	10/18/10	150.00 481	PIED PIPER EXTERMINATORS, INC.			36227	SEPT PEST CTRL	53.00	
						36228	SEPT PEST CTRL	48.50	
						36229	SEPT PEST CTRL	48.50	
37502	10/18/10	38.96 107A	PROBUILD			36230	REV VEH PARTS/FL	8.86	
						36231	CR REV VEH PARTS/FL	-8.86	
						36232	PARTS & SUPPLY/FL	20.25	
						36233	PARTS & SUPPLY/FL	18.71	
37503	10/18/10	175.00 002921	REDDIG COMMUNICATIONS		7	36347	SVCE/PARACRUZ PHONES	175.00	
37504	10/18/10	2,223.20 001098	ROBERT HALF MANAGEMENT RESOURCE			36234	TEMP/ADM W/E 9/24	999.20	
						36287	TEMP/RR W/E 9/24	1,224.00	
37505	10/18/10	18,689.96 966	S.C. FUELS		0	36236	DIESEL 9/25/10	18,689.96	
37506	10/18/10	160.68 018	SALINAS VALLEY FORD SALES			36235	REV VEH PARTS/FL	160.68	
37507	10/18/10	975.75 135	SANTA CRUZ AUTO PARTS, INC.			36237	REV VEH PARTS/PT	144.23	
						36238	REV VEH PARTS/FL	7.28	
						36239	REV VEH PARTS/FL	78.45	
						36240	REV VEH PARTS/PT	412.28	
						36241	REV VEH/SAFETY/FLT	244.78	
						36242	REV VEH PARTS/PT	68.26	
						36243	REV VEH PARTS/PT	14.34	
						36244	REV VEH PARTS/PT	6.13	
						36245	REV VEH PARTS/PT	37.10	
37508	10/18/10	313.00 002700	SANTA CRUZ COUNTY			36246	CR REV VEH PARTS/PT	-37.10	
37509	10/18/10	57,091.53 002917	SANTA CRUZ METRO TRANSIT DIST			36292	HEALTH PERM/VERNON	313.00	
37510	10/18/10	353.58 079	SANTA CRUZ MUNICIPAL UTILITIES			36288	9/1-9/30 WC FUND	57,091.53	
37511	10/18/10	569.18 149	SANTA CRUZ SENTINEL		0	36348	7/20-9/20 RES PARK	353.58	
						36289	ADS/FIN	163.90	
						36290	ADS/FIN	193.70	
37512	10/18/10	210.00 001121	SILENT PARTNER SECURITY SYS.			36291	ADS/FIN	211.58	
37513	10/18/10	53.78 115	SNAP-ON INDUSTRIAL			36293	10/1-12/31/10 ALARMS	210.00	
37514	10/18/10	2,456.02 001232	SPECIALIZED AUTO AND			36294	EMP TOOL REPLACE	53.78	
						36247	OUT RPR REV VEH/PT	530.24	
						36248	OUT RPR REV VEH/PT	437.50	
						36249	OUT RPR REV VEH/PT	1,234.08	
						36250	OUT RPR REV VEH/PT	118.69	
37515	10/18/10	564.00 323	SPECIALTY TECHNICAL PUBLISHERS			36251	OUT RPR REV VEH/PT	135.51	
						36349	MANUAL/VEH MAINT	564.00	

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37516	10/18/10	76.58 001976	SPORTWORKS NORTHWEST, INC.			36295	REV VEH PARTS/FL	76.58	
37517	10/18/10	75.00 001165	THANH N. VU MD		7	36252	EMPLOY EXAM/PT	75.00	
37518	10/18/10	1,644.00 001800	THERMO KING OF SALINAS, INC			36296	REV VEH PARTS/FL	1,644.00	
37519	10/18/10	14,136.00 475	TRAPEZE SOFTWARE GROUP, INC.			36297	TRAPEZE MAINTENANCE	14,136.00	
37520	10/18/10	27.83 007	UNITED PARCEL SERVICE			36253	FRT OUT/FLT	27.83	
37521	10/18/10	789.59 002829	VALLEY POWER SYSTEMS, INC.			36254	REV VEH PARTS/FL	123.78	
						36255	REV VEH PARTS/FL	22.15	
						36256	REV VEH PARTS/FL	231.20	
						36257	REV VEH PARTS/FL	214.62	
						36258	REV VEH PARTS/FL	197.84	
37522	10/18/10	5,168.66 001353	VISION COMMUNICATIONS			36298	AUG MAINT	1,595.00	
						36299	SEPT MAINT	1,595.00	
						36300	OUT RPR-EQUIP/FL	383.66	
						36301	OCT MAINT	1,595.00	
37523	10/18/10	1,408.58 001223	WATSONVILLE CADILLAC, BUICK,			36259	REV VEH PARTS/PT	188.56	
						36260	REV VEH PARTS/PT	70.26	
						36261	REV VEH PARTS/PT	1,009.24	
						36262	REV VEH PARTS/PT	140.52	
37524	10/18/10	307.79 436	WEST PAYMENT CENTER			36302	SEPT INFO CHARGES	307.79	
37525	10/18/10	3,297.03 186	WILSON, GEORGE H., INC.			36263	HVAC/PACIFIC	220.78	
						36264	HVAC/VERNON	1,056.30	
						36265	HVAC/WTC	256.59	
37526	10/25/10	477.87 020	ADT SECURITY SERVICES INC.			36303	SVCE/1200 RIVER ST	1,763.36	
						36404	NOV ALARMS	104.23	
						36405	NOV ALARMS	93.24	
						36406	NOV ALARMS	49.23	
						36407	NOV ALARMS	49.23	
						36408	NOV ALARMS	68.89	
						36409	NOV ALARMS	45.05	
						36410	NOV ALARMS	68.00	
37527	10/25/10	1,085.76 E437	AITKEN, ANGELA			36411	APTA CONFERENCE	1,085.76	VOIDED
37528	10/25/10	-1,085.76 E437	AITKEN, ANGELA			36411	APTA CONFERENCE	-1,085.76	**VOID
37529	10/25/10	327.24 192	ALWAYS UNDER PRESSURE			36390	RPRS & MAINT/FAC	327.24	
37530	10/25/10	27,862.97 001264	ANDREWS INTERNATIONAL INC			36350	8/30-9/26 SECURITY	27,862.97	
37531	10/25/10	57.73 M033	BAILEY, NEIL		0	36424	NOV 10 RET SUPP	57.73	
37532	10/25/10	711.00 174	BARNEY & BARNEY LLC			36351	11/10-11/11 BOND	711.00	
37533	10/25/10	382.77 001287	BLUE SHIELD OF CALIFORNIA			36391	NOV 10 COBRA	382.77	
37534	10/25/10	5,000.00 001365	BORTNICK, ROBERT S. & ASSOC.		7	36352	7/2-9/30 ADA SURVEY	5,000.00	
37535	10/25/10	75.05 M077	BRADFORD, THOMAS		0	36425	NOV 10 RET SUPP	75.05	
37536	10/25/10	31.12 M078	BRIDGINGER, DENISE		0	36426	NOV 10 RET SUPP	31.12	
37537	10/25/10	57.73 M079	BROGDON, ROY			36427	NOV 10 RET SUPP	57.73	
37538	10/25/10	462,007.79 502	CA PUBLIC EMPLOYEES'			36412	NOV 10 MEDICAL	462,007.79	
37539	10/25/10	57.73 M022	CAPELLA, KATHLEEN		0	36428	NOV 10 RET SUPP	57.73	
37540	10/25/10	28.87 M080	CARR, DALE		0	36428	NOV 10 RET SUPP	28.87	
37541	10/25/10	28.87 M073	CENTER, DOUG		0	36449	NOV 10 RET SUPP	28.87	
			CLEAN ENERGY			36353	LNG 10/1/10	9,997.76	
						36354	LNG 10/4/10	9,096.38	
						36392	LNG 9/25/10	9,363.59	
						36393	WINDOWS/WTC	300.00	
37542	10/25/10	300.00 002448	CLEAR VIEW, LLC		0	36473	CNG CERT COURSES	200.00	
37543	10/25/10	200.00 E638	COTTER, ROBERT						

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR ACCOUNTS PAYABLE

DATE: 10/01/10 THRU 10/31/10

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
37544	10/25/10	28.87 M092	28.87	CRAWFORD, TERRI	0	36450	NOV 10 RET SUPP	28.87	
37545	10/25/10	28.87 M039	28.87	DAVILA, ANA MARIA	0	36429	NOV 10 RET SUPP	28.87	
37546	10/25/10	7,960.36 001316	7,960.36	DEVCO OIL		36421	9/16-9/30 UNL/PT	7,960.36	
37547	10/25/10	2,299.50 480	2,299.50	DIESEL MARINE ELECTRIC, INC.		36355	REV VEH PARTS/FL	2,299.50	
37548	10/25/10	549.06 085	549.06	DIXON & SON TIRE, INC.		36356	SEP TIRES & TUBES/PT	113.43	
						36394	SEP TIRES & TUBES/FL	435.63	
37549	10/25/10	536.59 001329	536.59	DOC AUTO LLC		36357	OUT RPR REV VEH/PT	77.07	
						36358	OUT RPR REV VEH/PT	515.62	
37550	10/25/10	1.77.00 002388	1.77.00	DOGHERRA'S	7	36413	CR OT RPR REV VEH/PT	-56.10	
						36359	OUT RPR REV VEH/PT	55.00	
						36360	OUT RPR REV VEH/PT	67.00	
						36361	OUT RPR REV VEH/PT	55.00	
37551	10/25/10	28.87 M096	28.87	DRAKE, JUDITH	0	36451	NOV 10 RET SUPP	28.87	
37552	10/25/10	900.00 432	900.00	EXPRESS EMPLOYMENT PROS		36362	TEMP/FAC W/E 10/3	900.00	
37553	10/25/10	243.38 001172	243.38	FERGUSON ENTERPRISES INC.		36363	RPRS & MAINT/FAC	243.38	
37554	10/25/10	57.73 M099	57.73	FIKE, LOUIS	0	36452	NOV 10 RET SUPP	57.73	
37555	10/25/10	90.00 002295	90.00	FIRST ALARM		36395	SEPT 10 DISPATCH/PT	90.00	
37556	10/25/10	51.54 M074	51.54	GABRIELE, BERNARD	0	36453	NOV 10 RET SUPP	51.54	
37557	10/25/10	28.87 M040	28.87	GARBEZ, LINDA	0	36430	NOV 10 RET SUPP	28.87	
37558	10/25/10	28.87 M100	28.87	GARCIA, HELEN	0	36431	NOV 10 RET SUPP	28.87	
37559	10/25/10	28.87 M016	28.87	GENTRY, RITA	7	36454	NOV 10 RET SUPP	28.87	
37560	10/25/10	28.87 M101	28.87	GOES, ALAN	0	36455	NOV 10 RET SUPP	28.87	
37561	10/25/10	57.73 M041	57.73	GOUVEIA, ROBERT	0	36432	NOV 10 RET SUPP	57.73	
37562	10/25/10	1,142.04 282	1,142.04	GRAINGER		36364	CLEAN/SAFE SUPPLY/FC	1,142.04	
37563	10/25/10	216.81 001097	216.81	GREENWASTE RECOVERY, INC.		36365	SEPT GARB/RES PARK	216.81	
37564	10/25/10	75.11 M081	75.11	HALL, JAMES	0	36433	NOV 10 RET SUPP	75.11	
37565	10/25/10	3,673.84 001745	3,673.84	HARTFORD LIFE AND ACCIDENT INS		36366	OCT 10 LIFE/AD&D	3,673.84	
37566	10/25/10	72.27 510A	72.27	HASLER, INC.		36367	11/1-11/30 RENT/ADM	72.27	
37567	10/25/10	75.05 M043	75.05	HOLODNICK, JAMES	0	36434	NOV 10 RET SUPP	75.05	
37568	10/25/10	28.87 M104	28.87	JUSSEL, PETE	0	36456	NOV 10 RET SUPP	28.87	
37569	10/25/10	291.85 M061	291.85	KAMEDA, TERRY	0	36443	NOV 10 RET SUPP	291.85	
37570	10/25/10	4,041.00 878	4,041.00	KELLY SERVICES, INC.		36415	TEMP/OPS W/E 9/12	1,323.00	
						36416	TEMP/OPS W/E 9/19	978.00	
						36417	TEMP/OPS W/E 9/26	954.00	
						36418	TEMP/OPS W/E 10/3	786.00	
37571	10/25/10	706.35 001342	706.35	MCW ASSOCIATES, INC.		36422	SEP OUT RPR/PT	706.35	
37572	10/25/10	3,753.25 002721	3,753.25	NEXTEL COMMUNICATIONS		36419	8/26-9/25/OPS	2,207.55	
37573	10/25/10	28.87 M050	28.87	O'MARA, KATHLEEN	0	36423	9/4-10/3/PT	1,545.70	
37574	10/25/10	6,557.31 009	6,557.31	PACIFIC GAS & ELECTRIC		36435	NOV 10 RET SUPP	28.87	
						36396	9/8-10/6 SVTC	13.37	
						36397	9/1-9/30 PACIFIC	2,706.16	
						36398	8/27-10/6 SVTC	2,605.47	
37575	10/25/10	511.00 043	511.00	PALACE ART & OFFICE SUPPLY		36399	9/11-10/11 RES PARK	1,232.31	
						36368	OFFICE SUPPLY/FLT	50.59	
						36369	OFFICE SUPPLY/PT	300.33	
37576	10/25/10	319.71 M057	319.71	PARHAM, WALLACE	0	36444	NOV 10 RET SUPP	319.71	
37577	10/25/10	28.87 M109	28.87	PEREZ, CHERYL		36436	NOV 10 RET SUPP	28.87	
37578	10/25/10	75.00 E333	75.00	PEREZ, JAIME		36400	EMPLOY EXAM/PT	75.00	
37579	10/25/10	258.43 M064	258.43	PETERS, TERRIE	0	36445	NOV 10 RET SUPP	258.43	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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DATE: 10/01/10 THRU 10/31/10

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
37580	10/25/10	28.87 M070	28.87	PICARELLA, FRANCIS	0	36446	NOV 10 RET SUPP	28.87	
37581	10/25/10	319.71 M058	319.71	POTEETE, BEVERLY	0	36447	NOV 10 RET SUPP	319.71	
37582	10/25/10	536.55 882	536.55	PRINT SHOP SANTA CRUZ	7	36389	FORMS/OPS	536.55	
37583	10/25/10	127.00 001153	127.00	REPUBLIC ELEVATOR COMPANY		36371	OCT ELEVATOR MAINT	127.00	
37584	10/25/10	1,731.69 001098	567.95	ROBERT HALF MANAGEMENT RESOURCE		36372	TEMP/ADM W/E 10/1	567.95	
			199.84			36373	TEMP/ADM W/E 10/1	199.84	
			963.90			36401	TEMP/RR W/E 10/1	963.90	
37585	10/25/10	57.73 M085	57.73	ROSSI, DENISE	0	36437	NOV 10 RET SUPP	57.73	
37586	10/25/10	28.87 M030	28.87	ROWE, RUBY		36438	NOV 10 RET SUPP	28.87	
37587	10/25/10	19,983.98 966	19,983.98	S.C. FUELS	0	36374	DIESEL 10/4/10	19,983.98	
37588	10/25/10	20.79 135	15.33	SANTA CRUZ AUTO PARTS, INC.		36375	REV VEH PARTS/PT	15.33	
			5.46			36376	EMP TOOL/FL	5.46	
37589	10/25/10	2,500.00 002267	2,500.00	SHAW / YODER / ANTWIH, INC.		36420	OCT 10 LEG SVCS	2,500.00	
37590	10/25/10	302.74 M010	302.74	SHORT, SLOAN	0	36448	NOV 10 RET SUPP	302.74	
37591	10/25/10	28.87 M112	28.87	SILVA, EDUARDO	0	36457	NOV 10 RET SUPP	28.87	
37592	10/25/10	57.73 M054	57.73	SLOAN, FRANCIS	0	36439	NOV 10 RET SUPP	57.73	
37593	10/25/10	1,195.69 001232	1,195.69	SPECIALIZED AUTO AND		36377	OT RPR REV VEH/PT	1,195.69	
37594	10/25/10	588.00 080	588.00	STATE BOARD OF EQUALIZATION		36474	JUL-SEP USE TAX	588.00	
37595	10/25/10	524.18 080A	524.18	STATE BOARD OF EQUALIZATION		36402	JULY-SEPT 10 FUEL TX	524.18	
37596	10/25/10	75.00 989	75.00	STUCKER, NANCY K.	7	36378	BILINGUAL TESTING	75.00	
37597	10/25/10	470.30 366	470.30	TENNANT COMPANY		36379	CLEAN SUPPLY/FL	470.30	
37598	10/25/10	375.00 001165	75.00	THANH N. VU MD	7	36380	PHS EXAM/FL	75.00	
			75.00			36381	EMPLOY EXAM/OPS	75.00	
			75.00			36382	EMPLOY EXAM/OPS	75.00	
			75.00			36383	EMPLOY EXAM/OPS	75.00	
			75.00			36384	EMPLOY EXAM/OPS	75.00	
37599	10/25/10	28.87 M086	28.87	TOLINE, DONALD	0	36440	NOV 10 RET SUPP	28.87	
37600	10/25/10	5,496.56 057	1,549.65	U.S. BANK		36460	NOV 10 RET SUPP	1,549.65	
			210.00			36461	4246044555645971	210.00	
			119.00			36462	4246044555645971	119.00	
			525.22			36463	4246044555645971	525.22	
			55.35			36464	4246044555645971	55.35	
			80.04			36465	4246044555645971	80.04	
			102.95			36466	4246044555645971	102.95	
			131.88			36467	4246044555645971	131.88	
			36.79			36468	4246044555645971	36.79	
			1,362.00			36469	4246044555645971	1,362.00	
			395.10			36470	4246044555645971	395.10	
			33.70			36471	4246044555645971	33.70	
			85.03			36472	4246044555645971	85.03	
37601	10/25/10	85.03 007	85.03	UNITED PARCEL SERVICE		36403	FRT OUT FLT	85.03	
37602	10/25/10	1,545.48 221	1,545.48	VEHICLE MAINTENANCE PROGRAM		36385	REV VEH PARTS/FL	1,545.48	
37603	10/25/10	291.85 M076	291.85	VONWAL, YVETTE	0	36458	NOV 10 RET SUPP	291.85	
37604	10/25/10	109.17 E526	73.23	WARNOCK, APRIL		36386	CALACT CONFERENCE	73.23	
			35.94			36387	NAT TRANS DATA COURS	35.94	
37605	10/25/10	174.11 436	174.11	WEST PAYMENT CENTER		36388	SUBSCRIPT/LEGAL	174.11	
37606	10/25/10	31.12 M115	31.12	WILLIAMS, CHRIS	0	36459	NOV 10 RET SUPP	31.12	
37607	10/25/10	285.00 186	285.00	WILSON, GEORGE H., INC.		36414	RPR/SERVICE VERNON	285.00	
37608	10/25/10	28.87 M088	28.87	YAGI, RANDY	0	36441	NOV 10 RET SUPP	28.87	
37655	10/28/10	1,085.76 E437	1,085.76	AITKEN, ANGELA		36411	APTA CONFERENCE	1,085.76	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
CHECK JOURNAL DETAIL BY CHECK NUMBER
ALL CHECKS FOR ACCOUNTS PAYABLE

DATE: 10/01/10 THRU 10/31/10

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
		1,355,187.54	ACCOUNTS PAYABLE		271	TOTAL CHECKS	1,355,187.54	

TOTAL		1,355,187.54	ACCOUNTS PAYABLE		271	TOTAL CHECKS	1,355,187.54	
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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Angela Aitken, Finance Manager and Acting Assistant General Manager
SUBJECT: MONTHLY BUDGET STATUS REPORTS FOR OCTOBER 2010 AND APPROVAL OF BUDGET TRANSFERS

I. RECOMMENDED ACTION

That the Board of Directors accept and file the monthly budget status reports for October 2010 and approve the budget transfers for October 2010.

II. SUMMARY OF ISSUES

- **Operating Revenues** for the month of October 2010 were \$12K or 0.2 % over the amount of revenue expected for October 2010.
- **Consolidated Operating Expenses** for the month of October 2010 were \$271K or 9 % under budget for the month of October 2010.
- **Capital Budget** spending year to date through October 2010 was \$855K or 6 % of the Capital budget.

III. DISCUSSION

An analysis of Santa Cruz METRO's budget status is prepared monthly in order to apprise the Board of Directors of Santa Cruz METRO's actual revenues, expenses and capital in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue, expense and capital reports represent the status of Santa Cruz METRO's FY11 operating and capital budgets versus actual expenditures for the month.

The fiscal year has elapsed **33%**.

A. Operating Revenue

For the month of October 2010 Operating Revenues were \$12K or 0.2 % over the amount of revenue expected for October 2010. Revenue variances are explained in the notes at the end of the revenue report.

B. Operating Expense by Department

Total Operating Expenses by Department for the month of October 2010 were \$271K or 9 % under budget; 0.2 % over where we were in FY10. The majority of the variance is due to lower than anticipated Personnel and Repair Rev. Vehicles expenses.

C. Consolidated Operating Expenses

Consolidated Operating Expenses for the month of October 2010 were \$271K or 9 % under budget. Personnel Expenses, Repair Rev. Vehicles, and Repairs Dist. Properties all contributed to the variance. Further explanation of these accounts is contained in the notes following the report.

D. Capital Budget

Capital Budget spending year to date through October 2010 was \$855K or 6 % of the Capital budget. Of this, \$372K or 19 % has been spent on the MetroBase Maintenance Facility project, \$250K or 21 % has been spent on the Transit Mgmt. Info. Technology project, and \$126K or 25 % has been spent on IT Projects.

IV. FINANCIAL CONSIDERATIONS

Due to the severe economic downturn and the resulting significant decline in revenue, staff is implementing cost - cutting strategies and diligently looking at different scenarios and options in order to close the projected budget gap.

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

Attachment A: FY11 Operating Revenue for the month ending – 10/31/10
 FY11 Operating Expenses by Department for the month ending – 10/31/10
 FY11 Consolidated Operating Expenses for the month ending – 10/31/10
 FY11 Capital Budget Reports for the month ending – 10/31/10
 FY11 Budget Transfers for the month ending – 10/31/10

Prepared by: Kristina Mihaylova, Financial Analyst

Date Prepared: December 20 , 2010



FY11
Operating Revenue
For the month ending - October 31, 2010

Percent of Year Elapsed - 33%

Revenue Source	Current Period				YTD Year Over Year Comparison			
	Actual	Budget	\$ Var	% Var	Actual	FY10	\$ Var	% Var
Passenger Fares	\$ 288,046	\$ 281,483	\$ 6,563	2%	\$ 1,226,933	\$ 1,121,478	\$ 105,455	9%
Paratransit Fares	\$ 21,600	\$ 23,396	\$ (1,796)	-8%	\$ 80,499	\$ 82,175	\$ (1,676)	-2%
Special Transit Fares	\$ 464,334	\$ 451,434	\$ 12,901	3%	\$ 880,624	\$ 872,916	\$ 7,708	1%
Highway 17 Fares	\$ 88,355	\$ 111,452	\$ (23,097)	-21%	\$ 317,494	\$ 353,180	\$ (35,686)	-10%
Highway 17 Payments	\$ 37,298	\$ 33,640	\$ 3,658	11%	\$ 167,930	\$ 147,372	\$ 20,558	14%
Subtotal Passenger Revenue	\$ 899,633	\$ 901,405	\$ (1,772)	0%	\$ 2,673,479	\$ 2,577,121	\$ 96,358	4%
Commissions	\$ -	\$ 458	\$ (458)	-100%	\$ 1,304	\$ 1,355	\$ (51)	-4%
Advertising Income	\$ 22,448	\$ 17,917	\$ 4,531	25%	\$ 77,162	\$ 111,670	\$ (34,508)	-31%
Rent Income - SC Pacific Station	\$ 6,981	\$ 7,648	\$ (667)	-9%	\$ 28,449	\$ 30,649	\$ (2,200)	-7%
Rent Income - Watsonville TC	\$ 3,775	\$ 2,867	\$ 909	32%	\$ 12,506	\$ 11,464	\$ 1,042	9%
Rent Income - General	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Interest Income	\$ 13,776	\$ 4,813	\$ 8,963	186%	\$ 53,539	\$ 76,828	\$ (23,289)	-30%
Other Non-Transp Revenue	\$ 2,949	\$ 667	\$ 2,282	342%	\$ 3,662	\$ 3,268	\$ 394	12%
Sales Tax Revenue	\$ 1,043,600	\$ 1,044,133	\$ (533)	0%	\$ 4,825,044	\$ 4,717,364	\$ 107,680	2%
Transp Dev Act (TDA) - Op Asst	\$ -	\$ -	\$ -	0%	\$ 1,243,620	\$ 1,416,656	\$ (173,037)	-12%
Subtotal Other Revenue	\$ 1,093,529	\$ 1,078,502	\$ 15,027	1%	\$ 6,245,285	\$ 6,369,254	\$ (123,969)	-2%
FTA Sec 5307 - Op Asst	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
FTA Sec 5309 - ARRA Oprtg	\$ -	\$ -	\$ -	0%	\$ 270,000	\$ -	\$ 270,000	100%
STA - Op Assistance	\$ 2,801,550	\$ 2,800,000	\$ 1,550	0%	\$ 2,801,550	\$ -	\$ 2,801,550	100%
FTA Sec 5311 - Rural Op Asst	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Sec 5303 - AMBAG Funding	\$ -	\$ 2,917	\$ (2,917)	-100%	\$ -	\$ -	\$ -	0%
FTA Sec 5317 - Op Assistance	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Subtotal Grant Revenue	\$ 2,801,550	\$ 2,802,917	\$ (1,367)	0%	\$ 3,071,550	\$ (10,117)	\$ 3,071,550	100%
Subtotal Operating Revenue	\$ 4,794,712	\$ 4,782,823	\$ 11,888	0%	\$ 11,990,315	\$ 11,653,289	\$ 337,025	3%
Total Operating Expenses	\$ 2,853,159				\$ 11,663,497	\$ 11,640,496		
Variance	\$ 1,941,553				\$ 326,818	\$ (2,694,121)		
One-Time Revenue								
Transfer (to)/from Capital Reserves	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Transfer (to)/from Cash Flow Res	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Transfer (to)/from W/C Reserve	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Transfer (to)/from Liab Ins Res	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Carryover from Previous Year	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Subtotal One-Time Revenue	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Total Revenue	\$ 4,794,712	\$ 4,782,823	\$ 11,888	0%	\$ 11,990,315	\$ 11,653,289	\$ 337,025	3%
Total Operating Expenses	\$ 2,853,159				\$ 11,663,497	\$ 11,640,496		
Variance	\$ 1,941,553				\$ 326,818	\$ (2,694,121)		



Percent of Year Elapsed - 33%

FY11
Operating Revenue
For the month ending - October 31, 2010

<u>Revenue Source</u>	<u>Current Period</u>			<u>Year to Date</u>			<u>YTD Year Over Year Comparison</u>				
	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>Actual</u>	<u>Notes</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>FY10 Actual</u>	<u>\$ Var</u>	<u>% Var</u>

Current Period Notes:

- 1) **Advertising Income** is over budget due to more advertising than expected.
- 2) **Interest Income** is over budget due to revenue budgeted using County Treasury estimates, while a higher interest rate was actually paid.

FY11
Operating Expenses by Department
For the month ending - October 31, 2010



	Current Period				Year to Date				YTD Year Over Year Comparison				
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	FY10	\$ Var	% Var
										Actual			
Departmental Personnel Expenses													
700 - SCCIC	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	0%
1100 - Administration	\$ 42,598	\$ 42,385	\$ 214	1%		\$ 172,338	\$ 172,057	\$ 281	0%		\$ 172,338	\$ 257,667	\$(85,329) -33%
1200 - Finance	\$ 97,961	\$ 115,449	\$ (17,488)	-15%		\$ 437,857	\$ 472,601	\$ (34,745)	-7%		\$ 437,857	\$ 332,739	\$ 105,118 32%
1300 - Customer Service	\$ 38,794	\$ 41,863	\$ (3,069)	-7%		\$ 159,229	\$ 167,457	\$ (8,228)	-5%		\$ 159,229	\$ 123,953	\$ 35,276 28%
1400 - Human Resources	\$ 43,285	\$ 44,239	\$ (954)	-2%		\$ 179,216	\$ 176,954	\$ 2,261	1%		\$ 179,216	\$ 177,071	\$ 2,145 1%
1500 - Information Technology	\$ 42,959	\$ 44,258	\$ (1,299)	-3%		\$ 174,229	\$ 177,032	\$ (2,804)	-2%		\$ 174,229	\$ 170,332	\$ 3,897 2%
1700 - District Counsel	\$ 37,793	\$ 40,677	\$ (2,885)	-7%		\$ 155,476	\$ 162,709	\$ (7,234)	-4%		\$ 155,476	\$ 149,259	\$ 6,217 4%
1800 - Risk Management	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ - 0%
2200 - Facilities Maintenance	\$ 69,916	\$ 76,998	\$ (7,081)	-9%		\$ 300,850	\$ 316,990	\$ (16,140)	-5%		\$ 300,850	\$ 314,824	\$ (13,974) -4%
3100 - Paratransit Program	\$ 269,950	\$ 302,053	\$ (32,103)	-11%		\$ 1,113,263	\$ 1,207,316	\$ (94,053)	-8%		\$ 1,113,263	\$ 1,044,364	\$ 68,899 7%
3200 - Operations	\$ 162,478	\$ 171,707	\$ (9,229)	-5%		\$ 652,199	\$ 682,829	\$ (30,629)	-4%		\$ 652,199	\$ 714,029	\$ (61,830) -9%
3300 - Bus Operators	\$ 1,071,817	\$ 1,119,005	\$ (47,187)	-4%		\$ 4,355,026	\$ 4,524,045	\$ (169,019)	-4%		\$ 4,355,026	\$ 4,430,074	\$ (75,048) -2%
4100 - Fleet Maintenance	\$ 260,624	\$ 274,175	\$ (13,551)	-5%		\$ 1,080,521	\$ 1,113,511	\$ (32,991)	-3%		\$ 1,080,521	\$ 1,196,776	\$ (116,255) -10%
9001 - Cobra Benefits	\$ (342)	\$ -	\$ (342)	100%		\$ (572)	\$ -	\$ (572)	100%		\$ (572)	\$ 1,392	\$ (1,964) -141%
9005 - Retired Employee Benefits	\$ 156,066	\$ 158,250	\$ (2,184)	-1%		\$ 622,654	\$ 627,300	\$ (4,646)	-1%		\$ 622,654	\$ 584,115	\$ 38,539 7%
9014 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ - 0%
110020 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ - 0%
100 - New Flyer Parts Credit	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ - 0%
Subtotal Personnel Expenses	\$ 2,293,900	\$ 2,431,058	\$ (137,157)	-6%		\$ 9,402,285	\$ 9,800,802	\$ (398,517)	-4%		\$ 9,402,285	\$ 9,496,595	\$ (94,310) -1%
Departmental Non-Personnel Expenses													
700 - SCCIC	\$ -	\$ 25	\$ (25)	-100%		\$ 20	\$ 100	\$ (80)	-80%		\$ 20	\$ 260	\$ (240) -92%
1100 - Administration	\$ 25,582	\$ 40,498	\$ (14,916)	-37%		\$ 102,607	\$ 154,787	\$ (52,179)	-34%		\$ 102,607	\$ 84,084	\$ 18,523 22%
1200 - Finance	\$ 60,749	\$ 72,604	\$ (11,854)	-16%		\$ 282,583	\$ 330,851	\$ (48,268)	-15%		\$ 282,583	\$ 308,852	\$ (26,269) -9%
1300 - Customer Service	\$ 1,665	\$ 4,858	\$ (3,193)	-66%		\$ 22,802	\$ 30,633	\$ (7,831)	-26%		\$ 22,802	\$ 19,042	\$ 3,760 20%
1400 - Human Resources	\$ 981	\$ 4,227	\$ (3,246)	-77%		\$ 8,242	\$ 16,908	\$ (8,666)	-51%		\$ 8,242	\$ 21,529	\$ (13,287) -62%
1500 - Information Technology	\$ 7,963	\$ 16,189	\$ (8,226)	-51%		\$ 37,249	\$ 70,757	\$ (33,508)	-47%		\$ 37,249	\$ 54,209	\$ (16,960) -31%
1700 - District Counsel	\$ 2,778	\$ 1,658	\$ 1,120	68%		\$ 5,687	\$ 6,633	\$ (946)	-14%		\$ 5,687	\$ 3,912	\$ 1,775 45%
1800 - Risk Management	\$ 7,186	\$ 18,697	\$ (11,511)	-62%		\$ 87,420	\$ 100,425	\$ (13,006)	-13%		\$ 87,420	\$ 22,600	\$ 64,820 287%
2200 - Facilities Maintenance	\$ 106,177	\$ 122,520	\$ (16,342)	-13%		\$ 416,434	\$ 506,129	\$ (89,695)	-18%		\$ 416,434	\$ 611,787	\$ (195,353) -32%
3100 - Paratransit Program	\$ 88,991	\$ 83,655	\$ 5,337	6%		\$ 260,178	\$ 348,213	\$ (88,035)	-25%		\$ 260,178	\$ 218,404	\$ 41,774 19%
3200 - Operations	\$ 39,414	\$ 59,512	\$ (20,097)	-34%		\$ 169,885	\$ 184,270	\$ (14,385)	-8%		\$ 169,885	\$ 158,189	\$ 11,696 7%
3300 - Bus Operators	\$ -	\$ 417	\$ (417)	-100%		\$ -	\$ 1,667	\$ (1,667)	-100%		\$ -	\$ 1,168	\$ (1,168) -100%
4100 - Fleet Maintenance	\$ 217,770	\$ 268,083	\$ (50,314)	-19%		\$ 868,103	\$ 1,072,333	\$ (204,230)	-19%		\$ 868,103	\$ 639,866	\$ 228,237 36%
9001 - Cobra Benefits	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ (1)	\$ 1 -100%
9005 - Retired Employee Benefits	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ - 0%
9014 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ - 0%
110020 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ - 0%
100 - New Flyer Parts Credit	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ - 0%
Subtotal Non-Personnel Expenses	\$ 559,258	\$ 692,943	\$ (133,685)	-19%		\$ 2,261,211	\$ 2,823,707	\$ (562,496)	-20%		\$ 2,261,211	\$ 2,143,901	\$ 117,310 5%



FY11
Operating Expenses by Department
For the month ending - October 31, 2010

Attachment A

	Current Period				Year to Date				YTD Year Over Year Comparison				
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	FY10	\$ Var	% Var
										Actual			
Total Departmental Expenses													
700 - SCCIC	\$ -	\$ 25	\$ (25)	-100%		\$ 20	\$ 100	\$ (80)	-80%	\$	\$ 260	\$ (240)	-92%
1100 - Administration	\$ 68,181	\$ 82,883	\$ (14,702)	-18%	1	\$ 274,946	\$ 326,843	\$ (51,898)	-16%	\$	\$ 341,751	\$ (66,805)	-20%
1200 - Finance	\$ 158,711	\$ 188,052	\$ (29,342)	-16%	2	\$ 720,440	\$ 803,452	\$ (83,012)	-10%	\$	\$ 641,591	\$ 78,849	12%
1300 - Customer Service	\$ 40,459	\$ 46,721	\$ (6,262)	-13%		\$ 182,031	\$ 198,090	\$ (16,059)	-8%	\$	\$ 142,995	\$ 39,036	27%
1400 - Human Resources	\$ 44,266	\$ 48,466	\$ (4,200)	-9%		\$ 187,458	\$ 193,863	\$ (6,405)	-3%	\$	\$ 198,600	\$ (11,142)	-6%
1500 - Information Technology	\$ 50,922	\$ 60,447	\$ (9,525)	-16%	3	\$ 211,478	\$ 247,789	\$ (36,312)	-15%	\$	\$ 224,541	\$ (13,063)	-6%
1700 - District Counsel	\$ 40,571	\$ 42,336	\$ (1,765)	-4%		\$ 161,163	\$ 169,343	\$ (8,180)	-5%	\$	\$ 153,171	\$ 7,992	5%
1800 - Risk Management	\$ 7,186	\$ 18,697	\$ (11,511)	-62%	4	\$ 87,420	\$ 100,425	\$ (13,006)	-13%	\$	\$ 22,600	\$ 64,820	287%
2200 - Facilities Maintenance	\$ 176,094	\$ 199,517	\$ (23,423)	-12%	5	\$ 717,284	\$ 823,119	\$ (105,835)	-13%	\$	\$ 926,611	\$ (209,327)	-23%
3100 - Paratransit Program	\$ 358,942	\$ 385,708	\$ (26,766)	-7%	6	\$ 1,373,442	\$ 1,555,529	\$ (182,087)	-12%	\$	\$ 1,262,768	\$ 110,674	9%
3200 - Operations	\$ 201,892	\$ 231,219	\$ (29,327)	-13%	7	\$ 822,084	\$ 867,098	\$ (45,014)	-5%	\$	\$ 872,218	\$ (50,134)	-6%
3300 - Bus Operators	\$ 1,071,817	\$ 1,119,421	\$ (47,604)	-4%	8	\$ 4,355,026	\$ 4,525,712	\$ (170,686)	-4%	\$	\$ 4,431,242	\$ (76,216)	-2%
4100 - Fleet Maintenance	\$ 478,394	\$ 542,258	\$ (63,864)	-12%	9	\$ 1,948,624	\$ 2,185,845	\$ (237,221)	-11%	\$	\$ 1,836,642	\$ 111,982	6%
9001 - Cobra Benefits	\$ (342)	\$ -	\$ (342)	100%		\$ (572)	\$ -	\$ (572)	100%	\$	\$ 1,391	\$ (1,963)	-141%
9005 - Retired Employee Benefits	\$ 156,066	\$ 158,250	\$ (2,184)	-1%		\$ 622,654	\$ 627,300	\$ (4,646)	-1%	\$	\$ 584,115	\$ 38,539	7%
9014 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$	\$ -	\$ -	0%
110020 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$	\$ -	\$ -	0%
100 - New Flyer Parts Credit	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$	\$ -	\$ -	0%
Total Operating Expenses	\$ 2,853,159	\$ 3,124,001	\$ (270,842)	-9%		\$ 11,663,497	\$ 12,624,509	\$ (961,012)	-8%	\$	\$ 11,640,496	\$ 23,001	0%

** does not include depreciation

Current Period Notes:

- 1) **Administration** is under budget due to less than anticipated training and travel expenses, as well as cost cutting measures in place.
- 2) **Finance** is under budget due to less than anticipated personnel and insurance expenses.
- 3) **IT** is under budget due to less than anticipated Repair-Equipment expenses for the month.
- 4) **Risk Management** is under budget due to fewer budgeted settlement claims paid in October 2010.
- 5) **Facilities Maintenance** is under budget due to extended leaves and lease expenses reclassified from Facilities to Paratransit.
- 6) **Paratransit** is under budget due to vacant funded position and extended leaves.
- 7) **Operations** is under budget due to budget transfer in October 2010 for temp help expenses incurred in the first three months of the fiscal year.
- 8) **Bus Operators** is under budget due to extended leaves.
- 7) **Fleet** is under budget due to vacant funded position and lower than anticipated rev vehicle repair costs.



FY11
Consolidated Operating Expenses
For the month ending - October 31, 2010

Attachment A

	Current Period				Year to Date				YTD Year Over Year Comparison				
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	FY10	\$ Var	% Var
						Actual				Actual			
LABOR													
501011 Bus Operator Pay	\$ 612,405	\$ 645,062	\$ (32,657)	-5%		\$ 2,465,444	\$ 2,628,276	\$ (162,832)	-6%	\$ 2,465,444	\$ 2,536,017	\$ (70,573)	-3%
501013 Bus Operator Overtime	\$ 139,447	\$ 128,466	\$ 10,981	9%		\$ 483,497	\$ 513,863	\$ (30,367)	-6%	\$ 483,497	\$ 516,432	\$ (32,935)	-6%
501021 Other Salaries	\$ 542,761	\$ 550,159	\$ (7,398)	-1%		\$ 2,163,634	\$ 2,204,646	\$ (41,012)	-2%	\$ 2,163,634	\$ 2,170,517	\$ (6,883)	0%
501023 Other Overtime	\$ 18,873	\$ 29,757	\$ (10,884)	-37%		\$ 95,128	\$ 119,027	\$ (23,900)	-20%	\$ 95,128	\$ 118,519	\$ (23,391)	-20%
Total Labor -	\$ 1,313,486	\$ 1,353,444	\$ (39,958)	-3%		\$ 5,207,702	\$ 5,465,813	\$ (258,111)	-5%	\$ 5,207,702	\$ 5,341,485	\$ (133,783)	-3%
FRINGE BENEFITS													
502011 Medicare/Soc. Sec.	\$ 18,712	\$ 20,731	\$ (2,019)	-10%		\$ 76,172	\$ 84,423	\$ (8,251)	-10%	\$ 76,172	\$ 77,145	\$ (973)	-1%
502021 Retirement	\$ 175,709	\$ 192,314	\$ (16,605)	-9%		\$ 728,307	\$ 781,359	\$ (53,052)	-7%	\$ 728,307	\$ 741,187	\$ (12,880)	-2%
502031 Medical Insurance	\$ 452,416	\$ 473,263	\$ (20,847)	-4%		\$ 1,809,881	\$ 1,889,278	\$ (79,398)	-4%	\$ 1,809,881	\$ 1,792,027	\$ 17,854	1%
502041 Dental Insurance	\$ 23,756	\$ 39,867	\$ (16,111)	-40%		\$ 132,515	\$ 159,469	\$ (26,955)	-17%	\$ 132,515	\$ 160,360	\$ (27,845)	-17%
502045 Vision Insurance	\$ 10,993	\$ 11,350	\$ (357)	-3%		\$ 44,220	\$ 45,300	\$ (1,080)	-2%	\$ 44,220	\$ 45,314	\$ (1,094)	-2%
502051 Life Insurance	\$ 3,632	\$ 3,689	\$ (57)	-2%		\$ 14,587	\$ 14,757	\$ (170)	-1%	\$ 14,587	\$ 14,048	\$ 539	4%
502060 State Disability	\$ 15,408	\$ 15,499	\$ (91)	-1%		\$ 64,152	\$ 62,323	\$ 1,828	3%	\$ 64,152	\$ 65,772	\$ (1,621)	-2%
502061 Disability Insurance	\$ 17,711	\$ 18,784	\$ (1,073)	-6%		\$ 70,041	\$ 75,135	\$ (5,094)	-7%	\$ 70,041	\$ 69,788	\$ 253	0%
502071 State Unemp. Ins	\$ (123)	\$ 5,368	\$ (5,490)	-102%		\$ 479	\$ 21,471	\$ (20,992)	-98%	\$ 479	\$ 1,098	\$ (619)	-56%
502081 Worker's Comp Ins	\$ 67,626	\$ 58,333	\$ 9,293	16%		\$ 309,745	\$ 233,333	\$ 76,412	33%	\$ 309,745	\$ 197,556	\$ 112,189	57%
502083 Worker's Comp IBNR	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
502101 Holiday Pay	\$ 2,677	\$ 25,897	\$ (23,220)	-90%		\$ 50,890	\$ 103,587	\$ (52,697)	-51%	\$ 50,890	\$ 54,427	\$ (3,537)	-6%
502103 Floating Holiday	\$ 1,975	\$ 5,798	\$ (3,824)	-66%		\$ 7,202	\$ 23,194	\$ (15,992)	-69%	\$ 7,202	\$ 10,258	\$ (3,056)	-30%
502109 Sick Leave	\$ 47,222	\$ 67,488	\$ (20,266)	-30%		\$ 184,665	\$ 270,795	\$ (86,130)	-32%	\$ 184,665	\$ 246,699	\$ (62,034)	-25%
502111 Annual Leave	\$ 123,286	\$ 120,695	\$ 2,591	2%		\$ 626,036	\$ 496,178	\$ 129,858	26%	\$ 626,036	\$ 605,747	\$ 20,289	3%
502121 Other Paid Absence	\$ 11,194	\$ 10,291	\$ 903	9%		\$ 46,484	\$ 41,295	\$ 5,189	13%	\$ 46,484	\$ 45,850	\$ 634	1%
502251 Physical Exams	\$ 600	\$ 1,142	\$ (542)	-47%		\$ 1,875	\$ 4,566	\$ (2,691)	-59%	\$ 1,875	\$ 2,328	\$ (453)	-19%
502253 Driver Lic Renewal	\$ 147	\$ 378	\$ (231)	-61%		\$ 727	\$ 1,611	\$ (884)	-55%	\$ 727	\$ 1,185	\$ (458)	-39%
502999 Other Fringe Benefits	\$ 7,473	\$ 6,729	\$ 745	11%		\$ 26,606	\$ 26,915	\$ (309)	-1%	\$ 26,606	\$ 24,321	\$ 2,285	9%
Total Fringe Benefits -	\$ 980,415	\$ 1,077,614	\$ (97,199)	-9%		\$ 4,194,583	\$ 4,334,989	\$ (140,406)	-3%	\$ 4,194,583	\$ 4,155,110	\$ 39,473	1%
Total Personnel Expenses -	\$ 2,293,900	\$ 2,431,058	\$ (137,157)	-6%	1	\$ 9,402,285	\$ 9,800,802	\$ (398,517)	-4%	\$ 9,402,285	\$ 9,496,595	\$ (94,310)	-1%



FY11
Consolidated Operating Expenses
For the month ending - October 31, 2010

Attachment A

	Current Period				Year to Date				YTD Year Over Year Comparison						
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	Actual	FY10	\$ Var	% Var	
SERVICES															
503011 Acctg & Audit Fees	\$ 9,000	\$ 10,021	\$ (1,021)	-10%		\$ 31,000	\$ 34,583	\$ (3,583)	-10%		\$ 31,000	\$ 35,700	\$ (4,700)	-13%	
503012 Admin & Bank Fees	\$ 2,244	\$ 1,946	\$ 298	15%		\$ 52,738	\$ 55,369	\$ (2,631)	-5%		\$ 52,738	\$ 51,045	\$ 1,693	3%	
503031 Prof & Tech Fees	\$ 10,835	\$ 22,594	\$ (11,759)	-52%	2	\$ 51,028	\$ 80,526	\$ (29,498)	-37%		\$ 51,028	\$ 44,695	\$ 6,333	14%	
503032 Legislative Services	\$ 7,500	\$ 8,617	\$ (1,117)	-13%		\$ 30,000	\$ 34,467	\$ (4,467)	-13%		\$ 30,000	\$ 30,000	\$ -	0%	
503033 Legal Services	\$ -	\$ 4,583	\$ (4,583)	-100%		\$ 863	\$ 18,333	\$ (17,470)	-95%		\$ 863	\$ 6,173	\$ (5,310)	-86%	
503034 Pre-Employ Exams	\$ 246	\$ 608	\$ (362)	-60%		\$ 709	\$ 2,433	\$ (1,724)	-71%		\$ 709	\$ 3,811	\$ (3,102)	-81%	
503041 Temp Help	\$ 9,840	\$ 28,452	\$ (18,612)	-65%	3	\$ 53,395	\$ 53,568	\$ (174)	0%		\$ 53,395	\$ 80,614	\$ (27,219)	-34%	
503161 Custodial Services	\$ 5,201	\$ 4,167	\$ 1,034	25%		\$ 21,104	\$ 16,667	\$ 4,437	27%		\$ 21,104	\$ 20,716	\$ 388	2%	
503162 Uniform & Laundry	\$ 2,603	\$ 2,800	\$ (197)	-7%		\$ 6,908	\$ 11,200	\$ (4,292)	-38%		\$ 6,908	\$ 7,584	\$ (676)	-9%	
503171 Security Services	\$ 33,231	\$ 31,278	\$ 1,953	6%		\$ 125,576	\$ 125,111	\$ 465	0%		\$ 125,576	\$ 114,277	\$ 11,299	10%	
503221 Classified/Legal Ads	\$ 454	\$ 2,425	\$ (1,971)	-81%		\$ 2,938	\$ 9,700	\$ (6,762)	-70%		\$ 2,938	\$ 2,398	\$ 540	23%	
503222 Legal Advertising	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	
503225 Graphic Services	\$ -	\$ 333	\$ (333)	-100%		\$ -	\$ 1,333	\$ (1,333)	-100%		\$ -	\$ -	\$ -	0%	
503351 Repair - Bldg & Impr	\$ 7,839	\$ 8,333	\$ (495)	-6%		\$ 15,614	\$ 33,333	\$ (17,719)	-53%		\$ 15,614	\$ 14,962	\$ 652	4%	
503352 Repair - Equipment	\$ 50,073	\$ 47,783	\$ 2,290	5%		\$ 135,494	\$ 191,730	\$ (56,236)	-29%		\$ 135,494	\$ 165,242	\$ (29,748)	-18%	
503353 Repair - Rev Vehicle	\$ 11,083	\$ 34,167	\$ (23,084)	-68%	4	\$ 153,052	\$ 136,667	\$ 16,386	12%		\$ 153,052	\$ 119,905	\$ 33,147	28%	
503354 Repair - Non Rev Vehicle	\$ -	\$ 2,083	\$ (2,083)	-100%		\$ 153	\$ 8,333	\$ (8,180)	-98%		\$ 153	\$ 7,460	\$ (7,307)	-98%	
503363 Haz Mat Disposal	\$ 744	\$ 4,125	\$ (3,381)	-82%		\$ 12,341	\$ 16,500	\$ (4,159)	-25%		\$ 12,341	\$ 13,250	\$ (909)	-7%	
Total Services -	\$ 150,891	\$ 214,314	\$ (63,422)	-30%		\$ 692,915	\$ 829,854	\$ (136,939)	-17%		\$ 692,915	\$ 717,832	\$ (24,917)	-3%	
MOBILE MATERIALS AND SUPPLIES															
504011 Fuels & Lube Non Rev Veh	\$ 3,749	\$ 12,592	\$ (8,843)	-70%		\$ 19,299	\$ 50,367	\$ (31,067)	-62%		\$ 19,299	\$ 55,843	\$ (36,544)	-65%	
504012 Fuels & Lube Rev Veh	\$ 176,883	\$ 170,351	\$ 6,533	4%		\$ 618,513	\$ 694,101	\$ (75,587)	-11%		\$ 618,513	\$ 366,215	\$ 252,298	69%	
504021 Tires & Tubes	\$ 36,784	\$ 20,250	\$ 16,534	82%	5	\$ 76,270	\$ 81,000	\$ (4,730)	-6%		\$ 76,270	\$ 50,755	\$ 25,515	50%	
504161 Other Mobile Supplies	\$ -	\$ -	\$ -	0%		\$ -	\$ 5,000	\$ (5,000)	-100%		\$ -	\$ 157	\$ (157)	-100%	
504191 Rev Vehicle Parts	\$ 52,349	\$ 52,083	\$ 265	1%		\$ 176,306	\$ 203,333	\$ (27,027)	-13%		\$ 176,306	\$ 129,097	\$ 47,209	37%	
Total Mobile Materials & Supplies -	\$ 269,765	\$ 255,276	\$ 14,490	6%		\$ 890,389	\$ 1,033,800	\$ (143,412)	-14%		\$ 890,389	\$ 602,067	\$ 288,322	48%	



FY11
Consolidated Operating Expenses
For the month ending - October 31, 2010

Current Period

Year to Date

YTD Year Over Year Comparison

	Current Period			Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual	Budget	% Var	Actual	FY10	% Var
OTHER MATERIALS & SUPPLIES									
504205 Freight Out	\$ 352	\$ 208	69%	\$ 793	\$ 833	-5%	\$ 793	\$ 453	75%
504211 Postage & Mailing	\$ 111	\$ 1,700	-93%	\$ 5,767	\$ 8,299	-31%	\$ 5,767	\$ 4,180	38%
504214 Promotional Items	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
504215 Printing	\$ 837	\$ 5,441	-85%	\$ 16,372	\$ 30,664	-47%	\$ 16,372	\$ 22,120	-26%
504217 Photo Supply/Processing	\$ (15)	\$ 467	-103%	\$ (25)	\$ 1,867	-101%	\$ (25)	\$ 389	-106%
504311 Office Supplies	\$ 1,857	\$ 5,885	-68%	\$ 18,835	\$ 23,539	-20%	\$ 18,835	\$ 22,638	-17%
504315 Safety Supplies	\$ 1,972	\$ 1,358	45%	\$ 4,179	\$ 5,433	-23%	\$ 4,179	\$ 5,277	-21%
504317 Cleaning Supplies	\$ 3,691	\$ 2,758	34%	\$ 13,824	\$ 11,033	25%	\$ 13,824	\$ 10,298	34%
504409 Repair/Maint Supplies	\$ 4,816	\$ 3,333	44%	\$ 12,634	\$ 13,333	-5%	\$ 12,634	\$ 14,871	-15%
504421 Non-Inventory Parts	\$ 2,833	\$ 3,783	-25%	\$ 3,439	\$ 15,133	-77%	\$ 3,439	\$ 5,641	-39%
504511 Small Tools	\$ 752	\$ 725	4%	\$ 931	\$ 2,900	-68%	\$ 931	\$ 1,324	-30%
504515 Employee Tool Rplcmt	\$ 51	\$ 250	-80%	\$ 252	\$ 1,000	-75%	\$ 252	\$ 624	-60%
Total Other Materials & Supplies -	\$ 17,257	\$ 25,909	-33%	\$ 77,001	\$ 114,035	-32%	\$ 77,001	\$ 87,815	-12%

UTILITIES

505011 Gas & Electric	\$ 22,711	\$ 18,750	21%	\$ 74,828	\$ 75,000	0%	\$ 74,828	\$ 62,235	20%
505021 Water & Garbage	\$ 12,809	\$ 12,500	2%	\$ 43,793	\$ 50,000	-12%	\$ 43,793	\$ 46,283	-5%
505031 Telecommunications	\$ 9,526	\$ 18,316	-48%	\$ 29,505	\$ 60,566	-51%	\$ 29,505	\$ 35,333	-16%
Total Utilities -	\$ 45,047	\$ 49,566	-9%	\$ 148,126	\$ 185,566	-20%	\$ 148,126	\$ 143,851	3%

CASUALTY & LIABILITY

506011 Insurance - Property	\$ 7,972	\$ 9,583	-17%	\$ 31,889	\$ 38,333	-17%	\$ 31,889	\$ 33,556	-5%
506015 Insurance - PL & PD	\$ 36,531	\$ 43,775	-17%	\$ 146,123	\$ 175,100	-17%	\$ 146,123	\$ 152,404	-4%
506021 Insurance - Other	\$ -	\$ 750	-100%	\$ -	\$ 750	-100%	\$ -	\$ -	0%
506123 Settlement Costs	\$ 6,864	\$ 10,364	-34%	\$ 82,199	\$ 67,092	23%	\$ 82,199	\$ 12,024	584%
506127 Repairs - Dist Prop	\$ (41,825)	\$ -	100%	\$ (61,691)	\$ -	100%	\$ (61,691)	\$ -	100%
Total Casualty & Liability -	\$ 9,541	\$ 64,472	-85%	\$ 198,520	\$ 281,275	-29%	\$ 198,520	\$ 197,984	0%

TAXES

507051 Fuel Tax	\$ 956	\$ 1,167	-18%	\$ 4,348	\$ 4,667	-7%	\$ 4,348	\$ 3,652	19%
507201 Licenses & permits	\$ -	\$ 1,708	-100%	\$ 1,126	\$ 6,833	-84%	\$ 1,126	\$ 6,883	-84%
507999 Other Taxes	\$ 5,878	\$ 1,000	488%	\$ 8,756	\$ 5,500	59%	\$ 8,756	\$ 7,313	20%
Total Utilities -	\$ 6,834	\$ 3,875	76%	\$ 14,230	\$ 17,000	-16%	\$ 14,230	\$ 17,848	-20%



FY11
Consolidated Operating Expenses
For the month ending - October 31, 2010

Attachment A

	Current Period				Year to Date				YTD Year Over Year Comparison					
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	FY10	\$ Var	% Var	
										Actual				
<u>PURCHASED TRANSPORTATION</u>														
503406 Contr/Paratrans	\$ 14,452	\$ 20,833	\$ (6,381)	-31%	8	\$ 61,333	\$ 83,333	\$ (22,000)	-26%		\$ 87,132	\$ (25,799)	-30%	
Total Purchased Transportation -	\$ 14,452	\$ 20,833	\$ (6,381)	-31%		\$ 61,333	\$ 83,333	\$ (22,000)	-26%		\$ 87,132	\$ (25,799)	-30%	
<u>MISC</u>														
509011 Dues & Subscriptions	\$ 5,379	\$ 5,419	\$ (39)	-1%		\$ 22,389	\$ 22,674	\$ (286)	-1%		\$ 20,883	\$ 1,506	7%	
509085 Advertising - Rev Product	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	0%	
509101 Emp Incentive Prog	\$ -	\$ 2,883	\$ (2,883)	-100%		\$ 2,422	\$ 11,533	\$ (9,111)	-79%		\$ 896	\$ 1,526	170%	
509121 Employee Training	\$ 2,923	\$ 4,132	\$ (1,208)	-29%		\$ 7,222	\$ 22,526	\$ (15,304)	-68%		\$ 1,725	\$ 5,497	319%	
509123 Travel	\$ 4,457	\$ 7,565	\$ (3,108)	-41%		\$ 16,373	\$ 30,260	\$ (13,887)	-46%		\$ 16,878	\$ (505)	-3%	
509125 Local Meeting Exp	\$ 206	\$ 413	\$ (206)	-50%		\$ 807	\$ 1,650	\$ (843)	-51%		\$ 687	\$ 120	18%	
509127 Board Director Fees	\$ 450	\$ 1,100	\$ (650)	-59%		\$ 1,850	\$ 4,400	\$ (2,550)	-58%		\$ 2,350	\$ (500)	-21%	
509150 Contributions	\$ -	\$ 54	\$ (54)	-100%		\$ -	\$ 217	\$ (217)	-100%		\$ -	\$ -	0%	
509197 Sales Tax Expense	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	0%	
509198 Cash Over/Short	\$ 36	\$ 42	\$ (5)	-13%		\$ 9	\$ 167	\$ (157)	-94%		\$ 96	\$ (87)	-90%	
Total Misc -	\$ 13,452	\$ 21,607	\$ (8,155)	-38%		\$ 51,073	\$ 93,427	\$ (42,355)	-45%		\$ 43,515	\$ 7,558	17%	
<u>LEASES & RENTALS</u>														
512011 Facility Rentals	\$ 31,090	\$ 35,333	\$ (4,244)	-12%		\$ 124,163	\$ 177,582	\$ (53,420)	-30%		\$ 241,926	\$ (117,763)	-49%	
512061 Equipment Rentals	\$ 930	\$ 1,758	\$ (828)	-47%		\$ 3,462	\$ 7,833	\$ (4,371)	-56%		\$ 3,932	\$ (470)	-12%	
Total Leases & Rentals -	\$ 32,019	\$ 37,092	\$ (5,072)	-14%		\$ 127,625	\$ 185,416	\$ (57,791)	-31%		\$ 245,858	\$ (118,233)	-48%	
Total Non-Personnel Expenses -	\$ 559,258	\$ 692,943	\$ (133,685)	-19%		\$ 2,261,211	\$ 2,823,707	\$ (562,495)	-20%		\$ 2,261,211	\$ 2,143,902	\$ 117,309	5%
TOTAL OPERATING EXPENSE -	\$ 2,853,159	\$ 3,124,001	\$ (270,842)	-9%		\$ 11,663,497	\$ 12,624,509	\$ (961,012)	-8%		\$ 11,663,497	\$ 11,640,496	\$ 23,001	0%

** does not include depreciation

Current Period Notes:

- 1) **Total Personnel Expenses** are below budget due to vacant funded positions and extended leaves.
- 2) **Prof & Tech Fees** are under budget due to straight lining of the budget.
- 3) **Temp Help** is under budget due to budget transfer in October 2010 for temp help expenses incurred in the first three months of the fiscal year. (Expense is offset by savings in personnel expense.)
- 4) **Repair - Rev Vehicle** is under budget due to inability to anticipate when repair costs will be incurred and straight lining of the budget.
- 5) **Tires & Tubes** is over budget due to the cyclical nature of tire and tube replacements and the bulk purchase of tires in October 2010.



FY11
Consolidated Operating Expenses
For the month ending - October 31, 2010

Current Period			Year to Date			YTD Year Over Year Comparison		
<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>Notes</u>	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>
					<u>FY11</u>	<u>FY10</u>	<u>\$ Var</u>	<u>% Var</u>

- 6) **Gas & Electric** is over budget due to invoices for prior months paid in October 2010.
- 7) **Other Taxes** is over budget due to Property taxes and SVT related expenses (Bluebonnet Wastewater) budgeted as being paid in November, while payments were actually made in October 2010.
- 8) **Contr/Paratrans** is under budget due to lowered than anticipated number of contracted rides for the month.



FY2011
CAPITAL BUDGET
For the month ending - October 31, 2010

	<u>YTD Actual</u>	<u>FY11 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Grant-Funded Projects</u>				
MetroBase Maintenance Facility (5309) / (PTMISEA)	\$ 372,056	\$ 2,000,000	\$ 1,627,944	19%
Purchase Smartcard Farebox System (ARRA) (5311)	\$ 30	\$ 2,362,000	\$ 2,361,970	0%
Purchase of 425 Front Street (FTA) / (TCRP)	\$ 21,696	\$ 2,075,000	\$ 2,053,304	1%
Purchase 27 ParaCruz Vehicles (ARRA)	\$ -	\$ 1,750,000	\$ 1,750,000	0%
Transit Mgmt. Info. Technology (ARRA)	\$ 249,667	\$ 1,165,000	\$ 915,333	21%
Comprehensive Security & Surveillance Sys (OHS-1B)	\$ -	\$ 440,505	\$ 440,505	0%
Facilities Video Surveillance Project (OHS-1B)	\$ 9,900	\$ 185,000	\$ 175,100	5%
Fleet - Land Mobile Radio Project (OHS-1B)	\$ 53,154	\$ 195,000	\$ 141,846	27%
Trapeze Pass Interactive Voice Response System *	\$ 22,427	\$ 22,427	\$ -	100%
Subtotal Grant Funded Projects	\$ 728,930	\$ 10,194,932	\$ 9,466,002	7%
<u>IT Projects</u>				
Replace Fleet & Facilities Maintenance Software	\$ 8,154	\$ 170,000	\$ 161,846	5%
HR Software Upgrade	\$ 73,673	\$ 250,000	\$ 176,327	29%
Trapeze Pass Customer Certification Software	\$ -	\$ 5,000	\$ 5,000	0%
Automated Purchasing System Software	\$ 44,022	\$ 84,000	\$ 39,978	52%
Subtotal IT Projects	\$ 125,849	\$ 509,000	\$ 383,151	25%
<u>Facilities Repair & Improvements</u>				
MTC Lane Four Shelter Replacement	\$ -	\$ 75,000	\$ 75,000	0%
Repair, Reseal, Restripe (Sinkholes) - Operations	\$ -	\$ 4,000	\$ 4,000	0%
Subtotal Facilities Repairs & Improvements Projects	\$ -	\$ 79,000	\$ 79,000	0%



FY2011
CAPITAL BUDGET
For the month ending - October 31, 2010

	<u>YTD Actual</u>	<u>FY11 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Revenue Vehicle Replacement</u>				
Highway 17 Buses (5) - VTA - (Measure A)	\$ 157	\$ 2,500,000	\$ 2,499,843	0%
Subtotal Revenue Vehicle Replacements	\$ 157	\$ 2,500,000	\$ 2,499,843	0%
<u>Non-Revenue Vehicle Replacement</u>				
NONE	\$ -	\$ -	\$ -	0%
Subtotal Non-Revenue Vehicle Replacements	\$ -	\$ -	\$ -	0%
<u>Maint Equipment</u>				
NONE	\$ -	\$ -	\$ -	0%
Subtotal Non-Revenue Vehicle Replacements	\$ -	\$ -	\$ -	0%
<u>Office Equipment</u>				
NONE	\$ -	\$ -	\$ -	0%
Subtotal Office Equipment	\$ -	\$ -	\$ -	0%
TOTAL CAPITAL PROJECTS	\$ 854,936	\$ 13,282,932	\$ 12,427,996	6%



**FY2011
CAPITAL BUDGET
For the month ending - October 31, 2010**

	<u>YTD Actual</u>	<u>FY11 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>CAPITAL FUNDING</u>				
Federal Capital Grants	\$ 257,884	\$ 7,488,451	\$ 7,230,567	3%
State - Measure A - (VTA)	\$ 157	\$ 2,500,000	\$ 2,499,843	0%
State - PTMISEA (1B)	\$ 372,056	\$ 891,938	\$ 519,882	42%
State Security Bond Funds (1B)	\$ 63,054	\$ 820,505	\$ 757,451	8%
State - CalTrans (Section 5311)	\$ -	\$ 267,464	\$ 267,464	0%
Traffic Congestion Relief Program - (TCRP)	\$ 21,696	\$ 617,333	\$ 595,637	4%
State Transit Assistance (STA) (Carryover)-Prior Yrs	\$ 140,089	\$ 697,241	\$ 557,152	20%
Local Operating Match	\$ -	\$ -	\$ -	0%
TOTAL CAPITAL FUNDING	\$ 854,936	\$ 13,282,932	\$ 12,427,996	6%

* Budget transfer from FY10 to FY11 for unspent funds on the Trapeze IVR project was approved at the 10/22 BOD meeting.

Attachment A

FY 11 BUDGET LINE ITEM TRANSFERS For the month ending - October 31, 2010

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
TRANSFER # FY11-11			
TRANSFER FROM:	501021-2200	Other Salaries	\$ (9,000)
TRANSFER TO:	503041-2200	Temp Help	\$ 9,000
REASON:	Temporary Worker Needed due to Extended Leaves.		
TRANSFER # FY11-12			
TRANSFER FROM:	504012-3100	Fuel/Lube Rev Veh	\$ (4,233)
TRANSFER TO:	505031-3100	Telecommunications	\$ 4,233
REASON:	Payment for AT&T digital phone line to be installed.		
TRANSFER # FY11-19			
TRANSFER FROM:	501021-3200	Other Salaries	\$ (5,000)
	502109-3200	Sick Leave	\$ (11,009)
TRANSFER TO:	503041-3200	Temp Help	\$ 16,009
REASON:	Need funds to cover Temp Help Budget through 09/30/10.		
TRANSFER # FY11-21			
TRANSFER FROM:	502101-1100	Holiday Pay	\$ (633)
	502109-1100	Sick Leave	\$ (2,533)
	502111-1100	Annual Leave	\$ (4,645)
	502121-1100	Other Paid Absences	\$ (396)
TRANSFER TO:	503041-1100	Temp Help	\$ 8,207
REASON:	To cover Temp Help expenses for Admin Assistant in Admin.		

7-2.a13

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR ACCOUNTS PAYABLE

DATE: 11/01/10 THRU 11/30/10

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
37609	11/01/10	840.14 002237	ACCESS OPTIONS, INC.			36476	OUT RPR REV VEH/PT	840.14	
37610	11/01/10	408.84 002918	AT BATTERY COMPANY			36475	APC BATTERY BACK-UP	408.84	
37611	11/01/10	486.28 001	AT&T			36477	REPEATERS/OPS	310.69	
						36478	REPEATERS/OPS	85.04	
						36479	OPS/DISPATCH PHONE	90.55	
37612	11/01/10	326.65 002189	BUS & EQUIPMENT			36480	REV VEH PARTS/PT	265.75	
37613	11/01/10	500.00 001113	CLARKE, SUSAN		7	36481	REV VEH PARTS/PT	60.90	
						36482	9/23-9/28 BUS AUDIT	125.00	
						36483	10/1-10/5 BUS AUDIT	125.00	
						36484	10/6-10/12 BUS AUDIT	125.00	
						36485	10/14-10/19 BUS AUDI	125.00	
37614	11/01/10	9,837.53 001124	CLEAN ENERGY			36486	LNG 10/7/10	9,837.53	
37615	11/01/10	184.00 367	COMMUNITY TELEVISION OF			36488	9/24 BOD MTG	184.00	
37616	11/01/10	22.30 002063	COSTCO			36487	10/22 BOD MTG	22.30	
37617	11/01/10	44.80 001004	COUNTY OF SANTA CRUZ			36489	PROGRAMMING	44.80	
37618	11/01/10	39,450.96 800	DELTA DENTAL PLAN			36550	NOV 10 DENTAL	39,450.96	
37619	11/01/10	4,516.02 085	DIXON & SON TIRE, INC.			36554	OCT TIRES & TUBES/FL	434.57	
						36555	OCT TIRES & TUBES/FL	3,678.88	
						36557	OCT TIRES & TUBES/FL	312.82	
37620	11/01/10	111.24 372	FEDERAL EXPRESS			36490	FRT OUT/FLT	111.24	
37621	11/01/10	39.00 E395	GARCIA, SAMUEL			36494	DMV FEES	39.00	
37622	11/01/10	3,536.94 001745	HARTFORD LIFE AND ACCIDENT INS			36551	NOV 10 LIFE/AD&D	3,536.94	
37623	11/01/10	110.23 166	HOSE SHOP, THE			36559	PARTS & SUPPLY/FL	53.07	
37624	11/01/10	16,240.47 002117	IULIANO		7	36560	REV VEH PARTS/FL	57.16	
						36495	111 DUBOIS RENT	12,769.62	
						36496	115 DUBOIS RENT	3,470.85	
37625	11/01/10	2,905.16 110	JESSICA GROCERY STORE, INC.			36497	CUSTODIAL SERVICES	2,905.16	
37626	11/01/10	448.59 002240	KLEEN-RITE PRESSURE WASHERS		7	36491	CLEANER RPR/WTC	448.59	
37627	11/01/10	2,881.72 001337	LAMAR BROTHERS TIRE SVC, INC.			36492	SEP TIRES & TUBES/FL	2,881.72	
37628	11/01/10	200.00 E182	LOGIUDICE, JASON			36498	11/7-11/12 GFI FBX	200.00	
37629	11/01/10	1,685.95 001119	MACERICH PARTNERSHIP LP		7	36499	CAPITOLA MALL RENT	1,685.95	
37630	11/01/10	780.00 001145	MANAGER HEALTH NETWORK			36493	NOV 10 EAP	780.00	
37631	11/01/10	336.59 041	MISSION UNIFORM			36500	UNIF & LAUNDRY/FL	171.49	
						36501	UNIF & LAUNDRY/FL	69.85	
						36502	UNIF & LAUNDRY/FAC	62.78	
						36503	UNIF & LAUNDRY/PT	32.47	
37632	11/01/10	3,570.06 001063	NEW FLYER INDUSTRIES LIMITED			36504	REV VEH PARTS/FL	3,221.46	
						36505	REV VEH PARTS/FL	293.57	
						36506	REV VEH PARTS/FL	55.03	
37633	11/01/10	5,295.84 043	PALACE ART & OFFICE SUPPLY			36507	MAINT BLDG FURN/MB	4,992.54	
						36508	OFFICE SUPPLY/ADM	8.74	
						36509	OFFICE SUPPLY/OPS	294.56	
37634	11/01/10	49.00 E603	PONS, JUAN			36511	DMV/VTT FEES	49.00	
37635	11/01/10	1,748.32 001149	PREFERRED PLUMBING, INC.			36510	RPR/VERNON & PACIFIC	1,748.32	
37636	11/01/10	107.82 107A	PROBUILD			36561	PARTS & SUPPLY/FL	3.73	
						36562	PARTS & SUPPLY/FL	0.77	
						36563	PARTS & SUPPLY/FL	8.56	
						36564	RPRS & MAINT/FAC	91.52	
						36565	PARTS & SUPPLY/FAC	3.24	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR ACCOUNTS PAYABLE

DATE: 11/01/10 THRU 11/30/10

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
37637	11/01/10	200.00 E081	REGAN, MICHAEL	36512	11/7-11/12	GFI FBX	200.00		
37638	11/01/10	1,533.76 001098	ROBERT HALF MANAGEMENT RESOURCE	36514	TEMP/RR W/E	10/8	734.40		
37639	11/01/10	200.00 E524	ROCHA, FEDERICO G.	36515	TEMP/ADM W/E	10/8	799.36		
37640	11/01/10	798.00 623	ROSSERO ENGINEERING LTD.	36513	11/7-11/12	GFI FBX	200.00		
37641	11/01/10	2,762.33 018	SALINAS VALLEY FORD SALES	36558	REV VEH PARTS/FL		798.00		
37642	11/01/10	230.66 135	SANTA CRUZ AUTO PARTS, INC.	36522	REV VEH PARTS/FL		1,711.13		
				36523	REV VEH PARTS/FL		1,051.20		
				36517	REV VEH PARTS/PT		20.83		
				36518	REV VEH PARTS/PT		145.82		
				36519	SUPPLY/REV VEH PT/FL		60.20		
				36520	REV VEH PARTS/FL		3.81		
37643	11/01/10	27.20 848	SANTA CRUZ ELECTRONICS, INC.	36521	OFFICE SUPPLY/IT		27.20		
37644	11/01/10	9,259.08 079	SANTA CRUZ MUNICIPAL UTILITIES	36525	9/15-10/13	1217 RV M	115.90		
				36526	9/15-10/13	VERNON	438.71		
				36527	9/15-10/13	1200A RVR	2,616.58		
				36528	9/15-10/13	VERNON	58.17		
				36529	9/15-10/13	GOLF	1,201.91		
				36530	BUS STOP BINS		558.40		
				36531	9/15-10/13	111 DUB	67.92		
				36532	9/15-10/13	1200B RVR	1,186.49		
				36533	9/15-10/13	PACIFIC	86.16		
				36534	9/15-10/13	PACIFIC	2,640.77		
				36535	9/15-10/13	111 DUB	16.16		
				36536	9/15-10/13	GOLF	271.91		
37645	11/01/10	12,461.74 001075	SOQUEL III ASSOCIATES	7	RESEARCH PARK RENT		12,461.74		
37646	11/01/10	509.20 001232	SPECIALIZED AUTO AND		OUT RPR REV VEH/PT		509.20		
37647	11/01/10	134.67 104	STATE STEEL COMPANY	0	PARTS & SUPPLY/FLT		89.24		
				36538	PARTS & SUPPLY/FL		45.43		
				36539	DMV/VTT FEES		49.00		
37648	11/01/10	49.00 E464	TOVAR, SERENA		FRT OUT/FLT		27.73		
37649	11/01/10	27.73 007	UNITED PARCEL SERVICE		REV VEH PARTS/FL		32.88		
37650	11/01/10	3,541.44 002829	VALLEY POWER SYSTEMS, INC.		REV VEH PARTS/FL		3,322.79		
				36542	REV VEH PARTS/FL		185.77		
				36543	REV VEH PARTS/FL		90.02		
37651	11/01/10	90.02 434	VERIZON WIRELESS	0	PC CARDS/ADM		11,357.50		
37652	11/01/10	11,357.50 001043	VISION SERVICE PLAN		NOV 10 VSP		7,280.84		
37653	11/01/10	7,280.84 001083	WATSONVILLE TRANSPORTATION, INC		SEPT 10 PT SVCS		591.15		
37654	11/01/10	4,381.75 186	WILSON, GEORGE H., INC.		HVAC RPR/PACIFIC		115.00		
				36548	SVCE/PACIFIC		3,675.00		
				36549	LIFT STN PUMP/1200 R		200.00		
37656	11/08/10	200.00 001016	ALLARD'S SEPTIC SERVICE	7	HAZ WASTE DISP		42.60		
37657	11/08/10	214.83 002861	AMERICAN MESSAGING SVCS, LLC		NOV PAGERS/FLT		172.23		
				36577	NOV PAGERS/FAC		1,069.04		
37658	11/08/10	1,069.04 001312	ANTHEM BLUE CROSS		NOV 10 PERS CHOICE		17,623.50		
37659	11/08/10	17,623.50 941	ASSURANT EMPLOYEE BENEFITS		NOV 10 LTD		275.00		
37660	11/08/10	275.00 247	AUTOMATIC DOOR SYSTEMS, INC.		SVCE CALL/VERNON		35.59		
37661	11/08/10	35.59 001112	BRINKS AWARDS & SIGNS	7	NAMEPLATES/FIN		50.00		
37662	11/08/10	50.00 B018	BUSTICHI, DENE	7	10/22 BOD MTG		50.00		
37663	11/08/10	5,000.00 001324	CAPITALEGE ADVOCACY, LLC		NOV 10 FED LEG SVCS		5,000.00		
37664	11/08/10	1,958.84 667	CITY OF SCOTT'S VALLEY		BLURBONNET/WASTEWATR		1,958.84		
37665	11/08/10	50.00 B014	CITY OF WATSONVILLE		10/22 BOD MTG		50.00		

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR ACCOUNTS PAYABLE

DATE: 11/01/10 THRU 11/30/10

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
37666	11/08/10	34,761.62	001124		CLEAN ENERGY		36583	LNG 10/10/10	9,050.90	
							36584	LNG 10/13/10	8,172.27	
							36585	LNG 10/16/10	9,889.22	
							36586	LNG 10/19/10	7,649.23	
37667	11/08/10	25.00	R591		CULP, JANET L.Ac., Dipl. O.M.		36642	MEDICAL RECORDS	25.00	
37668	11/08/10	764.48	504		CUMMINS WEST, INC.		36582	REV VEH PARTS/FL	764.48	
37669	11/08/10	8,113.08	001316		DEVCO OIL		36595	10/1-10/15 UNL/PT	8,113.08	
37670	11/08/10	3,896.28	085		DIXON & SON TIRE, INC.		36589	OCT TIRES & TUBES/FL	463.47	
							36590	OCT TIRES & TUBES/FL	66.00	
							36591	OCT TIRES & TUBES/FL	927.64	
							36592	OCT TIRES & TUBES/FL	853.34	
							36593	OCT TIRES & TUBES/FL	716.68	
							36594	OCT TIRES & TUBES/FL	869.15	
37671	11/08/10	1,163.99	001329		DOC AUTO LLC		36587	OUT RPR REV VEH/PT	1,049.87	
							36588	OUT RPR REV VEH/PT	114.12	
37672	11/08/10	743.88	001492		EVERGREEN OIL INC.		36598	HAZ WASTE DISP	743.88	
37673	11/08/10	1,788.75	432		EXPRESS EMPLOYMENT PROS		36596	TEMP/FAC W/E 10/10	888.75	
							36597	TEMP/FAC W/E 10/17	900.00	
37674	11/08/10	767.46	R590		FERNANDEZ, JESICA SIHAM		36600	SETTLEMENT/RISK	767.46	
37675	11/08/10	526.40	447		FERRIS HOIST & REPAIR, INC.		36599	EMERG RPR/DRIVE CHN	526.40	
37676	11/08/10	346.38	282		GRAINGER		36601	RPRS & MAINT/FAC	123.90	
							36602	CR RPRS & MAINT/FAC	-123.90	
							36603	SAFETY SUPPLY/FAC	234.95	
							36604	RPRS & MAINT/FAC	111.43	
37677	11/08/10	50.00	B023		GRAVES, RON		36567	10/22 BOD MTG	50.00	
37678	11/08/10	50.00	B021		HAGEN, DONALD N.	7	36568	10/22 BOD MTG	50.00	
37679	11/08/10	50.00	B006		HINKLE, MICHELLE	7	36569	10/22 BOD MTG	50.00	
37680	11/08/10	105.64	215		IKON OFFICE SOLUTIONS		36605	9/19-10/18 BK MNT/AD	105.64	
37681	11/08/10	201.50	852		LAW OFFICES OF MARIE F. SANG	7	36606	WORK COMP FEE	201.50	
37682	11/08/10	50.00	B026		LEOPOLD, JOHN	7	36570	10/22 BOD MTG	50.00	
37683	11/08/10	1,392.72	511		LUMINATOR HOLDING LP		36609	REV VEH PARTS/FL	297.28	
							36610	REV VEH PARTS/FL	1,095.44	
37684	11/08/10	776.05	001296		MATTHEW BENDER & CO., INC.		36607	EMP LAW REL #23	226.15	
							36608	CA EMP LAW REL #42	549.90	
37685	11/08/10	202.86	225		MISSION PRINTERS	7	36614	PRINTING/MTC	202.86	
37686	11/08/10	302.46	041		MISSION UNIFORM		36611	UNIF & LAUNDRY/FAC	61.12	
							36612	UNIF & LAUNDRY/FL	69.85	
							36613	UNIF & LAUNDRY/FL	171.49	
37687	11/08/10	341.64	001063		NEW FLYER INDUSTRIES LIMITED		36616	REV VEH PARTS/FL	261.05	
							36617	REV VEH PARTS/FL	80.59	
37688	11/08/10	335.83	002323		NORTHERN SAFETY CO., INC.		36615	SAFETY SUPPLY/FL	335.83	
37689	11/08/10	67.71	043		PALACE ART & OFFICE SUPPLY		36644	OFFICE SUPPLY/LGL	67.71	
37690	11/08/10	1,600.00	950		PARADISE LANDSCAPE INC	0	36621	TREE TRIM/OPS	1,600.00	
37691	11/08/10	494.00	481		PIED PIPER EXTERMINATORS, INC.		36618	OCT PEST CTRL	70.00	
							36619	OCT PEST CTRL	183.00	
							36620	OCT PEST CTRL	241.00	
37692	11/08/10	105.06	107A		PROBUILD		36622	RPRS & MAINT/FAC	3.33	
							36623	PARTS & SUPPLY/FAC	11.41	
							36624	RPRS & MAINT/FAC	26.26	
							36625	PARTS & SUPPLY/FL	64.06	

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37693	11/08/10	2,732.80 001098	ROBERT HALF MANAGEMENT RESOURCE	7	36645	TEMP/ADM W/E 10/15	999.20		
37694	11/08/10	50.00 B022	ROBINSON, LYNN MARIE	7	36646	TEMP/ADM W/E 10/22	999.20		
37695	11/08/10	50.00 B015	ROTKIN, MIKE	7	36647	TEMP/RR W/E 10/15	734.40		
37696	11/08/10	20,211.75 966	S.C. FUELS	0	36571	10/22 BOD MTG	50.00		
37697	11/08/10	138.06 018	SALINAS VALLEY FORD SALES		36572	10/22 BOD MTG	50.00		
37698	11/08/10	15.90 001944	SANTA CRUZ COUNTY LAW LIBRARY		36630	REV VEH PARTS/FL	20,211.75		
37699	11/08/10	240.00 001292	SANTA CRUZ RECORDS MNGMT INC		36627	QUARTERLY COPY CHRG	15.90		
37700	11/08/10	2,290.07 002459	SCOTT'S VALLEY WATER DISTRICT		36648	SHRED SERVICES	240.00		
37701	11/08/10	922.93 001232	SPECIALIZED AUTO AND		36649	8/10-10/8 SVTC	2,290.07		
37702	11/08/10	5,827.50 001360	SPECTRUM HUMAN RESOURCE		36628	OUT RPR REV VEH/PT	522.28		
37703	11/08/10	50.00 B017	STONE, MARK	7	36629	OUT RPR REV VEH/PT	400.65		
37704	11/08/10	300.00 001165	THANH N. VU MD	7	36650	iVANTAGE IMPLM/PLN	5,827.50		
37705	11/08/10	65.70 007	UNITED PARCEL SERVICE		36573	10/22 BOD MTG	50.00		
37706	11/08/10	10.96 946	UNITED SITE SERVICES		36631	EMPLOY EXAM/OPS	75.00		
37707	11/08/10	1,113.92 002829	VALLEY POWER SYSTEMS, INC.		36632	EMPLOY EXAM/OPS	225.00		
37708	11/08/10	54.57 434B	VERIZON CALIFORNIA		36633	FRT OUT/FLT	65.70		
37709	11/08/10	1,088.92 001223	WATSONVILLE CADILLAC, BUICK,		36634	10/13-11/9 RENTAL	10.96		
37710	11/08/10	54.59 147	ZEE MEDICAL SERVICE CO.		36635	REV VEH PARTS/FL	149.07		
37711	11/04/10	1,000.00 001140	UNIVERSITY INN &		36636	REV VEH PARTS/FL	964.85		
37712	11/15/10	236.91 001088	ADVANCED MECHANICAL SERVICES	7	36637	MT BIEWLASKI	54.57		
37713	11/15/10	85.00 497B	APTA		36638	REV VEH PARTS/PT	79.68		
37714	11/15/10	4,382.95 001D	AT&T		36639	REV VEH PARTS/PT	1,009.24		
37715	11/15/10	8,250.00 001348	ATHENS INSURANCE SERVICE, INC.		36640	SAFETY SUPPLY/FAC	54.59		
37716	11/15/10	3,940.68 059	BATTERIES USA, INC.		36651	SECURITY DEPOSIT	1,000.00		
37717	11/15/10	774.00 011	BEWLEYS CLEANING		36747	TEST/RPRS SVTC	236.91		
37718	11/15/10	414.93 001275	BROADLUX, INC.		36770	AD/CHANCE TROLLEY	85.00		
37719	11/15/10	792.64 002189	BUS & EQUIPMENT		36748	9/19-10/18 PHONES	4,382.95		
37720	11/15/10	245.51 E312	CHENG, FRANK		36764	NOV 10 WORK COMP FEE	8,250.00		
37721	11/15/10	94.75 001346	CITY OF SANTA CRUZ		36654	REV VEH PARTS/FL	3,940.68		
37722	11/15/10	250.00 001113	CLARKE, SUSAN	7	36655	OCT JANITORIAL	774.00		
37723	11/15/10	17,469.19 001124	CLEAN ENERGY		36653	OCT SERVICE	414.93		
37724	11/15/10	3,321.34 504	CUMMINS WEST, INC.		36771	REV VEH PARTS/PT	792.64		
37725	11/15/10	2,151.68 480	DIESEL MARINE ELECTRIC, INC.		36765	6/26-7/25 VERIZON	60.07		
37726	11/15/10	240.00 002925	DIETRICH IRON WORKS, INC.		36766	7/26-8/25 VERIZON	60.07		
37727	11/15/10	7,933.72 085	DIXON & SON TIRE, INC.		36767	8/26-9/25 VERIZON	60.07		
					36768	9/26-10/25 VERIZON	60.07		
					36656	KITE HILL 2009/2010	65.30		
					36657	10/21-10/26 BUS AUD	94.75		
					36749	10/27-11/2 BUS AUDIT	125.00		
					36660	LNG 10/22/10	125.00		
					36661	LNG 10/25/10	9,113.96		
					36658	REV VEH PARTS/FL	8,355.23		
					36659	REV VEH PARTS/FL	1,579.30		
					36772	REV VEH PARTS/FL	1,273.89		
					36774	REV VEH PARTS/FL	468.15		
					36773	HANDRAIL ADA CMPLIAN	2,151.68		
					36664	OCT TIRES & TUBES/PT	240.00		
					36665	OCT TIRES & TUBES/PT	267.86		
					36666	OCT TIRES & TUBES/PT	226.87		
							469.73		

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37728	11/15/10	1,376.00	001329		DOC AUTO LLC			OCT TIRES & TUBES/FL	19.10	
37729	11/15/10	86.80	002388		DOGHERRA'S			OCT TIRES & TUBES/FL	47.75	
37730	11/15/10	900.00	432		EXPRESS EMPLOYMENT PROS	7		OCT TIRES & TUBES/FL	9.55	
37731	11/15/10	131.14	372		FEDERAL EXPRESS			OCT TIRES & TUBES/PT	113.43	
37732	11/15/10	637.96	001172		FERGUSON ENTERPRISES INC.			OCT TIRES & TUBES/FL	997.65	
37733	11/15/10	280.00	632		GOVERNMENT FINANCE OFFICERS			OCT TIRES & TUBES/FL	1,762.52	
37734	11/15/10	2,024.66	282		GRAINGER			OCT TIRES & TUBES/FL	469.53	
37735	11/15/10	44,883.00	001035		HARRIS & ASSOCIATES			OCT TIRES & TUBES/FL	728.79	
37736	11/15/10	401.68	166		HOSE SHOP, THE			OCT TIRES & TUBES/FL	978.34	
37737	11/15/10	830.14	001209		IKON FINANCIAL SERVICES			OCT TIRES & TUBES/FL	444.01	
37738	11/15/10	556.65	001355		ITT SHARED SERVICES			OCT TIRES & TUBES/FL	1,398.59	
37739	11/15/10	1,760.98	001233		KIMBALL MIDWEST			OCT RPR REV VEH/PT	820.40	
37740	11/15/10	16,120.73	001337		LAMAR BROTHERS TIRE SVC, INC.			OUT RPR REV VEH/PT	555.60	
37741	11/15/10	3,732.45	852		LAW OFFICES OF MARIE F. SANG	7		OUT RPR REV VEH/PT	555.60	
37742	11/15/10	50.00	880		LEXISNEXIS			OUT RPR REV VEH/PT	86.80	
37743	11/15/10	49.00	E325		MALDONADO, ROBERT			TEMP/FAC W/E 10/24	900.00	
37744	11/15/10	39.00	E089		MENDOZA, MARISELA			POSTAGE/MAILING MB	20.00	
37745	11/15/10	336.91	041		MISSION UNIFORM			SAFE & CLN SUPPLY/FL	588.40	
37746	11/15/10	252.80	001063		NEW FLYER INDUSTRIES LIMITED			RPRS & MAINT/FAC	502.89	
								RPRS & MAINT/FAC	933.37	
								PROF SVCS THRU 9/30	44,883.00	
								PARTS & SUPPLY/FLT	101.77	
								REV VEH PARTS/FL	116.56	
								PARTS & SUPPLY/FLT	183.35	
								10/18-11/17/OPS	438.83	
								REV VEH PARTS/FL	391.31	
								PARTS & SUPPLY/FL	556.65	
								CR PARTS & SUPPLY/FL	1,811.08	
								CR REV VEH PARTS/FL	-50.10	
								REV VEH PARTS/FL	-66.80	
								OCT TIRES & TUBES/FL	66.80	
								WORK COMP FEE	16,120.73	
								WORK COMP FEE	756.45	
								WORK COMP FEE	790.50	
								WORK COMP FEE	434.00	
								WORK COMP FEE	93.00	
								WORK COMP FEE	1,348.50	
								OCT ACCESS CHARGES	310.00	
								DMV/VTT FEES	50.00	
								DMV/VTT FEES	49.00	
								UNIF & LAUNDRY/FL	39.00	
								UNIF & LAUNDRY/FL	171.49	
								UNIF & LAUNDRY/FAC	69.85	
								UNIF & LAUNDRY/PT	62.78	
								REV VEH PARTS/FL	32.79	
								REV VEH PARTS/FL	58.99	
								REV VEH PARTS/FL	47.96	
								REV VEH PARTS/FL	53.98	

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37747	11/15/10	28,935.20	001176	NORTHSTAR, INC.		36759	REV VEH PARTS/FL	91.87	
						36697	OIL INJECTION SYSTEM	13,255.00	
						36698	PRTS FOR RPR/FUEL ST	838.20	
						36699	OCT MAINT	14,842.00	
37748	11/15/10	12,963.36	009	PACIFIC GAS & ELECTRIC		36709	9/28-10/26 1122 RVR	51.60	
						36710	9/28-10/27 115 DUB	14.24	
						36711	9/28-10/27 115 DUB	8.68	
						36712	9/28-10/27 111 DUB	358.04	
						36713	9/29-10/27 GOLF	6,075.55	
						36714	9/28-10/26 1200 RVR	1,259.57	
						36715	9/28-10/27 115 DUB	127.64	
						36716	9/29-10/26 VERNON	4,914.23	
						36760	9/29-10/27 1217 MB	153.81	
37749	11/15/10	84.30	043	PALACE ART & OFFICE SUPPLY		36704	OFFICE SUPPLY/PT	84.30	
37750	11/15/10	87.85	950	PARADISE LANDSCAPE INC	0	36705	WTC/IRRIGATION SVCE	87.85	
37751	11/15/10	283.40	001343	PC CONNECTION SALES CORP		36703	NETWORK SWITCHES	283.40	
37752	11/15/10	101.50	481	PIED PIPER EXTERMINATORS, INC.		36717	OCT PEST CTRL	53.00	
						36718	OCT PEST CTRL	48.50	
37753	11/15/10	781.09	001149	PREFERRED PLUMBING, INC.		36719	SVCE CALL/PACIFIC	781.09	
37754	11/15/10	97.46	882	PRINT SHOP SANTA CRUZ	7	36706	PRINT/MTC	97.46	
37755	11/15/10	170.71	107A	PROBUILD		36707	RPRS & MAINT/FAC	98.79	
						36708	RPRS & MAINT/FAC	71.92	
37756	11/15/10	2,930.00	001071	QQUEST SOFTWARE SYSTEMS, INC.	7	36789	10/1-9/30/11 MAINT	2,930.00	
37757	11/15/10	135.66	002921	REDDIG COMMUNICATIONS		36782	REPLACE JACKS/MMF	135.66	
37758	11/15/10	1,185.75	001098	ROBERT HALF MANAGEMENT RESOURCE		36761	TEME/RR W/E 10/22	1,185.75	
37759	11/15/10	20,762.46	966	S.C. FUELS	0	36729	DIESEL 10/22/10	20,762.46	
37760	11/15/10	50.26	018	SALINAS VALLEY FORD SALES		36730	REV VEH PARTS/FL	50.26	
37761	11/15/10	356.24	135	SANTA CRUZ AUTO PARTS, INC.		36721	CR REV VEH PARTS/PT	-0.67	
						36722	REV VEH PARTS/PT	304.71	
						36723	REV VEH PARTS/FL	73.22	
						36724	PARTS & SUPPLY/FL	13.90	
						36725	SAFETY SUPPLY/FL	18.55	
						36726	REV VEH PARTS/FL	17.71	
						36784	CR REV VEH PARTS/PT	-71.18	
37762	11/15/10	48,351.34	002917	SANTA CRUZ METRO TRANSIT DIST	0	36720	10/1-10/31 WC FUND	48,351.34	
37763	11/15/10	193.70	149	SANTA CRUZ SENTINEL		36762	ADS/ADM	193.70	
37764	11/15/10	1,012.50	002924	SIEMENS INDUSTRY, INC.		36783	ALARM PANEL RPR/OPS	1,012.50	
37765	11/15/10	563.04	001232	SPECIALIZED AUTO AND		36727	OUT RPR REV VEH/PT	135.61	
						36728	OUT RPR REV VEH/PT	427.43	
37766	11/15/10	1,025.00	002871	STATE ELECTRIC GENERATOR		36652	GENERATOR/VERNON	1,025.00	
37767	11/15/10	1,286.92	002207	T.Y. CUSTOM DESIGN	0	36763	PATCHES/OPS	1,286.92	
37768	11/15/10	427.05	366	TENNANT COMPANY		36733	PARTS & SUPPLY/FLT	427.05	
37769	11/15/10	150.00	001165	THANH N. VU MD	7	36732	EMPLOY EXAM/PT	75.00	
						36785	EMPLOY EXAM/OPS	75.00	
37770	11/15/10	1,218.57	001800	THERMO KING OF SALINAS, INC		36731	REV VEH PARTS/FL	1,218.57	
37771	11/15/10	34.52	007	UNITED PARCEL SERVICE		36734	FRT OUT/FLT	34.52	
37772	11/15/10	4,161.43	002829	VALLEY POWER SYSTEMS, INC.		36735	REV VEH PARTS/FL	1,116.41	
						36736	CR REV VEH PARTS/FL	-1,116.33	
						36737	REV VEH PARTS/FL	3.70	
						36738	REV VEH PARTS/FL	64.62	

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37773	11/15/10	608.97	221	VEHICLE MAINTENANCE PROGRAM		36742	REV VEH PARTS/FL	608.97	
37774	11/15/10	471.42	001223	WATSONVILLE CADILLAC, BUICK,		36743	REV VEH PARTS/PT	251.42	
						36744	REV VEH PARTS/PT	110.00	
						36787	REV VEH PARTS/PT	110.00	
37775	11/15/10	70.00	682	WEISS, AMY L.	7	36745	10/22/10 BOD MTG	70.00	
37776	11/15/10	247.75	R580	WESTCOAST LEGAL SERVICE	7	36746	SC 03-10-06	144.95	
						36788	SC 03-10-06	102.80	
37777	11/12/10	876.45	T208	VALDIVIA, JUAN AND		36790	SECURITY DEPOSIT	876.45	
37778	11/22/10	926.91	020	ADT SECURITY SERVICES INC.		36910	12/1-2/28 RVR ALARMS	449.04	
						36911	DEC ALARMS	104.23	
						36912	DEC ALARMS	93.24	
						36913	DEC ALARMS	49.23	
						36914	DEC ALARMS	49.23	
						36915	DEC ALARMS	68.89	
						36916	DEC ALARMS	45.05	
						36917	DEC ALARMS	68.00	
37779	11/22/10	245.00	001093	ALERE TOXICOLOGY SERVICES, INC		36792	EMPLOY EXAMS	245.00	
37780	11/22/10	1,200.00	002928	ANDRES LANDSCAPING	7	36791	GROUND CLEAN/DUBOIS	1,200.00	
37781	11/22/10	36,523.51	001264	ANDREWS INTERNATIONAL INC		36907	9/27-10/31 SECURITY	36,523.51	
37782	11/22/10	406.27	001	AT&T		36918	OPS PHONE	95.58	
						36919	REPEATERS/OPS	310.69	
37783	11/22/10	14,002.43	664	BAY COUNTIES PITCOCK PETROLEUM		36793	RPRS & MAINT/FAC	224.51	
						36794	CR RPRS & MAINT/FAC	-224.51	
						36795	RPRS & MAINT/FAC	222.99	
						36796	LUBE/FLT	13,873.82	
						36797	CR LUBE/FLT	-13,873.82	
						36798	LUBE/FLT	13,779.44	
37784	11/22/10	2,716.80	001356	BRENCO OPERATING-TEXAS, LP	7	36873	REV VEH PARTS/FL	2,716.80	
37785	11/22/10	9,000.00	616	BROWN ARMSTRONG		36874	FY10 AUDIT SVCS	9,000.00	
37786	11/22/10	1,182.66	001346	CITY OF SANTA CRUZ		36800	STORM WATER/LEVY	1,182.66	
37787	11/22/10	18,612.44	001124	CLEAN ENERGY		36801	LNG 10/28/10	9,664.91	
						36802	LNG 10/31/10	8,947.53	
37788	11/22/10	1,305.00	001084	CLUTCH COURIERS	7	36799	OCT 10 MAIL P/U	1,305.00	
37789	11/22/10	1,624.76	075	COAST PAPER & SUPPLY INC.		36803	CLEAN SUPPLY/FAC	1,624.76	
37790	11/22/10	134.73	001266	COMCAST		36875	11/8-12/7 INTERNET MB	134.73	
37791	11/22/10	324.80	001004	COUNTY OF SANTA CRUZ		36929	OCT EMAIL/MAINT	324.80	
37792	11/22/10	2,211.19	504	CUMMINS WEST, INC.		36804	REV VEH PARTS/FL	2,211.19	
37793	11/22/10	381.64	001000	DAIMLER BUSES N. AMERICA INC.		36552	REV VEH PARTS/FL	71.15	
						36553	CR REV VEH PARTS/FL	-641.30	
						36662	REV VEH PARTS/FL	310.50	
						36663	CR REV VEH PARTS/FL	-213.77	
						36806	REV VEH PARTS/FL	855.06	
						36807	CR REV VEH PARTS/FL	-855.06	
						36808	REV VEH PARTS/FL	855.06	
						36809	CR REV VEH PARTS/FL	-855.06	
						36810	REV VEH PARTS/FL	855.06	

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37794	11/22/10	11,786.00 001316	DEVCO OIL			36815	OCT FUEL/FLT	3,748.99	
37795	11/22/10	4,544.34 085	DIXON & SON TIRE, INC.			36816	10/16-10/31 UNL/PT	8,037.01	
						36811	OCT TIRES & TUBES/PT	242.87	
						36812	OCT TIRES & TUBES/FL	978.34	
						36813	OCT TIRES & TUBES/FL	1,878.11	
						36814	OCT TIRES & TUBES/FL	1,199.05	
						36876	NOV TIRE & TUBES/PT	226.87	
37796	11/22/10	1,876.86 001329	DOC AUTO LLC			36920	OCT TIRES & TUBES/FL	19.10	
						36817	OUT RPR REV VEH/PT	720.67	
37797	11/22/10	505.00 916	DOCTORS ON DUTY MEDICAL GROUP			36818	OUT RPR REV VEH/PT	1,156.19	
						36890	EMPLOY EXAM	35.00	
						36891	EMPLOY EXAM	35.00	
						36892	EMPLOY EXAM	30.00	
						36893	EMPLOY EXAM	35.00	
						36894	EMPLOY EXAM	30.00	
						36895	EMPLOY EXAM	35.00	
						36896	EMPLOY EXAM	30.00	
						36897	EMPLOY EXAM	30.00	
						36898	EMPLOY EXAM	30.00	
						36899	EMPLOY EXAM	30.00	
						36900	EMPLOY EXAM	30.00	
						36901	EMPLOY EXAM	35.00	
						36902	EMPLOY EXAM	30.00	
						36903	EMPLOY EXAM	30.00	
						36904	EMPLOY EXAM	30.00	
						36905	EMPLOY EXAM	30.00	
37798	11/22/10	126.80 002388	DOGHERRA'S		7	36805	OUT RPR REV VEH/PT	71.80	
						36924	OUT RPR REV VEH/PT	55.00	
37799	11/22/10	500.00 002862	ECOLOGICAL CONCERNS INC.			36877	WATER DRAIN/OCT MB	500.00	
37800	11/22/10	900.00 432	EXPRESS EMPLOYMENT PROS			36819	TEMP/FAC W/E 10/31	900.00	
37801	11/22/10	29.96 372	FEDERAL EXPRESS			36820	FLT CAP PROJECT MAIL	29.96	
37802	11/22/10	171.15 959	FIRST ADVANTAGE CORPORATION			36821	EMPLOY EXAMS	171.15	
37803	11/22/10	212.80 001302	GARDA CL WEST, INC.			36826	SEPT EXCESS LIAB	3.60	
						36827	OCT EXCESS LIAB	1.20	
37804	11/22/10	1,492.25 117	GILLIG LLC			36828	NOV ARMORED CAR SVC	208.00	
37805	11/22/10	813.42 282	GRAINGER			36878	REV VEH PARTS/FL	1,492.25	
						36829	RPRS & MAINT/FAC	461.22	
						36925	PARTS & SUPPLY/FAC	272.85	
						36926	RPRS & MAINT/FAC	79.35	
37806	11/22/10	551.67 001097	GREENWASTE RECOVERY, INC.			36823	OCT GARB/WT HERMON	88.90	
						36824	OCT GARB/SVTC	227.94	
						36825	OCT GARB/GRN VALLEY	18.02	
						36872	OCT GARB/RES PARK	216.81	
37807	11/22/10	41,575.50 001035	HARRIS & ASSOCIATES			36879	PROF SVCS THRU 10/31	41,388.00	
37808	11/22/10	115.33 510A	HASLER, INC.			36880	PROF SVCS THRU 10/31	187.50	
37809	11/22/10	16,240.47 002117	IULIANO		7	36830	12/1-12/31 RENT/PT	43.06	
						36831	12/1-12/31 RENT/ADM	72.27	
						36832	111 DUBOIS RENT	12,769.62	
						36833	115 DUBOIS RENT	3,470.85	
37810	11/22/10	9,900.00 002914	IXP CORPORATION			36908	8/21-9/24 PROF SVCS	4,860.00	

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37811	11/22/10	2,905.16	110	JESSICA GROCERY STORE, INC.		36909	9/25-10/22 PROF SVCS	5,040.00	
37812	11/22/10	499.32	039	KINKO'S INC.		36834	CUSTODIAL SERVICES	2,905.16	
37813	11/22/10	252.66	E117	LIPPERD, SANDRA		36822	FARE MEDIA PRINT	499.32	
37814	11/22/10	1,685.95	001119	MACERICH PARTNERSHIP LP	7	36871	MEDICAL PREMIUMS	252.66	
37815	11/22/10	1,725.00	001330	MAXIM HEALTH SYSTEMS, LLC		36835	CAPITOLA MALL RENT	1,685.95	
37816	11/22/10	1,003.29	001342	MCW ASSOCIATES, INC.		36881	FLU SHOTS	1,725.00	
37817	11/22/10	1,115.67	001052	MID VALLEY SUPPLY		36836	OCT OUT RPR/PT	1,003.29	
37818	11/22/10	310.63	041	MISSION UNIFORM		36837	CLEAN SUPPLY/FL	1,115.67	
						36838	UNIF & LAUNDRY//FL	61.12	
						36839	UNIF & LAUNDRY/FL	79.90	
37819	11/22/10	20.48	288	MUNCIE TRANSIT SUPPLY		36840	UNIF & LAUNDRY/FL	169.61	
37820	11/22/10	10,192.18	001063	NEW FLYER INDUSTRIES LIMITED		36841	REV VEH PARTS/FL	20.48	
						36842	REV VEH PARTS/FL	104.24	
						36843	REV VEH PARTS/FL	3.84	
						36844	REV VEH PARTS/FL	1,986.83	
						36845	REV VEH PARTS/FL	1,029.96	
						36846	REV VEH PARTS/FL	6,228.28	
						36882	REV VEH PARTS/FL	517.95	
						36883	REV VEH PARTS/FL	316.49	
						36927	REV VEH PARTS/FL	4.59	
37821	11/22/10	1,521.62	002721	NEXTEL COMMUNICATIONS		36847	10/4-11/3/PT	1,521.62	
37822	11/22/10	91.69	161	OCEAN CHEVROLET		36848	REV VEH PARTS/FL	91.69	
37823	11/22/10	1,740.00	E645	OLANDER, JOY		36849	EDUCATION EXP	1,650.00	
						36850	EDUCATION EXP	90.00	
37824	11/22/10	5,244.00	009	PACIFIC GAS & ELECTRIC		36851	10/1-10/31 PACIFIC	2,747.19	
						36921	10/7-11/5 SVTC	13.84	
						36922	9/28-11/05 SVTC	2,482.97	
37825	11/22/10	127.00	001153	REPUBLIC ELEVATOR COMPANY		36854	NOV ELEVATOR MAINT	127.00	
37826	11/22/10	22,432.44	904	RNL DESIGN		36884	PROF SVCS THRU 5/31	3,617.50	
						36885	PROF SVCS THRU 7/31	18,814.94	
37827	11/22/10	2,200.25	001098	ROBERT HALF MANAGEMENT RESOURCE		36852	TEMP/ADM W/E 10/29	999.20	
37828	11/22/10	2,262.81	018	SALINAS VALLEY FORD SALES		36853	TEMP/RR W/E 10/29	1,201.05	
37829	11/22/10	818.21	135	SANTA CRUZ AUTO PARTS, INC.		36928	REV VEH/SAFETY/FL	2,262.81	
						36856	PARTS & SUPPLY/FL	51.47	
						36857	REV VEH PARTS/PT	272.14	
						36858	SMALL TOOLS/FL	61.30	
						36859	REV VEH/ERT SUPP/FL	144.24	
						36860	REV VEH PARTS/FL	75.94	
						36861	SMALL TOOLS/FL	16.74	
						36886	REV VEH PARTS/FL	65.37	
						36887	REV VEH PARTS/FL	131.01	
37830	11/22/10	7,703.44	977	SANTA CRUZ TRANSPORTATION, LLC	7	36855	OCT 10 PT SVCS	7,703.44	
37831	11/22/10	2,500.00	002267	SHAW / YODER / ANTIWTH, INC.		36852	NOV 10 LEG SVCS	2,500.00	
37832	11/22/10	12,461.74	001075	SOQUEL III ASSOCIATES	7	36865	RESEARCH PARK RENT	12,461.74	
37833	11/22/10	1,800.64	001232	SPECIALIZED AUTO AND		36863	OUT RPR REV VEH/PT	522.28	
						36864	OUT RPR REV VEH/PT	1,020.96	
						36888	OUT RPR REV VEH/PT	257.40	
37834	11/22/10	542.00	080	STATE BOARD OF EQUALIZATION		36906	OCT USE TAX PREPAY	542.00	
37835	11/22/10	1,118.65	002829	VALLEY POWER SYSTEMS, INC.		36866	REV VEH PARTS/FL	13.59	
						36867	CR REV VEH PARTS/FL	-5.62	

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37836	11/22/10	5,671.53 001083		WATSONVILLE TRANSPORTATION, INC		36868	CR REV VEH PARTS/FL	-7.97	
37837	11/22/10	307.79 436		WEST PAYMENT CENTER		36889	REV VEH PARTS/FL	273.43	
37838	11/29/10	806.97 934		ADVANCED NETWORK SYSTEMS		36923	REV VEH PARTS/FL	845.22	
37839	11/29/10	645.39 R593		AETNA		36869	OCT 10 PT SVCS	5,671.53	
37840	11/29/10	700.00 001128		ALWAYS TOWING & RECOVERY, INC		36870	OCT INFO CHARGES	307.79	
37841	11/29/10	13.09 294		ANDY'S AUTO SUPPLY	0	36933	VIRUSCAN/MAINT RENEW	806.97	
37842	11/29/10	85.04 001		AT&T		37059	SETTLEMENT/RISK	645.39	
37843	11/29/10	916.50 876		ATCHISON, BARISONE, CONDOTTI & BAILEY, NEIL	7	36931	TOW # 2307	700.00	
37844	11/29/10	57.73 M033		BRADFORD, THOMAS	0	36930	PARTS & SUPPLY/FL	13.09	
37845	11/29/10	75.05 M077		BRIDGINGER, DENISE	0	36992	REPEATERS/OPS	85.04	
37846	11/29/10	31.12 M078		BROGDON, ROY	0	36932	425 PROP ACQ 10/31	916.50	
37847	11/29/10	57.73 M079		CA PUBLIC EMPLOYEES'		37019	DEC 10 RET SUPP	57.73	
37848	11/29/10	452,769.83 502		CAPELLA, KATHLEEN		37020	DEC 10 RET SUPP	75.05	
37849	11/29/10	57.73 M022		CARLON'S FIRE EXTINGUISHER	0	37021	DEC 10 RET SUPP	31.12	
37850	11/29/10	1,312.18 002034		CITY OF SANTA CRUZ/PARKING		37022	DEC 10 RET SUPP	57.73	
37851	11/29/10	28.87 M080		CITY OF WATSONVILLE UTILITIES		37057	DEC 10 MEDICAL	452,769.83	
37852	11/29/10	28.87 M073		CARR, DALE	0	37037	DEC 10 RET SUPP	57.73	
37853	11/29/10	1,050.00 002109		CENTER, DOUG	0	36993	EXT SVCE/DRIVER	180.00	
37854	11/29/10	1,047.44 130		CITY OF SANTA CRUZ/PARKING		36994	EXT SVCE/SVTC	29.00	
37855	11/29/10	313.00 001113		CLEAR ENERGY		36995	EXT SVCE/PACIFIC	105.00	
37856	11/29/10	17,846.63 001124		CLEAN ENERGY		36996	EXT SVCE/GOLF CLUB	222.00	
37857	11/29/10	28.87 M092		CRAWFORD, TERRI	0	36997	EXT SVCE/VERNON	735.18	
37858	11/29/10	17,791.71 504		CUMMINS WEST, INC.		36998	EXT SVCE/WTC	41.00	
37859	11/29/10	28.87 M039		DAVILLA, ANA MARIA		37023	DEC 10 RET SUPP	28.87	
37860	11/29/10	1,374.06 001316		DEVCO OIL		37024	DEC 10 RET SUPP	28.87	
37861	11/29/10	5,843.54 002624		DIGITAL RECORDERS		36934	1/11-6/11 PARKING	1,050.00	
37862	11/29/10	856.65 085		DIXON & SON TIRE, INC.		37000	CONTAINER/WTC	793.96	
37863	11/29/10	1,013.09 001329		DOC AUTO LLC		37001	9/23-10/31 WTC	43.66	
						37002	9/27-10/26 WTC	34.05	
						37003	9/27-10/26 WTC	15.99	
						37055	11/3-11/9 BUS AUDIT	125.00	
						37056	11/10-11/16 BUS AUD	188.00	
						36935	LNG 11/3/10	8,124.12	
						36936	LNG 11/6/10	9,722.51	
						37045	DEC 10 RET SUPP	28.87	
						37004	ENGINE OVERHAUL 2602	17,791.71	
						37024	DEC 10 RET SUPP	28.87	
						37005	SUPPLY/DIESEL GNRATE	1,141.65	
						37006	PROPANE/FLT	179.90	
						37007	PROPANE/FLT	52.51	
						36945	REV VEH PARTS/FL	5,843.54	
						36940	NOV TIRES & TUBES/FL	192.07	
						36941	NOV TIRES & TUBES/FL	192.07	
						36942	NOV TIRES & TUBES/FL	99.00	
						36943	NOV TIRES & TUBES/FL	357.51	
						36944	NOV TIRES & TUBES/PT	16.00	
						36937	OUT RPR REV VEH/PT	684.40	
						36938	OUT RPR REV VEH/PT	235.19	
						36939	OUT RPR REV VEH/PT	93.50	

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37864	11/29/10	28.87 M096		DRAKE, JUDITH	0	37046	DEC 10 RET SUPP	28.87	
37865	11/29/10	2,060.00 432		EXPRESS EMPLOYMENT PROS		37008	TEMP/FAC W/E 11/7	1,160.00	
						37009	TEMP/FAC W/E 11/7	900.00	
37866	11/29/10	57.73 M099		FIKE, LOUIS	0	37047	DMV FEE	57.73	
37867	11/29/10	39.00 E618		FLECHTNER, PEGGY		37010	DEC 10 RET SUPP	39.00	
37868	11/29/10	51.54 M074		GABRIELE, BERNARD	0	37048	DEC 10 RET SUPP	51.54	
37869	11/29/10	28.87 M040		GARBEZ, LINDA	0	37025	DEC 10 RET SUPP	28.87	
37870	11/29/10	28.87 M100		GARCIA, HELEN	0	37026	DEC 10 RET SUPP	28.87	
37871	11/29/10	28.87 M0116		GENTRY, RITA	0	37049	DEC 10 RET SUPP	28.87	
37872	11/29/10	28.87 M101		GOES, ALAN	0	37050	DEC 10 RET SUPP	28.87	
37873	11/29/10	57.73 M041		GOUVEIA, ROBERT	0	37027	DEC 10 RET SUPP	57.73	
37874	11/29/10	670.33 001323		GOVDELIVERY, INC.		36946	OCT 10 EMAIL SUBSCRIP	670.33	
37875	11/29/10	75.11 M081		HALL, JAMES	0	37028	DEC 10 RET SUPP	75.11	
37876	11/29/10	272.40 E322		HICKEY, MARK	0	37011	FIRST AID/CPR BOOKS	272.40	
37877	11/29/10	75.05 M043		HOLONICK, JAMES	0	37029	DEC 10 RET SUPP	75.05	
37878	11/29/10	25.37 166		HOSE SHOP, THE		36947	PARTS & SUPPLY/FL	25.37	
37879	11/29/10	3,068.90 002117		IULIANO	7	36948	10/11 PROP TAX #1	416.10	
						36949	10/11 PROP TAX #1	2,652.80	
37880	11/29/10	28.87 M104		JUSSEL, PETE	0	37051	DEC 10 RET SUPP	28.87	
37881	11/29/10	291.85 M061		KAMEDA, TERRY	0	37038	DEC 10 RET SUPP	291.85	
37882	11/29/10	7.39 074		KENVILLE LOCKSMITHS	7	37012	RPRS & MAINT/FAC	7.39	
37883	11/29/10	71.10 167		KEYSTON BROTHERS		36950	PARTS & SUPPLY/FL	71.10	
37884	11/29/10	1,773.07 001233		KIMBALL MIDWEST		36951	PARTS & SUPPLY/FL	1,773.07	
37885	11/29/10	892.32 R592		KITTRELLE, REGINALD		36952	SETTLEMENT/RISK	892.32	
37886	11/29/10	4,107.50 852		LAW OFFICES OF MARIE F. SANG	7	36953	WORK COMP FEE	62.00	
						36954	WORK COMP FEE	2,278.50	
						36955	WORK COMP FEE	1,023.00	
						36956	WORK COMP FEE	449.50	
37887	11/29/10	334.48 041		MISSION UNIFORM		36957	WORK COMP FEE	294.50	
						36958	UNIF & LAUNDRY/FL	169.61	
						36959	UNIF & LAUNDRY/FAC	62.78	
						36960	UNIF & LAUNDRY/FL	69.85	
						36961	UNIF & LAUNDRY/PT	32.24	
37888	11/29/10	5,174.02 001063		NEW FLYER INDUSTRIES LIMITED		36962	REV VEH PARTS/FL	231.00	
						36963	REV VEH PARTS/FL	543.99	
						36964	REV VEH PARTS/FL	1,497.34	
						36965	REV VEH PARTS/FL	2,564.77	
						36966	REV VEH PARTS/FL	114.14	
						36967	REV VEH PARTS/FL	222.78	
37889	11/29/10	28.87 M050		O'MARA, KATHLEEN	0	37030	DEC 10 RET SUPP	28.87	
37890	11/29/10	1,078.31 009		PACIFIC GAS & ELECTRIC		37014	10/12-11/9/RES PARK	1,078.31	
37891	11/29/10	319.71 M057		PARHAM, WALLACE	0	37039	DEC 10 RET SUPP	319.71	
37892	11/29/10	28.87 M109		PEREZ, CHERYL		37031	DEC 10 RET SUPP	28.87	
37893	11/29/10	258.43 M064		PETERS, TERRIE	0	37040	DEC 10 RET SUPP	258.43	
37894	11/29/10	28.87 M070		PICARELLA, FRANCIS	0	37041	DEC 10 RET SUPP	28.87	
37895	11/29/10	48.50 481		PIED PIPER EXTERMINATORS, INC.		37013	OCT PEST CTRL	48.50	
37896	11/29/10	319.71 M058		POTEETE, BEVERLY	0	37042	DEC 10 RET SUPP	319.71	
37897	11/29/10	372.27 107A		PROBUILL		36968	RPRS & MAINT/FAC	156.96	
						36969	RPRS & MAINT/FAC	20.85	
						36970	RPRS & MAINT/FAC	40.85	

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37898	11/29/10	1,978.40	001098	ROBERT HALF MANAGMENT RESOURCE			RPRS & MAINT/FAC	51.15	
37899	11/29/10	57.73	M085	ROSSI, DENISE	0		REV VEH PARTS/FL	102.46	
37900	11/29/10	28.87	M030	ROWE, RUBY			TEMP/ADM W/E 11/5	999.20	
37901	11/29/10	20,431.54	966	S.C. FUELS	0		TEMP/RR W/E 11/5	979.20	
37902	11/29/10	637.57	001379	SAFETY-KLEEN			DEC 10 RET SUPP	57.73	
37903	11/29/10	202.56	135	SANTA CRUZ AUTO PARTS, INC.			DEC 10 RET SUPP	28.87	
							DIESEL 11/5/10	20,431.54	
							HAZ WASTE DISP	637.57	
							CR REV VEH PARTS/PT	-76.65	
							REV VEH PARTS/PT	72.00	
							REV VEH PARTS/FL	156.37	
							CR REV VEH PARTS/FL	-156.37	
							EMP TOOL REPLACE/FL	17.20	
							REV VEH PARTS/PT	32.92	
							SMALL TOOL/FL	16.46	
							REV VEH PARTS/FL	99.11	
							REV VEH PARTS/FL	41.52	
							HEALTH PERMIT/RES PA	265.00	
							DEC 10 RET SUPP	302.74	
							DEC 10 RET SUPP	28.87	
							DEC 10 RET SUPP	57.73	
							OUT RPR REV VEH/PT	838.16	
							OUT RPR REV VEH/PT	614.99	
							DATA CONVERSION	11,747.50	
							SUPER BADGE	105.89	
							EMPLOY INCENTIVE	886.86	
							DEC 10 RET SUPP	28.87	
							424604455645971	1,436.51	
							FRT OUT/FLT	53.49	
							REV VEH PARTS/FL	446.74	
							CR REV VEH PARTS/FL	-3.70	
							DEC 10 RET SUPP	291.85	
							DEC 10 RET SUPP	31.12	
							DMV FEE	39.00	
							EMERG RPR/OPS	11.67	VOIDED
							DEC 10 RET SUPP	28.87	
TOTAL		1,365,368.01		ACCOUNTS PAYABLE			TOTAL CHECKS	311	1,365,368.01

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Angela Aitken, Finance Manager and Acting Assistant General Manager
SUBJECT: MONTHLY BUDGET STATUS REPORTS FOR NOVEMBER 2010 AND APPROVAL OF BUDGET TRANSFERS

I. RECOMMENDED ACTION

That the Board of Directors accept and file the monthly budget status reports for November 2010 and approve the budget transfers for November 2010.

II. SUMMARY OF ISSUES

- **Operating Revenues** for the month of November 2010 were \$294K or 15 % over the amount of revenue expected for November 2010.
- **Consolidated Operating Expenses** for the month of November 2010 were \$161K or 5 % under budget for the month of November 2010.
- **Capital Budget** spending year to date through November 2010 was \$1,726K or 13 % of the Capital budget.

III. DISCUSSION

An analysis of Santa Cruz METRO's budget status is prepared monthly in order to apprise the Board of Directors of Santa Cruz METRO's actual revenues, expenses and capital in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue, expense and capital reports represent the status of Santa Cruz METRO's FY11 operating and capital budgets versus actual expenditures for the month.

The fiscal year has elapsed **42%**.

A. Operating Revenue

For the month of November 2010 Operating Revenues were \$294K or 15 % over the amount of revenue expected for November 2010. Revenue variances are explained in the notes at the end of the revenue report.

B. Operating Expense by Department

Total Operating Expenses by Department for the month of November 2010 were \$161K or 5 % under budget; 2 % over where we were in FY10. The majority of the variance is due to lower than anticipated Services and Mobile Materials and Supplies expenses

C. Consolidated Operating Expenses

Consolidated Operating Expenses for the month of November 2010 were \$161K or 5 % under budget. Personnel Expenses, Repair – Equipment, Rev Vehicle Parts, and Other Taxes all contributed to the variance. Further explanation of these accounts is contained in the notes following the report.

D. Capital Budget

Capital Budget spending year to date through November 2010 was \$1,726K or 13 % of the Capital budget. Of this, \$373K or 19 % has been spent on the MetroBase Maintenance Facility project, \$850K or 36 % has been spent on the Smartcard Farebox System project, \$250K or 21% has been spent on the Transit Mgmt. Info. Technology project, and \$138K or 27 % has been spent on IT Projects.

IV. FINANCIAL CONSIDERATIONS

Due to the severe economic downturn and the resulting significant decline in revenue, staff is implementing cost - cutting strategies and diligently looking at different scenarios and options in order to close the projected budget gap.

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

Attachment A: FY11 Operating Revenue for the month ending – 11/30/10
 FY11 Operating Expenses by Department for the month ending – 11/30/10
 FY11 Consolidated Operating Expenses for the month ending – 11/30/10
 FY11 Capital Budget Reports for the month ending – 11/30/10
 FY11 Budget Transfers for the month ending – 11/30/10

Prepared by: Kristina Mihaylova, Financial Analyst

Date Prepared: January 18 , 2010



FY11
Operating Revenue
For the month ending - November 30, 2010

Percent of Year Elapsed - 42%

Current Period

YTD Year Over Year Comparison

Revenue Source	Current Period			Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual	Budget	% Var	FY11 Actual	FY10	% Var
Passenger Fares	\$ 266,577	\$ 218,931	22%	\$ 1,493,510	\$ 1,313,587	14%	\$ 1,493,510	\$ 1,361,852	10%
Paratransit Fares	\$ 20,787	\$ 20,660	1%	\$ 101,286	\$ 105,259	-4%	\$ 101,286	\$ 102,243	-1%
Special Transit Fares	\$ 380,558	\$ 343,891	11%	\$ 1,261,182	\$ 1,157,015	9%	\$ 1,261,182	\$ 1,242,094	2%
Highway 17 Fares	\$ 84,475	\$ 113,453	-26%	\$ 401,969	\$ 510,280	-21%	\$ 401,969	\$ 454,154	-11%
Highway 17 Payments	\$ 37,035	\$ 27,306	36%	\$ 204,965	\$ 177,349	16%	\$ 204,965	\$ 174,192	18%
Subtotal Passenger Revenue	\$ 789,433	\$ 724,241	9%	\$ 3,462,912	\$ 3,263,489	6%	\$ 3,462,912	\$ 3,334,535	4%
Commissions	\$ 1,060	\$ 458	131%	\$ 2,365	\$ 2,292	3%	\$ 2,365	\$ 2,755	-14%
Advertising Income	\$ 27,979	\$ 17,917	56%	\$ 105,141	\$ 89,583	17%	\$ 105,141	\$ 131,449	-20%
Rent Income - SC Pacific Station	\$ 6,981	\$ 7,648	-9%	\$ 35,430	\$ 38,239	-7%	\$ 35,430	\$ 38,346	-8%
Rent Income - Watsonville TC	\$ 3,693	\$ 2,867	29%	\$ 16,199	\$ 14,333	13%	\$ 16,199	\$ 14,371	13%
Rent Income - General	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
Interest Income	\$ 11,960	\$ 4,813	149%	\$ 65,498	\$ 24,063	172%	\$ 65,498	\$ 92,321	-29%
Other Non-Transp Revenue	\$ 472	\$ 667	-29%	\$ 4,134	\$ 3,333	24%	\$ 4,134	\$ 3,696	12%
Sales Tax Revenue	\$ 1,362,900	\$ 1,148,774	19%	\$ 6,187,944	\$ 5,800,054	7%	\$ 6,187,944	\$ 5,879,964	5%
Transp Dev Act (TDA) - Op Asst	\$ -	\$ -	0%	\$ 1,243,620	\$ 1,243,620	0%	\$ 1,243,620	\$ 1,416,656	-12%
Subtotal Other Revenue	\$ 1,415,044	\$ 1,183,142	20%	\$ 7,660,330	\$ 7,215,516	6%	\$ 7,660,330	\$ 7,579,558	1%
FTA Sec 5307 - Op Asst	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ 3,645,442	-100%
FTA Sec 5309 - ARRA Oprtg	\$ -	\$ -	0%	\$ 270,000	\$ 270,000	0%	\$ 270,000	\$ -	100%
STA - Op Assistance	\$ -	\$ -	0%	\$ 2,801,550	\$ 2,800,000	0%	\$ 2,801,550	\$ -	100%
FTA Sec 5311 - Rural Op Asst	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
Sec 5303 - AMBAG Funding	\$ -	\$ 2,917	-100%	\$ -	\$ 14,583	-100%	\$ -	\$ -	0%
FTA Sec 5317 - Op Assistance	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
Subtotal Grant Revenue	\$ -	\$ 2,917	-100%	\$ 3,071,550	\$ 3,084,583	0%	\$ 3,071,550	\$ 3,645,442	-16%
Subtotal Operating Revenue	\$ 2,204,477	\$ 1,910,300	15%	\$ 14,194,792	\$ 13,563,589	5%	\$ 14,194,792	\$ 14,559,535	-3%
Total Operating Expenses	\$ 2,990,768			\$ 14,654,265			\$ 14,654,265	\$ 14,399,371	
Variance	\$ (786,291)			\$ (459,473)			\$ (459,473)	\$ 160,164	
One-Time Revenue									
Transfer (to)/from Capital Reserves	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
Transfer (to)/from Cash Flow Res	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
Transfer (to)/from W/C Reserve	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
Transfer (to)/from Liab Ins Res	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
Carryover from Previous Year	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
Subtotal One-Time Revenue	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
Total Revenue	\$ 2,204,477	\$ 1,910,300	15%	\$ 14,194,792	\$ 13,563,589	5%	\$ 14,194,792	\$ 14,559,535	-3%
Total Operating Expenses	\$ 2,990,768			\$ 14,654,265			\$ 14,654,265	\$ 14,399,371	
Variance	\$ (786,291)			\$ (459,473)			\$ (459,473)	\$ 160,164	



Percent of Year Elapsed - 42%

FY11
Operating Revenue
For the month ending - November 30, 2010

<u>Revenue Source</u>	<u>Current Period</u>			<u>Year to Date</u>			<u>YTD Year Over Year Comparison</u>		
	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>Notes</u>	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>
	<u>FY11</u>	<u>FY10</u>	<u>\$ Var</u>	<u>% Var</u>		<u>Actual</u>	<u>FY10</u>	<u>\$ Var</u>	<u>% Var</u>

Current Period Notes:

- 1) **Passenger Revenue** is over budget due to an increase in ridership.
- 2) **Advertising Income** is over budget due to more advertising than expected.
- 2) **Interest Income** is over budget due to revenue budgeted using County Treasury estimates, while a higher interest rate was actually paid.
- 3) **Sales Tax Revenue** is over budget for the month due to higher than anticipated receipts in November 2010.

FY11
Operating Expenses by Department
For the month ending - November 30, 2010



	Current Period				Year to Date				YTD Year Over Year Comparison				
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	FY10	\$ Var	% Var
										Actual			
Departmental Personnel Expenses													
700 - SCCIC	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
1100 - Administration	\$ 41,546	\$ 43,801	\$ (2,254)	-5%		\$ 213,884	\$ 215,857	\$ (1,973)	-1%	\$ 213,884	\$ 315,530	\$ (101,646)	-32%
1200 - Finance	\$ 100,445	\$ 101,015	\$ (570)	-1%		\$ 538,301	\$ 573,616	\$ (35,315)	-6%	\$ 538,301	\$ 415,442	\$ 122,859	30%
1300 - Customer Service	\$ 41,711	\$ 41,863	\$ (152)	0%		\$ 200,940	\$ 209,320	\$ (8,380)	-4%	\$ 200,940	\$ 166,290	\$ 34,650	21%
1400 - Human Resources	\$ 45,253	\$ 44,239	\$ 1,015	2%		\$ 224,469	\$ 221,193	\$ 3,276	1%	\$ 224,469	\$ 211,342	\$ 13,127	6%
1500 - Information Technology	\$ 47,376	\$ 44,258	\$ 3,118	7%		\$ 221,605	\$ 221,290	\$ 314	0%	\$ 221,605	\$ 211,097	\$ 10,508	5%
1700 - District Counsel	\$ 39,680	\$ 40,677	\$ (998)	-2%		\$ 195,155	\$ 203,387	\$ (8,231)	-4%	\$ 195,155	\$ 193,219	\$ 1,936	1%
1800 - Risk Management	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
2200 - Facilities Maintenance	\$ 72,225	\$ 76,998	\$ (4,772)	-6%		\$ 373,075	\$ 393,988	\$ (20,912)	-5%	\$ 373,075	\$ 389,977	\$ (16,902)	-4%
3100 - Paratransit Program	\$ 286,214	\$ 300,443	\$ (14,229)	-5%		\$ 1,399,477	\$ 1,507,759	\$ (108,282)	-7%	\$ 1,399,477	\$ 1,297,959	\$ 101,518	8%
3200 - Operations	\$ 168,074	\$ 171,708	\$ (3,635)	-2%		\$ 820,273	\$ 854,537	\$ (34,264)	-4%	\$ 820,273	\$ 867,237	\$ (46,964)	-5%
3300 - Bus Operators	\$ 1,157,470	\$ 1,135,014	\$ 22,456	2%		\$ 5,512,496	\$ 5,659,059	\$ (146,563)	-3%	\$ 5,512,496	\$ 5,473,781	\$ 38,715	1%
4100 - Fleet Maintenance	\$ 279,939	\$ 274,175	\$ 5,764	2%		\$ 1,360,460	\$ 1,387,686	\$ (27,226)	-2%	\$ 1,360,460	\$ 1,481,221	\$ (120,761)	-8%
9001 - Cobra Benefits	\$ 623	\$ -	\$ 623	100%		\$ 51	\$ -	\$ 51	100%	\$ 51	\$ 1,513	\$ (1,462)	-97%
9005 - Retired Employee Benefits	\$ 159,561	\$ 158,250	\$ 1,311	1%		\$ 782,215	\$ 785,550	\$ (3,335)	0%	\$ 782,215	\$ 655,757	\$ 126,458	19%
9014 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
110020 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
100 - New Flyer Parts Credit	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Subtotal Personnel Expenses	\$ 2,440,116	\$ 2,432,440	\$ 7,677	0%		\$ 11,842,402	\$ 12,233,242	\$ (390,840)	-3%	\$ 11,842,402	\$ 11,680,365	\$ 162,037	1%
Departmental Non-Personnel Expenses													
700 - SCCIC	\$ -	\$ 25	\$ (25)	-100%		\$ 20	\$ 125	\$ (105)	-84%	\$ 20	\$ 250	\$ (230)	-92%
1100 - Administration	\$ 24,894	\$ 38,447	\$ (13,553)	-35%		\$ 127,501	\$ 193,233	\$ (65,732)	-34%	\$ 127,501	\$ 107,493	\$ 20,008	19%
1200 - Finance	\$ 51,851	\$ 72,354	\$ (20,502)	-28%		\$ 334,435	\$ 403,205	\$ (68,770)	-17%	\$ 334,435	\$ 356,829	\$ (22,394)	-6%
1300 - Customer Service	\$ 1,773	\$ 7,608	\$ (5,836)	-77%		\$ 24,575	\$ 38,242	\$ (13,667)	-36%	\$ 24,575	\$ 24,897	\$ (322)	-1%
1400 - Human Resources	\$ (1,319)	\$ 4,227	\$ (5,546)	-131%		\$ 6,924	\$ 21,135	\$ (14,212)	-67%	\$ 6,924	\$ 31,037	\$ (24,113)	-78%
1500 - Information Technology	\$ 10,350	\$ 16,189	\$ (5,839)	-36%		\$ 47,600	\$ 86,946	\$ (39,347)	-45%	\$ 47,600	\$ 65,569	\$ (17,969)	-27%
1700 - District Counsel	\$ 833	\$ 1,658	\$ (825)	-50%		\$ 6,520	\$ 8,292	\$ (1,771)	-21%	\$ 6,520	\$ 4,591	\$ 1,929	42%
1800 - Risk Management	\$ 4,210	\$ 18,697	\$ (14,487)	-77%		\$ 91,630	\$ 119,123	\$ (27,493)	-23%	\$ 91,630	\$ 36,162	\$ 55,468	153%
2200 - Facilities Maintenance	\$ 86,908	\$ 162,253	\$ (75,345)	-46%		\$ 503,342	\$ 668,382	\$ (165,040)	-25%	\$ 503,342	\$ 741,512	\$ (238,170)	-32%
3100 - Paratransit Program	\$ 75,135	\$ 91,337	\$ (16,201)	-18%		\$ 335,314	\$ 439,550	\$ (104,236)	-24%	\$ 335,314	\$ 278,379	\$ 56,935	20%
3200 - Operations	\$ 41,166	\$ 38,503	\$ 2,663	7%		\$ 211,051	\$ 222,772	\$ (11,722)	-5%	\$ 211,051	\$ 197,464	\$ 13,587	7%
3300 - Bus Operators	\$ -	\$ 417	\$ (417)	-100%		\$ -	\$ 2,083	\$ (2,083)	-100%	\$ -	\$ 1,168	\$ (1,168)	-100%
4100 - Fleet Maintenance	\$ 254,850	\$ 267,444	\$ (12,594)	-5%		\$ 1,122,953	\$ 1,339,777	\$ (216,825)	-16%	\$ 1,122,953	\$ 873,656	\$ 249,297	29%
9001 - Cobra Benefits	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ (1)	\$ 1	-100%
9005 - Retired Employee Benefits	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
9014 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
110020 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
100 - New Flyer Parts Credit	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Subtotal Non-Personnel Expenses	\$ 550,652	\$ 719,159	\$ (168,507)	-23%		\$ 2,811,863	\$ 3,542,865	\$ (731,003)	-21%	\$ 2,811,863	\$ 2,719,006	\$ 92,857	3%

FY11
Operating Expenses by Department
For the month ending - November 30, 2010



	Current Period				Year to Date				YTD Year Over Year Comparison				
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	FY10	\$ Var	% Var
										Actual			
Total Departmental Expenses													
700 - SCCIC	\$ -	\$ 25	\$ (25)	-100%		\$ 20	\$ 125	\$ (105)	-84%	\$ 20	\$ 250	\$ (230)	-92%
1100 - Administration	\$ 66,440	\$ 82,247	\$ (15,807)	-19%	1	\$ 341,385	\$ 409,091	\$ (67,705)	-17%	\$ 341,385	\$ 423,023	\$ (81,638)	-19%
1200 - Finance	\$ 152,296	\$ 173,368	\$ (21,072)	-12%	2	\$ 872,736	\$ 976,821	\$ (104,085)	-11%	\$ 872,736	\$ 772,271	\$ 100,465	13%
1300 - Customer Service	\$ 43,483	\$ 49,471	\$ (5,988)	-12%		\$ 225,514	\$ 247,561	\$ (22,047)	-9%	\$ 225,514	\$ 191,187	\$ 34,327	18%
1400 - Human Resources	\$ 43,935	\$ 48,466	\$ (4,531)	-9%		\$ 231,392	\$ 242,328	\$ (10,936)	-5%	\$ 231,392	\$ 242,379	\$ (10,987)	-5%
1500 - Information Technology	\$ 57,726	\$ 60,447	\$ (2,721)	-5%		\$ 269,204	\$ 308,237	\$ (39,032)	-13%	\$ 269,204	\$ 276,666	\$ (7,462)	-3%
1700 - District Counsel	\$ 40,513	\$ 42,336	\$ (1,823)	-4%		\$ 201,676	\$ 211,678	\$ (10,003)	-5%	\$ 201,676	\$ 197,810	\$ 3,866	2%
1800 - Risk Management	\$ 4,210	\$ 18,697	\$ (14,487)	-77%	3	\$ 91,630	\$ 119,123	\$ (27,493)	-23%	\$ 91,630	\$ 36,162	\$ 55,468	153%
2200 - Facilities Maintenance	\$ 159,134	\$ 239,250	\$ (80,117)	-33%	4	\$ 876,418	\$ 1,062,369	\$ (185,952)	-18%	\$ 876,418	\$ 1,131,489	\$ (255,071)	-23%
3100 - Paratransit Program	\$ 361,349	\$ 391,780	\$ (30,430)	-8%	5	\$ 1,734,791	\$ 1,947,309	\$ (212,518)	-11%	\$ 1,734,791	\$ 1,576,338	\$ 158,453	10%
3200 - Operations	\$ 209,239	\$ 210,211	\$ (972)	0%		\$ 1,031,323	\$ 1,077,309	\$ (45,986)	-4%	\$ 1,031,323	\$ 1,064,701	\$ (33,378)	-3%
3300 - Bus Operators	\$ 1,157,470	\$ 1,135,430	\$ 22,039	2%	6	\$ 5,512,496	\$ 5,661,142	\$ (148,647)	-3%	\$ 5,512,496	\$ 5,474,949	\$ 37,547	1%
4100 - Fleet Maintenance	\$ 534,789	\$ 541,619	\$ (6,830)	-1%		\$ 2,483,413	\$ 2,727,464	\$ (244,051)	-9%	\$ 2,483,413	\$ 2,354,877	\$ 128,536	5%
9001 - Cobra Benefits	\$ 623	\$ -	\$ 623	100%		\$ 51	\$ -	\$ 51	100%	\$ 51	\$ 1,512	\$ (1,461)	-97%
9005 - Retired Employee Benefits	\$ 159,561	\$ 158,250	\$ 1,311	1%		\$ 782,215	\$ 785,550	\$ (3,335)	0%	\$ 782,215	\$ 655,757	\$ 126,458	19%
9014 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
110020 - Operating Grants	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
100 - New Flyer Parts Credit	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Total Operating Expenses	\$ 2,990,768	\$ 3,151,598	\$ (160,830)	-5%		\$ 14,654,264	\$ 15,776,107	\$ (1,121,843)	-7%	\$ 14,654,264	\$ 14,399,371	\$ 254,893	2%

** does not include depreciation

Current Period Notes:

- 1) Administration** is under budget due to a vacant funded position, as well as less than anticipated travel expenses in November 2010.
- 2) Finance** is under budget due to audit fees budgeted as being paid in November, while payments will be made later in the fiscal year, and less than anticipated insurance expenses.
- 3) Risk Management** is under budget due to fewer budgeted settlement claims paid in November 2010.
- 4) Facilities Maintenance** is under budget due to lower personnel expenses (employees on extended leaves), utilities, and Property and SVT taxes paid in October and December 2010, while budgeted in November 2010.
- 5) Paratransit Program** is under budget due to vacant funded positions, extended leaves and lower than anticipated prices of fuel.
- 6) Bus Operators** is over budget due to higher than anticipated worker's comp insurance (open claims for active employees and retirees) and overtime expenses in November 2010.



FY11
Consolidated Operating Expenses
For the month ending - November 30, 2010

Attachment A

	Current Period				Year to Date				YTD Year Over Year Comparison				
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	FY10	\$ Var	% Var
						Actual				Actual			
LABOR													
501011 Bus Operator Pay	\$ 635,456	\$ 661,071	\$ (25,615)	4%		\$ 3,100,900	\$ 3,289,347	\$ (188,447)	-6%		\$ 3,159,696	\$ (58,796)	-2%
501013 Bus Operator Overtime	\$ 151,522	\$ 128,466	\$ 23,057	18%		\$ 635,019	\$ 642,329	\$ (7,310)	-1%		\$ 649,128	\$ (14,109)	-2%
501021 Other Salaries	\$ 539,905	\$ 510,519	\$ 29,386	6%		\$ 2,703,539	\$ 2,715,165	\$ (11,626)	0%		\$ 2,686,154	\$ 17,385	1%
501023 Other Overtime	\$ 31,838	\$ 29,757	\$ 2,081	7%		\$ 126,965	\$ 148,784	\$ (21,819)	-15%		\$ 145,527	\$ (18,562)	-13%
Total Labor -	\$ 1,358,722	\$ 1,329,813	\$ 28,909	2%		\$ 6,566,423	\$ 6,795,625	\$ (229,202)	-3%		\$ 6,640,505	\$ (74,082)	-1%
FRINGE BENEFITS													
502011 Medicare/Soc. Sec.	\$ 19,742	\$ 20,731	\$ (989)	-5%		\$ 95,914	\$ 105,154	\$ (9,240)	-9%		\$ 95,885	\$ 29	0%
502021 Retirement	\$ 182,054	\$ 192,314	\$ (10,260)	-5%		\$ 910,361	\$ 973,673	\$ (63,311)	-7%		\$ 916,775	\$ (6,414)	-1%
502031 Medical Insurance	\$ 453,206	\$ 472,031	\$ (18,825)	-4%		\$ 2,263,086	\$ 2,361,309	\$ (98,223)	-4%		\$ 2,116,877	\$ 146,209	7%
502041 Dental Insurance	\$ 39,135	\$ 39,867	\$ (733)	-2%		\$ 171,649	\$ 199,337	\$ (27,688)	-14%		\$ 199,220	\$ (27,571)	-14%
502045 Vision Insurance	\$ 11,133	\$ 11,350	\$ (217)	-2%		\$ 55,353	\$ 56,650	\$ (1,297)	-2%		\$ 56,733	\$ (1,380)	-2%
502051 Life Insurance	\$ 3,512	\$ 3,689	\$ (178)	-5%		\$ 18,099	\$ 18,446	\$ (347)	-2%		\$ 17,788	\$ 311	2%
502060 State Disability	\$ 15,457	\$ 15,352	\$ 105	1%		\$ 79,609	\$ 77,675	\$ 1,933	2%		\$ 80,367	\$ (758)	-1%
502061 Disability Insurance	\$ 17,624	\$ 18,784	\$ (1,160)	-6%		\$ 87,665	\$ 93,919	\$ (6,254)	-7%		\$ 87,504	\$ 161	0%
502071 State Unemp. Ins	\$ (78)	\$ 5,222	\$ (5,300)	-101%		\$ 401	\$ 26,693	\$ (26,291)	-98%		\$ 401	\$ (680)	-63%
502081 Worker's Comp Ins	\$ 103,903	\$ 58,333	\$ 45,570	78%		\$ 413,648	\$ 291,666	\$ 121,982	42%		\$ 413,648	\$ 180,435	77%
502083 Worker's Comp IBNR	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	0%
502101 Holiday Pay	\$ 23,548	\$ 52,435	\$ (28,887)	-55%		\$ 74,438	\$ 156,022	\$ (81,583)	-52%		\$ 74,438	\$ 949	1%
502103 Floating Holiday	\$ 1,487	\$ 5,798	\$ (4,311)	-74%		\$ 8,689	\$ 28,992	\$ (20,303)	-70%		\$ 13,696	\$ (5,007)	-37%
502109 Sick Leave	\$ 47,264	\$ 67,488	\$ (20,224)	-30%		\$ 231,928	\$ 338,282	\$ (106,354)	-31%		\$ 231,928	\$ (82,174)	-26%
502111 Annual Leave	\$ 142,267	\$ 120,695	\$ 21,571	18%		\$ 768,303	\$ 616,873	\$ 151,430	25%		\$ 741,328	\$ 26,975	4%
502121 Other Paid Absence	\$ 14,468	\$ 10,291	\$ 4,178	41%		\$ 60,952	\$ 51,586	\$ 9,367	18%		\$ 60,952	\$ 2,265	4%
502251 Physical Exams	\$ 450	\$ 1,142	\$ (692)	-61%		\$ 2,325	\$ 5,708	\$ (3,383)	-59%		\$ 2,325	\$ (1,168)	-33%
502253 Driver Lic Renewal	\$ 176	\$ 378	\$ (202)	-53%		\$ 903	\$ 1,988	\$ (1,085)	-55%		\$ 903	\$ (322)	-26%
502999 Other Fringe Benefits	\$ 6,048	\$ 6,729	\$ (681)	-10%		\$ 32,654	\$ 33,644	\$ (990)	-3%		\$ 32,654	\$ 4,257	15%
Total Fringe Benefits -	\$ 1,081,395	\$ 1,102,627	\$ (21,232)	-2%		\$ 5,275,978	\$ 5,437,616	\$ (161,638)	-3%		\$ 5,039,860	\$ 236,118	5%
Total Personnel Expenses -	\$ 2,440,116	\$ 2,432,440	\$ 7,677	0%	1	\$ 11,842,402	\$ 12,233,242	\$ (390,840)	-3%		\$ 11,842,402	\$ 162,037	1%



FY11
Consolidated Operating Expenses
For the month ending - November 30, 2010

Attachment A

	Current Period				Year to Date				YTD Year Over Year Comparison					
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	Actual	FY10	\$ Var	% Var
SERVICES														
503011 Acctg & Audit Fees	\$ -	\$ 10,521	\$ (10,521)	-100%	2	\$ 31,000	\$ 45,104	\$ (14,104)	-31%		\$ 31,000	\$ 37,950	\$ (6,950)	-18%
503012 Admin & Bank Fees	\$ 1,837	\$ 1,946	\$ (109)	-6%		\$ 54,575	\$ 57,315	\$ (2,739)	-5%		\$ 54,575	\$ 52,026	\$ 2,549	5%
503031 Prof & Tech Fees	\$ 10,047	\$ 17,594	\$ (7,547)	-43%		\$ 61,075	\$ 98,120	\$ (37,045)	-38%		\$ 61,075	\$ 52,686	\$ 8,389	16%
503032 Legislative Services	\$ 7,500	\$ 8,617	\$ (1,117)	-13%		\$ 37,500	\$ 43,083	\$ (5,583)	-13%		\$ 37,500	\$ 37,500	\$ -	0%
503033 Legal Services	\$ -	\$ 4,583	\$ (4,583)	-100%		\$ 863	\$ 22,917	\$ (22,054)	-96%		\$ 863	\$ 11,026	\$ (10,163)	-92%
503034 Pre-Employ Exams	\$ 259	\$ 608	\$ (349)	-57%		\$ 968	\$ 3,042	\$ (2,073)	-68%		\$ 968	\$ 5,660	\$ (4,692)	-83%
503041 Temp Help	\$ 12,211	\$ 12,001	\$ 210	2%		\$ 65,606	\$ 65,569	\$ 37	0%		\$ 65,606	\$ 99,502	\$ (33,896)	-34%
503161 Custodial Services	\$ 4,427	\$ 4,167	\$ 260	6%		\$ 25,531	\$ 20,833	\$ 4,697	23%		\$ 25,531	\$ 25,917	\$ (387)	-1%
503162 Uniform & Laundry	\$ 1,401	\$ 2,800	\$ (1,399)	-50%		\$ 8,309	\$ 14,000	\$ (5,691)	-41%		\$ 8,309	\$ 9,002	\$ (693)	-8%
503171 Security Services	\$ 31,349	\$ 31,278	\$ 71	0%		\$ 156,925	\$ 156,388	\$ 537	0%		\$ 156,925	\$ 141,822	\$ 15,103	11%
503221 Classified/Legal Ads	\$ 486	\$ 2,425	\$ (1,939)	-80%		\$ 3,424	\$ 12,125	\$ (8,701)	-72%		\$ 3,424	\$ 3,386	\$ 38	1%
503222 Legal Advertising	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%
503225 Graphic Services	\$ -	\$ 333	\$ (333)	-100%		\$ -	\$ 1,667	\$ (1,667)	-100%		\$ -	\$ -	\$ -	0%
503351 Repair - Bldg & Impr	\$ 4,895	\$ 8,333	\$ (3,438)	-41%		\$ 20,510	\$ 41,667	\$ (21,157)	-51%		\$ 20,510	\$ 18,059	\$ 2,451	14%
503352 Repair - Equipment	\$ 38,429	\$ 69,283	\$ (30,853)	-45%	3	\$ 173,924	\$ 261,013	\$ (87,089)	-33%		\$ 173,924	\$ 204,722	\$ (30,798)	-15%
503353 Repair - Rev Vehicle	\$ 38,655	\$ 34,167	\$ 4,488	13%		\$ 191,707	\$ 170,833	\$ 20,874	12%		\$ 191,707	\$ 140,074	\$ 51,633	37%
503354 Repair - Non Rev Vehicle	\$ 229	\$ 2,083	\$ (1,854)	-89%		\$ 382	\$ 10,417	\$ (10,034)	-96%		\$ 382	\$ 7,460	\$ (7,078)	-95%
503363 Haz Mat Disposal	\$ 2,679	\$ 4,125	\$ (1,446)	-35%		\$ 15,020	\$ 20,625	\$ (5,605)	-27%		\$ 15,020	\$ 13,824	\$ 1,196	9%
Total Services -	\$ 154,405	\$ 214,863	\$ (60,458)	-28%		\$ 847,320	\$ 1,044,717	\$ (197,397)	-19%		\$ 847,320	\$ 860,616	\$ (13,296)	-2%
MOBILE MATERIALS AND SUPPLIES														
504011 Fuels & Lube Non Rev Veh	\$ 4,461	\$ 12,592	\$ (8,131)	-65%		\$ 23,760	\$ 62,958	\$ (39,198)	-62%		\$ 23,760	\$ 70,648	\$ (46,888)	-66%
504012 Fuels & Lube Rev Veh	\$ 177,477	\$ 174,583	\$ 2,894	2%		\$ 795,990	\$ 868,684	\$ (72,693)	-8%		\$ 795,990	\$ 526,063	\$ 269,927	51%
504021 Tires & Tubes	\$ 10,784	\$ 20,250	\$ (9,466)	-47%		\$ 87,054	\$ 101,250	\$ (14,196)	-14%		\$ 87,054	\$ 70,278	\$ 16,776	24%
504161 Other Mobile Supplies	\$ -	\$ -	\$ -	0%		\$ -	\$ 5,000	\$ (5,000)	-100%		\$ -	\$ 157	\$ (157)	-100%
504191 Rev Vehicle Parts	\$ 37,852	\$ 52,083	\$ (14,231)	-27%	4	\$ 214,158	\$ 255,416	\$ (41,259)	-16%		\$ 214,158	\$ 170,580	\$ 43,578	26%
Total Mobile Materials & Supplies -	\$ 230,574	\$ 259,508	\$ (28,934)	-11%		\$ 1,120,963	\$ 1,293,309	\$ (172,346)	-13%		\$ 1,120,963	\$ 837,726	\$ 283,237	34%



FY11
Consolidated Operating Expenses
For the month ending - November 30, 2010

Current Period

Year to Date

YTD Year Over Year Comparison

	Current Period			Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual	Budget	% Var	FY11	FY10	% Var
OTHER MATERIALS & SUPPLIES									
504205 Freight Out	\$ 204	\$ 208	(5) -2%	\$ 996	\$ 1,042	(\$ 45) -4%	\$ 996	\$ 581	415 71%
504211 Postage & Mailing	\$ 143	\$ 1,700	(\$ 1,557) -92%	\$ 5,910	\$ 9,998	(\$ 4,089) -41%	\$ 5,910	\$ 6,180	(\$ 270) -4%
504214 Promotional Items	\$ -	\$ -	0%	\$ -	\$ -	0%	\$ -	\$ -	0%
504215 Printing	\$ 3,160	\$ 5,441	(\$ 2,281) -42%	\$ 19,532	\$ 36,105	(\$ 16,572) -46%	\$ 19,532	\$ 27,483	(\$ 7,951) -29%
504217 Photo Supply/Processing	\$ 2	\$ 767	(\$ 765) -100%	\$ (23)	\$ 2,633	(\$ 2,656) -101%	\$ (23)	\$ 450	(\$ 473) -105%
504311 Office Supplies	\$ 2,573	\$ 5,585	(\$ 3,012) -54%	\$ 21,408	\$ 29,124	(\$ 7,716) -26%	\$ 21,408	\$ 27,927	(\$ 6,519) -23%
504315 Safety Supplies	\$ 515	\$ 1,358	(\$ 843) -62%	\$ 4,694	\$ 6,792	(\$ 2,098) -31%	\$ 4,694	\$ 5,899	(\$ 1,205) -20%
504317 Cleaning Supplies	\$ 3,189	\$ 2,758	\$ 430 16%	\$ 17,013	\$ 13,792	\$ 3,221 23%	\$ 17,013	\$ 13,079	\$ 3,934 30%
504409 Repair/Maint Supplies	\$ 3,904	\$ 3,333	\$ 570 17%	\$ 16,538	\$ 16,667	(\$ 129) -1%	\$ 16,538	\$ 15,823	\$ 715 5%
504421 Non-Inventory Parts	\$ 3,503	\$ 3,783	(\$ 281) -7%	\$ 6,942	\$ 18,917	(\$ 11,975) -63%	\$ 6,942	\$ 5,683	\$ 1,259 22%
504511 Small Tools	\$ 859	\$ 725	\$ 134 18%	\$ 1,790	\$ 3,625	(\$ 1,835) -51%	\$ 1,790	\$ 1,481	\$ 309 21%
504515 Employee Tool Rplcmt	\$ 17	\$ 250	(\$ 233) -93%	\$ 269	\$ 1,250	(\$ 981) -78%	\$ 269	\$ 772	(\$ 503) -65%
Total Other Materials & Supplies -	\$ 18,068	\$ 25,909	(\$ 7,841) -30%	\$ 95,069	\$ 139,943	(\$ 44,874) -32%	\$ 95,069	\$ 105,358	(\$ 10,289) -10%

UTILITIES

505011 Gas & Electric	\$ 20,328	\$ 18,750	\$ 1,578 8%	\$ 95,157	\$ 93,750	\$ 1,407 2%	\$ 95,157	\$ 67,978	\$ 27,179 40%
505021 Water & Garbage	\$ 9,956	\$ 12,500	(\$ 2,544) -20%	\$ 53,749	\$ 62,500	(\$ 8,751) -14%	\$ 53,749	\$ 57,048	(\$ 3,299) -6%
505031 Telecommunications	\$ 3,694	\$ 14,083	(\$ 10,390) -74%	\$ 33,198	\$ 74,649	(\$ 41,451) -56%	\$ 33,198	\$ 48,200	(\$ 15,002) -31%
Total Utilities -	\$ 33,978	\$ 45,333	(\$ 11,355) -25%	\$ 182,104	\$ 230,899	(\$ 48,795) -21%	\$ 182,104	\$ 173,226	\$ 8,878 5%

CASUALTY & LIABILITY

506011 Insurance - Property	\$ 7,972	\$ 9,583	(\$ 1,611) -17%	\$ 39,862	\$ 47,917	(\$ 8,055) -17%	\$ 39,862	\$ 32,181	\$ 7,681 24%
506015 Insurance - PL & PD	\$ 36,531	\$ 43,775	(\$ 7,244) -17%	\$ 182,653	\$ 218,875	(\$ 36,222) -17%	\$ 182,653	\$ 190,505	(\$ 7,852) -4%
506021 Insurance - Other	\$ 711	\$ -	\$ 711 100%	\$ 711	\$ 750	(\$ 39) -5%	\$ 711	\$ 711	\$ - 0%
506123 Settlement Costs	\$ 3,951	\$ 10,364	(\$ 6,413) -62%	\$ 86,151	\$ 77,456	\$ 8,695 11%	\$ 86,151	\$ 20,044	\$ 66,107 330%
506127 Repairs - Dist Prop	\$ -	\$ -	0%	\$ (61,691)	\$ -	(\$ 61,691) 100%	\$ (61,691)	\$ -	(\$ 61,691) 100%
Total Casualty & Liability -	\$ 49,165	\$ 63,722	(\$ 14,557) -23%	\$ 247,686	\$ 344,998	(\$ 97,312) -28%	\$ 247,686	\$ 243,441	\$ 4,245 2%

TAXES

507051 Fuel Tax	\$ 956	\$ 1,167	(\$ 211) -18%	\$ 5,304	\$ 5,833	(\$ 529) -9%	\$ 5,304	\$ 4,781	\$ 523 11%
507201 Licenses & permits	\$ 2,498	\$ 2,958	(\$ 461) -16%	\$ 3,624	\$ 9,792	(\$ 6,168) -63%	\$ 3,624	\$ 8,066	(\$ 4,442) -55%
507999 Other Taxes	\$ -	\$ 22,000	(\$ 22,000) -100%	\$ 8,756	\$ 27,500	(\$ 18,744) -68%	\$ 8,756	\$ 10,423	(\$ 1,667) -16%
Total Utilities -	\$ 3,454	\$ 26,125	(\$ 22,671) -87%	\$ 17,684	\$ 43,125	(\$ 25,441) -59%	\$ 17,684	\$ 23,270	(\$ 5,586) -24%



FY11
Consolidated Operating Expenses
For the month ending - November 30, 2010

Attachment A

	Current Period				Year to Date				YTD Year Over Year Comparison				
	Actual	Budget	\$ Var	% Var	Notes	Actual	Budget	\$ Var	% Var	FY11	FY10	\$ Var	% Var
										Actual			
<u>PURCHASED TRANSPORTATION</u>													
503406 Contr/Paratrans	\$ 18,194	\$ 20,833	\$ (2,639)	-13%		\$ 79,528	\$ 104,167	\$ (24,639)	-24%		\$ 114,924	\$ (35,396)	-31%
Total Purchased Transportation -	\$ 18,194	\$ 20,833	\$ (2,639)	-13%		\$ 79,528	\$ 104,167	\$ (24,639)	-24%		\$ 114,924	\$ (35,396)	-31%
<u>MISC</u>													
509011 Dues & Subscriptions	\$ 5,602	\$ 5,419	\$ 183	3%		\$ 27,990	\$ 28,093	\$ (103)	0%		\$ 25,581	\$ 2,409	9%
509085 Advertising - Rev Product	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	0%
509101 Emp Incentive Prog	\$ 1,151	\$ 2,883	\$ (1,732)	-60%		\$ 3,573	\$ 14,417	\$ (10,843)	-75%		\$ 1,852	\$ 1,721	93%
509121 Employee Training	\$ 2,105	\$ 4,132	\$ (2,027)	-49%		\$ 9,327	\$ 26,658	\$ (17,331)	-65%		\$ 1,781	\$ 7,546	424%
509123 Travel	\$ 1,462	\$ 7,565	\$ (6,103)	-81%		\$ 17,835	\$ 37,825	\$ (19,990)	-53%		\$ 18,962	\$ (1,127)	-6%
509125 Local Meeting Exp	\$ 184	\$ 413	\$ (229)	-55%		\$ 991	\$ 2,063	\$ (1,071)	-52%		\$ 1,055	\$ (64)	-6%
509127 Board Director Fees	\$ 450	\$ 1,100	\$ (650)	-59%		\$ 2,300	\$ 5,500	\$ (3,200)	-58%		\$ 2,850	\$ (550)	-19%
509150 Contributions	\$ -	\$ 54	\$ (54)	-100%		\$ -	\$ 271	\$ (271)	-100%		\$ -	\$ -	0%
509197 Sales Tax Expense	\$ -	\$ -	\$ -	0%		\$ -	\$ -	\$ -	0%		\$ -	\$ -	0%
509198 Cash Over/Short	\$ 1	\$ 42	\$ (41)	-98%		\$ 10	\$ 208	\$ (198)	-95%		\$ 202	\$ (192)	-95%
Total Misc -	\$ 10,955	\$ 21,607	\$ (10,652)	-49%		\$ 62,027	\$ 115,034	\$ (53,007)	-46%		\$ 52,283	\$ 9,744	19%
<u>LEASES & RENTALS</u>													
512011 Facility Rentals	\$ 31,090	\$ 39,499	\$ (8,410)	-21%		\$ 155,252	\$ 217,082	\$ (61,829)	-28%		\$ 302,455	\$ (147,203)	-49%
512061 Equipment Rentals	\$ 768	\$ 1,758	\$ (990)	-56%		\$ 4,230	\$ 9,592	\$ (5,362)	-56%		\$ 4,230	\$ (1,478)	-26%
Total Leases & Rentals -	\$ 31,858	\$ 41,258	\$ (9,400)	-23%		\$ 159,482	\$ 226,673	\$ (67,191)	-30%		\$ 308,163	\$ (148,681)	-48%
Total Non-Personnel Expenses -	\$ 550,651	\$ 719,159	\$ (168,507)	-23%		\$ 2,811,863	\$ 3,542,865	\$ (731,002)	-21%		\$ 2,719,007	\$ 92,856	3%
TOTAL OPERATING EXPENSE -	\$ 2,990,768	\$ 3,151,598	\$ (160,830)	-5%		\$ 14,654,264	\$ 15,776,107	\$ (1,121,842)	-7%		\$ 14,399,371	\$ 254,893	2%

** does not include depreciation

Current Period Notes:

- 1) Total Personnel Expenses are slightly over budget due to higher than anticipated worker's comp insurance and bus operator overtime expenses in November 2010.
- 2) Acctg & Audit Fees are under budget due to audit fees budgeted as being paid in November, while payments will be made later in the fiscal year.
- 3) Repair - Equipment is under budget due to inability to anticipate when repair costs will be incurred and straight lining of the budget.



FY11
Consolidated Operating Expenses
For the month ending - November 30, 2010

	Current Period			Year to Date			YTD Year Over Year Comparison		
	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>Notes</u>	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>
	<u>FY11</u>	<u>FY10</u>	<u>FY11</u>	<u>FY10</u>	<u>FY10</u>	<u>Actual</u>	<u>FY10</u>	<u>\$ Var</u>	<u>% Var</u>

- 4) **Rev Vehicle Parts** is under budget due to inability to anticipate when parts will be needed and straight lining of the budget.
- 5) **Telecommunications** is under budget due to November invoices paid in December 2010.
- 6) **Other Taxes** is under budget due to Property taxes and SVT related expenses (Bluebonnet Wastewater) budgeted as being paid in November, while payments were actually made in October 2010.



FY2011
CAPITAL BUDGET
For the month ending - November 30, 2010

	<u>YTD Actual</u>	<u>FY11 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Grant-Funded Projects</u>				
MetroBase Maintenance Facility (5309) / (PTMISEA)	\$ 373,007	\$ 2,000,000	\$ 1,626,993	19%
Purchase Smartcard Farebox System (ARRA) (5311)	\$ 850,082	\$ 2,362,000	\$ 1,511,918	36%
Purchase of 425 Front Street (FTA) / (TCRP)	\$ 26,428	\$ 2,075,000	\$ 2,048,572	1%
Purchase 27 ParaCruz Vehicles (ARRA)	\$ -	\$ 1,750,000	\$ 1,750,000	0%
Transit Mgmt. Info. Technology (ARRA)	\$ 249,667	\$ 1,165,000	\$ 915,333	21%
Comprehensive Security & Surveillance Sys (OHS-1B)	\$ -	\$ 440,505	\$ 440,505	0%
Facilities Video Surveillance Project (OHS-1B)	\$ 13,365	\$ 185,000	\$ 171,635	7%
Fleet - Land Mobile Radio Project (OHS-1B)	\$ 53,154	\$ 195,000	\$ 141,846	27%
Trapeze Pass Interactive Voice Response System *	\$ 22,427	\$ 22,427	\$ -	100%
Subtotal Grant Funded Projects	\$ 1,588,130	\$ 10,194,932	\$ 8,606,802	16%
<u>IT Projects</u>				
Replace Fleet & Facilities Maintenance Software	\$ 8,154	\$ 170,000	\$ 161,846	5%
HR Software Upgrade	\$ 85,420	\$ 250,000	\$ 164,580	34%
Trapeze Pass Customer Certification Software	\$ -	\$ 5,000	\$ 5,000	0%
Automated Purchasing System Software	\$ 44,022	\$ 84,000	\$ 39,978	52%
Subtotal IT Projects	\$ 137,596	\$ 509,000	\$ 371,404	27%
<u>Facilities Repair & Improvements</u>				
MTC Lane Four Shelter Replacement	\$ -	\$ 75,000	\$ 75,000	0%
Repair, Reseal, Restripe (Sinkholes) - Operations	\$ -	\$ 4,000	\$ 4,000	0%
Subtotal Facilities Repairs & Improvements Projects	\$ -	\$ 79,000	\$ 79,000	0%



FY2011
CAPITAL BUDGET
For the month ending - November 30, 2010

	<u>YTD Actual</u>	<u>FY11 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Revenue Vehicle Replacement</u>				
Highway 17 Buses (5) - VTA - (Measure A)	\$ 158	\$ 2,500,000	\$ 2,499,842	0%
Subtotal Revenue Vehicle Replacements	\$ 158	\$ 2,500,000	\$ 2,499,842	0%
<u>Non-Revenue Vehicle Replacement</u>				
NONE	\$ -	\$ -	\$ -	0%
Subtotal Non-Revenue Vehicle Replacements	\$ -	\$ -	\$ -	0%
<u>Maint Equipment</u>				
NONE	\$ -	\$ -	\$ -	0%
Subtotal Non-Revenue Vehicle Replacements	\$ -	\$ -	\$ -	0%
<u>Office Equipment</u>				
NONE	\$ -	\$ -	\$ -	0%
Subtotal Office Equipment	\$ -	\$ -	\$ -	0%
TOTAL CAPITAL PROJECTS	\$ 1,725,884	\$ 13,282,932	\$ 11,557,048	13%



FY2011
CAPITAL BUDGET
For the month ending - November 30, 2010

	<u>YTD Actual</u>	<u>FY11 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>CAPITAL FUNDING</u>				
Federal Capital Grants	\$ 1,107,936	\$ 7,488,451	\$ 6,380,515	15%
State - Measure A - (VTA)	\$ 157	\$ 2,500,000	\$ 2,499,843	0%
State - PTMISEA (1B)	\$ 373,007	\$ 891,938	\$ 518,931	42%
State Security Bond Funds (1B)	\$ 66,519	\$ 820,505	\$ 753,986	8%
State - CalTrans (Section 5311)	\$ -	\$ 267,464	\$ 267,464	0%
Traffic Congestion Relief Program - (TCRP)	\$ 26,428	\$ 617,333	\$ 590,905	4%
State Transit Assistance (STA) (Carryover)-Prior Yrs	\$ 151,837	\$ 697,241	\$ 545,404	22%
Local Operating Match	\$ -	\$ -	\$ -	0%
TOTAL CAPITAL FUNDING	\$ 1,725,884	\$ 13,282,932	\$ 11,557,048	13%

* Budget transfer from FY10 to FY11 for unspent funds on the Trapeze IVR project was approved at the 10/22 BOD meeting.

Attachment A

FY 11 BUDGET LINE ITEM TRANSFERS For the month ending - November 30, 2010

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
TRANSFER # FY11-13			
TRANSFER FROM:	501021-3100	Other Salaries	\$ (1,610)
TRANSFER TO:	503041-3100	Temp Help	\$ 1,610
REASON:	Temporary Worker Needed due to Extended Leaves.		
TRANSFER # FY11-14			
TRANSFER FROM:	504311-3100	Office Supplies	\$ (300)
TRANSFER TO:	504217-3100	Photo Supply/Processing	\$ 300
REASON:	Need funds to purchase digital camera for Eligibility Department.		
TRANSFER # FY11-15			
TRANSFER FROM:	512011-2200	Facility Lease & Rent	\$ (20,000)
TRANSFER TO:	503352-2200	Repair - Equipment	\$ 20,000
REASON:	Needed to fund repairs at the CNG station.		
TRANSFER # FY11-16			
TRANSFER FROM:	503161-2200	Custodial Services	\$ (9,600)
TRANSFER TO:	503161-3100	Custodial Services	\$ 9,600
REASON:	Move Paracruz custodial expenses from Facilities budget to Paracruz budget to meet NTD reporting requirements.		
TRANSFER # FY11-17			
TRANSFER FROM:	503353-4100	Repair -Rev Veh	\$ (639)
TRANSFER TO:	503353-3100	Repair -Rev Veh	\$ 639
REASON:	Need funds for smog checks for 16 Paracruz vans.		
TRANSFER # FY11-18			
TRANSFER FROM:	501021-2200	Other Salaries	\$ (17,970)
TRANSFER TO:	503041-2200	Temp Help	\$ 17,970
REASON:	Need funds to cover Temp Help expenses for Custodial Service Worker .		

7-4.a13

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: April Warnock, Paratransit Superintendent
SUBJECT: METRO PARACRUZ OPERATIONS STATUS REPORT

I. RECOMMENDED ACTION

This report is for information only - no action requested

II. SUMMARY OF ISSUES

- METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.
- METRO assumed direct operation of paratransit services November 1, 2004. This service had been delivered under contract since 1992.
- Discussion of ParaCruz Operations Status Report.
- Attachment A: On-time Performance Chart displays the percentage of pick-ups within the “ready window” and a breakdown in 5-minute increments for pick-ups beyond the “ready window”. The monthly Customer Service Reports summary is included.
- Attachment B: Report of ParaCruz’ operating statistics. Performance Averages and Performance Goals are reflected in the Comparative Operating Statistics Table in order to establish and compare actual performance measures, as performance is a critical indicator as to ParaCruz’ efficiency.
- Attachments C and D: ParaCruz Performance Charts displaying trends in rider-ship and mileage spanning a period of three years.
- Attachment E: Current calendar year’s statistical information on the number of ParaCruz in-person eligibility assessments, including a comparison to past years, since implementation in August of 2002.

III. DISCUSSION

In November 2010 ParaCruz rides increased by 198 rides from November 2009. The number of rides in November 2010 was markedly decreased by 478 rides from October 2010. While the decrease in rides between October and November is the typical trend, the difference between the number of rides this year is smaller than in the past two years.

Call Center statistics reflect that we experienced problems with the phone system attributed to wiring issues that have been identified. Corrective measures are underway that will alleviate the issue and improve the system's performance.

IV. FINANCIAL CONSIDERATIONS

NONE

V. ATTACHMENTS

- Attachment A:** ParaCruz On-time Performance Chart
- Attachment B:** Comparative Operating Statistics Table
- Attachment C:** Number of Rides Comparison Chart and Shared vs. Total Rides Chart
- Attachment D:** Mileage Comparison Chart and Year to Date Mileage Chart
- Attachment E:** Eligibility Chart

ATTACHMENT A

Board of Directors
Board Meeting January 28, 2011

ParaCruz On-time Performance Report		
	Nov 2009	Nov 2010
Total pick ups	7795	7993
Percent in “ready window”	95.07%	96.03%
1 to 5 minutes late	2.04% 1.69%	
6 to 10 minutes late	1.36% 1.15%	
11 to 15 minutes late	.58% .55%	
16 to 20 minutes late	.58% .23%	
21 to 25 minutes late	.21% .21%	
26 to 30 minutes late	.06% .06%	
31 to 35 minutes late	.06% .06%	
36 to 40 minutes late	.03% .01%	
41 or more minutes late (excessively late/missed trips)	.01% .00%	
Total beyond “ready window”	4.93%	3.97%

During the month of November 2010, ParaCruz received thirteen (13) Customer Service Reports. Three (3) of the reports were valid complaints. Two (2) of the reports were unverifiable. Six (6) reports were not valid, and two (2) of the reports were compliments.

ATTACHMENT B

Board of Directors
Board Meeting January 28, 2011

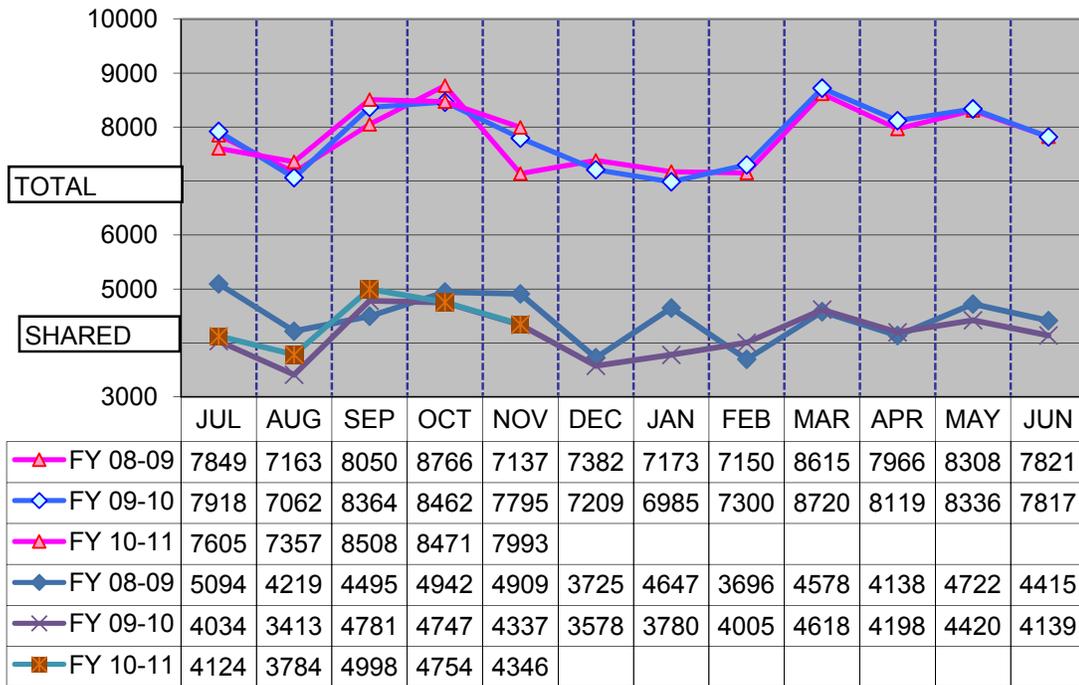
	Nov 09	Nov 10	Fiscal 09-10	Fiscal 10-11	Performance Averages	Performance Goals
Requested	8047	8843	42,513	41,992	8436	
Performed	7137	7993	39,596	39,931	7268	
Cancels	21.37%	20.98%	18.02%	17.52%	18.41%	
No Shows	2.51%	1.65%	3.06%	2.05%	2.63%	Less than 3%
Total miles	48,596	50,800	257,073	261,437	50,516	
Av trip miles	4.95	4.78	5.11	4.92	5.04	
Within ready window	95.07%	96.25%	95.57%	96.24%	95.57%	92.00% or better
Excessively late/missed trips	1	0	7	9	2.17	Zero (0)
Call center volume	N/A	6089	N/A	29,195	N/A	
Call average seconds to answer	N/A	56 secs	N/A	1 min 02 secs	N/A	Less than 2 minutes
Hold times less than 2 minutes	N/A	94.81%	N/A	94.67%	N/A	Greater than 90%
Distinct riders	803	801	1,330	1394	815	
Most frequent rider	56 rides	60 rides	209 rides	293 rides	57 rides	
Shared rides	65.1%	63.7%	62.7%	64.1%	63.56%	Greater than 60%
Passengers per rev hour	2.35	2.2	2.18	2.23	2.22	Greater than 1.6 passengers/hour
Rides by supplemental providers	16.66%	10.57%	12.87%	9.15%	10.99%	No more than 25%
Vendor cost per ride	\$21.71	\$20.79	\$22.39	\$20.76	\$23.00	
ParaCruz driver cost per ride (estimated)	\$26.29	\$24.19	\$24.12	\$26.86	\$24.61	
Rides < 10 miles	69.97%	71.46%	69.30%	69.71%	69.96%	
Rides > 10	30.03%	28.54%	30.70%	30.29%	30.04%	

Comparative Operating Statistics This Fiscal Year, Last Fiscal Year through November 2010.

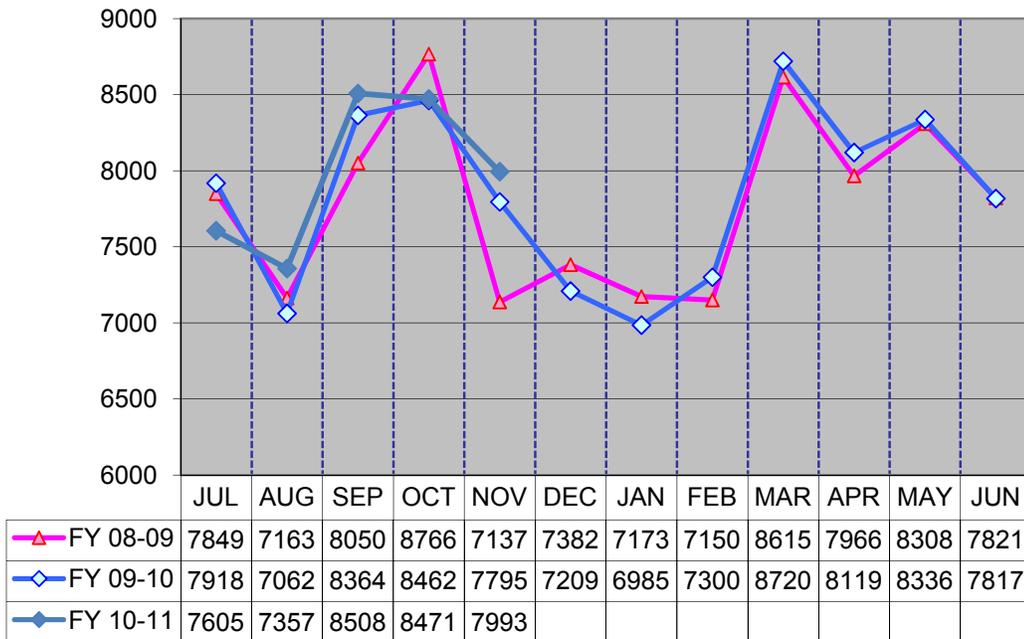
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ATTACHMENT C

TOTAL RIDES vs. SHARED RIDES

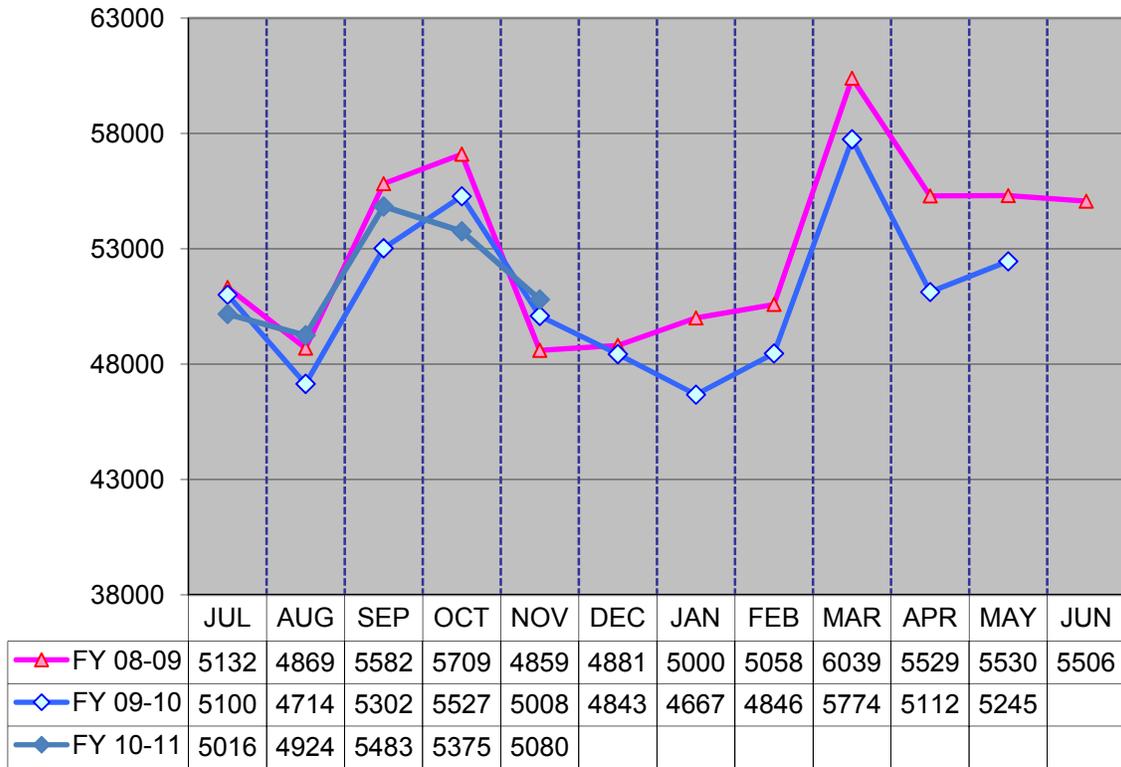


NUMBER OF RIDES COMPARISON CHART

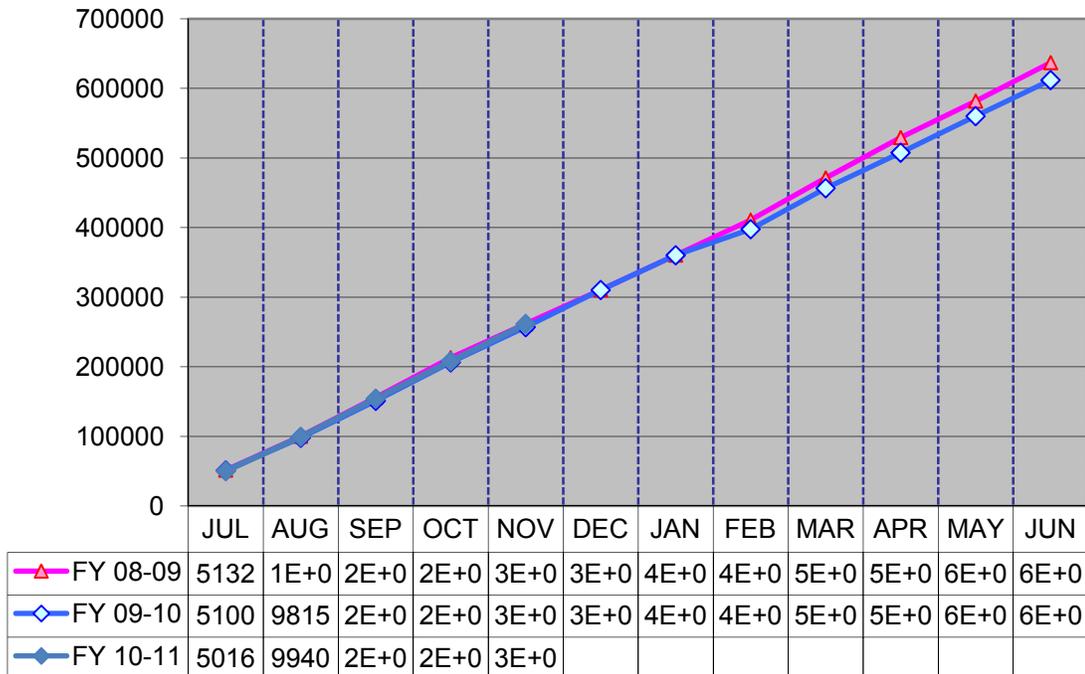


ATTACHMENT D

MILEAGE COMPARISON



YEAR TO DATE MILEAGE COMPARISON CHART



ATTACHMENT E

MONTHLY ASSESSMENTS						
	UNRESTRICTED	RESTRICTED	RESTRICTED	TEMPORARY	DENIED	TOTAL
		CONDITIONAL	TRIP BY TRIP			
NOVEMBER 2009	32	6	1	4	0	43
DECEMBER 2009	30	3	2	2	0	37
JANUARY 2010	35	1	6	4	0	46
FEBRUARY 2010	42	1	4	1	0	48
MARCH 2010	48	3	3	2	0	56
APRIL 2010	29	2	7	5	0	43
MAY 2010	44	6	3	3	0	56
JUNE 2010	49	9	3	0	0	49
JULY 2010	33	4	7	1	0	45
AUGUST 2010	31	1	9	4	0	45
SEPTEMBER 2010	55	4	9	1	1	70
OCTOBER 2010	58	1	10	2	0	71
NOVEMBER 2010	45	0	4	5	1	55

NUMBER OF ELIGIBLE RIDERS	
YEAR	ACTIVE
2005	5336
2006	5315
2007	4820
2008	4895
2009	5291

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Angela Aitken, Finance Manager & Acting Assistant General Manager
SUBJECT: SANTA CRUZ METRO SYSTEM RIDERSHIP AND PERFORMANCE REPORT FOR NOVEMBER 2010

I. RECOMMENDED ACTION

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

II. SUMMARY OF ISSUES

- Total ridership for the month of November 2010 was 532,348, which is an increase of 20,714 riders or 3.9% versus November 2009.
- Routes in November 2010 with notable increases in comparison to November 2009 are: Route 69N-Santa Cruz/Capitola Cabrillo Night, Route 20D-Westside Supplemental, and Route 16- University via Laurel East.
- Routes in November 2010 with notable decreases in comparison to November 2009 are: Route 74-Ohlone Parkway/Rolling Hills, Route 54-Capitola/Rio Del Mar, and Route 42-Davenport/Bonny Doon.
- There were 3.2 hours of dropped service amounting to 68.15 miles of dropped service in November 2010.
- Fourteen (14) buses reported issues with lifts while in service.

III. DISCUSSION

In the nineteen (19) weekdays, eight (8) weekend days, and three (3) holidays of November 2010, Santa Cruz METRO's total ridership was 532,348 riders. This was a gain from the previous year, increasing by 20,714 riders or 3.9%. Higher than expected ridership levels from the University of California, Santa Cruz (UCSC) has most likely caused the increase in ridership. Currently, FY11 YTD ridership is 2,269,607, which is down 0.7% from FY10.

Routes 69N, 20D, and 16 all show consistent growth from the previous November, gaining at least a 7.9% ridership increase from November 2009. Route 69N serves Cabrillo College at night which has been well utilized by Cabrillo students. Strong ridership on Route 20D shows a continuous demand for service to and from UCSC and Westside Santa Cruz. Route 16 is the most ridden route in the entire county, serving mostly UCSC students seven days a week; this route has increase from high demand for transit service on the weekends at UCSC.

Other Routes with significant ridership increases from November 2009 to November 2010 include: Route 20, Route 71, Route 19, and Route 55. Much of these increases are due to

demand from UCSC and Cabrillo College because the month of November is generally a strong month for school term transit service.

Routes 74, 54, and 42 have seen steady decreases and have contributed to poor ridership. Each of these under performing routes has their unique issues. Route 74-Ohlone Parkway/Rolling Hills, a local Watsonville route, has been underutilized from high school and younger students. Route 54-Capitola/Aptos/Le Selva has also lost ridership due to reduced frequency from the September service reduction. Finally, Route 42-Davenport/Bonny Doon has under performing ridership from long cycle times and reduced frequency from the September service reduction.

Other Routes with significant ridership decreases include: Highway 17, Route 56, UC Night Owl, and Route 68. The majority of these routes were subjected to cuts to frequency and service span during the Fall 2010 Service Reduction.

There were 3.2 hours of dropped service amounting to 68.15 miles of dropped service due to accidents, mechanical problems, and other issues. During service, fourteen (14) buses reported issues with the passenger lifts.

IV. FINANCIAL CONSIDERATIONS.

Revenue derived from passenger fares and passes is reflected in the FY11 Revenue.

V. ATTACHMENTS

- Attachment A: November 2010 Ridership Report**
- Attachment B: November 2009 Ridership Report**
- Attachment C: FYTD % Change in Ridership**
- Attachment D: Route by Route Ridership**
- Attachment E: Dropped Service for FY11**
- Attachment F: In Service Passenger Lift Problems**

Prepared by: Erich Friedrich, Jr. Transportation Planner.
Date Prepared: January 20, 2011

Santa Cruz METRO
November 2010 Ridership Report

ROUTE	Miles	Hours	UC Student	UC Staff	Cabrillo	Full Fare	Tickets	S/D Fare	Day Pass	S/D Day Pass	Passes/Free Fare	Pacific Shores	Total Ridership	Passengers Per Mile	Passengers Per Hour	W/C	Bike		
10	5,107.22	428.00	29,058	1,424	91	848	40	58	13	7	967	11	32,517	6.37	75.97	25	920		
13	2,088.48	178.60	12,650	432	30	273	16	26	4	0	419	3	13,853	6.63	77.56	4	301		
15	7,191.90	603.65	44,652	1,424	167	938	37	78	15	1	1,018	13	48,343	6.72	80.08	10	1,270		
16	14,456.94	1,173.69	94,497	2,879	360	2,803	96	188	22	8	2,855	27	103,735	7.18	88.38	41	2,590		
19	5,499.99	415.67	27,883	927	197	754	27	93	8	5	916	8	30,818	5.60	74.14	10	710		
3	2,155.20	180.00	405	121	91	441	38	164	12	17	1,459	99	2,847	1.32	15.82	29	82		
4	1,567.10	163.00	112	30	130	422	188	262	8	12	2,818	11	3,993	2.55	24.50	18	68		
8	100.24	8.66	3	0	2	13	2	2	1	0	99	1	122	1.22	14.09	0	1		
12A	250.11	18.05	895	75	2	17	2	3	1	0	25	0	1,020	4.08	56.51	0	46		
20	5,919.92	394.39	21,389	868	225	1,081	59	191	20	10	1,967	202	26,012	4.39	65.96	17	681		
30	1,135.96	66.66	26	5	12	238	17	12	3	0	409	1	723	0.64	10.85	1	18		
33	448.74	20.70	0	0	0	136	0	2	2	2	281	0	423	0.94	20.43	0	3		
34	251.28	15.89	7	1	1	59	0	2	0	0	142	0	212	0.84	13.34	1	2		
35	36,696.85	1,843.88	879	360	1,517	11,542	724	1,146	271	150	21,213	17	37,819	1.03	20.51	50	1,719		
40	2,847.56	112.84	52	14	47	581	15	81	20	11	789	11	1,621	0.57	14.37	0	62		
41	2,938.28	122.00	228	60	59	662	28	26	11	5	703	1	1,783	0.61	14.61	0	167		
42	1,426.90	52.16	173	8	13	172	7	29	2	2	187	4	597	0.42	11.45	0	39		
54	1,109.20	51.01	0	0	34	101	3	18	4	3	192	0	355	0.32	6.96	2	21		
55	2,697.20	183.34	24	14	1,186	714	65	155	19	16	1,840	1	4,034	1.50	22.00	99	165		
56	834.40	36.66	7	1	181	135	9	21	8	14	257	0	633	0.76	17.27	1	20		
66	6,321.34	541.48	1,552	330	549	4,522	348	687	72	47	7,170	9	15,286	2.42	28.23	205	535		
68	4,990.46	401.87	1,331	300	422	2,428	149	348	54	27	4,202	3	9,264	1.86	23.05	89	297		
69	3,000.12	274.70	1,048	206	376	2,416	151	334	22	30	4,182	26	8,791	2.93	32.00	87	323		
69A	13,893.66	747.81	1,380	442	775	9,070	675	1,408	93	90	9,703	22	23,658	1.70	31.64	267	877		
69N	1,496.08	120.00	619	123	342	604	21	61	1	1	1,056	3	2,831	1.89	23.59	32	172		
69W	13,854.91	771.10	1,675	442	4,181	9,469	648	1,214	114	108	11,303	28	29,182	2.11	37.84	268	1,016		
71	47,275.48	2,703.09	2,888	1,027	11,323	26,703	2,227	3,439	304	263	29,854	51	78,079	1.65	28.89	389	3,246		
72	5,260.08	254.34	11	4	272	1,769	75	292	22	21	1,303	0	3,769	0.72	14.82	17	39		
74	3,197.14	186.66	54	11	116	1,339	87	273	4	27	790	0	2,701	0.84	14.47	8	17		
75	5,700.79	359.39	21	15	238	3,141	181	704	51	59	2,681	0	7,091	1.24	19.73	57	130		
79	1,569.26	91.66	14	3	98	610	73	213	23	53	706	0	1,793	1.14	19.56	96	23		
91x	5,018.42	216.00	369	153	1,216	1,444	264	140	52	28	1,602	0	5,268	1.05	24.39	20	319		
UC Supp.	1,789.49	110.47	8,902	309	2	68	7	4	0	0	96	4	9,392	5.25	85.02	1	184		
Night Owl	967.76	57.87	3,599	56	3	149	2	1	0	0	29	0	3,839	3.97	66.34	0	68		
TOTAL	209,068.45	12,905.29	256,403	12,064	24,258	85,662	6,281	11,674	1,255	1,018	113,233	556	512,404	2.45	39.70	1,844	16,131		
ROUTE 17	46,608.74	1,476.67	5	32	165	3,022	1,284	1,205	8	14,223	17		19,944	0.43	13.51	59	1,436		
													RIDERSHIP	Passengers Per Mile		Passengers Per Hour		W/C	Bike
													556	2.45		39.70		1,844	16,131
													17	0.43		13.51		59	1,436
													19,944	0.43		13.51		59	1,436

November Ridership 532,348

Attachment B

Santa Cruz METRO
November 2009 Ridership Report

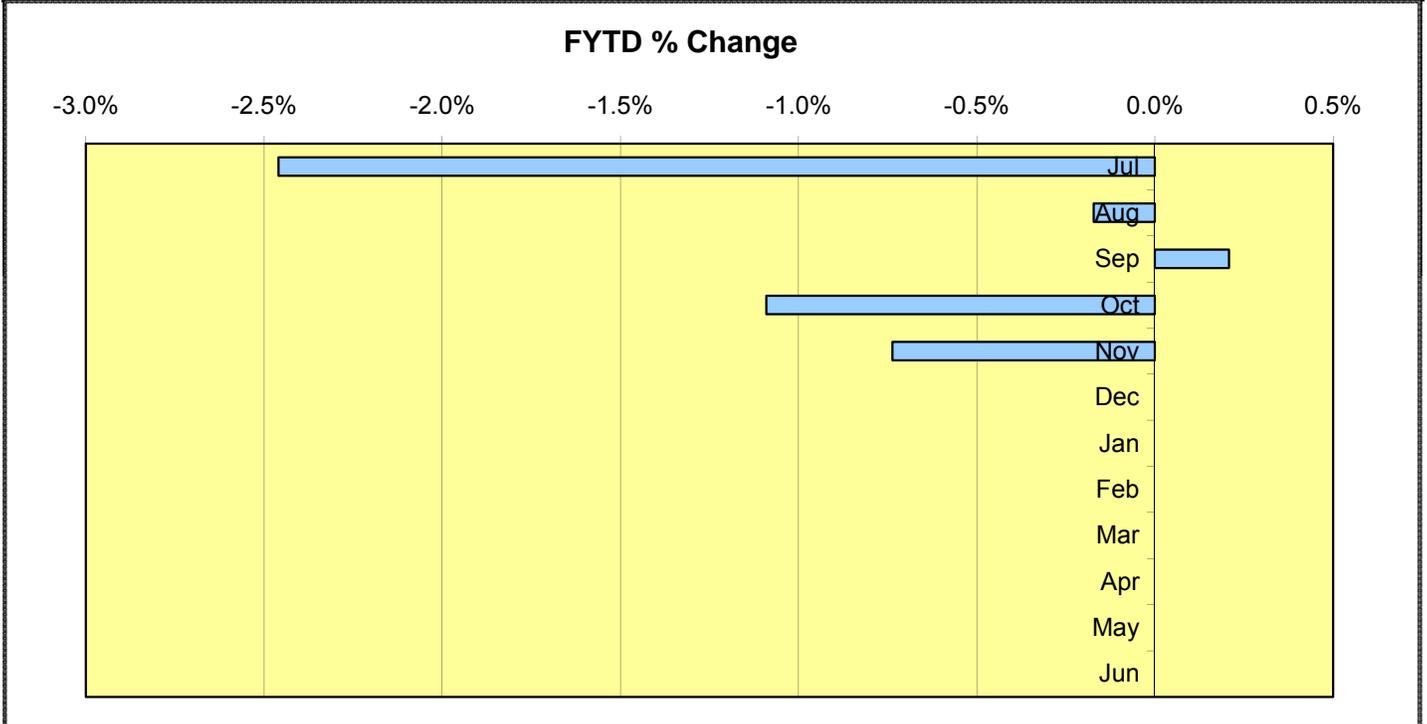
ROUTE	Miles	Hours	UC Student	UC Staff	Cabrillo	Full Fare	Tickets	S/D Fare	Day Pass	S/D Day Pass	Passes/Free Fare	Pacific Shores	Total Ridership	Passengers Per Mile	Passengers Per Hour	W/C	Bike	
10	4,977.15	416.83	26532	1248	151	787	26	66	13	2	758	3	29,586	5.94	70.98	23	990	
13	1,978.56	169.20	11125	523	50	194	30	11	2	0	331	0	12,266	6.20	72.49	1	341	
15	6,810.31	571.75	40265	1596	238	768	34	58	7	2	994	7	43,969	6.46	76.90	11	1317	
16	15,143.83	1,227.18	86465	3185	620	2868	107	213	35	18	2628	11	96,150	6.35	78.35	33	2854	
19	5,627.34	416.82	24431	847	244	806	41	130	4	6	968	5	27,482	4.88	65.93	18	764	
3	2,158.78	156.43	468	134	295	561	33	137	15	12	1144	86	2,885	1.34	18.44	10	77	
4	1,344.35	139.33	211	66	139	356	158	146	11	24	2966	8	4,085	3.04	29.32	41	79	
7	989.90	88.67	152	18	89	62	26	62	3	23	406	0	841	0.85	9.48	3	10	
9	411.96	21.85	22	9	7	87	12	7	2	0	233	0	379	0.92	17.35	1	10	
12A	236.95	17.10	691	118	4	13	3	3	0	1	12	0	848	3.58	49.59	0	34	
20	5,882.64	391.89	19864	780	396	1057	43	128	10	11	1354	137	23,780	4.04	60.68	13	700	
27x	1,265.04	108.00	4315	185	17	71	8	1	2	0	129	0	4,728	3.74	43.78	0	237	
31	2,055.12	108.30	72	21	153	483	29	21	14	1	731	0	1,525	0.74	14.08	4	74	
32	679.10	40.22	12	5	18	197	12	7	1	1	250	0	503	0.74	12.51	2	24	
33	423.81	19.55	0	0	17	114	5	4	1	1	141	0	283	0.67	14.48	0	7	
34	237.32	15.01	0	0	3	108	11	0	1	1	127	0	250	1.05	16.66	0	7	
35	36,888.97	1,847.24	1234	359	2096	1186	749	1126	232	120	19962	2	37,066	1.00	20.07	53	1743	
40	2,346.22	95.46	41	8	38	719	10	55	22	10	611	2	1,516	0.65	15.88	2	49	
41	2,839.32	117.83	346	81	149	508	22	18	11	2	595	18	1,750	0.62	14.85	0	223	
42	3,275.59	121.67	343	28	94	454	19	45	6	0	419	6	1,414	0.43	11.62	2	140	
53	1,057.92	74.73	10	16	35	153	5	48	1	9	310	0	587	0.55	7.85	24	22	
54	1,920.12	108.37	5	9	101	219	11	64	5	6	482	0	902	0.47	8.32	7	28	
55	2,562.34	174.17	29	19	1586	590	44	105	10	18	1477	0	3,878	1.51	22.27	67	66	
56	2,000.51	88.35	2	7	400	271	6	42	5	8	510	0	1,251	0.63	14.16	20	36	
66	6,307.77	542.34	1492	279	829	4496	341	628	68	53	7542	10	15,738	2.50	29.02	252	528	
68	4,825.30	393.98	1633	228	541	2590	141	301	57	47	4785	9	10,332	2.14	26.22	58	265	
68N	1,784.95	128.56	538	44	111	732	21	51	0	2	707	0	2,206	1.24	17.16	16	143	
69	3,185.96	287.55	1282	269	643	2142	180	267	36	34	3636	10	8,499	2.67	29.56	86	374	
69A	14,034.52	752.98	1456	366	1121	8651	666	1194	110	103	9687	7	23,361	1.66	31.02	262	868	
69N	1,576.91	126.65	372	59	361	482	12	42	0	0	687	0	2,015	1.28	15.91	9	113	
69W	13,604.86	756.57	1493	424	5167	8233	567	942	108	82	9751	19	26,786	1.97	35.40	167	1048	
70	2,590.29	212.99	288	80	3561	1204	149	158	13	25	2132	20	7,630	2.95	35.82	56	327	
71	46,813.08	2,675.25	3132	946	13675	24947	1927	3102	242	256	26075	44	74,346	1.59	27.79	393	3168	
72	4,997.08	241.62	8	30	271	1554	94	269	19	28	1149	0	3,422	0.68	14.16	28	95	
74	3,056.13	178.92	74	18	145	1426	127	276	8	8	825	0	2,842	0.93	15.88	15	39	
75	6,378.84	384.25	33	19	352	3539	259	529	77	61	2448	0	7,317	1.15	19.04	85	135	
76	2,102.48	110.83	6	9	19	354	21	61	6	8	363	0	847	0.40	7.64	7	37	
79	1,490.80	87.08	20	10	177	644	70	114	20	30	664	1	1,750	1.17	20.10	117	20	
88																		
91x	5,330.16	229.20	298	142	1331	1248	248	76	24	17	1428	14	4,826	0.91	21.06	19	283	
UC Supp.	1,699.59	104.92	7202	351	12	29	0	5	0	0	43	0	7,642	4.50	72.84	0	158	
Night Owl	1,158.95	103.68	4941	22	22	270	2	10	0	0	80	1	5,348	4.61	51.58	0	161	
TOTAL	224,050.80	13,853.32	240,838	12,558	35,278	85,173	6,272	10,522	1,201	1,029	109,540	420	502,831	2.24	36.30	1,905	17,587	
ROUTE	45,975.53	1,458.82	96	80	179	12530	1354	1424	134	11407			27,204	0.59	18.65	72	1745	

November Ridership 530,035

Attachment C

FYTD % Change in Ridership
Through November 2010

	FY11 YTD Ridership	FY10 YTD Ridership	Difference	% Change
Jul	327,283	335,537	-8,254	-2.5%
Aug	649,646	650,763	-1,117	-0.2%
Sep	1,109,406	1,107,101	2,305	0.2%
Oct	1,737,259	1,756,415	-19,156	-1.1%
Nov	2,269,607	2,286,450	-16,843	-0.7%
Dec				
Jan				
Feb				
Mar				
Apr				
May				
Jun				



Attachment D

Route by Route Ridership

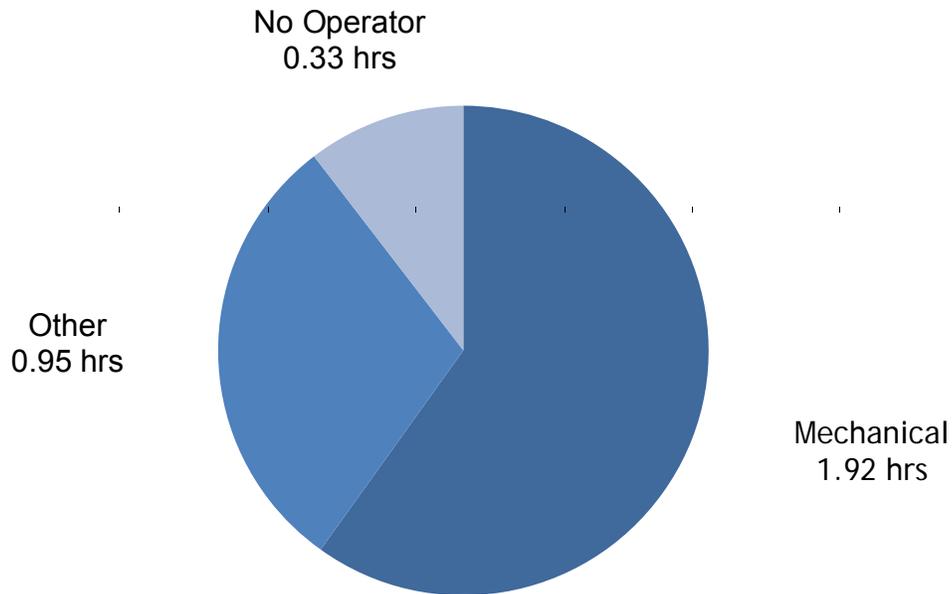
November 2010						
	Route	Destination	FY11 Riders	FY10 Riders	+/- from last year	%
1	33	Lompico	423	283	140	49.5%
2	69N	Santa Cruz/Capitola Cabrillo Night	2,831	2,015	816	40.5%
3	Sup	Route 20 Supplemental	9,392	7,642	1,750	22.9%
4	12	University/Eastside Direct	1,020	848	172	20.3%
5	13	University via Walnut	13,853	12,266	1,587	12.9%
6	19	University via Lower Bay	30,818	27,482	3,336	12.1%
7	72	Corralitos	3,769	3,422	347	10.1%
8	15	University via Laurel West	48,343	43,969	4,374	9.9%
9	10	University via High St.	32,517	29,586	2,931	9.9%
10	20	University via Westside	26,012	23,780	2,232	9.4%
11	91	Santa Cruz-Watsonville Express	5,268	4,826	442	9.2%
12	69W	Santa Cruz/Capitola/Cabrillo Watsonville	29,182	26,786	2,396	8.9%
13	16	University via Laurel East	103,735	96,150	7,585	7.9%
14	40	Davenport	1,621	1,516	105	6.9%
15	71	Watsonville/Santa Cruz	78,079	74,346	3,733	5.0%
16	55	Capitola/Rio Del Mar	4,034	3,878	156	4.0%
17	69	Santa Cruz/Capitola	8,791	8,499	292	3.4%
18	79	East Lake	1,793	1,750	43	2.5%
19	35	San Lorenzo Valley	37,819	37,066	753	2.0%
20	41	Bonny Doon	1,783	1,750	33	1.9%
21	69A	Santa Cruz/Capitola/ Watsonville	23,658	23,361	297	1.3%
22	3	Natural Bridges	2,847	2,885	-38	-1.3%
23	4	Harvey West/Emeline	3,993	4,085	-92	-2.3%
24	66	Live Oak via 17th Avenue	15,286	15,738	-452	-2.9%
25	75	Green Valley	7,091	7,317	-226	-3.1%
26	74	Ohlone Parkway/Rolling Hills	2,701	2,842	-141	-5.0%
27	68	Live Oak via Broadway/Portola	9,264	10,332	-1,068	-10.3%
28	34	South Felton	212	250	-38	-15.2%
29	17	Santa Cruz/San Jose	19,944	27,204	-7,260	-26.7%
30	N/O	Night Owl	3,839	5,348	-1,509	-28.2%
31	56	Capitola/La Selva	633	1,251	-618	-49.4%
32	42	Davenport/Bonny Doon	597	1,414	-817	-57.8%
33	54	Capitola/Aptos/La Selva	355	902	-547	-60.6%
34	8	Emeline	122	N/A	N/A	N/A
35	30	Santa Cruz/Scotts Valley	723	N/A	N/A	N/A
36	31 & 32	Santa Cruz/Scotts Valley	N/A	2,028	N/A	N/A
37	53	Capitola/Dominican	N/A	587	N/A	N/A
38	70	Santa Cruz/Cabrillo	N/A	7,630	N/A	N/A
39	76	Corralitos/Buena Vista	N/A	847	N/A	N/A
40	7 & 9	Beach St./Prospect Heights	N/A	1,220	N/A	N/A
41	27x	University Express	N/A	4,728	N/A	N/A
42	68N	Beach/Broadway/Portola Night	N/A	2,206	N/A	N/A
TOTALS			532,348	530,035	20,714	3.9%

Attachment E

Dropped Service for FY11

	FY10		FY11		FY12		FY13	
	Dropped Hours	Dropped Miles						
July	10.35	208.64	12.00	207.15				
August	32.77	894.57	7.58	152.54				
September	17.30	240.17	4.38	87.02				
October	13.02	234.98	13.70	143.89				
November	14.75	180.63	3.20	68.15				
December	9.40	220.62						
January	11.10	196.58						
February	2.97	37.97						
March	50.77	569.32						
April	26.68	404.73						
May	32.08	427.68						
June	35.13	456.28						
TOTAL	256.32	4,072.17	40.87	658.75	0.00	0.00	0.00	0.00

Dropped Service Breakdown for November 2010



Attachment F

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT				
Passenger Lift Problems				
MONTH OF NOVEMBER 2010				
BUS #	DATE	DAY	REASON	
2226	D/C LF 40	1-Nov	Monday	Kneel does not always work.
9838	GIL 40	3-Nov	Wednesday	Lift is not working. Won't deploy.
9840	GIL 40	4-Nov	Thursday	Lift got stuck
2806	C 40 LF 08	4-Nov	Thursday	Kneel switch very loose. "Kneel" not raising at times.
9812	LFF 35	5-Nov	Friday	Kneel would not come up and at some time, fare box stopped working correctly. Turned off power at rear and it started working again. A while later, kneel stopped working again.
2219	D/C LF 35	6-Nov	Saturday	Kneel switch stopped working.
2306	17 ORI 40	6-Nov	Saturday	Kneel takes extra effort and time to come back up - either shut down or wait for high idle to take effect.
2208	CNG LFF 40	7-Nov	Sunday	Lift/Ramp/Kneel alarm not loud enough
9829	LFF 40	7-Nov	Sunday	Ramp bent - have to force it to stow and force it up.
2208	CNG LFF 40	9-Nov	Tuesday	Ramp does not deploy; must deploy manually.
9812	LFF 35	10-Nov	Wednesday	Kneel switch gets stuck.
2207	CNG LFF 40	10-Nov	Wednesday	Kneel slow to go up.
2303	17 ORI 40	15-Nov	Monday	No beeper for lift.
2214	D/C LF 35	27-Nov	Saturday	Kneel beeping does not sound.
9838	GIL 40	29-Nov	Monday	Kneel did not raise up.
2303	17 ORI 40	29-Nov	Monday	Lift doesn't beep when deployed.
9820	LFF 40	30-Nov	Tuesday	Kneel not working.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011

TO: Board of Directors

FROM: Angela Aitken, Finance Manager & Acting Assistant General Manager

SUBJECT: HIGHWAY 17 EXPRESS SERVICE REPORT FOR NOVEMBER 2010

I. RECOMMENDED ACTION

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

II. SUMMARY OF ISSUES

- Total ridership for the month of November 2010 was 19,946, which is an decrease of 7,258 riders or -26.7% from November 2009.
- FY11 average ridership per weekday was 784. This is an 19.6% decrease from FY10.
- FY11 riders per revenue hour were 13.26 riders per hour, which is a 21.1% decrease from FY10.
- November 2010 Highway 17 Express operating costs was \$145,054.78 with November 2010 fare revenue at \$84,475.28 and additional funds from AMTRAK and SJSU at \$13,491.46 resulting in a 67.5% cost recovery ratio.

III. DISCUSSION

In the nineteen (19) weekdays, eight (8) weekend days, and three (3) holidays of November 2010, the Highway 17 Express total ridership was 19,946 riders. This was a loss from the previous year, decreasing by 7,258 riders or simply -26.7%. A proportion of this loss is due to an expected drop in ridership after a nearly 25% increase in Highway 17 Express fares which began June 10, 2010.

FY11 average weekday ridership on the Highway 17 Express was 784 riders per weekday, a 19.6% decrease from 975 riders per weekday in FY10. Simultaneously Highway 17 Express has seen a 21.1% decrease in riders per revenue hour from 16.80 riders per revenue hour to 13.26 riders per revenue hour. These decreases in ridership could be due to stable gasoline prices as well as continually high unemployment rates in both Santa Clara and Santa Cruz counties. However such drastic drops in ridership even with such variables as high unemployment, gas prices, and fare increases, is very peculiar. Santa Cruz METRO staff is continuing to audit these counts to ensure that ridership data is being counted accurately on the Highway 17 Express.

The operating cost of the Highway 17 Express for November 2010 was \$145,054.78. A respectable 67.5% of the operating costs were recovered from fare revenue of \$84,475.28 and additional funds from AMTRAK and SJSU of \$13,491.46 totaling to \$97,966.74 in November 2010. Please see attachments regarding these figures.

IV. FINANCIAL CONSIDERATIONS.

Revenue derived from passenger fares and passes is reflected in the FY11 Revenue.

V. ATTACHMENTS

Attachment A: Highway 17 Express Operating Statistics Summary Fiscal Year 2011

Attachment B: Highway 17 Express Revenue & Expenditure Summary Fiscal Year 2011

Attachment C: Highway 17 Express Operating Statistics Summary Fiscal Year 2010

Prepared by: Erich Friedrich, Jr. Transportation Planner.
Date Prepared: January 20, 2011

HIGHWAY 17 EXPRESS OPERATING STATISTICS SUMMARY FISCAL YEAR 2011

MONTHLY	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010	Jan-2011	Feb-2011	Mar-2011	Apr-2011	May-2011	Jun-2011
Total Ridership	19,549	20,724	20,734	21,270	19,946							
Avg. Weekday Ridership	695	767	820	827	818							
Avg. Saturday Ridership	473	386	391	365	337							
Avg. Sunday Ridership	477	461	390	415	373							
Total Service Days	31	31	30	31	30							
Number of Weekdays	22	22	21	21	20							
Number of Saturdays	5	4	4	5	4							
Numbers of Sundays	4	5	5	5	6							
Revenue Hours	1,584	1,584	1,515	1,538	1,488							

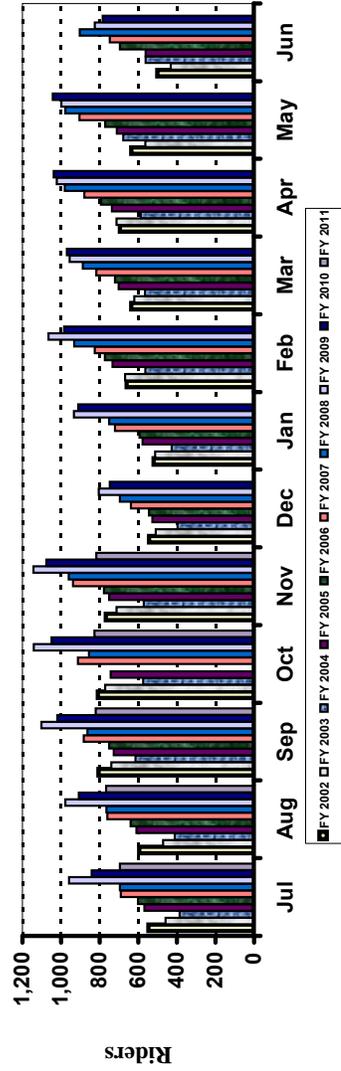
QUARTERLY	Q1			Q2			Q3			Q4		
Total Ridership	61,007											
Avg. Weekday Ridership	760											
Avg. Saturday Ridership	421											
Avg. Sunday Ridership	440											
Revenue Hours	4,683											

FYTD	Jul-2010	Aug-2010	Sep-2010	Oct-2010	Nov-2010	Dec-2010	Jan-2011	Feb-2011	Mar-2011	Apr-2011	May-2011	Jun-2011
Total Ridership	19,549	40,273	61,007	82,277	102,223							
Avg. Weekday Ridership	695	731	760	776	784							
Avg. Saturday Ridership	473	434	421	405	393							
Avg. Sunday Ridership	477	468	440	434	419							
Revenue Hours	1,584	3,168	4,683	6,221	7,709							

FYTD COMPARISON 2011 vs. 2010

	FY 2011		FY 2010		Percent Change
	Jul 10 to Nov '10	106	Jul 09 to Nov 09	106	
# of Weekdays	106	106	106	106	0.0%
Total Ridership	102,223	130,480	130,480	130,480	-21.7%
Avg. Wkday Ridership	784	975	975	975	-19.6%
Avg Sat Ridership	393	555	555	555	-29.2%
Avg Sun Ridership	419	597	597	597	-29.8%
Revenue Hours	7,709	7,765	7,765	7,765	-0.7%
Riders Per Rev. Hour	13.26	16.80	16.80	16.80	-21.1%

HIGHWAY 17 EXPRESS Average Weekday Ridership History



**HIGHWAY 17 EXPRESS
REVENUE & EXPENDITURE SUMMARY
FISCAL YEAR 2011**

PERIOD	TOTAL COST *	REVENUE										RATIOS					VTA COST SUMMARY			JPA COST SUMMARY	
		PASSENGER FARE REVENUE					TOTAL REVENUE	ADDITIONAL FUNDS		Ridership	Average Fare per Rider	Total Cost per Rider	Cost Recovery	Billed to VTA	VTA Fare Revenue	VTA Net Cost	TOTAL JPA Cost	JPA Cost per Rider			
		FAREBOX	SCMTD Pass Sales	VTA Pass Sales	VTA EcoPass	Total Fare Revenue		SJSU** Funded	AMTRAK Funded												
Jul '10	\$164,210.95	\$46,217.65	\$17,737.00	\$10,170.00	\$950.00	\$75,074.65	\$10,354.58		19,549	\$3.84	\$7.89	55.4%	\$45,510.86	\$11,120.00	\$34,390.86	\$68,781.72	\$3.52				
Aug '10	\$154,228.17	\$46,941.18	\$15,382.00	\$10,848.00	\$1,090.00	\$74,261.18	\$10,357.46	20,724	\$3.58	\$7.44	55.2%	\$46,475.63	\$11,938.00	\$34,537.63	\$69,075.25	\$3.33					
Sep '10	\$147,522.42	\$43,077.89	\$18,474.50	\$17,176.00	\$1,075.00	\$79,803.39	\$10,371.00	20,734	\$3.85	\$7.12	63.0%	\$45,513.54	\$18,251.00	\$27,262.54	\$54,525.07	\$2.63					
Oct '10	\$149,655.95	\$50,337.50	\$19,105.00	\$17,967.00	\$945.00	\$88,354.50	\$10,517.38	21,270	\$4.15	\$7.04	67.9%	\$42,914.99	\$18,912.00	\$24,002.99	\$48,005.99	\$2.26					
Nov '10	\$145,054.78	\$49,104.03	\$17,596.25	\$16,950.00	\$825.00	\$84,475.28	\$10,748.38	19,946	\$4.24	\$7.27	67.5%	\$41,319.02	\$17,775.00	\$23,544.02	\$47,088.04	\$2.36					
FYTD 2011	\$750,672.27	\$235,678.25	\$68,294.75	\$73,111.00	\$4,885.00	\$401,969.00	\$62,348.80	102,223	\$3.93	\$7.34	61.7%	\$221,734.04	\$77,996.00	\$143,738.04	\$287,476.07	\$2.81					
FYTD 2010	\$743,050.22	\$298,745.26	\$82,570.50	\$68,310.00	\$4,528.00	\$454,153.76	\$52,401.59	130,480	\$3.48	\$5.69	69.1%	\$187,542.74	\$72,838.00	\$114,704.74	\$229,409.47	\$1.76					
Percent Change	1.0%	-21.1%	6.9%	7.0%	7.9%	-11.5%	-0.1%	-21.7%	13.0%	29.0%	-10.7%	18.2%	7.1%	25.3%	25.3%	60.0%					
FYTD 2010 Percent of Passenger Fare Revenues		58.6%	22.0%	18.2%		1.2%															

Abbreviations: SCMTD = Santa Cruz Metropolitan Transit District
SJSU = San Jose State University

* SCMTD Invoice

** Expenses for SJSU blocks less farebox for SJSU blocks

HIGHWAY 17 EXPRESS OPERATING STATISTICS SUMMARY FISCAL YEAR 2010

MONTHLY	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010
Total Ridership	23,566	24,127	26,172	29,411	27,204							
Avg. Weekday Ridership	842	908	1,020	1,049	1,076							
Avg. Saturday Ridership	533	510	522	652	544							
Avg. Sunday Ridership	519	502	535	767	656							
Total Service Days	31	31	30	31	30							
Number of Weekdays	23	21	21	22	19							
Number of Saturdays	4	5	4	5	4							
Number of Sundays	4	5	5	4	7							
Revenue Hours	1,618	1,552	1,523	1,590	1,482							

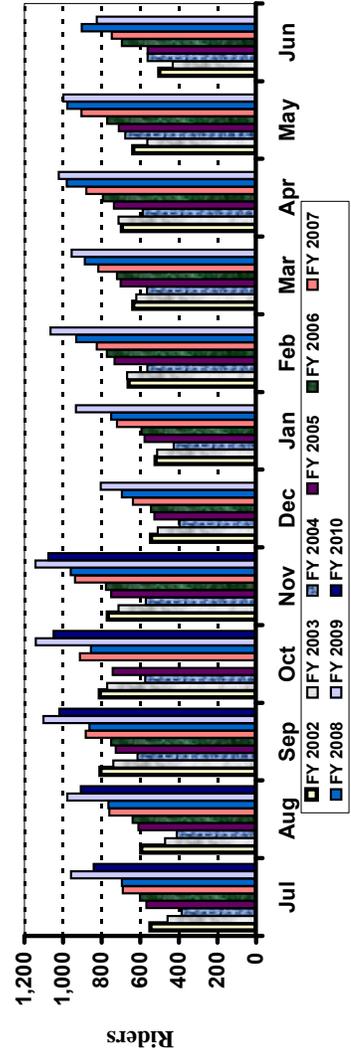
QUARTERLY	Q1			Q2			Q3			Q4		
Total Ridership	73,865											
Avg. Weekday Ridership	921											
Avg. Saturday Ridership	521											
Avg. Sunday Ridership	519											
Revenue Hours	4,694											

FYTD	Jul-2009	Aug-2009	Sep-2009	Oct-2009	Nov-2009	Dec-2009	Jan-2010	Feb-2010	Mar-2010	Apr-2010	May-2010	Jun-2010
Total Ridership	23,566	47,693	73,865	103,276	130,480							
Avg. Weekday Ridership	842	873	921	953	975							
Avg. Saturday Ridership	533	520	521	557	555							
Avg. Sunday Ridership	519	510	519	574	597							
Revenue Hours	1,618	3,170	4,694	6,283	7,765							

FYTD COMPARISON 2010 vs. 2009

	FY 2010		FY 2009		Percent Change
	Jul '09 to Jun '10	Jul '08 to Jun '09	Jul '09 to Jun '10	Jul '08 to Jun '09	
# of Weekdays	106	105	106	105	1.0%
Total Ridership	130,480	139,474	130,480	139,474	-6.4%
Avg. Wkday Ridership	975	1,063	975	1,063	-8.2%
Avg Sat Ridership	555	569	555	569	-2.5%
Avg Sun Ridership	597	592	597	592	0.9%
Revenue Hours	7,765	7,492	7,765	7,492	3.6%
Riders Per Rev. Hour	16.80	18.62	16.80	18.62	-9.7%

HIGHWAY 17 EXPRESS Average Weekday Ridership History



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Angela Aitken, Finance Manager & Acting Assistant General Manager
**SUBJECT: UNIVERSITY OF CALIFORNIA – SANTA CRUZ
MONTHLY SERVICE REPORT FOR THE MONTH OF NOVEMBER
2010**

I. RECOMMENDED ACTION

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

II. SUMMARY OF ISSUES

- There were nineteen (19) school-term service days in November 2010 and twenty (20) in November 2009.
- Revenue received from UCSC was \$343,789.84 versus \$319,759.62 an increase of 7.5%.
- System-wide UCSC ridership increased by 5.2% FYTD.
 - Total student ridership increased by 5.5% FYTD.
 - Total Faculty/Staff ridership increased by 1.7% FYTD.
 - Average Student ridership per school day decreased by 0.3%.
 - Average Faculty/Staff ridership per weekday decreased by 2.2%

III. DISCUSSION

For the month of November 2010, there were nineteen (19) school-term service days.

UCSC Revenue in November 2010 increased a total of \$2,750.54 or 0.7% over November 2009 due to increases in UCSC ridership. UCSC ridership for all Santa Cruz METRO service in November 2010 was positive compared to November 2009, with a increase of 5.2% FYTD. Monthly comparisons included a 0.3% decrease in Average Student ridership per weekday and a 2.2% decrease in Average Faculty/ Staff ridership per weekday in November 2010 from November 2009. These variations in ridership are from higher use of transit service to and from the university on weekends, the deletion of the Route 27X, along with high transfer student enrollment figures for the 2010-2011 school year.

Please see attached charts and graphs that will depict average UCSC Student and Faculty/Staff ridership decreasing by 0.3% and 2.2% respectively.

IV. FINANCIAL CONSIDERATIONS.

Total revenue received as of November 2010 is positive \$74,497.15 or 7.24% FYTD over November 2009 actuals.

V. ATTACHMENTS

- Attachment A: Total UCSC Monthly Revenue**
- Attachment B: Total UCSC Ridership**
- Attachment C: Monthly UCSC Ridership**
- Attachment D: Total UCSC Student Ridership**
- Attachment E: Total UCSC Faculty/Staff Ridership**

Prepared by: Erich Friedrich, Jr. Transportation Planner.

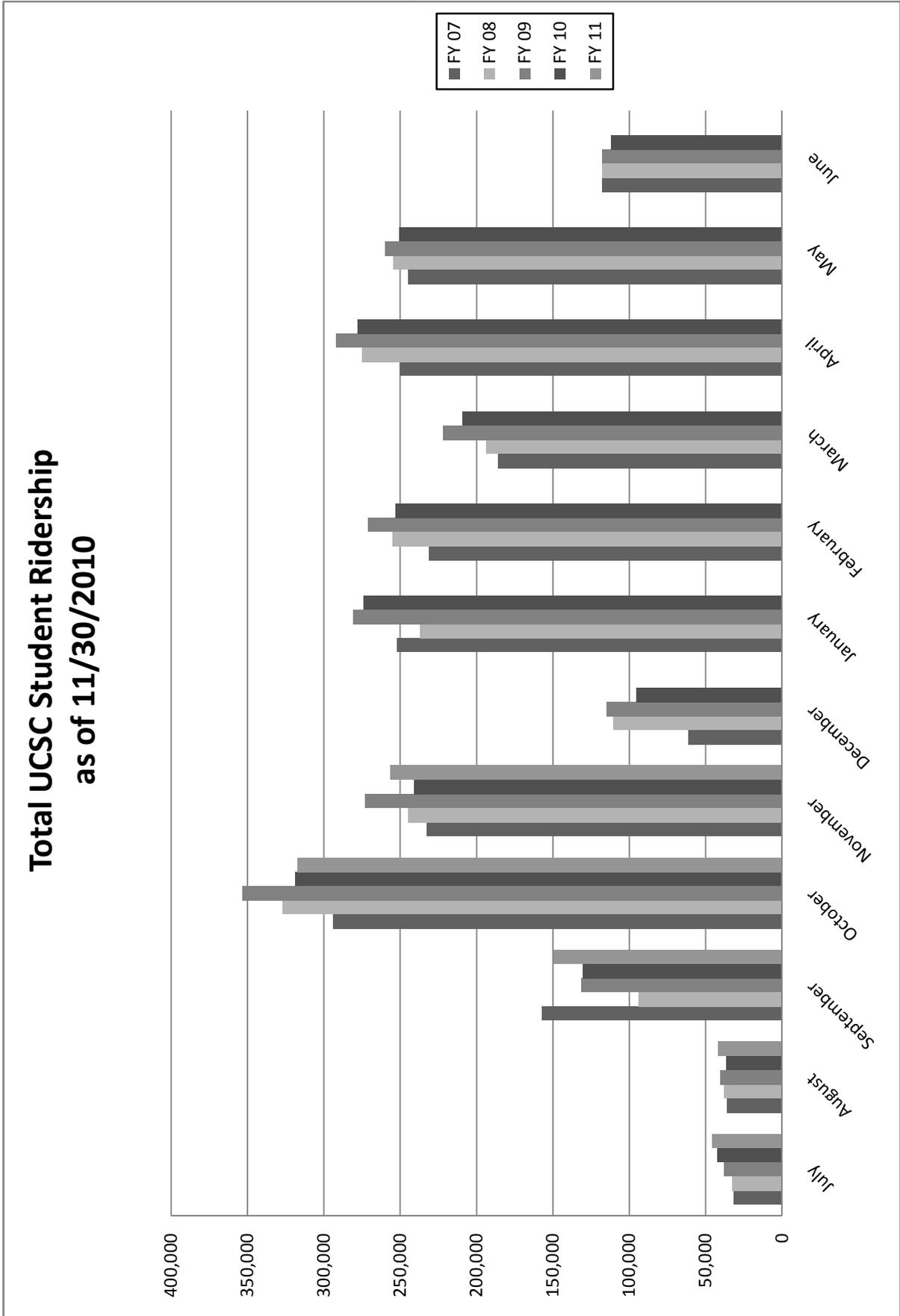
Date Prepared: January 19, 2010

Total UCSC Monthly Revenue

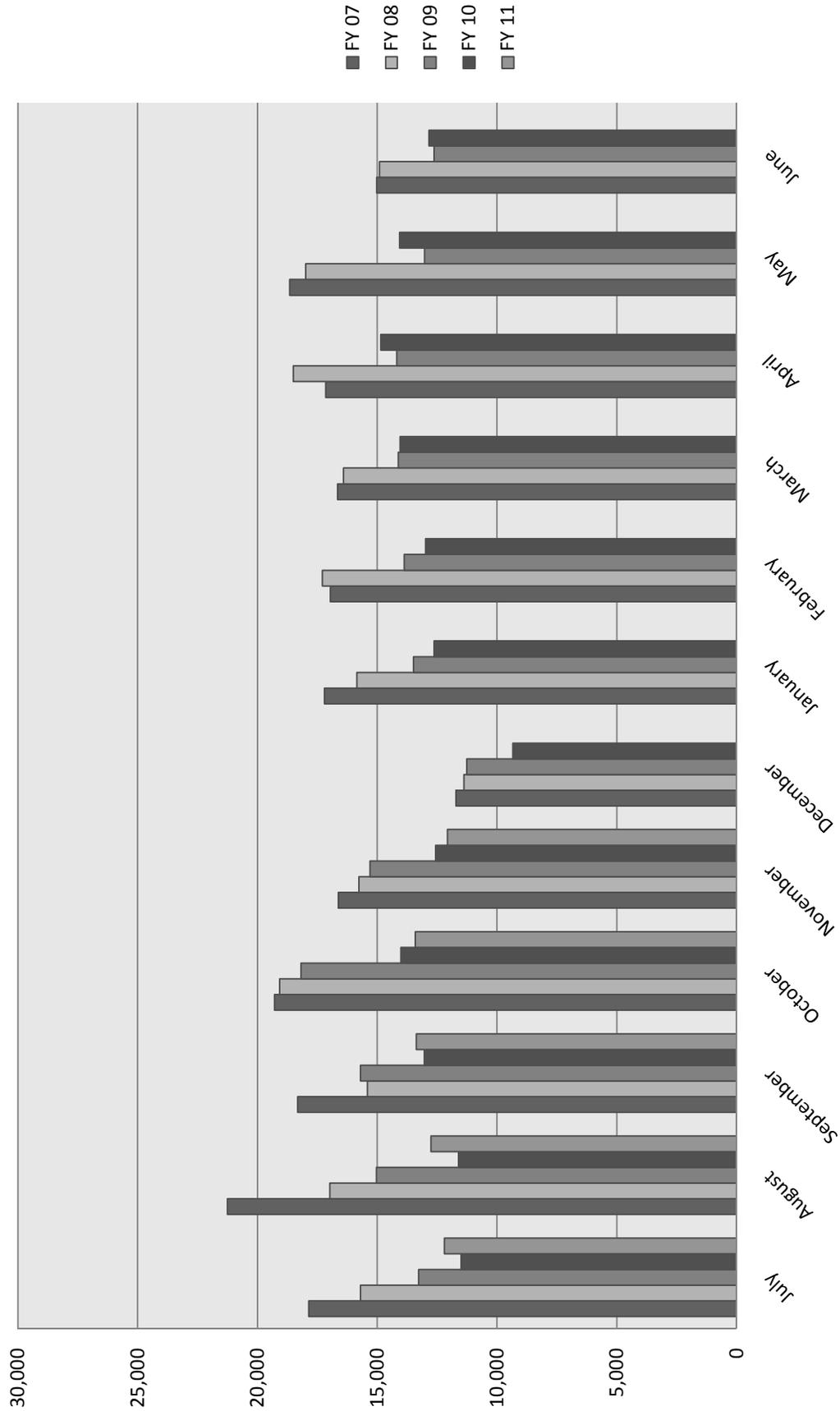
FY 10 UCSC Revenue									
Date	Regular Student Bill	Regular Staff Bill	Night Owl Bill	Supplemental Bill	27x	TOTAL	Last Year	% Change	\$ Change
Jul-09	\$48,734.00	\$13,306.66				\$62,040.66	\$ 64,874.83	-4.4%	-\$2,834.17
Aug-09	\$41,885.71	\$13,429.30				\$55,315.01	\$ 71,020.75	-22.1%	-\$15,705.74
Sep-09	\$153,393.69	\$15,756.32	\$2,760.13	\$652.54	\$2,408.04	\$174,970.72	\$ 178,369.12	-1.9%	-\$3,398.40
Oct-09	\$385,944.49	\$16,972.17	\$10,275.05	\$0.00	\$4,055.38	\$417,247.09	\$ 450,795.38	-7.4%	-\$33,548.29
Nov-09	\$291,654.82	\$15,207.74	\$7,550.34	\$918.86	\$4,427.86	\$319,759.62	\$ 310,209.41	3.1%	\$9,550.21
Dec-09	\$115,072.85	\$11,307.11	\$3,421.37	\$1,091.96	\$1,985.66	\$132,878.95	\$ 151,680.37	-12.4%	-\$18,801.42
Jan-10	\$331,619.03	\$15,284.03	\$8,693.45	\$0.00	\$3,366.77	\$358,963.28	\$ 356,147.42	0.8%	\$2,815.86
Feb-10	\$302,031.88	\$15,521.39	\$9,450.70	\$0.00	\$3,594.24	\$330,598.21	\$ 348,030.15	-5.0%	-\$17,431.94
Mar-10	\$258,226.37	\$17,196.20	\$7,032.35	\$1,954.18	\$5,453.59	\$289,862.69	\$ 286,520.90	1.2%	\$3,341.79
Apr-10	\$335,640.76	\$17,968.82	\$11,416.52	\$924.71	\$4,228.34	\$370,179.15	\$ 374,495.45	-1.2%	-\$4,316.30
May-10	\$302,677.34	\$17,018.18	\$9,891.33	\$894.26	\$4,356.87	\$334,837.98	\$ 336,405.92	-0.5%	-\$1,567.94
Jun-10	\$135,200.88	\$15,521.39	\$2,945.43	\$1,493.05	\$3,033.66	\$158,194.41	\$ 160,072.95	-1.2%	-\$1,878.54
FY 2010 Total	\$2,702,081.82	\$184,489.31	\$73,436.67	\$7,929.56	\$36,910.41	\$3,004,847.77	\$3,088,622.65	-2.71%	-\$83,774.88
FY 11 UCSC Revenue									
Date	Regular Student Bill	Regular Staff Bill	Night Owl Bill	Supplemental Bill	27x	TOTAL	Last Year	% Change	\$ Change
Jul-10	\$55,331.80	\$14,766.93				\$70,098.73	\$ 62,040.66	13.0%	\$8,058.07
Aug-10	\$50,493.86	\$15,448.73				\$65,942.59	\$ 55,315.01	19.2%	\$10,627.58
Sep-10	\$183,733.09	\$16,468.14	\$3,800.23	\$0.00		\$204,001.46	\$ 174,970.72	16.6%	\$29,030.74
Oct-10	\$391,142.75	\$16,516.19	\$11,720.34	\$618.35		\$419,997.63	\$ 417,247.09	0.7%	\$2,750.54
Nov-10	\$315,888.50	\$14,862.85	\$9,662.40	\$3,376.09		\$343,789.84	\$ 319,759.62	7.5%	\$24,030.22
Dec-10						\$0.00			
Jan-11						\$0.00			
Feb-11						\$0.00			
Mar-11						\$0.00			
Apr-11						\$0.00			
May-11						\$0.00			
Jun-11						\$0.00			
FY 2010 Total	\$996,590.00	\$78,062.84	\$25,182.97	\$3,994.44	\$0.00	\$1,103,830.25	\$1,029,333.10	7.24%	\$74,497.15

Total UCSC Ridership

FY 2010 UCSC Ridership													
Year	July	August	September	October	November	December	January	February	March	April	May	June	Total
Student	42,121	36,202	130,437	318,699	240,838	95,023	273,839	253,307	209,334	277,945	250,573	111,722	2,240,040
Staff	11,501	11,607	13,030	14,015	12,558	9,337	12,621	12,978	14,039	14,849	14,063	12,836	153,434
Total	53,622	47,809	143,467	332,714	253,396	104,360	286,460	266,285	223,373	292,794	264,636	124,558	2,393,474
Percentage Difference Between This Year and Last Year													
Student	11.8%	-10.4%	-0.6%	-9.8%	-11.8%	-17.4%	-2.4%	-6.6%	-5.6%	-4.7%	-3.5%	-5.2%	-6.4%
Staff	-13.3%	-22.8%	-17.0%	-22.9%	-17.9%	-17.1%	-6.4%	-6.5%	-0.6%	4.7%	8.0%	1.6%	-9.8%
Total	5.3%	-13.8%	-2.4%	-10.4%	-12.2%	-17.3%	-2.6%	-6.6%	-5.3%	-4.3%	-2.9%	-4.5%	-6.6%
FY 2011 UCSC Ridership													
Year	July	August	September	October	November	December	January	February	March	April	May	June	Total
Student	45,691	41,696	149,134	317,486	256,403								810,410
Staff	12,194	12,757	13,367	13,406	12,064								63,788
Total	57,885	54,453	162,501	330,892	268,467	0	874,198						
Percentage Difference Between This Year and Last Year													
Student	8.5%	15.2%	14.3%	-0.4%	6.5%								
Staff	6.0%	9.9%	2.6%	-4.3%	-3.9%								
Total	8.0%	13.9%	13.3%	-0.5%	5.9%								
UCSC Ridership FYTD													
Student						768,297	810,410	5.5%					
Staff						62,711	63,788	1.7%					
TOTAL						831,008	874,198	5.2%					



**Total UCSC Faculty/Staff Ridership
as of 11/30/2010**



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

December 17, 2010

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, December 24, 2010 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Chair Pirie called the meeting to order at 9:05 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Dene Bustichi
Ellen Pirie
Donald Hagen
Michelle Hinkle
John Leopold
Lynn Robinson
Hilary Bryant
Ex-Officio Donna Blitzer

DIRECTORS ABSENT

Mark Stone

STAFF PRESENT

Angela Aitken, Acting AGM/Finance Manager
Bob Cotter, Maintenance Manager
Frank Cheng, MB Project Manager
Mary Ferrick, Fixed Route Superintendent
Margaret Gallagher, District Counsel

Debbie Kinslow, Asst Finance Manager
Robyn Slater, Human Resources Manager
April Warnock, Paratransit Superintendent
Les White, General Manager

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

John Daugherty, SEA
Manny Martinez, PSA
Eduardo Montesino, UTU
Bonnie Morr, UTU
Karena Pushnik, SCCRTC

Will Regan, VMU
Amy Weiss, Spanish Interpreter
Veronica Elsey, E&D TAC

3. ORAL AND WRITTEN COMMUNICATION TO THE BOARD OF DIRECTORS

Written:

a. Fern Feldman

re: External Bus Announcements

Oral:

Karena Pushnik of the Santa Cruz Regional Transportation Commission announced that her agency's Guide for Specialized Transportation was available to the public. A copy is attached to the file copy of these minutes.

4. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr welcomed Director Bryant.

5. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

None.

CONSENT AGENDA

- 6-1. **APPROVE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF SEPTEMBER 2010**
- 6-2. **MONTHLY BUDGET STATUS REPORTS FOR SEPTEMBER 2010, APPROVAL OF BUDGET TRANSFERS, AND AUTHORIZATION TO ADD \$68,500 TO THE FY11 CAPITAL BUDGET**
- 6-3. **CONSIDERATION OF TORT CLAIMS: REJECT THE CLAIM OF MARIO AREVALO, # 10-0036; REJECT THE CLAIM OF BAO NGUYEN, #10-0037**
- 6-4. **ACCEPT AND FILE MAC AGENDA OF DECEMBER 15, 2010**
- 6-5. **ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF OCTOBER 2010**
- 6-6. **ACCEPT AND FILE RIDERSHIP AND PERFORMANCE REPORT FOR OCTOBER 2010**
- 6-7. **ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR OCTOBER 2010**
- 6-8. **ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ MONTHLY SERVICE REPORT FOR OCTOBER 2010**
- 6-9. **APPROVE REGULAR BOARD MEETING MINUTES OF NOVEMBER 19, 2010**

- 6-10. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE NOVEMBER 2010 MEETING(S)
- 6-11. ACCEPT AND FILE STATUS REPORT OF ACTIVE GRANTS AND SUBMITTED GRANT PROPOSALS FOR DECEMBER 2010
- 6-12. ACCEPT AND FILE STATUS REPORT OF FEDERAL AND STATE LEGISLATION AND CURRENT LEGISLATIVE ISSUES
- 6-13. CONSIDERATION OF OWNED AND LEASED PROPERTY INVENTORIES TO DETERMINE IF THERE IS ANY PROPERTY IN EXCESS OF SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S FORESEEABLE NEEDS
- 6-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH BRINKS FOR CASH VAULT PICK-UP SERVICES AND COIN & CURRENCY PROCESSING SERVICES
- 6-15. CONSIDERATION OF CONTRACT AMENDMENTS WITH SPECIALIZED AUTO AND FLEET SERVICES, INC. AND DOC AUTO LLC. TO EXTEND PARACRUZ VEHICLE MAINTENANCE SERVICES FOR A PERIOD OF ONE YEAR
- 6-16. ACCEPT AND FILE LETTER FROM CABRILLO COLLEGE REGARDING CESSATION OF STUDENT BUS PASS PROGRAM, AND CONSIDERATION OF THE INSTALLATION OF TICKET VENDING MACHINES AT CABRILLO COLLEGE
- 6-17. CONSIDERATION OF DECLARING 29 CHEVROLET VANS, 2 FORD VANS, A FORD SEDAN, AND A DODGE VAN AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION
- 6-18. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT FOR A ONE-YEAR EXTENSION OF THE CONTRACT WITH PAT PIRAS CONSULTING FOR REVIEW OF THE ADA PARATRANSIT ELIGIBILITY PROCESS
- 6-19. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT TO EXTEND THE 989 ARRA PASS-THROUGH AGREEMENT WITH THE UNIVERSITY OF CALIFORNIA, SANTA CRUZ (UCSC) TO MARCH 31, 2011
- 6-20. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR HASTUS ANNUAL MAINTENANCE AND SUPPORT WITH GIRO, INC.
- 6-21. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING FOR DELTA DENTAL INSURANCE COVERAGE AND SIGN THE STABILIZATION CONSENT AGREEMENT THROUGH THE CALIFORNIA STATE ASSOCIATIONS OF COUNTIES EXCESS INSURANCE AUTHORITY (CSAC-EIA-EIA)

6-22. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN AMENDMENT FOR AN EXTENSION OF THE CONTRACT WITH CLASSIC GRAPHICS FOR VEHICLE BODY REPAIR AND PAINT SERVICES FOR AN AMOUNT NOT TO EXCEED \$200,000

Item #6-16 was pulled from the Consent Agenda and moved to the Regular Agenda as item #13.1

ACTION: MOTION: DIRECTOR HAGEN SECOND: DIRECTOR ROTKIN

Approve the Consent Agenda as amended.

Motion passed unanimously with Director Stone being absent.

REGULAR AGENDA

7. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

The following employees were acknowledged for their years of service:

TEN YEARS: Rebecca Daniel, Paralegal; Eileen Wagley, ADA Eligibility Coordinator

8. CONSIDERATION OF A RESOLUTION APPROVING THE TRANSFER OF THE 2002 CHANCE COACH COMPRESSED NATURAL GAS RUBBER TIRED TROLLEY TO SOUTH METRO AREA REGIONAL TRANSIT IN WILSONVILLE, OREGON, A FEDERAL TRANSPORTATION ADMINISTRATION (FTA) DIRECT RECIPIENT AGENCY, UPON RECEIPT OF THE CITY OF SANTA CRUZ'S RELEASE OF INTEREST AND FTA APPROVAL OF SUCH TRANSFER

Summary: Leslie White, General Manager, discussed the history of the trolley and deferred the matter to the January 28, 2011 Board of Director's meeting

ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR HAGEN

Defer discussion of the Transfer of the Trolley to the January 28, 2011 Board of Directors meeting.

Motion passed unanimously with Director Stone being absent.

9. CONSIDERATION OF SANTA CRUZ METRO'S RESPONSE TO THE ASSOCIATION OF MONTEREY BAY AREA GOVERNMENTS (AMBAG) BLUEPRINT PLANNING PROJECTS

Summary: Leslie R. White presented the staff report in response to the AMBAG Blueprint Planning Projects. There was a discussion about the flaws of the project.

7-9.4

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR ROBINSON

Accept staff response to AMBAG Blueprint Planning Projects.

Motion passed unanimously with Director Stone being absent.

10. CONSIDERATION OF THE APPROVAL OF THE CONSTRUCTION, IMPROVEMENT AND REPAIR OF PROPOSED COUNTY-WIDE BUS STOPS USING \$500,000 IN STATE TRANSIT IMPROVEMENT PROGRAM FUNDS VIA THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION (SCCRTC)

Summary: Tove Beatty, Legislative and Grants Analyst, detailed the project. There was a discussion about what was allowable for repairs. Veronica Elsey, E&D TAC, said that there were still some unanswered questions, and she hoped that E&D TAC would be consulted again as the project progresses.

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR HAGEN

Approve Bus Stop Construction, Improvement and Repair project

Motion passed unanimously with Director Stone being absent.

11. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH OJO TECHNOLOGY FOR A CLOSED CIRCUIT TELEVISION SURVEILLANCE SYSTEM AT THE WATSONVILLE TRANSIT CENTER FOR AN AMOUNT NOT TO EXCEED \$164,000

ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR HINKLE

Authorize the general manager to execute a contract with Ojo Technology for a closed circuit television surveillance system at the Watsonville Transit Center for an amount not to exceed \$164,000

Motion passed unanimously with Director Stone being absent.

12. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH SHAW/YODER/ANTWIH, INC. FOR STATE LEGISLATIVE SERVICES

Summary: Leslie R. White, General Manager reported that he was very satisfied with the services of Shaw/Yoder/Antwih.

ACTION: MOTION: DIRECTOR LEOPOLD SECOND: DIRECTOR ROBINSON

Authorize the General Manager to execute a contract with Shaw/Yoder/Antwih, Inc. for state legislative services.

Motion passed unanimously with Director Stone being absent.

13. **CONSIDERATION OF AN AMENDMENT TO THE CONTRACT WITH WEST BAY BUILDERS, INC. EXTENDING THE CONTRACT EXPIRATION DATE FOR THE METROBASE MAINTENANCE BUILDING TO JUNE 30, 2011, WHILE MAINTAINING THE CONSTRUCTION COMPLETION DATE OF AUGUST 29, 2009**

ACTION: MOTION: DIRECTOR BUSTICHI SECOND: DIRECTOR LEOPOLD

Approve the amendment to the contract with West Bay Builders, Inc., extending the contract expiration date for the Metrobase Maintenance Building to June 30, 2011, while maintaining the construction completion date of August 29, 2009

Motion passed unanimously with Director Stone being absent.

- 13.1 **ACCEPT AND FILE LETTER FROM CABRILLO COLLEGE REGARDING CESSATION OF STUDENT BUS PASS PROGRAM, AND CONSIDERATION OF THE INSTALLATION OF TICKET VENDING MACHINES AT CABRILLO COLLEGE**

Summary:

Angela Aitken reported that Cabrillo College has indicated that it will terminate its Bus Pass Policy. Director Leopold asked for verification that the action could be taken without the consent of the Cabrillo College Board of Trustees.

ACTION: MOTION: DIRECTOR ROBINSON SECOND: DIRECTOR HAGEN

Continue item at next Board of Director's meeting on January 28, 2011

Motion passed unanimously with Director Stone being absent.

14. **ORAL ANNOUNCEMENT: THE NEXT REGULARLY SCHEDULED BOARD MEETING WILL BE HELD FRIDAY, JANUARY 14, 2011 AT 9:30 A.M. AT THE SANTA CRUZ METRO ADMINISTRATIVE OFFICES LOCATED AT 110 VERNON STREET, IN SANTA CRUZ**

15. **REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**

Margaret Gallagher, District Counsel, said that the Board of Directors would have a conference with its Legal Counsel regarding the existing claim of PG&E v. Santa Cruz METRO.

16. **ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION**

SECTION II: CLOSED SESSION

Chair Pirie adjourned to Closed Session at 10:20 a.m. and reconvened to Open Session at 10:31 a.m.

SECTION III: RECONVENE TO OPEN SESSION

17. REPORT OF CLOSED SESSION

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

ADJOURN

There being no further business, Chair Pirie adjourned the meeting at 10:31 a.m.

Respectfully submitted,

ANTHONY TAPIZ
Administrative Services Coordinator

DRAFT

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Leslie R. White, 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

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 December 2, 2010 Regular SCCRTC Meeting

Prepared by: Tony Tapiz, Administrative Services Coordinator.

Date Prepared: January 20, 2011



Santa Cruz County Regional Transportation Commission

MINUTES

Thursday
December 2, 2010
9:00 a.m.

Board of Supervisors Chambers
701 Ocean St
Santa Cruz CA 95060

1. Roll call

The meeting was called to order at 9:05 am.

Members present:

Dene Bustichi	John Leopold
Neal Coonerty	Robin Musitelli (Alt)
Gustavo Gonzalez (Alt)	Kirby Nicol
Ron Graves	Antonio Rivas
Randy Johnson	Mark Stone
Don Lane	Marcela Tavantzis
Aileen Loe (ex officio)	

Staff present:

George Dondero	Luis Mendez
Gini Pineda	Yesenia Parra
Rachel Moriconi	Kim Shultz

2. Oral communications

Jack Nelson asked Commissioners to take note that 78% of Santa Cruz County voters voted against Proposition 23 which would have suspended AB 32, the "Global Warming Act of 2006".

3. Additions or deletions to consent and regular agendas

Executive Director George Dondero said that there is a replacement page for Item 23 and noted that the STARS *Pilot Project Application Manual* was distributed to Commissioners and that copies are available for the public.

CONSENT AGENDA (Leopold/Rivas – approved unanimously)

Commissioner Stone, referring to Item 14c, said that he hoped all local jurisdictions would provide comments on the *Federal Register Notice* regarding the Proposed Urban Area Criteria for the 2010 Census. He said that the current

proposal to make Salinas-Watsonville-Santa Cruz a single urban agglomeration is not in the best interests of these communities.

Commissioner Johnson said that comments were made to the Scotts Valley City Council and noted the negative effect this designation would have on transit. Commissioner Tavantzis said that the Watsonville City Council has sent their comments.

MINUTES

4. Approved draft minutes of the November 4, 2010 regular SCCRTC meeting
5. Accepted draft minutes of September 15, 2010 Safe on 17 Task Force meeting
6. Accepted draft minutes of the October 28, 2010 Sustainable Transportation & Access Rating System (STARS) Technical Advisory Committee meeting
7. Accepted draft minutes of November 18, 2010 Interagency Technical Advisory Committee (ITAC) Meeting

POLICY ITEMS

No consent items

PROJECTS and PLANNING ITEMS

8. Accepted first quarter quarterly Regional Transportation Commission (RTC) work program progress report
9. Accepted American Recovery and Reinvestment (ARRA) delivery report

BUDGET AND EXPENDITURES ITEMS

10. Accepted status report on Transportation Development Act (TDA) revenues
11. Approved Fiscal Year (FY) 10-11 budget and work program amendment (Resolution 15-11)

ADMINISTRATION ITEMS

No consent items

INFORMATION/OTHER ITEMS

12. Accepted monthly meeting schedule
13. Accepted correspondence log
14. Accepted letters from SCCRTC committees and staff to other agencies

- a. Letter from the Bicycle Committee to Caltrans regarding the Pacific Coast Bicycle Route realignment in the City of Santa Cruz
 - b. Letter from RTC to Monterey Bay Nursery regarding Highway 1/17 Interchange Merge Lanes Landscaping Project
 - c. Letter from RTC to US Census Bureau regarding comments on *Federal Register Notice 8/24/10, Vol 75, No. 163* Proposed Urban Area Criteria for the 2010 Census
15. Accepted miscellaneous written comments from the public on SCCRTC projects and transportation issues - None
 16. Accepted information items - None

REGULAR AGENDA

17. Commissioner reports-none
18. Director's report

Executive Director George Dondero said that Santa Cruz County received \$12.1million of ARRA funding and thanked staff and local jurisdictions for getting projects done within the required timeframes.

Mr. Dondero thanked Monterey Bay Nursery for their initiative and great job in providing the native coast trees for landscaping along the Highway 1/17 Merge Lanes Project.

Mr. Dondero reported that CalCOG is being restructured and may no longer be sponsoring transportation bills. He noted that many members disagree with this idea.

Mr. Dondero and staff members made presentations to Leadership Santa Cruz County, the Business Council and Action Pajaro Valley and will be making presentations to the Committee on the Environment and the Pajaro Valley Chamber of Commerce. He noted that Calera, a company that produces cement that sequesters carbon, will make a presentation to the Santa Cruz City Council on December 14.

Mr. Dondero reported that the tapings for the RTC's "Transportation Café" segments have been received very well and that the next Transportation Café topic will be on bike and pedestrian programs.

Mr. Dondero said that RTC staff and consultants met with the California Transportation Commission to discuss the allocation request for the Santa Cruz Branch Rail Line and requested support at the Jan 19-20 CTC meeting. He added that Sierra Northern is developing plans for the recreational rail service and that their proposal will not interfere with Big Trees current service. They will bring their plans to the Commission and RTC committees before finalizing. Mr. Dondero said that Sierra Northern wants to establish a storage area for train cars in the Santa Cruz wye area.

19. Appreciation of departing commissioners for their service

Commissioner Johnson said that the RTC has been fortunate to have had great representation from the south county area. He spoke about the contributions of outgoing Commissioners Rivas, Campos and Tavantzis noting that Commissioner Rivas was instrumental in bringing Safe Routes to School funding to Watsonville; that Commissioner Campos was a major factor in making the rail line purchase successful; and that Commissioner Tavantzis always looked for ways to save the Commission money.

20. Election of 2011 RTC chair and vice-chair

Commissioner Leopold moved and Commissioner Bustichi seconded to nominate Commissioner Stone as 2011 RTC Chair. The motion passed unanimously.

Commissioner Stone continued the meeting as Chair. He thanked Commissioner Johnson for his leadership role and said that he brought a regional perspective to the Commission.

Commissioner Bustichi moved and Commissioner Rivas seconded to nominate Commissioner Nicol as vice-chair. The motion passed unanimously.

21. Caltrans report and consider action items

Aileen Loe, Caltrans District 5, reported that the state had a productive bond sale, although she did not know how much funding will be directed to transportation.

Ms. Loe said that this year's state budget reduced Caltrans' Project Initiation Documents program about 25% forcing costs for oversight onto local jurisdictions.

Ms. Loe acknowledged Dave Murray who is retiring after 34 years, saying that he helped build partnerships in the AMBAG region.

Commissioner Nicol noted that the original cost estimate for the Highway 1/Salinas Rd interchange was \$18 million and is now listed at \$12 million. Ms. Loe will clarify the reason for the cost reduction. Commissioner Bustichi asked how Caltrans estimates construction costs. Ms. Loe said that rapid cost fluctuations had been challenging but that Caltrans was working to bring unit costs into alignment with the current economic environment.

22. Presentation from Santa Cruz County Public Works

County of Santa Cruz Assistant Public Works Director Steve Wiesener made a PowerPoint presentation on projects that have been recently completed, presently under construction, or planned for the future.

Most of the completed projects were sealing or resurfacing projects including projects on Freedom Blvd, Glen Canyon Rd, Holohan Rd, Jamison Creek, Mt Hermon Rd, Bear Creek Rd and Empire Grade. The majority of these projects used ARRA funds in addition to funding from other sources.

Projects under construction include major improvements at Green Valley / Holohan /Airport Blvd.

Future projects under development include a left turn lane, drainage and shoulder work project on Graham Hill Rd at Roaring Camp planned for summer/fall 2011; Calabasas Rd improvements planned for summer 2011; a pedestrian safety/ sidewalk project on Green Valley Rd set for fall 2012; and a left turn lane at Bradley Elementary School on Corralitos Rd.

Mr. Wiesener said that using ARRA funding for road repair made RSTPX funding available for other projects. He said that the future needs of the county include safety improvements, storm damage repair, bike/pedestrian improvements, bridge/culvert repair, and signal operation improvements. He said that being a self-help county would greatly improve the county's ability to maintain and improve the transportation infrastructure.

Commissioner Bustichi asked that the area along Glen Canyon Rd which the county uses to contain debris be cleaned up and only used when necessary.

Responding to a question from Commissioner Rivas, County Public Works Director John Presleigh said that the current law does not allow the county to initiate a sales tax measure at this time because other local jurisdictions have passed sales tax measures. He said that laws need to be changed and he is working with the California State Association of Counties (CSAC) and the County CAO to help move legislative changes forward.

23. Status report on Sustainable Transportation Access Rating System (STARS)

Executive Director George Dondero said that the STARS *Pilot Project Application Manual* represents eleven months of collaboration between the RTC's STARS Technical Advisory Committee, the Sustainable Transportation Council and RTC staff. The manual includes twelve credits developed for potential application to the Highway 1 HOV Lanes project. The RTC will consider next steps in applying STARS credits to the HOV Lanes project which would allow it to be designated a STARS Certified Pilot Project.

Commissioners questioned whether recommendations to use local contractors would limit the number of contractors available to bid and if the manual language could be simplified so that the architect or engineer of record for the project could verify goals without undue reliance on consultants.

Mr. Dondero said that it would be good to vet the contracting aspect with the Sustainable Transportation Council to ensure the project is not tied up in consulting, but that construction is just one piece of being a STARS certified

project. He clarified that the Commission is not deciding today to submit for certification and that comments on the manual will be accepted anytime.

Bill Malone said he likes the STARS approach to look at alternatives to a proposed project and to consider access to transportation modes as a goal. He said that the EIR process seems to always support the proposed project and asked the Commission to be skeptical, consider the rail line as an alternative to highway widening and to use Vehicle Miles Travelled as a number when comparing alternatives.

Jack Nelson agreed that access is an important concept and asked the Commission to consider electronic access, adding that transportation demand management may lessen the need for more lanes on Highway 1.

Commissioner Graves said that he did not want to accept the manual prior to reading it. He moved and Commissioner Leopold seconded to approve modified staff recommendations to:

1. ~~Accept~~ Receive the STARS *Pilot Project Application Manual* with the 12 credits selected by the RTC-approved Technical Advisory Committee;
2. Direct staff to provide the *Pilot Project Application Manual* with the 12 STARS credits to the Highway 1 HOV Lanes Project Development Team for analysis of applying the credits to the project; and
3. Direct staff to return to the RTC with an analysis of implications of applying the 12 STARS credits to the Highway 1 HOV Lanes project for RTC consideration.

The motion passed unanimously.

24. Update on the Monterey Bay Area Regional Blueprint plan and SB375 implementation

Association of Monterey Bay Area Governments (AMBAG) Executive Director John Doughty gave a presentation regarding the draft *2035 Monterey Bay Regional Blueprint: Envisioning the Monterey Bay Area*. This document describes how communities in the Monterey Bay Area might grow in a more sustainable fashion over the next 25 years. Challenges include accommodating an aging population and lagging job growth. One of the biggest issues is where people work relative to their housing. Public input indicates support for infill development, preservation of agricultural land, alternative transportation methods and mixed use development that includes cultural and recreational areas. The Blueprint document lays the foundation for the Senate Bill 375 mandating Sustainable Communities Strategies to achieve regional greenhouse gas emissions targets.

Comments on the draft document will be accepted until December 15, 2010. The Blueprint document can be viewed at:
www.ambag.org/programs/blueprint/blueprint/index.html.

Commissioners discussed the relationship between the Blueprint and regional housing allocation, developing employment clusters where transportation infrastructure already exists and state mandated housing allocations. It was

noted that AMBAG does not support the new urban designation as described in the *Federal Register Notice*.

Commissioner Tavantzis asked to see job distribution data for communities in addition to Salinas.

Jack Nelson said that a study in the East Bay showed that life satisfaction for employed people went down as commutes got longer.

25. Draft 2011 state and federal legislative programs and legislative update

Senior Planner Rachel Moriconi gave an update on the key legislative issues related to transportation in 2011 including continued challenges for transportation funding and a significant level of uncertainty regarding Proposition 26 passed by voters in November. The 2011 Legislative Programs focus on preserving and increasing funding for transportation projects in Santa Cruz County, development of the new federal transportation act, the FY2011 appropriations bills, and climate change legislation.

Commissioner Lane moved and Commissioner Rivas seconded to approve the staff recommendations that the Regional Transportation Commission adopt the 2011 State and Federal Legislative Programs.

The motion passed unanimously.

26. State 1 Corridor System Management Plan (CSMP)

Executive Director George Dondero said that staff is not asking the Commission to accept the report today.

Dave Murray, Caltrans District 5, said that the draft report was intended to monitor and improve the conditions of the corridor. He said that boundaries of the study went from Highway 68 to King St and includes Highway 183. He acknowledged that the corridor is too long to be truly analyzed without additional real time data collection and that they were unable to use the micro simulation model to analyze different scenarios for the corridor. Mr. Murray said that future plans would be designed for smaller segments of the corridor.

Commissioners discussed the usefulness of the data used for the modeling.

Comments on the draft plan may be submitted to adam_fukushima@dot.ca.gov.

Once the document is finalized, Caltrans would like the RTC to accept the document as part of its regional transportation planning process early next year and authorize the Executive Director to sign it as accepted by the RTC.

27. Review of items to be discussed in closed session

The closed session was tabled until the January meeting.

CLOSED SESSION

28. Annual Performance Review for Executive Director pursuant to Government Code 54957

OPEN SESSION

29. Report on closed session
30. Adjourn to special meeting of the Service Authority for Freeway Emergencies
- a. No agenda items this month
31. Next Meetings

The meeting adjourned at 11:24am.

The next SCCRTC meeting is scheduled for **Thursday, January 13, 2011** at 9:00 a.m. at the Santa Cruz City Council Chambers, 809 Center Street., Santa Cruz, CA

There are no Transportation Policy Workshops scheduled for December 2010 or January 2011.

Respectfully submitted,

Gini Pineda, Staff

ATTENDEES

Les White
Steve Wiesener
Jack Sohriakoff
John Presleigh
Bill Malone
Jack Nelson

SCMTD
County Public Works
County Public Works
County Public Works

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Angela Aitken, Finance Manager & Acting Assistant General Manager
SUBJECT: STATUS REPORT OF ACTIVE GRANTS AND SUBMITTED GRANT PROPOSALS FOR JANUARY 2011

I. RECOMMENDED ACTION

That the Board of Directors accept and file the status report on active grants and submitted grant proposals as of January 14, 2011.

II. SUMMARY OF ISSUES

- Santa Cruz METRO relies upon grant funding from other agencies for more than 25% of its FY11 operating revenue and over 95% of its FY11 capital funding.
- A list of Santa Cruz METRO's active grants (Attachment A) and a list of grant proposals for new funds (Attachment B) are provided monthly in order to apprise the Board of the status of grants funding.
- Santa Cruz METRO has active grant awards totaling \$37,668,537.
- Items in **bold** on Attachments A and B depict changes from last month's report.

III. DISCUSSION

Santa Cruz METRO relies upon grants from a number of other entities throughout the year for operating and capital funding assistance. Programs such as the Transportation Development Act (TDA) and the Federal Transit Administration (FTA) urbanized area program annually allocate funds by formula while others such as the Monterey Bay Unified Air Pollution Control District's AB2766 Motor Vehicle Emissions Reduction Program and the California Department of Transportation (Caltrans) discretionary planning grants are competitively awarded based on merit. Santa Cruz METRO relies on both formula and discretionary grant revenue to support its operating and capital budgets.

This staff report is to apprise the Board of Directors of active grants funding current projects and proposed grants for new projects and ongoing operating costs. Attachment A lists all of Santa Cruz METRO's active grants with the award amount, the remaining balance and the status of the projects funded by the grant. Attachment B lists Santa Cruz METRO's open grant applications with a brief description, source and status of proposed funds.

IV. FINANCIAL CONSIDERATIONS

Active grant awards for operating and capital projects total \$37,668,537. The annual application cycle has begun for routine formula funding for FY11 rural transit assistance and for Transportation Development Act funds.

V. ATTACHMENTS

Attachment A: Santa Cruz METRO Active Grants Status Report as of January 14, 2011

Attachment B: Santa Cruz METRO Grant Applications as of January 14, 2011

Attachment A

Santa Cruz METRO Active Grants as of January 14, 2011

#	Grant	Description	\$ Grant Awarded	\$ Grant Balance	Funding Source	Grant Status
1	Smartcard Farebox; ParaCruz Vans; IT Upgrades; Operating Assistance	Upgrade dispatch, scheduling and customer information software; purchase 27 replacement paratransit vans; purchase new fareboxes with magnetic card readers; operating assistance.	\$ 4,909,939	\$ 2,499,322	Federal Transit Administration (FTA) 5307 American Recovery and Reinvestment Act (ARRA) funds	Project funding from ARRA through FTA urbanized area formula program. Santa Cruz METRO has received and installed fareboxes; is installing ticket vending machines; will receive all paratransit vans by 1/17/11 and expects to complete the Giro/Hastus roll-out by early 2012.
2	Smartcard Farebox	Purchase new fareboxes with magnetic card readers.	\$ 267,464	\$ 267,464	California Department of Transportation (Caltrans 5311) ARRA funds	Project funding through Caltrans (FTA 5311) rural operating assistance program contributes to Smartcard farebox procurement. Santa Cruz METRO awarded contract to GFI for new fareboxes on 6/15/10.
3	UCSC Vans	Pass-through funding to UCSC for new paratransit vans	\$ 125,000	\$ 7,309	FTA 5307 ARRA funds passed from Santa Cruz METRO to UCSC	Ready to close out, final payment on 12/17/10.
4	Smartcard Farebox	Purchase new fareboxes with magnetic card readers.	\$ 475,000	\$ 75,899	FTA 5309 Bus and Bus Facilities Program	Fareboxes installed, this grant will be closed-out with the final contract expenditure.
5	Bus Stop Improvements	Improve bus stops in Santa Cruz METRO service area	\$ 500,000	\$ 500,000	Caltrans from State Transportation Improvement Program (STIP)	Staff will give final presentation to groups for final input on 12/2/10. Approved by Board of Directors at December 2010 for CTC meeting in January 2011. There are 107 suggested repairs/improvements across all districts.
6	CT Transit Planning--Watsonville	18-month transit planning study of Watsonville service as subrecipient of MPO (AMBAG).	\$ 100,000	\$ 100,000	Caltrans (FTA 5304)	RFP released and closed 1/4/11; proposals to be reviewed and consultant selected by 2/15/11.
7	FY11 AB2766	For second CNG storage tank at Bus Fueling and Service facility.	\$ 200,000	\$ 200,000	AB2766 Monterey Bay Unified Air Pollution Control District (Air District) AB 2766 Motor Vehicle Emissions Reduction Program	Santa Cruz METRO received contract 10/5/10; contingent on FTA 5308 one-time funding or PTMISEA (State funds) being received by January 2011 to complete project.
8	FY10 Discretionary Bus/Facilities Program	Proposal for 12 new CNG buses from FTA discretionary grant program.	\$ 4,830,600	\$ 4,830,600	FTA 5309 Bus & Bus Facilities/State of Good Repair Program	Received Notice of Award on 10/4/11.
9	Prop 84 Challenge Grant	Discretionary grant proposals for planning/zoning of unincorporated areas (Live Oak, Soquel Dr. corridor) w/ County of Santa Cruz; and sustainable growth communities grant w/ AMBAG. All need METRO as a partner.	\$ 10,000	\$ 10,000	Funding from Proposition 84 Planning Grants from the State of California Strategic Growth Council.	County received \$500K for Prop. 84 Sustainable Communities Planning Grant Program for a project entitled "The Santa Cruz County Sustainable Community and Transit Corridors Plan" on December 6, 2010.
10	Interns Grant	Give training experience in transit planning. Provide limited assistance to Santa Cruz METRO Planning staff	\$ 6,250	\$ -	FTA 5304 through Association of Monterey Bay Area Governments (AMBAG)	Planning Intern started 6/21 for Summer 2010. Grant funds expended and this grant will be reported closed and removed from this report in February.

7-11.a1

Attachment A

Santa Cruz METRO Active Grants as of January 14, 2011

#	Grant	Description	\$ Grant Awarded	\$ Grant Balance	Funding Source	Grant Status
11	Dispatch, Surveillance, Radio	Replace dispatch console, install video surveillance and upgrade the fleet mobile radio system (LMR).	\$ 440,505	\$ 316,243	FY08 California Transit Security Grant Program (CTSGBP) funds from California Emergency Management Agency (Cal EMA)	Dispatch console purchased. Board approved \$164,000 contract award to Ojo for video surveillance project at the 12/17/10 meeting. Radio equipment proposals received 10/14. Radio contract to be considered at 1/28 BOD mtg. \$ Grant Balance as of 1/11/11. Expires 3/31/11.
12	Comprehensive Security & Surveillance	Continue video surveillance and LMR upgrade.	\$ 440,505	\$ 440,505	FY09 CTSGBP funds from Cal EMA	Dispatch console purchased. Board approved \$164,000 contract award to Ojo for video surveillance project at the 12/17/10 meeting. Radio equipment proposals received 10/14. Radio contract to be considered at 1/28 BOD mtg. \$ Grant Balance as of 1/11/11. Expires 3/31/11.
13	Comprehensive Security & Surveillance	Continue video surveillance, LMR upgrade and install emergency generator.	\$ 440,505	\$ -	FY10 CTSGBP funds from Cal EMA	Not received. CA Treasurer sold general obligation bonds on 11/19 and 11/23 to fund advance payment (anticipated 1/31/11) for the project. Expires 3/31/13.
14	FY11 Operating Assistance	FY11 Transportation Development Act (TDA) revenue for public transit operations.	\$ 5,001,737	\$ 2,531,671	State Controller's Office (SCO) through Santa Cruz County Regional Transportation Commission (SCCRTC)	On 11/4, SCCRTC made an additional allocation of \$27,259 in FY11 TDA funds. Grant funds are paid quarterly.
15	FY10 Operating Assistance	Operating Assistance	\$ 4,898,314	\$ 4,898,314	FTA 5307 urbanized area formula funds and Small Transit Intensive Cities (STIC) funds for Operating.	New grant executed 9/21/10. FY10 transit operations completed 6/30/10. Funds will be available for drawdown after the FY10 audit is completed.
16	FY10 Rural Operating Assistance	Operating assistance for public transit service in rural areas of Santa Cruz County.	\$ 156,618	\$ 156,618	Caltrans (FTA 5311)	Received fully executed contract from Caltrans on 11/11/10.
17	FY09 Operating/MetroBase const.	Operating Assistance and MetroBase construction funding.	\$ 4,753,504	\$ 1,108,062	FTA 5307 urbanized area formula funds and Small Transit Intensive Cities (STIC) funds for MetroBase construction.	FY09 transit operations were completed 6/30/09. MetroBase construction funds to be drawn down after State funds expended. No expiration.
18	MetroBase Development	MetroBase design, right-of-way and construction. As of 9/15/10, funding from multiple years is reported within this single project rather than separately.	\$ 6,884,929	\$ 490,352	FY08, 09 funds from Prop. IB Public Transportation Modernization and Service Enhancement Account (PTMISEA) through Caltrans	FY08, FY09 PTMISEA funds are being spent on MetroBase development. November bond sales yielded only \$78M for FY10 statewide obligations of \$339M. Santa Cruz METRO will likely not receive the FY10 allocation until the next bond sale. \$ Grant balance as of 1/10/11.

Attachment A

Santa Cruz METRO Active Grants as of January 14, 2011

#	Grant	Description	\$ Grant Awarded	\$ Grant Balance	Funding Source	Grant Status
19	Pacific Station Land	Purchase land for Pacific Station (Metro Center) renovation.	\$ 884,000	\$ 565,631	California Department of Transportation (Caltrans) Traffic Congestion Relief Program.	Santa Cruz METRO executed the amended purchase/sales agreement on 12/20/10 for 425 Front Street and a lease agreement for Metro Center for the Greyhound Ticket Agent on 1/6/11. Renovation has begun at Metro Center to modify the customer service area. \$ Grant balance as of 9/30/10 to be invoiced from Caltrans in January. Expires 6/30/13.
20	Pacific Station Land	Purchase Greyhound property for Pacific Station (Metro Center) renovation	\$ 1,457,667	\$ 28,334	FY05 FTA 5309 Bus and Bus Facilities program - legislative earmark.	Santa Cruz METRO executed the amended purchase/sales agreement on 12/20/10 for 425 Front Street and a lease agreement for Metro Center for the Greyhound Ticket Agent on 1/6/11. Renovation has begun at Metro Center to modify the customer service area. \$ Grant balance as of 12/21/10.
21	Pacific Station Design Engineering	Contract architectural and engineering services for Pacific Station expansion and renovation	\$ 396,000	\$ 396,000	FY06 FTA 5309 Bus and Bus Facilities program - legislative earmark.	On hold pending Greyhound property decontamination and recovery of the real estate market. No expiration.
22	Pacific Station Design Engineering	Contract architectural and engineering services for Pacific Station expansion and renovation	\$ 490,000	\$ 490,000	FY08 FTA 5309 Bus and Bus Facilities program - legislative earmark.	On hold pending Greyhound property decontamination and recovery of the real estate market. No expiration.
Total			\$ 37,668,537	\$ 19,912,324		

7-11.a3

Attachment B

Santa Cruz METRO Grant Applications as of January 14, 2011

#	Application Date	Grant	Description	\$ Grant	Funding Source	Status of Award
1	3/30/2011	Caltrans CBTP Grant	Discretionary grant.	TBD	State of California	Conceptual planning stage with County to develop proposal.
2	1/31/2011	FY11 Rural Operating Assistance	Operating assistance for public transit service in rural areas of Santa Cruz County.	\$ 156,312	Caltrans (FTA 5311)	Not Submitted. Application in development for submission by 1/31/11.
3	3/31/2011	FY11 Transit Security Project	Santa Cruz METRO transit facilities security enhancement projects	\$ 440,505	FY11 CTSGP funds from Cal EMA	Received FY11 Investment Justification (Application) package 1/10/11. Projects to be developed in the near future for 3/31/11 submission. BOD consideration of a resolution designating the Authorized Agent to execute the grant application needed at the 2/25/11 meeting. Funds will expire 3/31/14 according to the guidelines.
4	2/15/2011	FY11 PTMISEA	FY11 Public Transportation Modernization Improvement and Service Enhancement Activity (PTMISEA) funding for MetroBase Operations Building.	TBD	FY11 PTMISEA funds from Caltrans Division of Mass Transit	Allocation package and State Controller's Office estimate of allocation amount anticipated next week. BOD resolution for Certifications and Assurances needed at 1/28/11 meeting for 2/15/11 submission. FY11 allocation to Santa Cruz METRO unknown (and FY10 amount not yet funded-see active grant #18).
5	4/1/2011	FY12 Operating Assistance	FY12 Transportation Development Act (TDA) revenue for public transit operations.	TDA	SCCRTC	SCCRTC will provide estimate of FY12 TDA revenue in late February/early March when provided by the County Controller's Office in February. Based upon the FY11 allocation, the FY12 allocation could be slightly more than \$5 million since TDA revenue collection is trending upward.
Total				\$	596,817	

7-11.b1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Angela Aitken, Finance Manager & Acting Assistant General Manager
SUBJECT: STATUS REPORTS OF PROPOSED FEDERAL AND STATE LEGISLATION AND CURRENT LEGISLATIVE ISSUES

I. RECOMMENDED ACTION

That the Board of Directors accept and file the status reports of proposed Federal and State legislation and current legislative issues through January 18, 2011.

II. SUMMARY OF ISSUES

- Status reports on Federal House of Representatives' and Senate's proposed legislation and related issues are provided monthly to inform the Board of the status of legislation of interest to Santa Cruz METRO.
- This month's Federal report reflects pertinent legislative activities which occurred December 8, 2010 – January 18, 2011. Congress entered a lame-duck session on November 15, 2010, which lasted until December 23, 2010. It was a surprisingly productive session. In terms of transit funding, Continuing Resolutions were passed to keep government funded at FY 2010 levels until March 4, 2011.
- Status reports on the State Legislature's Assembly's and Senate's legislative issues are provided monthly to inform the Board of the status of State legislation of interest to Santa Cruz METRO.
- This month's reports include updates on relevant legislative issues, but no legislative reports as the new Congress was interrupted by the violence in Arizona and the State Legislature returned on January 14, 2011. Information on pertinent new legislation will be provided with the February 2011 status reports.

III. DISCUSSION

Santa Cruz METRO staff monitors and responds to Federal and State pending legislation on an ongoing basis. The purpose of this report is to inform the Board of Directors of the current status of pending legislation which may be of interest to or have an eventual impact on Santa Cruz METRO and/or the transit industry. The Federal and State Legislation Status Reports are updated monthly for this purpose.

Congressional Continuing Resolutions (CR), effective through December 18, 2010, had been passed in order to keep government running at current (FY 2010) levels. When they expired, new

CRs were approved extending funding to March 4, 2011, with time for the 112th Congress to be seated. SAFETEA-LU is also extended to this date. Like its predecessors, this new resolution keeps spending at 2010 levels, with a few tweaks. This pushes weighty fiscal discussions such as long-term appropriations (or a surface transportation act) onto the new Congress. In a development announced on the date this report was prepared, Rep. John Mica (R-FL), new chair of the House Committee on Transportation and Infrastructure, has proposed a “listening tour” to gather ideas for a new Act, beginning on February 18th, after the President’s State of the Union address on January 25th and the White House’s budget announcements on February 14th. Also of note and because of these Continuing Resolutions, only five months of federal formula funding for the current fiscal year are available to apply for. The FTA will not be announcing the availability of competitive discretionary grants funds until the full year amounts are available, which is entirely dependent on the 112th Congress authorizing a full year’s funding.

In a January 4th caucus, held prior to the swearing-in of the new Congress, GOP members held an unrecorded vote on a proposed Rules package. House Resolution number 5 (H.R. 5), among other things, separates the authorization and appropriations processes in regard to infrastructure (such as transit) and other spending. Rep. Mica made a last-minute appeal for an amendment allowing transportation funding some leeway. This has always been the case (since the Unified Budget Act of the mid-1960s), but Mica was rebuffed by GOP leadership, ostensibly in order to present a united GOP front in regard to new House Rules.

For the first time in decades, the transparency of the authorization process driving the appropriations process is lost. Should the appropriators decide authorizations are not to their liking, appropriations could be less than authorized funds, particularly in a session focused on deficit reduction by any means. Though GOP transit supporters have been verbally assured that transportation funding is not a specific target for reduction, this remains to be seen.

Also on the Federal front, Santa Cruz METRO received some good news from Mr. Timothy Trainor, Chief of the Geography Division of the Census Bureau at the Department of Commerce. In a letter that was distributed at the January 14, 2011 Board of Directors’ meeting and which was addressed to Representative Sam Farr, Chief Trainor states:

Please be assured that the comments we have received in writing and in various meetings. . . have convinced us that the criteria we proposed for determining when to merge urbanized areas are not appropriate. Based on the comments we have heard and received, we will ensure that the Watsonville, Santa Cruz, and Salinas urbanized areas, as well as other urbanized areas, remain separate areas.

For Santa Cruz METRO, this means that the flexibility to use FTA Section 5307/5340 funds for operational expenses (approximately \$5 million per year) is retained, staving off a potentially devastating blow to the agency’s operational budget (and related jobs) for years to come. Please see Attachment A for other relevant information regarding Federal legislative issues and activity.

On January 10, 2011, California's new Governor Brown presented his proposed budget, a painful combination of cuts, tax extensions and restructuring of the relationship between state and local governments. A small, bright light on the horizon for transit funding is a possible increase in the amount of available State Transit Assistance funds to \$329.6 million instead of the \$200 million available in 2010-2011, which might mean an additional \$1 million to Santa Cruz METRO. The Governor proposes to re-enact, with a few tweaks, the "gas tax swap" enacted earlier in the year, since the passage of Proposition 26 on November 8, 2010 requires that all new taxes and/or fees be passed by a 2/3rds vote instead of a simple majority. As a result, the "gas tax swap" requires a new legislative vote to remain in place.

In not-so-good budget news, the Governor also announced that there would be no bond sales in calendar year 2011. Santa Cruz METRO had been expecting a Spring 2011 bond sale to, in part, finance the expected PTMISEA (or Public Transportation Improvement and Service Enhancement Account) allocation of approximately \$16 million to be used to complete the Operations Building capital project. If there are no bond sales in 2011, this funding stream will remain dry until such time that bonds are sold to finance it. The California Legislature returned to session on January 14, 2011, so new legislation will be reported on in the February 2011 report. Please see Attachment B for information on relevant State issues.

IV. FINANCIAL CONSIDERATIONS

As most potential legislation carries a fiscal impact, staff will report on a monthly basis of newly implemented federal and/or State legislation which financially impacts Santa Cruz METRO.

The response from the Geography Division of the Census Bureau preserved up to \$5 million per year in operational funding for Santa Cruz METRO. Though the October 8, 2010 approved State budget appropriated approximately \$16 million in capital funding to Santa Cruz METRO through the PTMISEA program, if there are no bond sales in 2011, the agency will not receive this capital funding until such time that it is available. Increases in the amount of available State Transit Assistance (STA) funding may net up to \$1 million in additional STA in FY 2011.

V. ATTACHMENTS

Attachment A: Federal Legislative Issues and Status Report, January 18, 2011.

Attachment B: State of California Legislative Issues and Status Report, January 18, 2011.

ATTACHMENT A

Federal Legislative Issues and Status Report January 18, 2010

Current Legislative Issues

Department of Commerce Proposed Designation of Urbanized Areas (UAs)

Update at 12/7/10: An August 24, 2010 Department of Commerce announcement in the *Federal Register* named the Santa Cruz, Watsonville and Salinas areas of California (“Santalinasville”), as being lumped together in a single Urbanized Area (UA) based on computer models run on Census 2000 data and maps by the Geography Division of the Census Bureau. Changing into one UA eliminated Santa Cruz METRO’s and Monterey-Salinas Transit’s (MST) ability to use FTA 5307 funds for operational expense, as is currently done. An official response to the Census Bureau was submitted by the November 22, 2010 deadline. Among other things, Santa Cruz METRO is requested that all current Census’ urban-rural designations remain the same in our area. Letters of support were received from Monterey-Salinas Transit, Monterey and Santa Cruz Local Agency Formation Commissions (LAFCOs) and AMBAG, all of which were taken by Rep. Farr to a meeting with the Chief of the Geography Division, Timothy Trainor.

Update at 1/18/11: On January 10, 2011, Chief Trainor sent a letter to Rep. Farr stating that, “Based on the comments we have heard and received, we will ensure that the Watsonville, Santa Cruz and Salinas urbanized areas, as well as other urbanized areas, remain separate areas.”

House Resolution 5 (H.R. 5)

Update at 1/18/11: In a secret caucus held on January 4th prior to the swearing in of the 112th Congress, House GOP members held an unrecorded vote on a proposed Rules package. In this package (H.R. 5), a separation of the authorization and appropriations processes in regard to infrastructure (such as transit) funding was proposed and accepted by the GOP the next day. Rep. John Mica (R-FL), new chair of the House Committee on Transportation and Infrastructure, made a last minute appeal for an amendment allowing transportation funding some leeway in regard to getting the authorized funding out the door by way of appropriations. This has always been the case (since the Unified Budget Act of the mid-1960s), but Mica was rebuffed by GOP leadership, ostensibly in order to present a united GOP front in regard to new Rules.

What this means to transit is that, for the first time in decades, the transparency of the authorization process driving the appropriations process is lost. Should the appropriators decide that what has been authorized isn’t to their liking, appropriations could be less than authorized funding, particularly in a session focused on deficit reduction by any means possible. Though GOP transportation and transit supporters have been verbally assured that transportation funding is not a specific target for reduction, with the separation of the funding authorization from the appropriations process, this remains to be seen.

Long Term Surface Transportation Act

Update at 1/18/11: Congress voted in the lame-duck session to extend the funding of government at current levels (with some minor tweaks) until March 4, 2011, in order to give the

112th Congress the opportunity to participate in decisions regarding funding the government going forward, while continuing to argue over the President's proposed budget and lack of a current working budget. Unfunded in this extension of government funding were the new healthcare measures scheduled to go into effect as of January 1, 2011, though most of them managed to go into effect anyway.

The biggest hurdle to consideration of a federal budget is the upcoming "debt ceiling" vote. Many new GOP representatives have vowed to shut government down in lieu of raising the current debt ceiling so that the nation does not default on loan and interest payments to foreign powers, such as China and several others. Expect this showdown to gain traction towards the end of February and beginning of March.

In the meantime, the FTA has announced the availability five months of current fiscal year funding (from October 2010-February 2011), as this is all that is approved at this time. It is not anticipated that the FTA will announce the full amounts of available operational funding and competitive, discretionary grants programs (to meet capital needs) until after March 4, 2011 and any decisions made at that time.

Chair Mica has proposed a series of hearings regarding a new long-term Surface Transportation Act, beginning on February 18th and possibly extending through the end of February. Mica is calling this a "listening tour" to gather information and new ideas for the Act. The timing of Mica's hearings dovetails with expected announcements from the White House of the President's ideas at the State of the Union address on January 25th and the annual budget announcement from the White House, expected by February 14th. Mica is a proponent of a healthy new long-term transportation act, but he will want financial offsets for any increased spending in order to please the GOP.

Alternative Fuel Tax Credits (i.e. CNG) or "Tax Extenders"

The existing alternative-fuel tax credit which expired on 12/31/09 and was worth \$500,000 or more annually to Santa Cruz METRO, has surfaced in several forms in the past 18 months, but suffered another blow when the "Assistance to States" legislation was passed in mid-August. The offsets used to pay for this legislation were the same offsets planned to offset energy tax credits.

Update at 1/18/11: A retroactive alternative fuel tax credit (to January 1, 2010) was passed in the lame-duck session and will result in approximately \$500,000 in revenue to Santa Cruz METRO for calendar year 2010. The tax credit extends until the end of federal fiscal year 2011-2012, or until September 30, 2012, just in time to be a major issue in the 2012 campaign, since it will be lumped with the discussion of once again extending the Bush tax cuts for the rich and/or middle class.

Federal House and Senate Legislation Summary

The 112th Congress was seated on January 5, 2011, and though several measures have been introduced, the violent attack in Tuscon slowed everything down for a week and House activity has just resumed as of the time this report was composed. The Senate is on break until January 25th. As a result, there is no transit-related legislation to summarize this month, but it will be provided with February's report as Attachment B.

ATTACHMENT B
State of California
Legislative Issues and Status Report
January 18, 2011

The Governor's Proposed Budget:

On January 10, Governor Brown unveiled his proposed 2011-2012 State Budget, a painful combination of spending cuts and tax extensions totaling over \$25 billion. Along with proposed heavy cuts to health, welfare and social services programs, it also included an historic restructuring of the relationship between state and local governments, almost the reverse of what happened during his first stint when, due mostly to the passage of Proposition 13 and its effect on property tax revenue, governmental structure and responsibility shifted to Sacramento.

The Governor's proposed budget includes provisions that increase the State Transit Assistance program (STA) to a total of \$329.6 million, compared to \$200 million in fiscal year 2010-2011. For Santa Cruz METRO, if this holds steady, this may mean \$1 million or more in additional STA revenue in the coming fiscal year. The good news for transit in California is that the new Governor's proposed budget is, so far, in accordance with all of the California Transit Association's funding recommendations. The bad news for Santa Cruz is that the proposed budget also eliminates local redevelopment agencies and enterprise zones statewide, for an estimated potential savings of \$2.62 billion.

Proposition 22 & Proposition 26:

Proposition 22 proposed a constitutional amendment prohibiting the State from taking, borrowing or redirecting local taxpayer funds dedicated to public safety, emergency response and other vital local government services. Proposition 26, another constitutional amendment passed in November 2010 and requires that any change in state statutes resulting in any taxpayer paying a higher tax to be passed by a 2/3rds vote of the Legislature. Proposition 26 is retroactive to January 1, 2010.

Update @ 1/18/11: Proposition 26 negates the "gas tax swap" made earlier this year unless it returns to the Legislature and gets a 2/3rds vote within the next 12 months, which is proposed in the Governor's budget. Nonetheless, because Proposition 26 is retroactive to January 2010 and is subject to litigation and legal challenge, it may be a year or more before we know the full effect of the measure.

The California Legislature

There is no legislative matrix (usually Attachment D) attached this month for either the Assembly or Senate of the California Legislature, as they just convened on January 14, 2011. The California Legislative Matrix report will return next month.

7-12.b1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011

TO: Board of Directors

FROM: Angela Aitken, Finance Manager and Acting Assistant General Manager

SUBJECT: CONSIDER ADOPTING A RESOLUTION AUTHORIZING THE EXECUTION OF CERTIFICATIONS AND ASSURANCES AND DESIGNATING THE GENERAL MANAGER AS THE AUTHORIZED AGENT TO EXECUTE ACTIONS NECESSARY TO RECEIVE PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA) FUNDS ON BEHALF OF SANTA CRUZ METRO

I. RECOMMENDED ACTION

That the Board of Directors adopt a resolution authorizing the execution of Certifications and Assurances and designating the General Manager to execute any actions and agreements necessary to obtain Public Transportation, Modernization, Improvement and Service Enhancement Account (PTMISEA) funds on behalf of Santa Cruz METRO.

II. SUMMARY OF ISSUES

- Proposition 1B of 2006 established \$3.6 Billion for the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA).
- The California budget for FY11 appropriated \$1.5 billion in PTMISEA funds statewide, with an estimated allocation of \$11,010,047 to Santa Cruz METRO for MetroBase.
- PTMISEA Guidelines require that the Recipient Agency, Santa Cruz METRO, authorize execution of the attached Certifications and Assurances to be effective throughout the remainder of the PTMISEA program.
- PTMISEA Guidelines also require that Santa Cruz METRO designate an Authorized Agent to execute agreements.
- Adopting the attached resolution authorizes execution of the Certifications and Assurances and designates Leslie R. White, General Manager, as the Authorized Agent to execute all actions necessary to receive PTMISEA funds on behalf of Santa Cruz METRO.

III. DISCUSSION

In November, 2006, California voters approved the Highway Safety, Traffic Reduction, Air Quality and Port Security Bond Act of 2006 (Bond Act), balloted as Proposition 1B. Proposition 1B and its enabling legislation, SB 88, established the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) to fund public transportation improvement projects in California. SB 88 authorized \$3.6 billion from the sale of bonds to fund the PTMISEA program.

The State Controller's Office allocates PTMISEA funds to regional transportation planning agencies and public transit operators according to the same distribution as State Transit Assistance (STA) funds. The Santa Cruz County Regional Transportation Commission and Santa Cruz METRO are the eligible recipients in Santa Cruz County, and the SCCRTC agreed in 2007 to sponsor MetroBase construction with its allocation of PTMISEA funds. The SCCRTC's share of PTMISEA funds will flow directly to Santa Cruz METRO from the California Department of Transportation (Caltrans).

Over the life of the Bond Act, approximately \$26 million will accrue to Santa Cruz County. Santa Cruz METRO has programmed all of its anticipated PTMISEA revenue to MetroBase construction, including the new operations building and parking lot. Due to partial appropriations of the authorized PTMISEA funds, however, Santa Cruz METRO has so far received only \$6,884,929 in two allocations since the first allocation in early 2008. The legislature's piecemeal appropriation of funds year after year has constrained the ability of Santa Cruz METRO as well as other transit agencies to undertake the significant infrastructure projects for which voters approved Prop 1B in 2006. Though construction plans have been available and ready to contract for more than two years, lack of Prop 1B funds has prevented Santa Cruz METRO from soliciting construction bids for the Operations Building.

As a remedy to the small, annual appropriations of PTMISEA funds which have inhibited large construction projects, the California legislature appropriated \$1.5 billion to the PTMISEA program in the FY11 as advocated by the California Transit Association. This level of funding was to have enabled the full allocation of funds to Santa Cruz METRO necessary to complete MetroBase in accordance with a three-year expenditure plan which Santa Cruz METRO submitted to Caltrans in July 2010. Unfortunately, Caltrans has interpreted the authorizing legislation to allocate funds by formula to every eligible agency in the state, regardless of the amount requested in each agency's three-year expenditure plan. As a result, Santa Cruz METRO will receive an estimated \$11,010,047 for FY11 instead of \$16,886,525 requested in the three-year expenditure plan. While this is a substantial shortfall impacting the construction schedule for the Operations Building, receiving bond revenue from the State is a larger impediment.

The ongoing California budget crisis continues to delay payment of PTMISEA allocations. The November 2010 bond sale provided only \$78 million against \$350 million in FY10 allocation requests. Furthermore, this allocation may be applied against previous years' unpaid allocation requests, leaving \$2,491,423 yet to be paid to Santa Cruz METRO for FY10. Since another bond sale will be required to pay the full FY10 allocations, Santa Cruz METRO's receipt of its FY11

\$11,010,047 allocation will be even further delayed, pushing construction of the Operations Building back until FY12 at the earliest.

Caltrans administers the California's PTMISEA program as per AB1072 and AB672, both signed into law on October 11, 2009. In the revised Guidelines for the FY11 Allocation Requests, Caltrans requires eligible recipients to adopt the attached resolution authorizing the execution of certifications and assurances and the separate designation of an Authorized Agent to execute any actions necessary to obtain PTMISEA funds.

Adopting the attached resolution authorizes the PTMISEA Bond Program Certifications and Assurances and designates Leslie R. White, General Manager, as the Authorized Agent for the PTMISEA program. Both forms will accompany the FY11 Allocation Request for PTMISEA funds.

IV. FINANCIAL CONSIDERATIONS

FY11 PTMISEA funds will provide approximately \$11,010,047 for the MetroBase project.

V. ATTACHMENTS

- Attachment A:** Resolution authorizing execution of Certifications and Assurances for the PTMISEA program and designating the General Manager as the Authorized Agent to execute agreements for PTMISEA funds.
- Attachment B:** Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Bond Program Certifications and Assurances.
- Attachment C:** Authorized Agent form.

Attachment A

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

Resolution No. 11-01-03

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted:

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
AUTHORIZING THE EXECUTION OF THE CERTIFICATIONS AND
ASSURANCES FOR THE CALIFORNIA PUBLIC TRANSPORTATION,
MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT
ACCOUNT BOND PROGRAM AND DESIGNATING LESLIE R. WHITE,
GENERAL MANAGER, AS THE AUTHORIZED AGENT TO EXECUTE ALL
ACTIONS NECESSARY TO RECEIVE FUNDS FROM THE CALIFORNIA
PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT AND
SERVICE ENHANCEMENT ACCOUNT**

WHEREAS, California voters approved the Highway Safety, Traffic Reduction, Air quality, and Port Security Bond Act of 2006 (Bond Act) on November, 2006 as Proposition 1B; and

WHEREAS, the Bond Act and its enabling legislation in Senate Bill 88, Statutes of 2007 created the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) with \$3.6 Billion to be funded by Bond sales; and

WHEREAS, SB 88 added to the California Government Code Sections 8879.55 and 8879.56 which authorize the State Controller's Office to allocate PTMISEA funds to eligible regional transportation agencies and designate the California Department of Transportation as the administrative agency for implementing and monitoring the PTMISEA and to establish Guidelines therefore; and

WHEREAS, the Santa Cruz Metropolitan Transit District is an eligible project sponsor and may receive funding from the Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA); and

WHEREAS, the Santa Cruz Metropolitan Transit District proposes to use all PTMISEA funds allocated to Santa Cruz County according to the formula in Public Utilities Code Sections 99313 and 99314 for MetroBase, a capital project in conformance with the PTMISEA Guidelines, the Santa Cruz Metropolitan Transit District's Financial Framework for Capital Budgets and the Regional Transportation Plan;

Attachment A

Resolution No. _____

Page 2

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Cruz Metropolitan Transit District hereby agrees to comply with all conditions and requirements set forth in the Certification and Assurances document and the applicable statutes, regulations and guidelines for all California Public Transportation Modernization Improvement and Service Enhancement Account funded transit projects.

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board of Directors of the Santa Cruz Metropolitan Transit District hereby designates Leslie R. White, General Manager, as the Authorized Agent to execute any and all documents of the California Public Transportation Modernization Improvement and Service Enhancement Account program and any amendments thereto with the California Department of Transportation.

PASSED AND ADOPTED this 28th Day of January, 2011 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____
ELLEN PIRIE
Board Chair

ATTEST _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

7-13.a2

Attachment B

Santa Cruz Metropolitan Transit District

Page 1

Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) Bond Program

Certifications and Assurances

Project Sponsor: Santa Cruz Metropolitan Transit District.

Effective Date of this Document: January 2011.

The California Department of Transportation (Department) has adopted the following certifications and assurances for the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) bond program. As a condition of the receipt of PTMISEA bond funds, project sponsors must comply with these terms and conditions.

A. General

- (1) The project sponsor agrees to abide by the current PTMISEA Guidelines
- (2) The project sponsor must submit to the Department a PTMISEA Program Expenditure Plan, listing all projects to be funded for the life of the bond, including the amount for each project and the year in which the funds will be requested.
- (3) The project sponsor must submit to the Department a signed Authorized Agent form designating the representative who can submit documents on behalf of the project sponsor and a copy of the board resolution appointing the Authorized Agent.

B. Project Administration

- (1) The project sponsor certifies that required environmental documentation is complete before requesting an allocation of PTMISEA funds. The project sponsor assures that projects approved for PTMISEA funding comply with Public Resources Code § 21100 and § 21150.
- (2) The project sponsor certifies that PTMISEA funds will be used only for the transit capital project and that the project will be completed and remains in operation for its useful life.
- (3) The project sponsor certifies that it has the legal, financial, and technical capacity to carry out the project, including the safety and security aspects of that project.

7-13.b1

Attachment B

- (4) The project sponsor certifies that they will notify the Department of pending litigation, dispute, or negative audit findings related to the project, before receiving an allocation of funds.
- (5) The project sponsor must maintain satisfactory continuing control over the use of project equipment and facilities and will adequately maintain project equipment and facilities for the useful life of the project.
- (6) Any interest the project sponsor earns on PTMISEA funds must be used only on approved PTMISEA projects.
- (7) The project sponsor must notify the Department of any changes to the approved project with a Corrective Action Plan (CAP).
- (8) Under extraordinary circumstances, a project sponsor may terminate a project prior to completion. In the event the Project Sponsor terminates a project prior to completion, the Project Sponsor must (1) contact the Department in writing and follow-up with a phone call verifying receipt of such notice; (2) pursuant to verification, submit a final report indicating the reason for the termination and demonstrating the expended funds were used on the intended purpose; (3) submit a request to reassign the funds to a new project within 180 days of termination.
- (9) Funds must be encumbered and liquidated within the time allowed in the applicable budget act.

C. Reporting

- (1) Per Government Code § 8879.55, the project sponsor must submit the following PTMISEA reports:
 - a. Semi-Annual Progress Reports by February 15th and August 15th each year.
 - b. A Final Report within six months of project completion.
 - c. The annual audit required under the Transportation Development Act (TDA), to verify receipt and appropriate expenditure of PTMISEA bond funds. A copy of the audit report must be submitted to the Department within six months of the close of the year (December 31) each year in which PTMISEA funds have been received or expended.

D. Cost Principles

- (1) The project sponsor agrees to comply with Title 2 of the Code of Federal Regulations 225 (2 CFR 225), Cost Principles for State and Local Government, and 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.

Attachment B

- (2) The project sponsor agrees, and will assure that its contractors and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual project cost items and (b) those parties shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments. Every sub-recipient receiving PTMISEA funds as a contractor or sub-contractor shall comply with Federal administrative procedures in accordance with 49 CFR, Part 18, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.
- (3) Any project cost for which the project sponsor has received payment that are determined by subsequent audit to be unallowable under 2 CFR 225, 48 CFR, Chapter 1, Part 31 or 49 CFR, Part 18, are subject to repayment by the project sponsor to the State of California (State). Should the project sponsor fail to reimburse moneys due to the State within thirty (30) days of demand, or within such other period as may be agreed in writing between the Parties hereto, the State is authorized to intercept and withhold future payments due the project sponsor from the State or any third-party source, including but not limited to, the State Treasurer and the State Controller.

E. Record Retention

- (1) The project sponsor agrees, and will assure that its contractors and subcontractors shall establish and maintain an accounting system and records that properly accumulate and segregate incurred project costs and matching funds by line item for the project. The accounting system of the project sponsor, its contractors and all subcontractors shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of the project sponsor, its contractors and subcontractors connected with PTMISEA funding shall be maintained for a minimum of three (3) years from the date of final payment and shall be held open to inspection, copying, and audit by representatives of the State and the California State Auditor. Copies thereof will be furnished by the project sponsor, its contractors, and subcontractors upon receipt of any request made by the State or its agents. In conducting an audit of the costs claimed, the State will rely to the maximum extent possible on any prior audit of the Project Sponsor pursuant to the provisions of federal and State law. In the absence of such an audit, any acceptable audit work performed by the project sponsor's external and internal auditors may be relied upon and used by the State when planning and conducting additional audits.
- (2) For the purpose of determining compliance with Title 21, California Code of Regulations, Section 2500 et seq., when applicable, and other matters connected with

Attachment B

the performance of the project sponsor's contracts with third parties pursuant to Government Code § 8546.7, the project sponsor, its contractors and subcontractors and the State shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire project period and for three (3) years from the date of final payment. The State, the California State Auditor, or any duly authorized representative of the State, shall each have access to any books, records, and documents that are pertinent to a project for audits, examinations, excerpts, and transactions, and the project sponsor shall furnish copies thereof if requested.

- (3) The project sponsor, its contractors and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by the State, for the purpose of any investigation to ascertain compliance with this document.

F. Special Situations

- (1) A project sponsor may lend its unused funds from one year to another project sponsor for an eligible project, for maximum fund use each fiscal year (July 1 – June 30). The project sponsor shall collect no interest on this loan.
- (2) Once funds have been appropriated in the budget act, a project sponsor may begin a project with its own funds before receiving an allocation of bond funds, but does so at its own risk.
- (3) The Department may perform an audit and/or request detailed project information of the project sponsor's PTMISEA funded projects at the Department's discretion at any time prior to the completion of the PTMISEA program.

I certify all of these conditions will be met.

Santa Cruz Metropolitan Transit District

BY:

LESLIE R. WHITE, General Manager

7-13.b4

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Robyn Slater, Human Resources Manager
SUBJECT: CONSIDERATION OF CONTRACT RENEWAL WITH THE LAW OFFICES OF MARIE F. SANG FOR LEGAL SERVICES IN THE AREA OF WORKERS' COMPENSATION

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to execute an amendment to the contract with the Law Offices of Marie F. Sang for legal services in the area of workers' compensation to extend the term of the contract for one (1) additional year.

II. SUMMARY OF ISSUES

- The Santa Cruz METRO has a contract (No. 08-11) for legal services in the area of workers' compensation.
- At the option of the Santa Cruz METRO, this contract may be renewed for two (2) additional one-year terms.
- Marie F. Sang has indicated that she is interested in extending the contract one additional year to February 28, 2012.
- It is requested that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

III. DISCUSSION

The Santa Cruz METRO's current contract with the Law Offices of Marie F. Sang for legal services in the area of workers' compensation is due to expire on February 28, 2011. Marie F. Sang has provided good service under this contract. An extension of the contract would be favorable to the Santa Cruz METRO. Section 4.01 of the contract allows the Santa Cruz METRO the option to renew the contract for two (2) additional one-year terms. Marie F. Sang has also reviewed the contract and has indicated her desire to extend the contract for one additional year.

Santa Cruz METRO staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in the Santa Cruz METRO's budget for Worker's Compensation claims. Annual budget for this contract is \$35,000.

V. ATTACHMENTS

Attachment A: Contract Amendment

[Type text]

Attachment A [Type text]

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FIRST AMENDMENT TO CONTRACT NO. 08-11 FOR LEGAL SERVICES IN THE AREA OF WORKER'S COMPENSATION

This First Amendment to Contract No. 08-11 for legal services in the area of worker's compensation is made effective March 1, 2011 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("Santa Cruz METRO") and The Law Offices of Marie K. Sang ("Contractor").

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for legal services in the area of worker's compensation ("Contract") on March 1, 2010.
- 1.2 The Contract allows for the extension upon mutual written consent.

Therefore, Santa Cruz METRO 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 February 28, 2012. 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 First Amendment to the Contract and the person signing this First Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this First Amendment to the Contract, understands it, and agrees to be bound by it.

SIGNATURES ON NEXT PAGE

7-14.a1

[Type text]

Attachment A [Type text]

Signed on _____

Santa Cruz METRO
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
The Law Offices of Marie K. Sang

By _____
Marie K. Sang
Owner

Approved as to Form:

Margaret R. Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011

TO: Board of Directors

FROM: Robert Cotter, Manager of Maintenance

SUBJECT: CONSIDERATION OF CONTRACT RENEWAL FOR FURNISHING HEAVY DUTY COACH AND AUTOMOTIVE BATTERIES TO BATTERIES USA, INC. FOR AN AMOUNT NOT TO EXCEED \$25,000

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to execute a one year contract renewal with Batteries USA, Inc. for the purchase of heavy-duty coach and automotive batteries for an amount not to exceed \$25,000.

II. SUMMARY OF ISSUES

- On March 1, 2009, RTCC Contract No. MSE-2009-009 was awarded to Batteries USA, Inc. for the purchase of heavy-duty coach and automotive batteries.
- On April 24, 2009, the Board of Directors authorized the contract with Batteries USA, Inc. Santa Cruz METRO entered into a two-year, firm fixed price contract with Batteries USA, Inc. for the purchase of heavy-duty coach and automotive batteries in reference to RTCC Contract No. MSE-2009-009 for an amount not to exceed \$50,000.
- The contract allows for a one year extension
- Staff is recommending that the board of directors authorize the general manager to execute a one year contract renewal with Batteries USA, Inc. for the purchase of heavy-duty coach and automotive batteries for an amount not to exceed \$25,000.

III. DISCUSSION

The RTCC Procurement Committee released an invitation for bid for heavy-duty coach and automotive batteries on December 1, 2008. San Joaquin Regional Transit District was the lead agency for this RTCC procurement. Santa Cruz METRO was a participating agency in this bid. Bids were received and opened on January 5, 2009. Bids were evaluated with a recommendation that a contract be awarded to Batteries USA, Inc. as the lowest responsive bidder. On March 1, 2009, RTCC Contract No. MSE-2009-009 was awarded to Batteries USA, Inc. for the purchase of heavy-duty coach and automotive batteries.

Santa Cruz METRO entered into a two-year, firm fixed price contract with Batteries USA, Inc. for the purchase of heavy-duty coach and automotive batteries in reference to RTCC Contract No. MSE-2009-009 for an amount not to exceed \$50,000.

Staff is recommending that the board of directors authorize the general manager to execute a one year contract renewal with Batteries USA, Inc. for the purchase of heavy-duty coach and automotive batteries for an amount not to exceed \$25,000.

IV. FINANCIAL CONSIDERATIONS

Funding for the procurement of heavy-duty coach and automotive batteries is contained within the Fleet Maintenance operating budget. Annual estimated budget for coach and automotive batteries is \$25,000.

V. ATTACHMENTS

Attachment A:

Prepared By: Hina Patel, Purchasing Agent

Attachment A
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FIRST AMENDMENT TO RTCC CONTRACT NO. MSE-2009-009
FOR HEAVY DUTY COACH AND AUTOMOTIVE BATTERIES

This First Amendment to Contract No. MSE-2009-009 for heavy duty coach and automotive batteries is made effective March 1, 2011, between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“Santa Cruz METRO”) and Batteries USA, Inc. (“Contractor”).

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for Heavy Duty Coach and Automotive Batteries (“Contract”) on March 1, 2010.
- 1.2 The Contract allows for the extension upon mutual written consent

Therefore, Santa Cruz METRO and Contractor amend the Contract as follows:

II. TERM

- 2.1 Article 3.02 is amended to include the following language:

This contract shall continue through February 28, 2012. 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 First Amendment to the Contract and the person signing this First Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this First Amendment to the Contract, understands it, and agrees to be bound by it.

SIGNATURES ON NEXT PAGE

Attachment A

Signed on _____

Santa Cruz METRO
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
Batteries USA, Inc.

By _____
Said Senan
President

Approved as to Form:

Margaret R. Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2010
TO: Board of Directors
FROM: Robert Cotter, Manager of Maintenance
SUBJECT: CONSIDERATION OF CONTRACT RENEWAL WITH SC FUELS FOR DELIVERY OF CARB ULTRA-LOW SULFUR DIESEL FUEL FOR AN AMOUNT NOT TO EXCEED \$1,500,000

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to enter into a one-year contract extension with SC Fuels for delivery of CARB ultra-low sulfur diesel fuel for an amount not to exceed \$1,500,000.

II. SUMMARY OF ISSUES

- METRO has a contract with SC Fuels for the delivery of CARB ultra-low sulfur diesel fuel.
- This contract was established on February 7, 2007 for a two-year period with three optional one-year extensions.
- A one year extension was exercised February 1, 2010.
- The current contract approved by the Board of Directors will expire on January 31, 2011.
- Staff recommends that the Board of Directors authorize the General Manager to enter into a one-year contract extension with SC Fuels for delivery of CARB ultra-low sulfur diesel fuel for an amount not to exceed \$1,500,000.

III. DISCUSSION

METRO has a contract with SC Fuels for the delivery of CARB ultra-low sulfur diesel fuel that will expire on January 31, 2011. This contract was established on February 7, 2007 for a two-year period with three optional one-year extensions. During this contract period, the quality of service provided by SC Fuels has been excellent.

Staff recommends that the Board of Directors authorize the General Manager to enter into a one-year contract extension with SC Fuels for delivery of CARB ultra-low sulfur diesel fuel for an amount not to exceed \$1,500,000.

IV. FINANCIAL CONSIDERATIONS

Funds to support this contract are included in the Fleet FY11 Fuels and Lubricants – Revenue Vehicles budget.

V. ATTACHMENTS

Attachment A: Contract Amendment

Prepared By: Hina Patel, Purchasing Agent
Date Prepared: January 10, 2011

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT THIRDA MENDMENT TO CONTRACT NO. 2007-MA-01RTCC FOR DELIVERY OF CARB ULTRA-LOW SULFUR DIESEL FUEL

This Third Amendment to Contract No. 2007-MA-01RTCC for delivery of CARB ultra-low sulfur diesel fuel is made effective February 1, 2011 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“METRO”) and Southern Counties Oil Co., d.b.a. SC Fuels (“Contractor”).

I. RECITALS

1.1 METRO and Contractor entered into a Contract for Delivery of CARB ultra-low sulfur diesel fuel (“Contract”) on February 1, 2007.

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

Therefore, METRO and Contractor amend the Contract as follows:

II. TERM

2.1 Article 3.02 is amended to include the following language:

This Contract shall continue through January 31, 2012. 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.

V. AUTHORITY

Each party has full power to enter into and perform this Third Amendment to the Contract and the person signing this Third Amendment on behalf of each has been properly authorized and empowered to enter into it. Each party further acknowledges that it has read this Third Amendment to the Contract, understands it, and agrees to be bound by it.

SIGNATURES ON NEXT PAGE

Attachment A

Signed on _____

METRO - SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR – SC Fuels

By _____
Mimi S. Taylor
CFO of G.P.

By _____
Robert W. Bollar
Corp. Sec. of G.P.

Approved as to Form:

Margaret R. Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011

TO: Board of Directors

FROM: Ciro Aguirre, Manager of Operations

SUBJECT: CONSIDERATION OF AGREEMENT WITH THE SANTA CRUZ SEASIDE COMPANY FOR THE PROVISION OF LATE-NIGHT SERVICE

I. RECOMMENDED ACTION

That the Board authorize the General Manager to enter into an agreement with the Santa Cruz Seaside Company to subsidize the operation of Late-Night Service on Route 71.

II. SUMMARY OF ISSUES

- METRO has operated a late-night trip on Route 71 that has been subsidized by the Seaside Company (Boardwalk) for a number of years.
- The Boardwalk agrees to pay the costs of the extra service that will operate from the Boardwalk.
- The service has been extremely successful and the Boardwalk is again interested in having METRO provide the service for the summer commencing June 09, 2011.

III. DISCUSSION

The Seaside Company (Boardwalk) has requested METRO to extend the starting point for the last Route 71 trip to include the Boardwalk for the summer of 2011. Their interest is due to the fact that a large number of their employees are young students living in Watsonville, and the Metro bus routes servicing the Boardwalk terminate service before the end of their employees evening shift. The Seaside Company has assured that METRO would not incur costs by agreeing to fund the cost of the route extension.

The service has been provided in previous years during summer, and again, would be provided through the entire summer bid. The service will operate for 98days, from June 09 to September 14, 2011. The Boardwalk requires the late service for less than that period, but they have agreed to fully underwrite the cost of the service extension to the Beach area for the entire bid.

The total cost for the service is estimated at \$2,000.

Board of Directors

Page 2

January 28, 2011

IV. FINANCIAL CONSIDERATIONS

There is no financial impact on METRO as the Boardwalk is picking up the full cost of the extension for the entire bid.

V. ATTACHMENTS

Attachment A: January 11, 2011 Letter from Santa Cruz Seaside Company

Attachment A



January 11, 2011

Ciro Aguirre
Manager of Operations
Santa Cruz Metropolitan Transit District
370 Encinal Street Suite 100
Santa Cruz, CA 95060

RE: 2011 Request for Late Night Transit Service on Route 71 to Watsonville for the Summer

Dear Giro;

Please take the Santa Cruz Seaside Company request for late night service to Watsonville for the summer of 2011 to the Santa Cruz Metropolitan Transit District Board. The Santa Cruz Seaside Company will sign another Agreement for Transit Service, between the Santa Cruz Metropolitan Transit District (SCMTD) and the Santa Cruz Seaside Company, for summer bus service to connect our employees to the Metro Center for late night service on route 71.

We understand that the contract will be set at \$2,000 for the 2011 summer season. Our employees use the service as do other beach area business employees. We appreciate the Transit District responding to our company and other beach area employer's needs.

Sincerely,



Jo Anne Diott
Vice President Human Resources

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Ciro F. Aguirre, Manager of Operations
SUBJECT: STATUS UPDATE: METRO GFI GENFARE AUTOMATIC FARE COLLECTION SYSTEM UPGRADE

I. RECOMMENDED ACTION

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

II. SUMMARY OF ISSUES

- Throughout 2009 Santa Cruz METRO staff pursued various sources of funding in order to upgrade Santa Cruz METRO's fare collection equipment to an Automatic Fare Collection System (AFCS).
- Santa Cruz METRO, in conjunction with Monterey-Salinas Transit (MST), approached Automatic Fare Collection System (AFCS) as a way in which to establish a partnership that would streamline fare payments and provide fare media that could be used by the customers of both agencies for enhanced regional travel.
- On June 15, 2010 METRO entered into a contract with GFI Genfare for the purchase and installation of an Automatic Fare Collection System.
- Funding for this procurement in the amount of \$2,362,000 was provided through the American Recovery and Reinvestment Act (ARRA) Grant, 5309 Earmark, Local Match, and Caltrans ARRA Grant.
- AFCS equipment was received October 05, 2010.
- Staff training was conducted throughout the month of November, 2010.
- Installation of bus revenue collection equipment (Fareboxes) commenced on December 03 and was completed on December 05, 2010.
- Staff continues to work with Capitola Mall, Cabrillo College for the installation of Ticket Vending Machines, and with GFI for completion of project.
- Staff is reviewing METRO's Fare Policy, are in discussions with the Valley Transportation Authority and Monterey Salinas Transit regarding inter-agency travel, and the use of Smart Card technology.

III. DISCUSSION

In 2009 Santa Cruz METRO began its solicitation for funding in order to retrofit its aging fare collection technology with the intent to upgrade to an Automatic Fare Collection System

(AFCS). The use of AFCS has facilitated the introduction of a range of new payment options for patrons, as well as the opportunity to establish new types of partnerships. These validating fareboxes also allow for more accurate accounting of revenue, ridership and an enhanced ability to enter into agreements with other transit agencies.

Monterey-Salinas Transit (MST) and Santa Cruz METRO agreed to explore the possibility of establishing a partnership using AFCS with the intent of streamlining fare payments and providing fare media options that could be used across county lines establishing easier inter-agency travel. Further support for this design was carried forward on behalf of MST and Santa Cruz METRO by Congressman Sam Farr through the award of an earmark that would partially fund a Regional Contactless Fare Collection System, also known as a “Smart Card System.”

STATUS SUMMARY:

On June 15, 2010 METRO entered into a contract with GFI Genfare for purchase and installation of an Automatic Fare Collection System. The total cost proposal received from GFI Genfare including equipment, materials, labor, shipping, and sales tax was \$2,341,644.50.

Equipment arrived and was inventoried on October 5, 2010 and stored at the METRO Golf Club Maintenance Facility Warehouse.

Training - METRO staff training was conducted throughout the month of November, 2011 by GFI instructors. Three METRO Mechanics were sent to the GFI Genfare manufacturing plant for in-depth training on maintenance, repair, and programming of all major revenue collecting equipment. Training on equipment servicing, operation, and computer system support were conducted at METRO facilities. One hundred fifty seven Operators and Supervisors were trained on farebox operation prior to “go live” date of December 06, 2010.

Outreach - METRO Customer Service conducted community outreach familiarizing METRO’s customers through the direct fielding of questions, distribution of pamphlets at the various Transit Centers, website information, and telephone interaction. METRO Operators and staff have also been providing assistance to customers not familiar with our new system.

Fareboxes - Installation of 100 GFI Odyssey Validating Fareboxes was performed on METRO’s fleet of buses commencing on December 03 and completed on December 05, 2010, with no interruption to service. Each farebox reads various dollar denominations, and issues Local Service Day Passes or Highway 17 Express Day Passes. Once a Pass is validated, it requires the customer to swipe the card in the magnetic reader and the farebox records the ride and fare set, improving boarding time and revenue tracking.

Ticket Vending Machines (TVM) – Four TVM’s were purchased two have been installed, one at the Pacific Station Transit Center, and one at the Watsonville Transit Center.

The TVM at Pacific Station is fully functional and dispenses Regular 31 Day Pass, Youth and Highway 17 Express 31 Day Passes, Older Adult & Disabled 31 Day Discount Pass, and METRO Cash Card (stored value) in increments of \$10, \$20, \$30, \$50. The TVM also accepts Visa and Mastercard as optional payment choices.

The TVM at the Watsonville Transit Center is currently awaiting programming in conjunction with GFI and METRO.

Two additional TVM's are awaiting installation, one is planned to be installed at a bus shelter on lane 1 at Capitola Mall. Installation is currently pending completion of design plans that will provide a minor modification to the bus stop landing so that the unit will mount properly, routing of electrical connections, and plan design acceptance by Capitola Mall Management.

Consideration for the fourth TVM is to install the unit at Cabrillo College. This is pending further discussion with Cabrillo and METRO Staff as to feasibility and preferred location for installation.

Printing-Encoding Machine (PEM) – Two PEM's were purchased to facilitate encoding the various ticket and passes provided to vendors selling METRO fare media at satellite locations and will process fare media that is currently being dispensed by the TVM's. The machines are also used to service customers who prefer to have the Customer Service Representative provide the fare media at the Information Booth.

The Automatic Fare Collection System upgrade is approximately seventy percent complete.

Pending Issues

- GFI is scheduled to return to METRO to complete installation of the two TVM's, at which time they will provide additional training for Maintenance and IT, and address any outstanding issues.
- UCSC is in discussion with METRO and GFI in order coordinate the integration of GFI encoding onto their Student Identification Cards. This will allow UCSC student to use their ID cards as a bus pass swiping it on the farebox and improving tracking processes for METRO and UCSC.
- Monterey Salinas Transit (MST) has purchased GFI Genfare Revenue Collection Equipment, and is scheduled to go on-line in March, 2011. Staff at MST has been in discussion with METRO Staff in order to determine the best approach toward providing inter-agency travel when their system is on-line.
- The Valley Transportation Authority (VTA) is also purchasing GFI Genfare equipment, and has expressed interest in discussing inter-agency travel between METRO's Highway 17 Express Service and VTA Local Service, "Smart Card" technology is a topic of interest for VTA..

METRO Staff is currently reviewing METRO's fare policy and discussing ways in which to develop an improved fare policy and implement fare payment strategies consistent with ensuring that all population segments can access a variety of fare options that are economically advantageous thus providing equity and fairness in the provision of publically funded services.

- IV. FINANCIAL CONSIDERATIONS None
- V. ATTACHMENTS None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
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 Board Chair 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

Prepared by: Tony Tapiz, Administrative Services Coordinator
Date Prepared: January 20, 2011

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT EMPLOYEE RECOGNITION

THIRTY YEARS

Maria Granados-Boyce, Transit Supervisor

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

Resolution No. 11-01-01

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted:

**RESOLUTION OF APPRECIATION
FOR THE SERVICES OF MIKE ROTKIN AS A MEMBER OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS**

WHEREAS, the Santa Cruz Metropolitan Transit District was formed to provide public transportation to all of the residents of Santa Cruz County; and

WHEREAS, the City of Santa Cruz and the University of California, Santa Cruz, requiring strong representation, appointed Mike Rotkin as a member of the Board of Directors of the Santa Cruz Metropolitan Transit District; and

WHEREAS, Mike Rotkin served as a member of the Board of Directors from April 1979 through December 1988 and from June 1993 through December 2010; and

WHEREAS, Mike Rotkin provided the Santa Cruz Metropolitan Transit District with strong leadership and insightful guidance during his term in the office, including representing the Transit District on the Santa Cruz County Regional Transportation Commission; and

WHEREAS, during the time that Mike Rotkin served on the Board of Directors, METRO expanded service, developed new operating facilities, purchased new equipment, developed accessible bus stops, opened new transit centers, improved ridership, responded to the challenges of the Loma Prieta Earthquake, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, replaced a portion of the fixed route fleet, converted 40 buses from diesel to CNG, opened a new service/fueling facility, completed the new fleet maintenance facility, opened a new administration/facilities maintenance facility, received federal stimulus funds for new ParaCruz vans, improved the ParaCruz service, implemented wifi on the Highway 17 service, participated in the Transportation Funding Task Force, acquired funding for major capital improvements, initiated a study of Watsonville service, began implementation of a smart-card fare system, and responded to a severe economic downturn; and

WHEREAS, the quality of public transit service in Santa Cruz County was improved dramatically as a result of the dedication, commitment and efforts of Mike Rotkin; and

WHEREAS, Mike Rotkin completed his term as a Member of the Board of Directors in December 2010.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Cruz Metropolitan Transit District does hereby commend Mike Rotkin for his efforts in the advancement of public transportation service in Santa Cruz County and expresses appreciation on behalf of itself, Santa Cruz Metropolitan Transit District staff and all of the residents of Santa Cruz County.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to Mike Rotkin and that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 28th day of January 2011 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____
ELLEN PIRIE
Board Chair

ATTEST _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

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

Resolution No. 11-01-02

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted:

**RESOLUTION OF APPRECIATION
FOR THE SERVICES OF MARCELA TAVANTZIS AS A MEMBER OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS**

WHEREAS, the Santa Cruz Metropolitan Transit District was formed to provide public transportation to all of the residents of Santa Cruz County; and

WHEREAS, the City of Watsonville, requiring strong representation, appointed Marcela Tavantzis as a member of the Board of Directors of the Santa Cruz Metropolitan Transit District; and

WHEREAS, Marcela Tavantzis served as a member of the Board of Directors from June 2002 through December 2010; and

WHEREAS, Marcela Tavantzis provided the Santa Cruz Metropolitan Transit District with strong leadership and insightful guidance during her term in the office, including representing the Transit District on the Santa Cruz County Regional Transportation Commission; and

WHEREAS, during the time that Marcela Tavantzis served on the Board of Directors, METRO expanded service, developed new operating facilities, purchased new equipment, developed accessible bus stops, opened new transit centers, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, replaced a portion of the fixed route fleet, converted 40 buses from diesel to CNG, opened a new service/fueling facility, completed the new fleet maintenance facility, opened a new administration/facilities maintenance facility, received federal stimulus funds for new ParaCruz vans, improved the ParaCruz service, implemented wifi on the Highway 17 service, participated in the Transportation Funding Task Force, acquired funding for major capital improvements, initiated a study of Watsonville service, began implementation of a smart-card fare system, and responded to a severe economic downturn; and

WHEREAS, the quality of public transit service in Santa Cruz County was improved dramatically as a result of the dedication, commitment and efforts of Marcela Tavantzis; and

WHEREAS, Marcela Tavantzis completed her term as a Member of the Board of Directors in December 2010.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Santa Cruz Metropolitan Transit District does hereby commend Marcela Tavantzis for her efforts in the advancement of public transportation service in Santa Cruz County and expresses appreciation on behalf of itself, Santa Cruz Metropolitan Transit District staff and all of the residents of Santa Cruz County.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to Marcela Tavantzis and that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 28th day of January 2011 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____
ELLEN PIRIE
Board Chair

ATTEST _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

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

Resolution No. 11-01-04
On the Motion of Director: _____
Duly Seconded by Director: _____
The Following Resolution is Adopted:

**A RESOLUTION OF APPRECIATION FOR THE SERVICES OF
BATTISTA BREGANTE AS FACILITIES MAINTENANCE WORKER I
FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

WHEREAS, the Santa Cruz Metropolitan Transit District was formed to provide public transportation to all of the residents of Santa Cruz County, and

WHEREAS, the provision of public transportation service requires a competent, dedicated workforce, and

WHEREAS, the Santa Cruz Metropolitan Transit District, requiring an employee with expertise and dedication appointed Battista Bregante to serve in the position of Facilities Maintenance Worker I, and

WHEREAS, Battista Bregante served as a member of the Facilities Maintenance Department of the Santa Cruz Metropolitan Transit District for the time period of August 26, 1999 to December 30, 2010, and

WHEREAS, Battista Bregante provided the Santa Cruz Metropolitan Transit District with dedicated service and commitment during the time of employment, and

WHEREAS, Battista Bregante served the Santa Cruz Metropolitan Transit District with distinction, and

WHEREAS, the service provided to the residents of Santa Cruz County by Battista Bregante resulted in reliable, quality public transportation being available in the most difficult of times, and

WHEREAS, during the time of Battista Bregante's service, METRO expanded service, developed new operating facilities, purchased new equipment, developed accessible bus stops, opened new transit centers, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

WHEREAS, the quality of life in Santa Cruz County was improved dramatically as a result of the exemplary service provided by Battista Bregante.

NOW, THEREFORE, BE IT RESOLVED, that upon his retirement as Facilities Maintenance Worker I, the Board of Directors of the Santa Cruz Metropolitan Transit District does hereby commend Battista Bregante for efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, Santa Cruz Metropolitan Transit District staff and all of the residents of Santa Cruz County.

BE IT FURTHER RESOLVED, that a copy of this resolution will be presented to Battista Bregante, and that a copy of this resolution be entered into the official records of the Santa Cruz Metropolitan Transit District.

PASSED AND ADOPTED this 28th day of January 2011 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____

ELLEN PIRIE

Board Chair

ATTEST _____

LESLIE R. WHITE

General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER

District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR FEDERAL LEGISLATIVE SERVICES WITH CAPITALEDGE ADVOCACY, LLC

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to execute a contract for federal legislative services with CapitalEdge Advocacy, LLC to provide federal legislative services for an amount not to exceed \$64,000

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms.
- Three (3) firms submitted proposals for the Santa Cruz METRO's review.
- An evaluation committee comprised of Santa Cruz METRO staff reviewed and evaluated the proposals.
- The evaluation committee is recommending that a contract be established with CapitalEdge Advocacy, LLC to provide federal legislative services.

III. DISCUSSION

Santa Cruz METRO requires the services of a federal legislative representative to represent and advocate before the Congress and the U.S. Department of Transportation, the positions and policies of the Santa Cruz METRO. Other required services include: represent Santa Cruz METRO before the various legislative committees in Washington D.C., as directed; monitor transportation committees and other committees as appropriate; represent the Santa Cruz METRO before such committees as directed; represent the Santa Cruz METRO when directed, before State Departments, Agencies, and regulatory bodies that impact the policies and programs of the Santa Cruz METRO; advise the Santa Cruz METRO on legislative strategy; serve as an advisor to management and the Board of Directors; provide information relative to the legislative hearings which may have an impact on the policies and programs of Santa Cruz METRO; closely monitor and manage legislative issues and/or bills which Santa Cruz METRO has identified as high priority items; provide assistance to the Santa Cruz METRO in drafting proposed testimony before the Congress and present such testimony when requested; coordinate advocacy efforts with the Santa Cruz METRO's Board of Directors and staff; undertake such

other assignments upon which Santa Cruz METRO and consultant mutually agree; prepare written/oral reports, at least monthly, summarizing its activities on behalf of Santa Cruz METRO; comply with all Federal and State laws and regulations relating to the activities of lobbyists; and shall provide necessary documentation to support the filing of all required Federal and State forms related to legislative assistant or lobbying services.

On November 23, 2010, a Request for Proposal No. 11-09 was sent out to fourteen (14) firms and was legally advertised. On December 27, 2010, proposals were received and opened from three (3) firms. These firms and there overall ranking are listed in Attachment A. An evaluation committee comprised of Santa Cruz METRO staff have reviewed and evaluated the proposals.

The evaluation committee used the following criteria as contained in the Request for Proposals:

Criteria	Points
1. Familiarity with Santa Cruz, California and knowledge of current transportation issues and projects which are affected by federal legislative or administrative actions	15
2. Existing, or ability to establish close working relationships with members and staff of the California Congressional Delegation	20
3. Knowledge and experience working with members and staff of the House Transportation and Infrastructure Committee, House Transportation Appropriations Subcommittee, Senate Banking, Housing and Urban Affairs Committee, and Senate Transportation Appropriations Subcommittee	20
4. Knowledge and experience working with the staff of the Federal Transit Administration	15
5. Ability to work collaboratively with Legislative Consultants representing other California agencies and business to achieve Santa Cruz METRO goals	10
6. Proposed cost of services.	15
7. DBE Participation	5
Total Points Possible	100

Based on the above criteria, the selection committee is recommending that the Board of Directors authorize the General Manager to execute a contract with CapitalEdge Advocacy, LLC to provide federal legislative services for an amount not to exceed \$64,000. CapitalEdge has provided federal legislative services for Santa Cruz METRO since 1994 and will continue to provide services meeting all specifications and requirements.

IV. FINANCIAL CONSIDERATIONS

Funds are included in the FY11 budget to support this contract.

V. ATTACHMENTS

Attachment A: RFP 11-09 Federal Legislative Representative Overall Ranking

Attachment B: Contract for Federal Legislative Representative Services (11-09)

Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of METRO or online at www.scmttd.com

Attachment A

RFP 11-09 FEDERAL LEGISLATIVE REPRESENTATIVE

OVERALL RANKING

List of Firms in Order of Ranking	Total Score
1. Capital Edge Advocacy	93.7
2. McBee Strategic Consulting, LLC	68.5
3. McAllister and Quinn, LLC	65.8

Attachment B

CONTRACT FOR FEDERAL LEGISLATIVE REPRESENTATIVE SERVICES (11-09)

THIS CONTRACT is made effective on February 1, 2011 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("Santa Cruz METRO"), and CAPITALEDGE ADVOCACY, LLC ("Contractor").

1. RECITALS

1.01 Santa Cruz METRO's Primary Objective

Santa Cruz METRO is a public entity whose primary objective is providing public transportation and has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 Santa Cruz METRO's Need for Federal Legislative Representative Services

Santa Cruz METRO has the need for Federal Legislative Representative Services. In order to obtain these services, the Santa Cruz METRO issued a Request for Proposals, dated November 23, 2010, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Federal Legislative Representative Services and whose principal place of business is 1212 New York Ave., NW, Suite 250, Washington D.C. Pursuant to the Request for Proposals by the Santa Cruz METRO, Contractor submitted a proposal for Federal Legislative Representative Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On January 14, 2010 Santa Cruz METRO selected Contractor as the offeror whose proposal was most advantageous to the Santa Cruz METRO, to provide Federal Legislative Representative Services described herein. This Contract is intended to fix the provisions of these services.

Santa Cruz METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit Santa Cruz METRO's "Request for Proposals" dated November 23, 2010

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the Santa Cruz METRO for Federal Legislative Representative Services signed by Contractor and dated December 27, 2010.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

Attachment B

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued November 23, 2010.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued November 23, 2010.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by the Santa Cruz METRO.

At the option of the Santa Cruz METRO, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

Santa Cruz METRO shall compensate Contractor an annual fee of \$60,000, payable in twelve monthly installments of \$5,000. In addition, the Santa Cruz METRO will reimburse Contractor up to \$4,000 annually for expenses incurred on behalf of the Santa Cruz METRO. These reimbursable expenses would include: long distance telephone, photocopying, postage, courier, overnight mail, and other executive expenses such as taxis, events with appropriate Santa Cruz METRO and Washington officials, and pre-approved travel. Santa Cruz METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within forty-five (45) days of Santa Cruz METRO written approval of Contractor's written invoice for said work.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the Santa Cruz METRO on a monthly basis. With the invoice, Contractor would outline the types of activities engaged in on behalf of the Santa Cruz METRO over the course of the month. Expenses shall be billed if allowed under the Contract. Records for expenses

Attachment B

billed shall be kept up to date and shall be available for inspection by the Santa Cruz METRO (or any Grantor of the Santa Cruz METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all expenses billed to the Santa Cruz METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

SANTA CRUZ METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
Attention: General Manager
CONTRACTOR

CapitalEdge Advocacy
1212 New York Ave, NW
Suite 250
Washington D.C. 20005
Attention: Carolyn C. Chaney, President

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
CapitalEdge

By _____
Carolyn C. Chaney
President

Approved as to Form:

Margaret Rose Gallagher
Santa Cruz METRO Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Angela Aitken, Finance Manager & Acting Assistant General Manager
**SUBJECT: ACCEPT AND FILE LETTER FROM CABRILLO COLLEGE
REGARDING CESSATION OF STUDENT BUS PASS PROGRAM**

I. RECOMMENDED ACTION

That the Board of Directors accept and file a letter from Cabrillo College regarding the cessation of the student bus pass program as of June 2011.

II. SUMMARY OF ISSUES

- Santa Cruz METRO and Cabrillo College have had an ongoing contract to provide public transportation services to the College's students, faculty and staff at an affordable rate for many years.
- Santa Cruz METRO entered into a written contract for Transit Services with Cabrillo College on September 1, 2006 for a four (4) year term which expired August 31, 2010
- An amendment to the contract for September 1, 2010 through August 21, 2011 was approved at the July 23, 2010 Board of Director meeting
- On November 23, 2010, Cabrillo College sent a letter to discontinue our contract as of June 2011 per terms of the contract
- Further conversations with Sesario Escoto and Brian King confirm the letter
- Staff recommends that the Board of Directors accept and file the Cabrillo College letter of contract termination as of June 2011.

III. DISCUSSION

Santa Cruz METRO and Cabrillo College have had an ongoing contract to provide public transportation services to the College's students, faculty and staff at an affordable rate for many years.

Santa Cruz METRO entered into a written contract for Transit Services with Cabrillo College on September 1, 2006 for a four (4) year term which expired August 31, 2010. An amendment to the contract for September 1, 2010 through August 21, 2011 was approved at the July 23, 2010 Board of Director meeting.

On November 23, 2010, Cabrillo College sent a letter to discontinue our contract as of June 2011 per terms of the contract (**Attachment A**). In the letter, Cabrillo sites that in the current budget climate, Cabrillo can no longer afford to subsidize their student bus pass program and the current California law does not allow community colleges to charge students a fee to cover services such as transportation. Further conversations with Sesario Escoto and Brian King confirmed that the letter from Cabrillo does not need to be an action of their Board of Trustees and the decision to discontinue their contract with us was a decision made in their cabinet with their President.

Staff recommends that the Board of Directors accept and file the Cabrillo College letter of contract termination as of June 2011.

IV. FINANCIAL CONSIDERATIONS

The termination of this contract will be an operating revenue loss of \$190,000 per year starting in FY12. The installation of a TVM at the Cabrillo College campus may offset some of this loss by providing easy access to passes and cash cards on campus for transit riders.

V. ATTACHMENTS

Attachment A: Cabrillo College letter of contract termination as of June 2011 dated November 23, 2010.

Attachment A

Copied to:
 ✓ Les
 ✓ Angela
 CPro
 Erich

UNCLASSIFIED

Cabrillo College
 2010 Nov 24 PM 3 11

Office of the Vice President, Student Services
 6500 Soquel Drive, Aptos, CA 95003

November 23, 2010

Les White
 General Manager
 Santa Cruz Metropolitan Transit District
 110 Vernon Street
 Santa Cruz, CA 95060

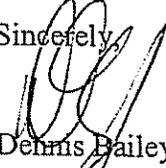
Dear Mr. White:

This letter is to inform the Santa Cruz Metro Transit District that beginning with summer semester 2011, Cabrillo College will no longer sell bus passes to our students. As of June 2011, student will need to purchase passes directly from the SCMTD.

We are disappointed that the college is no longer able to afford to subsidize the student bus pass program. The subsidy cost has been just over \$190,000 a year for the last few years and in the current budget climate Cabrillo College cannot afford this expense. Unlike UCSC, California law does not allow community colleges to charge all students a fee to cover services, such as transportation. Continuing the subsidy is not fiscally prudent at this time.

We know that transportation service is important to students. In the future, in order to provide an easy opportunity for our students to purchase bus passes, we invite and encourage SCMTC to sell monthly bus passes at the Cabrillo College campuses.

If I can be of assistance, please feel free to contact me.

Sincerely,

 Dennis Bailey-Fougner
 Vice President, Student Services

CC: Ellen Pirie, Chair, Metro Transit District Board
 Brian King, President, Cabrillo
 Victoria Lewis, Vice President, Administrative Services, Cabrillo
 Sesario Escoto, Dean of Students, Cabrillo

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

RESUBMITTED

DATE: January 28, 2010

TO: Board of Directors

FROM: Angela Aitken, Finance Manager and Acting Assistant General Manager

SUBJECT: **CONSIDERATION OF APPROVING THE TRANSFER OF THE 2002 CHANCE COACH CNG RUBBER TIRED TROLLEY TO SOUTH METRO AREA REGIONAL TRANSIT IN WILSONVILLE, OREGON, UPON RECEIPT OF THE CITY OF SANTA CRUZ'S RELEASE OF INTEREST AND FTA APPROVAL OF SUCH TRANSFER**

I. RECOMMENDED ACTION

That the Board of Directors approve the transfer of the 2002 Chance Coach CNG rubber tired trolley to South Metro Area Regional Transit in Wilsonville, Oregon, upon receipt of the City of Santa Cruz's release of interest and FTA approval of such transfer.

II. SUMMARY OF ISSUES

- The trolley was originally purchased in 2004 with the City of Santa Cruz providing the local match. The total price was \$362,233; the Federal Transit Administration (FTA), through Santa Cruz METRO, paid \$289,786; and, the City of Santa Cruz paid \$72,447 in three installments. The intent was to run a beach shuttle, but shortly after the vehicle was delivered, the City ceased funding for the shuttle.
- On April 27, 2007, a Staff Report to the Board of Directors (Attachment A) recommended that staff identify other eligible transit agencies who would be interested in acquiring the CNG trolley as a transfer of FTA assets.
- In the April 27, 2007 Staff Report, it was also recommended that if another eligible transit agency was identified to take possession of the trolley, that the City of Santa Cruz be refunded the undepreciated value of their original investment of public funds. At December 31, 2010, this value was \$22,639.53.
- The City of Santa Cruz was asked for a letter releasing its interest in the trolley in exchange for the undepreciated value of their investment. A letter was obtained in June 2010, but that transfer fell through. Because the undepreciated dollar amount of the local share has changed since then, another letter is required for this transfer.
- Santa Cruz METRO has available funds for the return of undepreciated value to the City of Santa Cruz.
- The City of Wilsonville, Oregon, which runs the South Metro Area Regional Transit agency, an eligible FTA direct recipient, has expressed interest in a transfer of the trolley and is willing to arrange and pay for its transport once the transfer is approved.

III. DISCUSSION

In February 2002, existing FTA grant #CA-90-X873 was amended to purchase a trolley replica vehicle. Members of the Santa Cruz METRO Board from the City of Santa Cruz were interested in running a Beach Shuttle and offered to pay the 20% local share required for the purchase of the trolley. Shortly after the acquisition of the trolley, in 2004, the City ceased funding for the shuttle. Since then, the trolley has had very limited usage.

When fleet vehicles are no longer in use, Santa Cruz METRO is required to let the FTA know through updates to the “fleet status list” in the federal grants administration program. In the case of the trolley, it is also a vehicle that is not eligible for replacement. The trolley can, however, be transferred to another eligible transit agency who is a recipient of FTA funding.

In October 2010, Santa Cruz METRO received a serious inquiry from the City of Wilsonville, Oregon’s South Metro Area Regional Transit (SMART), an FTA recipient willing to take possession of and transport the trolley, and transfer the remaining FTA interest (\$90,558 as of 12/31/10) via taking over our grant contract CA-90-X873. This is contingent on Santa Cruz METRO’s Board of Directors’ approval, a release from the City of Santa Cruz, FTA District IX (CA) and District X (OR) approval and any required action by the Wilsonville City Council.

The City of Santa Cruz had released its interest in the trolley on June 30, 2010, in exchange for the return of the undepreciated value of their original investment, or \$25,168.13 at that time. That deal fell through and, since then, the equipment has further depreciated, with a net remaining value of \$22,639.53 at December 31, 2010, the end date agreed to by all parties. A new letter from the City of Santa Cruz’s Director of Finance has been requested and is required prior to exchange of the asset.

Staff recommends approval of the transfer of the trolley as described above. Following this approval, Santa Cruz METRO will advise the City of Wilsonville, OR so that they can move forward with the required City Council action to approve the purchase and transporting of the trolley. Staff will review and forward correspondence to the FTA requesting approval of the transfer of assets and related grant contract. Following the receipt of FTA approval, staff will proceed with the transfer of the 2002 Chance Coach CNG trolley to Wilsonville SMART.

IV. FINANCIAL CONSIDERATIONS

Santa Cruz METRO will return the undepreciated value of the City of Santa Cruz’s investment, or \$22,639.53, and will transfer the remaining value of the FTA investment of \$90,558 (at 12/31/10) to Wilsonville, OR, South Metro Area Regional Transit. Santa Cruz METRO has available funds to return the undepreciated value to the City of Santa Cruz. Santa Cruz METRO and the City of Wilsonville, OR, have agreed to cut-off the depreciated value at 12/31/10.

V. ATTACHMENTS

Attachment A: April 27, 2007 Staff Report to Board of Directors

Attachment B: Board Resolution Authorizing the Transfer of the 2002 Chance Trolley

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 27, 2007
TO: Board of Directors
FROM: Les White, General Manager
SUBJECT: CONSIDERATION OF DIRECTING STAFF TO IDENTIFY TRANSIT SYSTEMS INTERESTED IN ACQUIRING METRO'S RUBBER TIRED TROLLEY

I. RECOMMENDED ACTION

That the Board of Directors instruct the General Manager to identify and solicit interest from transit systems that may be able to purchase the METRO/City of Santa Cruz Trolley Replica vehicle and discuss the issue with the City of Santa Cruz.

II. SUMMARY OF ISSUES

- In February of 2002, the Board of Directors directed staff to procure a Trolley replica vehicle for use in the operation of the Santa Cruz Beach Shuttle.
- At that time, the City of Santa Cruz provided the local share of 20% for the trolley.
- The cost of the trolley when purchased was \$362,233.
- Shortly after delivery of the trolley replica, the City of Santa Cruz ceased the funding for the operation of the Beach Shuttle.
- The trolley has seen limited operation since that time.
- FTA monitors the use of federally funded assets used in the provision of mass transit service.
- METRO is scheduled to receive a Triennial Review this year, and the limited use of the trolley replica is expected to be discussed.
- One option that is available for METRO to address the “underused” trolley replica is to do a “federal assets transfer”, whereby another transit system can agree to have the bus transferred to them for the undepreciated value of the local share of the vehicle.

III. DISCUSSION

In February of 2002, the Board of Directors asked staff to amend an existing FTA grant to purchase a trolley replica vehicle. Members of the Board from the City of Santa Cruz were interested in using a rubber-tired trolley to run on the Santa Cruz Beach Shuttle, and they offered to pay the 20% share of the grant. The trolley was purchased for a cost of \$362,233, with the

Attachment A

Board of Directors
Page 2
April 27, 2007

local share amounting to \$73,354. Shortly after the delivery of the trolley, the City of Santa Cruz ceased funding for the Beach Shuttle (last year of operation was 2004), and the trolley has seen very limited usage. The chart below summarizes the mileage for the trolley

Date	Mileage
June 2003	2,850
June 2004	2,748
June 2005	1,310
October 2006	112
March 2007	128

METRO is required to certify that all assets purchased with federal funds are actively used for the provision of mass transit services. This year METRO is scheduled for a Triennial Review that is conducted by FTA. As part of that review, they evaluate the number of buses in the fleet. As can be seen from the above chart, the trolley is not actively used for service. The FTA allows for the transfer of federal assets that are not eligible for replacement to other transit agencies. The federal share of the asset is transferred and the undepreciated value of the local share is paid to the agency as reimbursement for the asset.

Staff is recommending that the Board direct staff to identify other transit agencies that may be interested in acquiring METRO's trolley replica vehicle. Should this be done, there will be a depreciated refund of the local share from the purchase of the trolley. Staff is also recommending that staff discuss the issue of the trolley replica vehicle with the City of Santa Cruz.

IV. FINANCIAL CONSIDERATIONS

Should another transit agency acquire the trolley replica vehicle, it will result in a refund of the depreciated portion of the local share. These funds shall be returned to the City of Santa Cruz.

V. ATTACHMENTS

None

ATTACHMENT B
BEFORE THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Resolution No. _____

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted:

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
AUTHORIZING THE TRANSFER OF THE 2002 CHANCE COACH CNG
RUBBER TIRED TROLLEY TO SOUTH METRO AREA REGIONAL TRANSIT
IN WILSONVILLE, OREGON, UPON RECEIPT OF THE CITY OF SANTA
CRUZ'S RELEASE OF INTEREST AND FTA APPROVAL OF SUCH
TRANSFER

WHEREAS, the 2002 Chance Coach CNG rubber tired trolley (Vehicle Identification #1C9S2CCS62W535135) was originally purchased for \$362,233, with the Federal Transit Administration (FTA) providing 80% (\$289,786) of the funds via grant CA-90-X873, and the City of Santa Cruz providing the 20% local share of \$72,447; and,

WHEREAS, the City of Santa Cruz originally intended to run a beach shuttle, but shortly after the vehicle was delivered in 2004, the City ceased funding for the shuttle and the vehicle was no longer needed; and,

WHEREAS, the Santa Cruz Metropolitan Transit District Board of Directors instructed the General Manager on April 27, 2007 to identify transit systems with an interest in the transfer of the trolley; and,

WHEREAS, the City of Wilsonville, Oregon's South Metro Area Regional Transit (SMART) agency, a direct recipient of Federal Transit Administration (FTA) funding, has expressed their intent to transfer the FTA asset to place it in revenue service, safely transport the trolley to Oregon and to reimburse Santa Cruz METRO for the undepreciated value of the City of Santa Cruz's investment of public funds at 12/31/10 (\$22,659.53); and,

WHEREAS, the remaining undepreciated federal interest in the 2002 Chance trolley as of 12/31/10 is \$90,558 and this amount will be transferred to Wilsonville, Oregon SMART via a transfer of Santa Cruz METRO's grant contract CA-90-X873; and,

WHEREAS, Wilsonville, Oregon SMART agrees to maintain the vehicle in accordance and compliance with FTA requirements and will include the vehicle in their equipment inventory records;

NOW, THEREFORE, BE IT RESOLVED, that the General Manager of Santa Cruz METRO is authorized to implement the transfer of the 2002 Chance Coach CNG

ATTACHMENT B

Resolution No. _____

Page 2

rubber tired trolley to South Metro Area Regional Transit in Wilsonville, Oregon, upon receipt of the City of Santa Cruz's release of interest and FTA approval of such transfer.

PASSED AND ADOPTED this 28th day of January, 2011 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____

ELLEN PIRIE
Board Chair

ATTEST _____

LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011

TO: Board of Directors

FROM: Angela Aitken, Finance Manager & Acting Assistant General Manager

SUBJECT: CONSIDERATION OF A GRANT BUDGET AMENDMENT TO SUPPLEMENT THE LOCAL MATCH AMOUNT ON FTA 5309 CAPITAL GRANT CA-04-0156 FOR THE PURCHASE OF NEW FAREBOXES AND REDUCE THE CAPITAL BUDGET FOR THIS PROJECT BY \$12,380

I. RECOMMENDED ACTION

That the Board of Directors consider a grant budget amendment to supplement the local match amount on FTA 5309 capital grant CA-04-0156 for the purchase of new fareboxes and reduce the capital budget for this project by \$12,380.

II. SUMMARY OF ISSUES

- Santa Cruz METRO received Federal Transit Administration (FTA) Section 5309 grant CA-04-0156 towards the cost of new fareboxes in the amount of \$475,000 on April 19, 2010, which had a local match requirement of 20% of the total grant budget.
- The local match amount was incorrectly calculated as 20% of the grant award, or \$95,000, not 20% of the total grant budget, which would be properly calculated at \$593,750. Twenty percent of \$593,750 is \$118,750, a difference of \$23,750 from the original local match.
- The grant budget for FTA grant CA-04-0156 must be amended to show the correct local match. The FTA is aware of this and has asked staff to amend the grant.
- FTA grant CA-04-0156 allows Santa Cruz METRO to capitalize the cost of justifiable labor and use this amount towards the local match requirement through what is called a Workforce Justification Account Plan (Force Account).
- FTA grant CA-04-0156 has a Force Account of \$36,130 per year in capitalized labor costs which can be applied to the local match requirement.
- The net effect of these adjustments in their entirety is to reduce the project's capital budget for matching local funds by \$12,380 (from \$95,000 to \$82,620) and the total line-item budget for this capital project (Fareboxes) from \$2,362,000 to \$2,349,620.

III. DISCUSSION

Santa Cruz METRO received a Federal Transit Administration (FTA) Section 5309 grant CA-04-0156 towards the cost of new fareboxes in the amount of \$475,000 on April 19, 2010, which had a local match requirement of 20% of the total grant budget. The local match amount was incorrectly calculated as 20% of the grant award, or \$95,000, not 20% of the total grant budget

amount, which would be properly calculated at \$593,750. Twenty percent of \$593,750 is \$118,750, a difference of \$23,750 from the original local match. The original grant application was processed and awarded by the FTA with the incorrect local match amount.

The calculation for figuring the proper amount of a local match of 20% can be expressed algebraically, with X = the total budget. If \$475,000 is 80% (.80) of X , then the calculation for X can be expressed as $\$475,000/.80 = X$; therefore $X = \$593,750$. Twenty percent of X then = \$118,750. The original erroneous calculation was based on 20% of the grant award of \$475,000, which yielded an incorrect amount of \$95,000. The grant budget for FTA grant CA-04-0156 must be amended to show the correct local match, an increase in local funds of \$23,750. The FTA was made aware of this error and has asked staff to amend the grant budget.

The good news is that FTA grant CA-04-0156 is accompanied by a Workforce Justification Account Plan (Force Account, **Attachment A**) which allows Santa Cruz METRO to capitalize the cost of justifiable labor and use this cost towards the local match requirement. In accordance with FTA governing Circular C5010.1D (11/1/08), page IV-35, "When work to be performed is less than \$10,000,000 but over \$100,000, a force account plan is required to be in the grantee's file, but does not require prior FTA approval." In the case of FTA grant CA-04-0156, the attached Force Account is not required to be approved by the FTA, but is included in Santa Cruz METRO's electronic FTA file for this grant in their Transportation Electronic Award and Management (TEAM) database.

The Force Account for FTA grant CA-04-0156 justifies \$145,685 per year in total labor cost for the maintenance of all new fareboxes and ticket vending machines. FTA grant CA-04-0156 pays for 24.8% of the total farebox project cost, which comes from three grant sources. The percentage of 24.8% applies to amount of the total Force Account which can be applied to FTA grant CA-04-0156. The value of 24.8% of the Force Account labor is \$36,130 per year, which then can be applied to the local match requirement. In other words, of the \$118,750 needed in FY11 for the local match, \$36,130 in expended capitalized payroll cost for maintenance workers can be used towards meeting this grant's local match requirement. The net amount of the required capital match is thus reduced to \$82,620, a net decrease of \$12,380 (difference of \$36,130 less \$23,750) which will also reduce this capital project line item in the approved FY11 budget by the same amount, from \$2,362,000 to \$2,349,620.

Currently, the approved Santa Cruz METRO FY11 budget lists the original and incorrect match amount of \$95,000 as the match amount for the budget line item named "Purchase Smartcard Farebox System." With the application of the Force Account, the net need for local funds to meet the remaining local match requirement is reduced to \$82,620 and the total line item budget for capital funds needed for this project is reduced from \$2,362,000 to \$2,349,620. Accounting staff will note this change in a new line item named "Local Operating Match" under "Capital Funding" in the Santa Cruz METRO capital budget so that the financial impact of Force Accounts, which contribute towards the reduction of operational labor cost, may be noted in accounting for all capital projects' costs going forward. Staff recommends that the Board of Directors consider a grant budget amendment to supplement the local match amount on FTA grant CA-04-0156 and reducing the local match and capital budget for this project by \$12,380.

IV. FINANCIAL CONSIDERATIONS

A budget amendment to FTA grant CA-04-0156 to increase the local match amount to \$118,750 will require that Santa Cruz METRO increase their previously budgeted local match share by \$23,750. However, of the \$118,750 now needed for the local match, \$36,130 in labor expense can be used towards this requirement, thereby reducing the net total of matching funds to \$82,620 from the \$95,000 listed in the approved FY11 Santa Cruz METRO budget, as well as reducing the total capital cost for the project "Purchase Smartcard Farebox System" from \$2,362,000 to \$2,349,620, a net difference of \$12,380. A new line item will be inserted in the capital projects portion of the annual budget to indicate the local operating match met by the implementation of Force Accounts on various grants going forward.

V. ATTACHMENTS

Attachment A: Santa Cruz Metropolitan Transit District Force Account Plan:
Preventative Maintenance (Labor) FY09 FTA Section 5309 Bus and Bus
Facilities Program Earmark (CA-04-0156)

Attachment A

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FORCE ACCOUNT PLAN: PREVENTIVE MAINTENANCE (LABOR)
FY09 FTA SECTION 5309 BUS & BUS FACILITIES PROGRAM EARMARK
(CA-04-0156)**

Purpose of Force Account

A Force Account is defined by the Federal Transit Administration (FTA) as the use of a grantee's own labor workforce to accomplish a capital grant project. One of four conditions may warrant the budget capitalization of a grantee's own labor forces. These are: (1) cost savings, (2) exclusive expertise, (3) safety and efficiency of operations, and (4) a union agreement. In the instance of the FY09 Section 5309 Bus and Bus Facilities earmark for the partial purchase of SmartCard replacement fareboxes and related equipment (other funds were received for this project as part of the Recovery Act, FTA grant # CA-96-X030-03 and via CalTrans FTA 5311 ARRA funding), the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) will use the expertise of its own labor force for maintenance work on new revenue equipment (fareboxes and ticket vending machines) purchased with CA-04-0156 grant funds.

This Force Account is pursuant to the Union Agreement dated July 1, 2009 – June 30, 2012, by and between Santa Cruz METRO and Service Employees International Union (Attachment A), and in accordance with FTA Circular 9030.1D Appendix E, Non-vehicle Maintenance Functions (042), item (3), maintenance of fare collection and counting equipment (111). This will result in cost-savings along with safety and efficiency of maintenance operations by performing these services in a state-of-the-art maintenance facility.

Explanation of Force Account Plan for Farebox Maintenance

As discussed above, the predominant example of what the FTA allows as Force Account work is preventative maintenance work on capital equipment. The reasoning for this capitalization of labor costs is that the cost of this equipment also includes the cost of maintaining it, especially with the heavy use of fareboxes and related equipment—such as ticket vending machines (TVMs)—required by transit operations. In this Force Account Plan, preventative maintenance on over 100 GenFare “SmartCard” fareboxes and equipment is broken down to annual cost and the projected cost over the expected life of the equipment (five years) based on a survey averaging past and current preventative maintenance labor hours on current GenFare fareboxes used on Santa Cruz METRO’s fleet. A modest projection of preventative maintenance on ticket vending machines (new equipment for Santa Cruz METRO) is also included, along with an analysis of the current average hourly cost of the mechanic workforce, including all employee benefits.

A Force Account Plan cannot include grant or project administration activities which are otherwise direct project costs. The FTA, in its TEAM database (Transportation Electronic Award and Management System), which is where awarded discretionary grants and all other FTA grant funding is tracked, includes an operational support account code for capitalized preventative maintenance, which is supported at 80% with a 20% match as with other capital projects, unlike other operational support, which is supported at 50% with an equal match.

Attachment A

The methodology for figuring the annual capitalized cost of preventative maintenance of over 100 GenFare fareboxes and five (5) ticket vending machines to be purchased in part with the FY09 Section 5309 Bus and Bus Facilities grant in the amount of \$475,000 is shown below.

100 Fareboxes (Average Annual Preventative Maintenance Hours)

Farebox Maintenance 2008 =	1,304 hours (actual)
Farebox Maintenance 2009 =	1,074 hours (actual)
Farebox Maintenance 2010 =	<u>1,196 hours</u> (projected)
Total average hours =	3,574 / 3 years =
	<u>1,191 hours per year</u>

Ticket Vending Machines (Projected Annual Preventative Maintenance Hours)

5 TVMs @ 1 hour per day =	<u>1,825 hours per year</u> (projected)
Other TVM maintenance = (~3 hrs./mo./ea.)	<u>200 hours per year</u> (projected)

**Total Annual Preventative
Maintenance Hours =** **3,216 hours per year**

**Average fully-burdened hourly
rate of Maintenance personnel
(Attachment B salary schedules
for Mechanics II and III) =** **\$ 45.30 per hour**
(See "Cost Justification" below)

Annual Value of PM = **\$ 145,685 per year**

Applicable FTA Review(s) of this Plan

Santa Cruz METRO understands that FTA prior review of this Force Account Plan and justification is required where the total estimated cost of labor to be performed under the grant is greater than \$10,000,000. When work to be performed is less than \$10,000,000 but over \$100,000, a Force Account Plan is required to be in the grantee's file, but does not require prior FTA approval. In Santa Cruz METRO's FY09 Section 5309 Bus and Bus Facilities earmark (grant CA-04-0156), this Force Account Plan includes work performed valued at \$145,685 per year, or \$29,935 more than the required \$118,750 local match for this FY09 grant award. For the sake of accuracy in grant administration, this Force Account Plan is attached to the grant in TEAM to provide back-up for expenditure of the required local match.

Attachment A

Basis for Reimbursement of Force Account Expense

As a justification for using its own workforce, Santa Cruz METRO refers to Attachment B, *Memorandum of Understanding between Santa Cruz Metropolitan Transit District and Service Employees International Union* in which it is shown that the labor force will be used to complete preventive maintenance as defined in FTA Circulars 5010.1D and 9030.1D through 6/30/12 (when the labor agreement is revisited) on new farebox and ticket vending equipment purchased with this grant program. Santa Cruz METRO's labor force shall receive training and provide all labor required to preserve or extend the functionality of these assets in a cost-effective manner. The useful life of the fareboxes and related equipment is five (5) years.

The labor performed in accordance with the Project Description and Timeline included in the CA-04-0156 contract award includes, but is not limited to, the following:

- Maintenance Administration
- Daily preventive maintenance on revenue equipment, including but not limited to: daily servicing, regular inspections, scheduled and emergency maintenance, replacing parts and vandalism repair.

Cost Justification

This Force Account Plan for eligible annual labor expenses projects the life-cycle of the revenue equipment purchased to be a period of five (5) years, between 10/01/2010 and 9/30/2015. The estimated annual preventative maintenance workforce cost for this equipment is \$145,685; the estimated total cost over the five-year useful life of the 100+ fareboxes and five (5) ticket vending machines is \$728,425. Please see above for detailed calculations.

For the period of the grant award CA-04-0156 in the amount of \$475,000, approximately 20% of the total cost of the farebox project (budgeted at \$2,362,000), one year (or an equal percentage—20%—of the total useful life of five years) of Santa-Cruz-METRO-workforce-provided and FTA-allowable preventative maintenance is the local match for the award.

Certification that Labor Costs Presented are Fair and Reasonable

A review of salary data for highly skilled senior mechanics in the Santa Cruz, CA area on CNN's website (salary.money.cnn) as of August 2010 shows an annual median wage of between \$49,041 - \$64,076, or an hourly wage of between \$23.58 - \$30.81, depending on experience and position. As seen in Attachment B, the wages for mechanics (in the II and III categories) fall close to the higher part of this range, with an average of \$32.33/hour, when longevity incentives of 10% are factored in. Additionally, each employee costs Santa Cruz METRO an average of an additional 40% of wages in fringe benefits costs. According to CNN's website, the average percentage of benefits costs for these positions is also calculated at 40%. The total average cost

Attachment A

to Santa Cruz METRO of a farebox preventative maintenance employee (Mechanics II and III), including fringe benefits, works out to \$45.30 per hour, or \$94,224 per year.

Labor Union Agreement Relevant Citations Justifying Force Account

- 1) Preamble, page 1: "METRO and the Union have met and conferred in good faith through their authorized representatives and have arrived at an understanding concerning wages, hours, working conditions and other terms of employment."
- 2) General Provisions, Article 2, page 2: "Pursuant to Section 3500-3510 of the Government Code of the State of California and Resolution No. 78-6-1, METRO recognizes Service Employees International Union, Local **521**, as the exclusive bargaining representative of all employees in the bargaining chapters of PSA [Professional Supervisors Association], SEA [Salaried Employees Association], and VMU [Vehicle Maintenance Unit]."
- 3) Section 8.5.3, page 16: "Recruitments for positions within the bargaining units shall be by qualification of eligible applicants, closed promotional recruitment, or open recruitment. During the term of this MOU METRO will issue closed promotional recruitments for ten days for the following classifications, [among which are]: Mechanic III. . .[a]n open recruitment may be initiated for the above classifications if there is no qualified applicant."
- 4) Section 8.5.4, page 16: "Promotion by qualification shall be a promotion which is noncompetitive for an employee in a lower classification who has completed the required time period in the lower classification and has either met the standards of the higher classification through certification or passed qualifying examinations as required by METRO. An employee wishing to be promoted by qualification shall provide evidence of certification or request in writing the administration of a qualifying exam, if one is established. METRO shall administer the examination within thirty (30) days of such request. A qualifying exam may not be requested by an eligible employee more than once in a three-month period." [Mechanics I/II/III are included among the Qualification Classes.]
- 5) Section, 8.6.5, page 19: "In the Vehicle Maintenance Unit, work out of class assignments to fill the position of Lead person shall be made as follows. Qualified volunteers shall be rotated by seniority within the maintenance, parts, and body shop divisions, within a shift to fill vacancies in the classification of Lead person for that shift. In the event that no work out of class assignments are made during the two (2) pay period designation, the designation shall be extended on a pay period by pay period basis until such time as a work out of class assignment has been worked. Thereupon, the designation shall terminate at the end of the pay period."

Analysis of Above Citations

Attachment A

These citations and the Memorandum of Understanding demonstrate that Santa Cruz METRO and SEIU established conditions of employment under which eligible employees in the bargaining unit shall work. An employee's ability to complete his/hers work in accordance with their Job Description is one condition of employment. Various Job Descriptions include eligible preventive maintenance tasks for revenue equipment. Santa Cruz METRO is subject to relevant provisions requiring that it recognize and adhere to the Agreement entered into with the Union which represents employees who complete preventive maintenance tasks. As a result, Santa Cruz METRO shall not sub-contract pre-negotiated bargaining unit jobs in Maintenance, but shall instead use the procedures outlined in the above citations to fill these essential positions with Santa Cruz METRO's workforce, thereby further justifying this Force Account Plan for the capitalization of labor costs on farebox and related equipment in which the FTA has a monetary interest.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011

TO: Board of Directors

FROM: Angela Aitken, Finance Manger & Acting Assistant General Manager

**SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR THE
WATSONVILLE TRANSIT PLANNING STUDY TO MOORE &
ASSOCIATES**

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to execute a contract with Moore & Associates to provide the Watsonville Transit Planning Study for a not to exceed amount of \$60,000

II. SUMMARY OF ISSUES

- A transit planning study for the Watsonville area has not been conducted since approximately 1973, when bus service was initially extended to south county.
- Santa Cruz METRO applied for and was awarded a grant of \$100,000 through Caltrans on August 16, 2010 to complete the Watsonville Transit Planning Study.
- Santa Cruz METRO is conducting the study along with the area's Metropolitan Planning Organization (MPO), the Association of Monterey Bay Area Governments (AMBAG), and will also include both Santa Cruz METRO's and Monterey-Salinas Transit's (MST) inter-regional service to and from the Watsonville area in the scope for the study.
- The scope of the study will include 350 interviews with transit riders and other stakeholders, in addition to between 3-6 outreach meetings at local Watsonville nonprofit and/or faith-based and/or community organizations in order to gather statistically significant input for the study.
- The study will have a planning horizon of 2020.
- The study schedule commenced on December 1, 2010, when a competitive procurement was conducted to solicit proposals from qualified firms to work with Santa Cruz METRO staff on the study.
- Three (3) firms submitted proposals for the Santa Cruz METRO's review.
- An evaluation committee comprised of Santa Cruz METRO staff reviewed and evaluated the proposals and conducted interviews.
- The evaluation committee is recommending that a contract be established with Moore & Associates to conduct the Watsonville Transit Planning Study for a not to exceed amount of \$60,000.

I. DISCUSSION

A transit planning study for the Watsonville area has not been conducted since approximately 1973, when bus service was initially extended to South County. The 1973 study was completed by the Santa Cruz County Transportation Commission. On February 26, 2010, Santa Cruz METRO's Board of Directors authorized an application for funding through the Caltrans-administered Rural or Small Urban Transit Planning Studies Grants Program. The grant application proposed the hiring of a consultant to perform surveys of all existing data and outreach to transit users and stakeholders in order to produce a final report and recommendations to the Board of Directors, AMBAG and Caltrans by early 2012. Santa Cruz METRO was awarded \$100,000 to complete the Watsonville Transit Planning Study on August 16, 2010.

Santa Cruz METRO is conducting the study in cooperation with the area's Metropolitan Planning Organization (MPO), the Association of Monterey Bay Area Governments (AMBAG), and will also include both Santa Cruz METRO's and Monterey-Salinas Transit's (MST) inter-regional service to and from the Watsonville area in the scope for the study. The scope of the study also includes 350 interviews with transit riders and other stakeholders, in addition to between 3-6 outreach meetings at local Watsonville nonprofit and/or faith-based and/or community organizations in order to gather statistically significant input for the study. The study will be conducted by a qualified consultant, with a planning horizon of 2020 and will take into account potential cuts, restoration, expansion and adjustment of services. The grant budget includes \$13,000 of in-kind labor from Santa Cruz METRO staff as a local match, in addition to providing funding for 15 hours a week of Santa Cruz METRO staff support for the consultant.

The study schedule commenced on December 1, 2010, when a competitive procurement was conducted to solicit proposals from qualified firms to work with Santa Cruz METRO staff on the study. Three (3) firms submitted proposals for the Santa Cruz METRO's review. An evaluation committee comprised of Santa Cruz METRO staff reviewed and evaluated the proposals and conducted interviews with the final two (2) candidates. The evaluation committee is recommending that a contract be established with Moore & Associates to conduct the Watsonville Transit Planning Study.

On December 1, 2010, a Request for Proposal No. 11-07 was issued and legally advertised. Forty-seven (47) firms requested a copy of the RFP package. On January 4, 2011, proposals were received and opened from three (3) firms. These firms are listed in Attachment A. An evaluation committee comprised of Santa Cruz METRO staff have reviewed and evaluated the proposals.

EVALUATION CRITERIA	IV. POINTS POSSIBLE
1. Understanding of the Service Requirements	25
2. Experience and capability of the firm	25
3. Cost Proposal	25
4. References	15
5. Disadvantaged Business Enterprise Participation	10
Total Possible Points	100

Based on the above criteria, the selection committee is recommending that the Board of Directors authorize the General Manager to execute a contract with Moore & Associates to provide the Watsonville Transit Planning Study for an amount not to exceed \$60,000.

IV. FINANCIAL CONSIDERATIONS

This study is fully funded by a Transit Planning Study Grant through Caltrans, and is included as part of the Administration FY11 Capitol Budget.

V. ATTACHMENTS

- Attachment A.** 11-07 Watsonville Transit Planning Study Overall Ranking
- Attachment B.** Contract for Watsonville Transit Planning Study (11-07)

Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of METRO or online at www.scmttd.com

Attachment A

RFP 11-07 Watsonville Transit Planning Study

OVERALL RANKING

List of Firms in Order of Ranking	Total Score
1. Moore & Associates	83.3
2. HDR Engineering	74
3. Jake & Associates	52

Attachment B

CONTRACT FOR CONSULTANT SERVICES FOR WATSONVILLE TRANSIT PLANNING STUDY (11-07)

THIS CONTRACT is made effective on February 4, 2011, between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("METRO"), and MOORE & ASSOCIATES ("Contractor").

1. RECITALS

1.01 METRO's Primary Objective

METRO is a public entity whose primary objective is providing public transportation and has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 METRO's Need for Consultant Services for the Watsonville Transit Planning Study

METRO has the need for Consultant Services for the Watsonville Transit Planning Study. In order to obtain these services, METRO issued a Request for Proposals, dated, December 1, 2010, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Consultant Services for the Watsonville Transit Planning Study and whose principal place of business is 28159 Avenue Stanford Suite 110, Valencia, CA 91355. Pursuant to the Request for Proposals by METRO, Contractor submitted a proposal for Consultant Services for the Watsonville Transit Planning Study, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On January 28, 2011, METRO selected Contractor as the offeror whose proposal was most advantageous to METRO, to provide the Consultant Services for the Watsonville Transit Planning Study described herein. This Contract is intended to fix the provisions of these services.

METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated, December 1, 2010 including Addendum No. 1 dated December 22, 2010 and Addendum No. 2, dated December 23, 2010.

Attachment B

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal (BAFO) to METRO for Watsonville Transit Planning Study signed by Contractor and dated January 20, 2011.

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by METRO for this project in accordance with the Request for Proposals issued December 1, 2010.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued December 1, 2010.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed two (2) years and shall commence upon the issuance of the contract by METRO.

Attachment B

5. COMPENSATION

5.01 Terms of Payment

METRO shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by METRO. METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of METRO written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$60,000 maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by METRO on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by METRO (or any grantor of METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Moore & Associates
28159 Avenue Stanford, Suite 110
Valencia, CA 91355-1106
Attention: Jim Moore

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Attachment B

Signed on _____

METRO - SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR – MOORE & ASSOCIATES

By _____
Jim Moore
Vice-President

Approved as to Form:

Margaret Rose Gallagher
METRO Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011
TO: Board of Directors
FROM: Ciro Aguirre, Manager of Operations
SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR THE LAND MOBILE RADIO NETWORK UPGRADE TO DAY WIRELESS SYSTEMS

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to execute a contract with Day Wireless Systems to provide the Land Mobile Radio Network Upgrade for a not to exceed amount of \$530,000 with the option to include additional work at METRO's sole discretion.

II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified radio communication firms.
- Two (2) firms submitted proposals for Santa Cruz METRO's review.
- A five-member evaluation committee comprised of Santa Cruz METRO staff and project consultant reviewed and evaluated the proposals.
- The evaluation committee is recommending that the Board of Directors authorize the General Manager to execute a contract with Day Wireless Systems to provide the Land Mobile Radio Network Upgrade for a not to exceed amount of \$530,000 with the option to include additional work at METRO's sole discretion.

I. DISCUSSION

Santa Cruz METRO sought proposals from qualified communication firms in order to purchase and install a fully functioning radio system for Santa Cruz METRO Fixed Route, Paratransit (revenue) vehicles, and non-revenue vehicles. Santa Cruz METRO is seeking to upgrade its current radio systems and perform upgrades to its existing infrastructure. The selected firm must be an expert in radio communication fields and have experience in working with Public Agencies. The system's equipment and installation will meet the Federal Communication Commission (FCC) mandated requirement for narrowband migration of the current Legacy 25 KHz system to that of Phase 1, 12.5 KHz by January 01, 2013. Additionally, the proposed system will be compliant for the future narrowband migration to Phase 2, 6.25 KHz that will be required tentatively by year 2018.

On September 3, 2010, a Request for Proposal (RFP) No. 11-03 was issued and legally advertised. Forty-seven (47) firms requested a copy of the RFP package. On October 14, 2010, proposals were received and opened from two (2) firms. These firms and their overall ranking are listed in **Attachment A**. A five member evaluation committee comprised of Santa Cruz METRO staff and the project consultant have reviewed and evaluated the proposals.

The evaluation committee used the following criteria as contained in the Request for Proposals:

Criteria	Point Value
Understanding of Service and requirements in specifications	20
Experience and Capability of the Firm	20
Cost/Price Proposal	25
References	10
DBE	25
Total	100

Based on the above criteria, the two rated firms were invited for interviews by the evaluation committee. Upon the completion of the interview process, a final ranking of the firms was established.

The evaluation committee is recommending that the Board of Directors authorize the General Manager to execute a contract with Day Wireless Systems to provide the Land Mobile Radio Network Upgrade for an amount not to exceed \$530,000 with the option to include additional work and equipment at the discretion of METRO. It is anticipated that additional funds may become available and METRO staff would like to have the opportunity to purchase additional components for the system.

IV. FINANCIAL CONSIDERATIONS

Funds to support the contract are included as part of the California Transit Security Grant Program – California Transit Assistance Fund (CTSGP – CTAF) Grant Budget.

V. ATTACHMENTS

- A. RFP 11-03 Land Mobile Radio Network Upgrade Overall Ranking
- B. Contract for Land Mobile Radio Network Upgrade (11-03)

Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of METRO or online at www.scmttd.com

Attachment A

RFP 11-03 LAND MOBILE RADIO NETWORK UPGRADE OVERALL RANKING

List of Firms in Order of Ranking	Total Score
1. DAY WIRELESS SYSTEMS	73.3
2. CRYSTAL COMMUNICATIONS	66.8

CONTRACT FOR THE LAND MOBILE RADIO NETWORK UPGRADE (11-03)

THIS CONTRACT is made effective on February 4, 2011, between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("METRO"), and DAY WIRELESS SYSTEMS ("Contractor").

1. RECITALS

1.01 METRO's Primary Objective

METRO is a public entity whose primary objective is providing public transportation and has its principal office at 110 Vernon Street, Santa Cruz, California 95060.

1.02 METRO's Need for the upgrade of the Land Mobile Radio Network

METRO has the need for a Land Mobile Radio Network Upgrade. In order to obtain these services, METRO issued a Request for Proposals, dated, September 3, 2010, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Land Mobile Radio Network Upgrade and whose principal place of business is 586 N. First Street Suite 220, San Jose, CA 95112. Pursuant to the Request for Proposals by METRO, Contractor submitted a proposal for Land Mobile Radio Network Upgrade, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On January 28, 2011, METRO selected Contractor as the offeror whose proposal was most advantageous to METRO, to provide the Land Mobile Radio Network Upgrade described herein. This Contract is intended to fix the provisions of these services.

METRO and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

The documents below are attached to this Contract and by reference made a part hereof. This is an integrated Contract. This writing constitutes the final expression of the parties' contract, and it is a complete and exclusive statement of the provisions of that Contract, except for written amendments, if any, made after the date of this Contract in accordance with Section 13.14.

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated, September 3, 2010 including Addendum No. 1 dated, October 6, 2010.

B. Exhibit "B" (Contractor's Proposal)

1. Contractor's Proposal to METRO for Land Mobile Radio Network Upgrade signed by

Contractor and dated October 14, 2010, and Pricing sheet entitled "Santa Cruz Metro Transit BAFO V3" dated January 22, 2011 (Base Project-Phase One).

2. Contractor's Proposal to METRO entitled "Santa Cruz Metro Transit BAFO V3, Optional or Additional Items needed to complete original system Design" (Phase Two).

2.02 Conflicts

Where in conflict, the provisions of this writing supersede those of the above-referenced documents, Exhibits "A" and "B". Where in conflict, the provisions of Exhibit "A" supercede Exhibit "B".

2.03 Recitals

The Recitals set forth in Article 1 are part of this Contract.

3. DEFINITIONS

3.01 General

The terms below (or pronouns in place of them) have the following meaning in the contract:

3.01.01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13.14.

3.01.02 CONTRACTOR - The Contractor selected by METRO for this project in accordance with the Request for Proposals issued September 3, 2010.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued September 3, 2010.

3.01.06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

3.01.07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract.

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed two (2) years and shall commence upon the issuance of the contract by METRO.

At the option of the METRO, this contract agreement may be renewed for an additional year term upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

METRO shall compensate Contractor for Phase One (Base Project), in an amount not to exceed the amounts/rates set forth on the pricing sheet set forth in Exhibit B-1. METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of METRO written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$524,764.29, maximum amount payable under Phase 1 of the contract, that it does so at its own risk.

METRO reserves the right to exercise the Phase Two, optional items included in Exhibit B-2, at METRO's sole discretion. If METRO determines it is in its best interest to move forward with Phase Two, METRO will issue a Notice to Proceed to the Contractor which will specifically identify those components/items that METRO is choosing to purchase.

METRO shall compensate Contractor for Phase Two Components/items that it selects at the amounts/rates set forth in Exhibit B-2. METRO shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of METRO written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$308,812, maximum amount payable under Phase 2 of the contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by METRO on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by METRO (or any grantor of METRO, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to METRO are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

All notices under this Contract shall be deemed duly given upon delivery, if delivered by hand; or three (3) days after posting, if sent by registered mail, receipt requested; to a party hereto at the address hereinunder set forth or to such other address as a party may designate by notice pursuant hereto.

METRO
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR
Day Wireless Systems
586 North First Street Suite 220
San Jose, CA 95112
Attention: James Trevino and Gordon D. Day

7. AUTHORITY

Each party has full power and authority to enter into and perform this Contract and the person signing this Contract on behalf of each has been properly authorized and empowered to enter into this Contract. Each party further acknowledges that it has read this Contract, understands it, and agrees to be bound by it.

Signed on _____

METRO - SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR – DAY WIRELESS SYSTEMS

By _____
Gordon D. Day
President

Approved as to Form:

Margaret Rose Gallagher
METRO Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011

TO: Board of Directors

FROM: Ciro F. Aguirre, Manager of Operations

SUBJECT: CONSIDERATION OF WRITTEN REQUEST TO PROVIDE BUS ADVERTISING SPACE FOR THE PURPOSE OF PROMOTING “POETRY ON THE BUS” AFFILIATED WITH THE POETRY IN MOTION PROJECT.

I. RECOMMENDED ACTION

The Board of Directors reaffirm METRO’s Advertising policy, Regulation AR-1006, limiting bus advertisement space to commercial only.

II. SUMMARY OF ISSUES

- On January 4, 2011 METRO received a request from Mrs. Peggy Young regarding a project that she and her husband, Mr. Gary Young, were attempting to develop and promote called *Poetry on the Bus*.
- Mrs. Young inquired as to whether METRO would approve placing poetry on METRO buses in English and Spanish.
- On January 18, 2011 the topic of *Poetry on the Bus* was discussed at the METRO Staff Meeting and it was determined that *Poetry on the Bus* did not meet the requirements to advertise on METRO buses as found in METRO’s Advertising Policy and Regulations.
- Mrs. Young was apprised in writing of METRO Staff’s decision and provided with copies of METRO’s Advertising Policy and Regulations. She was also apprised that she could present her request to the METRO Board directly.
- Staff requests that the Board of Directors deny Mrs. Young’s request and reaffirm METRO’s Advertising Policy and Regulations as only allowing commercial speech to be advertised on buses.

III. DISCUSSION

METRO received a written request on January 4, 2011 from Mrs. Peggy Young to consider placing on METRO buses, poetry as part of a project called *Poetry on the Bus*.

It was explained that Mrs. Young and her husband Mr. Gary Young, Poet Laureate of Santa Cruz County, were attempting to develop and promote *Poetry on the Bus*. The endeavor would consist of Poems printed in English and Spanish as part of a national project, *Poetry in Motion*. The intent was to promote poetry and support public literacy.

Mrs. Young inquired as to whether this endeavor would be approved by METRO, what would be required of them moving forward with the project, if volunteers could place the placards on the buses, and if there would be a cost to purchasing the space or if METRO could donate the space.

On January 18, 2011 Mrs. Young's request was discussed at METRO's Staff meeting and it was determined that her request did not meet METRO's requirements as found in METRO's Advertising Policy and Regulations AR-1006 (Attachment A).

In September 27, 2002 the METRO Board of Directors approved METRO's Advertising Policy and Regulations AR-1006. The intent was to establish that the display of commercial advertising on METRO buses was for the sole purpose of raising additional revenues that would supplement those revenues derived from taxes and fares, offsetting operational expenses. The program is to be administered in such a way so as not to discourage the use of METRO Transit nor diminish METRO's reputation or the good will of its patrons.

AR-1006, Section 1.03 establishes the following:

"In addition to the foregoing, noncommercial speech is excluded from advertising inside and upon the buses for the following reasons:

- a. Santa Cruz METRO wishes to maintain a position of neutrality on political, religious, environmental, or other public matters and issues in order to promote its commercial enterprise;
- b. If advertisement inside and upon the bus is not restricted, the buses and passengers could be subject to violence;
- c. Preventing a reduction in income earned from selling advertising space because commercial advertisers may be dissuaded from using the forum commonly used by those wishing to communicate political or religious ideas or beliefs."

In Section 4.01 it again establishes that "All advertising displayed in or upon the Santa Cruz METRO buses shall be strictly commercial in nature and purpose."

Upon reviewing Mrs. Young's request and AR-1006 Advertising Policy, METRO Staff determined that Young's requests for Poetry on the Bus did not meet the requirements as found in AR-1006 and informed her that her request was denied in a response dated January 19, 2011. Young was also apprised of her option to address the Board directly with her request.

At this time, Staff recommends that the Board of Directors uphold METRO's Advertising Policy and Regulations as written and make no changes to the policy.

IV. FINANCIAL CONSIDERATIONS

NONE

V. ATTACHMENTS

Attachment A: METRO's Advertising Policy and Regulations AR-1006

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Regulation Number: AR-1006

Computer Title: Advertising

Effective Date: September 27, 2002

Pages: 5

TITLE: ADVERTISING POLICY AND REGULATIONS

Procedure History

NEW POLICY	SUMMARY OF POLICY	APPROVED
9/27/02	To Create a policy regarding advertising on buses	S. A.
9/26/03	Policy amended to allow METRO bus advertisements	E.R.
3/24/06	Policy amended to remove restriction on advertising from competing forms of transportation	M.R.
2/26/10	Policy amended to include advertising on METRO's website.	

I. POLICY

- 1.01 Santa Cruz Metro sells space inside and upon its buses, and on its website, for the display of commercial advertising. The purpose is to raise revenues, supplementary to those from fares and from tax proceeds, to be used to finance Santa Cruz Metro's operations. The display of advertising is solely for this purpose. It is not intended to provide a general public forum for purposes of communication, but rather to make use of property held in a proprietary capacity in order to generate revenue.
- 1.02 In order to realize the maximum benefit from the sale of advertising space, the program must be managed in a manner that will procure as much revenue as practicable, while ensuring that the advertising does not discourage the use of Santa Cruz Metro's transit system or web pages, does not diminish Santa Cruz Metro's reputation in the community it serves or the good will of its patrons, and is consistent with Santa Cruz Metro's principal purpose of providing safe, comfortable, efficient and affordable public transportation. To attain these

Attachment A

Advertising Policy and Regulations

Page 2

objectives, Santa Cruz Metro's Board of Directors has established these regulations for the advertising displayed in and upon its buses and on its website.

- 1.03 In addition to the foregoing, noncommercial speech is excluded from advertising inside and upon the buses and on its website for the following reasons:
 - a. Santa Cruz Metro wishes to maintain a position of neutrality on political, religious, environmental, or other public matters and issues in order to promote its commercial enterprise;
 - b. If advertisement inside and upon the buses is not restricted, the buses and passengers could be subject to violence;
 - c. Preventing a reduction in income earned from selling advertising space because commercial advertisers may be dissuaded from using the forum commonly used by those wishing to communicate political or religious ideas or beliefs.

II. APPLICABILITY

- 2.01 This procedure is applicable to all District employees and all independent contractors who contract with Santa Cruz Metro, for the placement of advertisement in and upon Santa Cruz Metro's buses and on its website.

III. DEFINITIONS

- 3.01 Commercial advertising:
 - a. Advertising the sole purpose for which is to sell or rent real estate or personal property for profit, or to sell services for profit.
 - b. Shall not include any advertising that both offers to sell property or services and also conveys information about matters of general interest, political issues, religious, moral, or environmental matters or issues, or other public matters or issues, or expresses or advocates opinions or positions upon any of the foregoing.
 - c. Does not convey whether expressly or implied, intentionally or unintentionally, by inference or innuendo, the religious, social, political, legal or moral view of any person or entity as such views are generally understood in Santa Cruz County community.

Attachment A

Advertising Policy and Regulations

Page 3

- d. Does not cause the vehicles, if posted individually or in combination with other advertisements, to become a public forum for the dissemination, debate, and/or discussion of public issues.

3.02 Political Advertising:

- a. Any advertising that supports or opposes the election of any candidate or group of candidates for election to any federal, State, or local government office;
- b. Any advertising that supports or opposes any referendum conducted by the federal or State government, or by any local government, such as referenda on constitutional amendments, on bond issues, or on local legislation; or
- c. Any advertising that features any person whose prominence is based wholly or in part upon his or her past or present activity in political affairs, or that represents or implies any such person's approval or endorsement of the subject matter of the advertising.

IV. ADVERTISING STANDARDS

4.01 All advertising displayed in or upon the Santa Cruz Metro's buses or on its website shall be strictly commercial in nature and purpose.

4.02 Santa Cruz Metro's transit system and its website, in order to serve the purpose for which it has been established, must of necessity accommodate all persons without distinction of age. It is therefore necessary to exclude advertising unsuitable for exposure to children or persons with immature judgment. The following kinds of advertising therefore will not be displayed in or upon Santa Cruz Metro's buses and/or on its web pages:

1. Advertising for cigars, cigarettes, pipe tobacco, chewing tobacco, and other tobacco products.
2. Advertising for alcoholic beverages, including beer, wine, and distilled spirits.
3. Advertising for products or services related to human reproduction or sexuality, including but not limited to contraceptive products or services, other products or services related to sexual hygiene, and counseling with regard to pregnancy, abortion, or other sexual matter.
4. Advertising for products, services, or entertainment directed to sexual stimulation.

Attachment A

Advertising Policy and Regulations

Page 4

- 4.03 No advertising shall be permitted that in any way denigrates Santa Cruz Metro's organization, or its operation, or its officers, agents, or employees. This prohibition includes advertising copy and illustrations that state or imply or could reasonably be expected to cause an inference, that Santa Cruz Metro's service or operations are anything but safe, efficient, affordable and convenient.
- 4.04 Santa Cruz Metro expects all advertising copy to be truthful. Advertising copy and illustrations should not be exaggerated, distorted, false, misleading or deceptive.
- 4.05 Medical products or treatments are to be treated in a restrained and inoffensive manner.
- 4.06 Testimonials are expected to be authentic, and advertisers using them will be required to indemnify Santa Cruz Metro against any action brought in connection with them. Advertising that promotes contests or giveaways is expected to comply with all applicable laws and regulations.
- 4.07 No advertising in or upon Santa Cruz Metro's buses or on its website shall include language, pictures, or other graphic representations that are unsuitable for exposure to persons of young age and immature judgment, or shall be derogatory or defamatory of any person or group because of race, color, national origin, ethnic background, religion, gender or sexual preference.
- 4.08 No advertising shall be displayed in or upon Santa Cruz Metro's buses or on its website if the display thereof would violate any federal or State law or regulation, or any law, regulation, or ordinance of any county or municipality in or through which Santa Cruz Metro buses are or may be operated.
- 4.09 No advertising that is obscene, as defined by federal or California law, shall be displayed in or upon Santa Cruz Metro's buses or on its website.
- 4.10 Proposed advertisements shall not be accepted if the use, or possession of the property proposed to be advertised, includes a product that is specifically prohibited from use or possession on Santa Cruz Metro's facilities including its buses and vehicles. These products include firearms, tobacco products, alcohol and weapons.
- 4.11 No advertising will be accepted if it advocates imminent lawlessness or violence.
- 4.12 Political advertising will not be accepted.
- 4.13 Advertising will not be accepted if it promotes or encourages unlawful activity.

Attachment A

Advertising Policy and Regulations

Page 5

- 4.14 Advertising will not be accepted if it supports or opposes an issue or cause and/or which advocates or opposes a religion or belief.
- 4.15 Notwithstanding any other provision in this policy, advertising for METRO's transit buses, paratransit services, and METRO's website shall be allowed. METRO also retains the right to communicate with its passengers and the public on transit issues, to seek input and participation from its passengers and to provide its passengers with notifications of meetings, hearings and other transit-related issues.

V. USE OF SANTA CRUZ METRO'S NAME

- 5.01 Use of Santa Cruz Metro's name, logo, slogans, or other graphic representations is subject to advance approval by Santa Cruz Metro. Santa Cruz Metro does not endorse or imply endorsement of any product or service.

VI. ADMINISTRATION OF ADVERTISING REGULATION

- 6.01 If advertising space on Santa Cruz Metro's buses or METRO's website is sold through an independent Contractor, the Contractor shall comply with the foregoing policies, and review all advertising with reference to them. They shall refer all such advertising that falls or may fall into any of the categories defined above to Santa Cruz Metro's designated representative responsible for administering the advertising program, who shall determine whether the proposed advertising will be accepted. If the proposed advertising is rejected, the party or parties proposing it may request that this decision be reconsidered. Upon such request, Santa Cruz Metro's representative shall consult with Santa Cruz Metro's District Counsel and with its General Manager or the officer designated by him/her for this purpose. The General Manager or his/her designee, on the basis of such consultation, shall determine whether the proposed advertising will be accepted or rejected.
- 6.02 Santa Cruz Metro will cooperate with the party or parties proposing the advertising, and with the independent contractor (if applicable) through whom it has been proposed, in a reasonable effort to revise it in order to produce advertising that can be accepted and displayed consistently with the foregoing policies.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: January 28, 2011

TO: Board of Directors

FROM: Debbie Kinslow, Assistant Finance Manager

SUBJECT: ACCEPTANCE OF FINANCIAL STATEMENTS WITH INDEPENDENT AUDITORS REPORT FOR YEAR ENDING JUNE 30, 2010

I. RECOMMENDED ACTION

That the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ending June 30, 2010.

II. SUMMARY OF ISSUES

- The **Financial Statements with Independent Auditor's Report** (Attachment A) prepared by the firm Brown Armstrong, Certified Public Accountants present Santa Cruz METRO's financial position at June 30, 2010, with a comparison to the position at June 30, 2009. The auditors have found that Santa Cruz METRO's financial statements present fairly, in all material respects, the financial position of Santa Cruz METRO.
- In the **Report on Compliance with the California Transportation Development Act** (page 37-38), the auditors found Santa Cruz METRO to be in compliance with the Statutes, Rules, and Regulations of the California Transportation Development Act, and the provisions of the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) statutes.
- In the **Schedule of Findings and Questioned Costs** (pages 39- 40) the auditors identified no new findings and qualify Santa Cruz METRO as a low risk auditee.
- The **Required Communication to the Board of Directors in Accordance with Professional Standards** letter provides information related to the auditors responsibilities under generally accepted auditing standards. (Attachment B)
- One prior year finding is identified in the **Agreed upon Findings Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting** letter (Attachment C), with current year recommendation and management's response. (This is also known as the Management Letter.)

III. DISCUSSION

Attachment A – Financial Statements with Independent Auditors Report

The **Independent Auditors Report** (page 1) documents that the audit was conducted in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The auditors have found that Santa Cruz METRO's financial statements present fairly, in all material aspects, the financial position of Santa Cruz METRO.

While the basic financial statements (pages 8-11) describe Santa Cruz METRO's financial position in detail, the section **Management's Discussion and Analysis** (pages 3-7) presents narrative highlights of the financial statements and is prepared by Santa Cruz METRO management.

The Statements of Net Assets (pages 8-9) provide an overall summary of Santa Cruz METRO's Total Assets, Total Liabilities and Total Net Assets. Total Assets decreased by (\$6,513,817) or -6% while Total Liabilities decreased by (\$3,501,651) or -14% from the prior year. Total Net Assets are \$83,177,990 at June 30, 2010; a decrease of (\$3,012,166) or -3% from the prior year. Total Assets decreased this year due to a reduction in cash flow reserves, and prior year carryover funds; reduced restricted capital grant funds on hand, and a reduction in grants receivable. Total Liabilities also decreased due to reductions in restricted capital grant funds.

The Statements of Revenues, Expenses and Changes in Fund Net Assets (page 10) indicates a net loss before capital contributions of (\$9,873,413) and an increase in net revenue of \$6,861,247. In July 2001 Santa Cruz METRO was required by Government Accounting Standards Board (GASB) Statement No. 33, to change its method of accounting for capital grants from capital contributions to reserved non-operating revenues. In accordance with GASB No. 33, capital grants are now required to be included in the determination of net income.

The Statements of Cash Flows (page 11) demonstrate how changes in balance sheet accounts and income affect cash and cash equivalents. Cash and cash equivalents decreased by (\$7,232,574) or -20% primarily due to a decrease in net cash provided by capital grant funded activities.

Notes to Basic Financial Statements (pages 12-28) are additional notes and information which are provided to help explain the computation of specific items in the financial statements as well as provide a more comprehensive assessment of Santa Cruz METRO's financial condition. **Note 5 – Available Net Assets** (page 21) presents total available net assets and the amounts designated for various funds.

Attachment B - Required Communication to the Board of Directors in Accordance with Professional Standards

The **Required Communication to the Board of Directors in Accordance with Professional Standards** is the letter from Brown Armstrong with information related to the conduct of the audit. This letter defines their responsibilities, significant accounting policies, accounting estimates, any significant audit adjustments, disagreements with management, consultations with other independent accountants, issues discussed prior to retention of independent auditors and any difficulties encountered in performing the audit.

Attachment C - Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting

The **Agreed upon Conditions Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting** is also known as the **Management Letter**. The purpose of the management letter is to detail the auditor's findings and make recommendations to increase efficiency, internal controls and/or financial reporting. It should be noted that the one (1) finding listed as a current year finding, is actually carried over from the prior year. **There are no new findings for FY10**. This finding has been updated with a current year management response.

IV. FINANCIAL CONSIDERATIONS

There is no fiscal impact with the Board's acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the Santa Cruz County Regional Transportation Commission, (SCCRTC) the final audit must be submitted to the SCCRTC. The contract with Brown Armstrong for audit services is \$39,500 and this amount is included in the FY10&FY11 operating budgets.

V. ATTACHMENTS

- Attachment A:** Financial Statements with Independent Auditors Report for the years ending June 30, 2010 and 2009
- Attachment B:** Required Communication to the Board of Directors in Accordance with Professional Standards (letter from Brown Armstrong)
- Attachment C:** Agreed Upon Findings Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting (Management Letter from Brown Armstrong)

Prepared by: Debbie A. Kinslow

Date Prepared: January 19, 2011

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2010 AND 2009

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT JUNE 30, 2010 AND 2009

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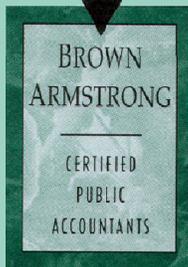
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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the years ended June 30, 2010 and 2009, as listed in the table of contents. These basic financial statements are the responsibility of Santa Cruz METRO's management. Our responsibility is to express an opinion on these basic financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of Santa Cruz METRO, as of June 30, 2010 and 2009, and the results of its operations and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2010, on our consideration of Santa Cruz METRO's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 and the schedule of funding progress for Santa Cruz METRO's Other Postemployment Benefit (OPEB) Plan on page 28 in the required supplementary information section be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements. The accompanying statements of operating expenses and schedule of expenditures of federal awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic financial statements. The statements of operating expenses and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BROWN
ACCO

ARMSTRONG
UNTANCY CORPORATION



Bakersfield, California
December 21, 2010

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2010 AND 2009

Introduction

This report provides a narrative and analytical overview of the financial activities of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) with selected comparative information for the years ended June 30, 2010 and 2009. This discussion has been prepared by management and should be read in conjunction with the basic financial statements and the notes thereto, which follow this section.

Santa Cruz METRO is an independent agency formed in 1969 by the legislature of the State of California for the purpose of providing transit service to the general public in Santa Cruz County. Santa Cruz METRO is governed by a Board of Directors composed of eleven members, and one ex-officio member as described in Note 1.A.

The Financial Statements

Santa Cruz METRO's basic financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. Santa Cruz METRO reports its financial results using one enterprise fund under the accrual method of accounting which records revenue when earned and expenses when incurred.

The Statement of Net Assets presents information on Santa Cruz METRO's assets and liabilities, with the difference between the two reported as net assets.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets reports the *operating* revenues and expenses, *non-operating* revenues and expenses, and *capital grant* contributions. *Capital grant* expenses are listed in the Schedule of Expenditures of Federal Awards and are included in the current year increase in capital assets.

The Statement of Cash Flows reports the sources and uses of cash for the fiscal years resulting from *operating* activities, *non-capital* financing activities (operating grants and sales tax revenue), *capital* acquisitions and disposals, and related *financing* activities (non-transportation revenues). The net result of these activities, added to the cash balances at the beginning of the year, reconciles to the cash balances (current plus restricted) at the end of the current fiscal year on the Statement of Net Assets.

The Statements of Operating Expenses, located in the Supplementary Information section of the financial statements, reports expenses in greater detail.

Financial Highlights

The management of Santa Cruz METRO is pleased to present the following discussion that provides an overview of the financial activities related to operations (operating revenue and expense) and capital funding (contributions) received for facilities improvements and the purchase of capital equipment for the year ended June 30, 2010.

Although the recession officially ended in June 2009, economic recovery continues to stall. Operating revenues have decreased by almost \$5 million, since June 2007, while operating expenses have increased by \$2.5 million. We have seen decreases in passenger fares, interest income, sales tax revenue, and Transportation Development Act (TDA) revenues, while labor expense, retirement expense, and medical premiums, to name a few, continue to increase. This loss in revenues, coupled with the increase in expenses has been devastating to Santa Cruz METRO's budget. In response to the dramatic and unprecedented decline in revenues over the past three (3) years, it was necessary to utilize transfers from cash flow reserves and one-time capital revenues to balance the budget this year.

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued) JUNE 30, 2010 AND 2009

Significant capital contributions reported in prior years have contributed to the success of many of the projects that are summarized here. In December 2009, Santa Cruz METRO successfully took occupancy of its Administrative Building at 110 Vernon Street in Santa Cruz after interior and exterior tenant improvements were completed. This facility replaces the leased facility at 370 Encinal Street, and all Administrative, Finance and Human Resources staff have been relocated to Vernon Street. In addition, substantial occupancy has been taken at the Maintenance Facility and Garage, located at 138 Golf Club Drive. The building is now being used to service fleet vehicles and final work is almost completed. Santa Cruz METRO is still pursuing a fully consolidated MetroBase, with the final two pieces—construction of a new Operations Building and the installation of a second compressed natural gas (CNG) 15,000-gallon storage tank at the current Fueling station—still in process.

The biggest challenge to the completion of the consolidated MetroBase project is the drying up of State of California capital funding streams, as noted in last year's report. During the year 7/1/09 – 6/30/10, Santa Cruz METRO worked closely with the California Transit Association (CTA) in an attempt to recoup both the estimated \$31 million in misappropriated funds owed to Santa Cruz METRO, and also to protect transit funding in general from budget raids by promoting a ballot initiative proposing a constitutional amendment protecting transit and other funding. Proposition 22, passed by 63% on November 2, 2010 and its effects will be discussed more in-depth in next year's audit report. Of note is that it is anticipated that, dependent on November 2010 California state bond sales, Santa Cruz METRO will receive the funding necessary to both complete the natural gas storage tank and Operations Building projects (up to ~\$16 million, still being negotiated). In addition, Santa Cruz METRO also anticipates an installment of \$440,505 from the November bond sale to continue to implement its closed-circuit-TV and land-mobile-radio security projects through the California Emergency Management Agency (formerly Office of Homeland Security).

Santa Cruz METRO continued to implement its three Recovery Act funded projects—replacement of 113 fareboxes on buses; installation of a new bus dispatching system (Hastus/Giro); and, the purchase of 27 replacement vans for para transit services. As of June 30, 2010, \$382,330 of stimulus funds had been expended, with most project expenditures expected by 12/31/10. Total available funds for these projects is \$5,632,403, including two Recovery Act grants (\$4,909,939 and \$267,464), one earmark (\$475,000) and required local matching funds (\$118,750). The Recovery Act funds were received in the previous fiscal year, and the \$475,000 awarded on 4/16/10.

During this fiscal year, Santa Cruz METRO also implemented approximately \$258,000 worth of investment in infrastructure through Information Technology projects, including the installation and implementation of a new Purchasing and Procurement software, Puridium, and new Fleet and Facilities Maintenance software, Maintstar. In addition, new Human Resources software, Spectrum, was also installed and is expected to be implemented by December 31, 2010.

Finally, in June 2010, Santa Cruz METRO submitted over \$6.5 million in grant proposals for new natural gas buses to round-out the CNG fleet and get more diesel buses off the road; to complete the natural gas storage tank project; and, to fund a staff intern and a transit planning study. Of note is that in October 2010, Santa Cruz METRO received notice that \$5.1 million in capital discretionary grant funding had been awarded for buses (\$4.8 million), the storage tank (\$200K), an intern and the planning study (\$100K). These grants will be discussed in-depth in next year's audit report.

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Statement of Net Assets:

	2010	2009	2008	2010 to 2009		2009 to 2008	
				Increase/(Decrease) Amount	%	Increase/(Decrease) Amount	%
Total Assets	\$ 105,530,289	\$ 112,044,106	\$ 105,036,300	\$ (6,513,817)	-6%	\$ 7,007,806	7%
Total Liabilities	\$ 22,352,299	\$ 25,853,950	\$ 24,760,587	\$ (3,501,651)	-14%	\$ 1,093,363	4%
Total Net Assets	\$ 83,177,990	\$ 86,190,156	\$ 80,275,713	\$ (3,012,166)	-3%	\$ 5,914,443	7%

Total Assets decreased this year due to a reduction in cash flow reserves, and prior year carryover funds; reduced restricted capital grant funds on hand, and a reduction in grants receivable. The use of cash flow reserves, and prior year carryover reserves was required to balance the fiscal year 09/10 budget. As the Consolidated MetroBase Project (Maintenance Building and 110 Vernon Renovation and Remodel) neared completion, capital grant funds received in prior periods were disbursed as project expenditures were paid out.

Total Liabilities also decreased this year due to reductions in restricted capital grant funds. Proposition 1B PTMISEA grant funding is allocated according to an approved expenditure plan, and funds are received in a lump sum annually, and then disbursed as project expenditures are paid out.

For the fiscal year ended June 30, 2010, Santa Cruz METRO's net assets decreased by \$3,012,166 due to decreased cash on hand and reduced grants receivable.

Statement of Revenues, Expenses, and Changes in Fund Net Assets:

	2010	2009	2008	2010 to 2009		2009 to 2008	
				Increase/(Decrease) Amount	%	Increase/(Decrease) Amount	%
Operating Revenues	\$ 8,427,944	\$ 8,769,185	\$ 8,272,058	\$ (341,241)	-4%	\$ 497,127	6%
Operating Expenses	(42,218,182)	41,975,092)	(38,683,643)	243,090	1%	(3,291,449)	-9%
Operating Loss	(33,790,238)	33,205,907)	(30,411,585)	584,331	2%	(2,794,322)	-9%
Non-Operating Revenues	23,916,825	24,877,839	28,164,895	(961,014)	-4%	(3,287,056)	-12%
Capital Grant Contributions	6,861,247	14,242,511	19,167,833	(7,381,264)	-52%	(4,925,322)	-26%
Increase (Decrease) in Net Assets	\$ (3,012,166)	\$ 443	\$ (1,357,143)	\$ 947	-131%	\$ (65,006,700)	%

Operating Revenues decreased by 4% this year due to an overall decrease in ridership of -4.7%.

Operating Expenses only increased by 1% overall when compared to last year. Due to the severe economic downturn and the resulting declines in revenue, significant cost-cutting measures have been implemented to achieve savings at all levels in all departments.

Non-operating Revenues decreased by 4% primarily due to lower than anticipated sales tax revenue, Transportation Development Act (TDA) revenue, and reduced interest income.

Capital Contributions are capital grant funds received for facilities improvements and the purchase of capital equipment including revenue vehicles. Capital contributions decreased by 52% from the prior year as the Consolidated MetroBase Project (Maintenance Building and 110 Vernon Renovation and Remodel) neared completion.

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued) JUNE 30, 2010 AND 2009

Supplemental Revenue, Expenses, and Performance Report: (based on Federal Transit Authority (FTA) account grouping guidelines)

	2010	2009	2008	2010 to 2009 % Change	2009 to 2008 % Change
Revenues					
Passenger Fares	\$ 8,427,944	\$ 8,769,185	\$ 8,272,058	-3.9%	6.0%
Sales and Use Tax	14,320,288	14,923,139	17,054,735	-4.0%	-12.5%
Non-Operating Revenues ⁽¹⁾	569,113	731,908	1,558,759	-22.2%	-53.0%
TDA ⁽²⁾	5,001,737	5,696,249	6,313,334	-12.2%	-9.8%
Federal Operating Assistance ⁽³⁾	4,025,687	3,615,707	3,375,281	11.3%	7.1%
Total Revenues	\$ 32,344,769	\$ 38,736,188	\$ 44,514,167		-7.8%
Expenses					
Route Operation	\$ 22,746,197	\$ 20,852,897	\$ 20,414,142	4.6%	4.4%
Vehicle Maintenance	4,772,212	4,982,067	4,998,255	-4.2%	-0.3%
Facilities Maintenance	1,734,676	1,667,389	1,333,439	4.0%	25.0%
General Administration	8,080,210	8,515,251	7,763,787	-5.1%	9.7%
Total Expenses (excluding depreciation)	\$ 37,333,295	\$ 38,927,604	\$ 41,919,623	-1.1%	5.7%
Performance Indicators					
Total Passengers	5,839,990	5,987,518	5,888,213	-2.5%	1.7%
Revenue Hours	243,691	243,241	257,705	0.2%	-5.6%
Revenue Miles	3,781,170	3,766,435	3,709,152	0.4%	1.5%
Farebox Recovery Ratio ⁽⁴⁾	22.6%	23.8%	23.7%	-4.9%	0.2%
Cost/Passenger ⁽⁵⁾	\$ 6.39	\$ 6.17	\$ 5.93	3.6%	4.0%
Cost/Hour ⁽⁶⁾	\$ 153.20	\$ 151.77	\$ 135.54	0.9%	12.0%
Cost/Mile ⁽⁷⁾	\$ 9.87	\$ 9.80	\$ 9.41	0.7%	4.2%
Full Time Equivalent Employees	303	314	323	-3.5%	-2.8%
Active Fleet - Fixed Route	112	112	112	0.0%	0.0%
Active Fleet - Paratransit	37	38	38	-2.6%	0.0%

⁽¹⁾ Non-Operating Revenues have decreased from last year due to a significant reduction in the interest rate paid on Santa Cruz METRO's deposits in the Santa Cruz County Pooled Investment Fund. In an effort to protect the safety of the principal of the pool, increase credit quality and liquidity, the County Treasurer increased the portion of the portfolio invested in US Treasuries and Government Sponsored Enterprises bonds (GSE's) which resulted in lower overall market rates and a lower yield on the portfolio.

⁽²⁾ Transportation Development Act (TDA) funding revenues fluctuate annually based on retail sales in the County and by the amount retained by the Santa Cruz County Regional Transportation Commission (SCCRTC) for other county-wide projects and overhead. Receipts continue to decline due to the current economic recession and the "no job growth" economy.

⁽³⁾ Federal Operating Assistance increased this year due to the receipt of a portion of the one-time American Reinvestment and Recovery Act (ARRA) operating grant; and recognition of the full amount of the FTA Section 5307 operating funds available, due to no further payments due on the five (5) year ParaCruz FTA start-up loan, that was repaid in full last fiscal year.

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued) JUNE 30, 2010 AND 2009

- (4) Farebox Recovery Ratio is a standard transit performance indicator that is calculated by dividing passenger fares by total operating expenses and does not include depreciation.
- (5) Cost / Passenger is calculated by dividing total passengers by total operating expenses.
- (6) Cost / Hour is calculated by dividing total operating expenses by revenue hours.
- (7) Cost / Mile is calculated by dividing total operating expenses by revenue miles.

Statement of Cash Flows:

	2010	2009	2008	2010 to 2009 Change	2009 to 2008 Change
Net Cash Used in Operating Activities	\$ (30,577,635)	\$ (27,984,781)	\$ (25,145,487)	\$ (2,592,854)	\$ (2,839,294)
Net Cash Provided by Non-Capital Financing Activities	23,663,797	25,012,481	27,045,524	(1,348,684)	(2,033,043)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(637,360)	5,044,102	(5,206,123)	(5,681,462)	10,250,225
Net Cash Provided by Non-Transportation Activities	318,624	531,567	1,090,834	(212,943)	(559,267)
Net Increase (Decrease) in Cash and Cash Equivalents	(7,232,574)	2,603,369	(2,215,252)	(9,835,943)	4,818,621
Cash and Cash Equivalents, Beginning of Year	36,433,679	33,830,310	36,045,562	2,603,369	(2,215,252)
Cash and Cash Equivalents, End of Year	<u>\$ 29,201,105</u>	<u>\$ 36,433,679</u>	<u>\$ 33,830,310</u>	<u>\$ (7,232,574)</u>	<u>\$ 2,603,369</u>

Cash and cash equivalents held by Santa Cruz METRO decreased by \$7,232,574 or 19.9% during the current year.

Contacting Santa Cruz METRO's Financial Management

Santa Cruz METRO's financial report is designed to provide Santa Cruz METRO's Board of Directors, management, and the public with an overview of Santa Cruz METRO's finances. For additional information about this report, please contact Angela Aitken, Finance Manager and Acting Assistant General Manager, at 110 Vernon Street, Santa Cruz, CA 95060.

Attachment A

BASIC FINANCIAL STATEMENTS

Attachment A

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2010 AND 2009**

	2010	2009
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 21,335,939	\$ 24,072,345
Sales Tax, Grants, and Other Receivables	6,020,712	7,211,566
Inventory	741,896	806,099
Prepays	474,877	481,547
Total Current Assets	28,573,424	32,571,557
RESTRICTED ASSETS		
Cash and Cash Equivalents	7,865,166	12,361,334
CAPITAL ASSETS		
Building and Improvements	12,483,953	12,427,094
Revenue Vehicles	44,599,626	44,656,992
Operations Equipment	1,810,861	2,154,389
Other Equipment	1,500,624	1,500,624
Other Vehicles	1,169,471	1,218,674
Office Equipment	1,453,135	1,293,076
	63,017,670	63,250,849
Less Accumulated Depreciation	(39,771,947)	(35,479,687)
	23,245,723	27,771,162
Construction-in-Progress	36,681,106	30,175,183
Land	9,164,870	9,164,870
Total Capital Assets	69,091,699	67,111,215
TOTAL ASSETS	\$ 102,530,289	\$ 44,106

The accompanying notes are an integral part of these financial statements.

Attachment A

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF NET ASSETS (Continued)
JUNE 30, 2010 AND 2009**

<u>LIABILITIES AND NET ASSETS</u>	<u>2010</u>	<u>2009</u>
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 775,270	\$ 2,185,549
Accrued Payroll and Employee Benefits	3,896,434	3,799,326
Workers' Compensation Liabilities	888,730	972,231
Other Accrued Liabilities	564,560	419,585
Security Deposit	<u>15,684</u>	<u>15,684</u>
Total Current Liabilities	6,140,678	7,392,375
NON-CURRENT LIABILITIES		
Deferred Revenue - Settlement Agreement	1,322,636	3,092,552
Deferred Revenue - STA Grant	4,232,523	1,836,010
Deferred Revenue - PTMISEA Grant	1,475,663	7,003,247
Deferred Revenue - Proposition 1B OHS CTSGP Grant	834,344	429,525
Deferred Revenue - Other	34,034	-
OTHER LONG-TERM LIABILITIES		
Workers' Compensation Liabilities	3,194,347	3,538,987
Other Postemployment Benefit Liabilities	<u>5,118,074</u>	<u>2,561,254</u>
Total Liabilities	<u>22,352,299</u>	<u>25,853,950</u>
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	69,091,699	67,111,215
Unrestricted Net Assets	<u>14,086,291</u>	<u>19,078,941</u>
Total Net Assets	<u>83,177,990</u>	<u>86,190,156</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 110,530,289</u></u>	<u><u>\$ 44,106</u></u>

The accompanying notes are an integral part of these financial statements.

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
OPERATING REVENUES		
Passenger Fare	\$ 4,551,560	\$ 4,742,581
Special Transit Fare	3,876,384	4,026,604
Total Operating Revenues	8,427,944	8,769,185
OPERATING EXPENSES		
Wages, Salaries, and Employee Benefits	30,315,865	30,373,279
Purchased Transportation Services	294,183	176,002
Material and Supplies	2,658,384	2,389,907
Other Expenses	4,064,863	3,978,416
Depreciation	4,884,887	5,057,488
Total Operating Expenses	42,218,182	41,975,092
Net Operating Loss	(33,790,238)	(33,205,907)
NON-OPERATING REVENUES (EXPENSES)		
Sales and Use Tax	14,320,288	14,923,139
Transportation Development Act Assistance	5,001,737	5,696,249
Section 8/5303 Planning Fund	4,351	27,799
Section 9/5307 Operating Assistance	3,645,442	3,426,293
Section 18/5307 Operating Assistance	375,894	161,615
Interest Income	192,546	391,808
Rental Income	126,078	139,759
Other Revenue	250,010	200,341
Gain (Loss) on Sale and Disposal of Property, Equipment, and Inventory	479	(89,164)
Total Non-Operating Revenues	23,916,825	24,877,839
Net Loss Before Capital Contributions	(9,873,413)	(8,328,068)
CAPITAL CONTRIBUTIONS		
Grants Restricted for Capital Expenditures	6,861,247	14,242,511
NET ASSETS		
Increase (Decrease) in Net Assets	(3,012,166)	5,914,443
Total Net Assets, Beginning of Year	86,190,156	80,275,713
Total Net Assets, End of Year	\$ 83,177,990	\$ 86,190,156

The accompanying notes are an integral part of these financial statements.

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Customers	\$ 8,426,099	\$ 9,594,562
Payments to Employees	(30,646,898)	(30,462,704)
Payments to Suppliers	<u>(8,356,836)</u>	<u>(7,116,639)</u>
Net Cash Used in Operating Activities	<u>(30,577,635)</u>	<u>(27,984,781)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:		
Operating Grants Received, Including Sales and Use Tax	23,663,797	25,000,666
Other Non-Operating Revenue	<u>-</u>	<u>11,815</u>
Net Cash Provided by Non-Capital Financing Activities	<u>23,663,797</u>	<u>25,012,481</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from Sale of Property and Equipment	512	-
Capital Grants Received	6,227,532	19,632,785
Capital Expenditures	<u>(6,865,404)</u>	<u>(14,588,683)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(637,360)</u>	<u>5,044,102</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment and Rental Income Received	<u>318,624</u>	<u>531,567</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(7,232,574)	2,603,369
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>36,433,679</u>	<u>33,830,310</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 29,201,105</u>	<u>\$ 36,433,679</u>
RECONCILIATION OF NET OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Net Operating Loss	\$ (33,790,238)	\$ (33,205,907)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	4,884,887	5,057,488
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(1,845)	825,377
Decrease in Inventory	64,203	140,462
(Increase) Decrease in Prepaid Expenses	6,670	(92,315)
Decrease in Accounts Payable	(1,410,279)	(618,461)
Decrease in Other Liabilities	<u>(331,033)</u>	<u>(91,425)</u>
Net Cash Used in Operating Activities	<u>\$ (30,577,635)</u>	<u>\$ (27,984,781)</u>

The accompanying notes are an integral part of these financial statements.

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2010 AND 2009

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) was formed February 9, 1969, following a favorable election in conformity with Section 9800 et. seq. of the Public Utilities Code. The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, and Capitola and the unincorporated areas of Santa Cruz County. A Board of eleven directors and one Ex-Officio director representing the University of California, Santa Cruz governs Santa Cruz METRO. At June 30, 2010, the directors were as follows:

Chairperson:	Dene Bustichi		
Vice Chair:	Ellen Pirie		
Members:	Ron Graves	Michelle Hinkle	Mark Stone
	Mike Rotkin	Pat Spence	Donald Hagen
	Lynn Robinson	Marcela Tavantzis Emilio	Martinez
Ex-Officio:	Donna Blitzer		

Santa Cruz METRO also serves the Highway 17 corridor into Santa Clara County to provide commuter express service through a memorandum of understanding with the California Department of Transportation, the Capitola Corridor Joint Powers Authority, and the Santa Clara Valley County Transit District (VTA). Amtrak Thruway bus service is also provided by Santa Cruz METRO on the same corridor.

B. Reporting Entity

Santa Cruz METRO and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a blended component unit of Santa Cruz METRO. Accordingly, the financial activities of the Corporation have been included in the basic financial statements of Santa Cruz METRO. For the years ending June 30, 2010 and 2009, these activities were minimal.

Scope of Public Service:

The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State in July 1986. The Corporation was formed for the sole purpose of providing financial assistance to Santa Cruz METRO for the construction and acquisition of major capital facilities.

The following are those aspects of the relationship between Santa Cruz METRO and the Corporation which satisfy GASB Statement No. 14/39 criteria.

Accountability:

1. Santa Cruz METRO's Board of Directors appointed the Corporation's Board of Directors.

Attachment A

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Reporting Entity (Continued)

2. Santa Cruz METRO is able to impose its will upon the Corporation based on the following:
 - All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of Santa Cruz METRO.
 - Santa Cruz METRO exercises significant influence over operations of the Corporation as it is anticipated that Santa Cruz METRO will be the sole lessee of all facilities owned by the Corporation. Likewise, it is anticipated that Santa Cruz METRO's lease payments will be the sole revenue source of the Corporation.
3. The Corporation provides specific financial benefits or imposes specific financial burdens on Santa Cruz METRO based upon the following:
 - Santa Cruz METRO has assumed a "moral obligation," and potentially a legal obligation, for any debt incurred by the Corporation.

C. Basis of Accounting and Presentation

Santa Cruz METRO is accounted for as a Business-Type Activity, as defined by GASB Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, and its basic financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

Santa Cruz METRO adopted GASB Statement No. 34 as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, as of and for the year ended June 30, 2003, and applied those standards on a retroactive basis. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into three net asset categories; namely, those invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

Contributed Capital/Reserved Retained Earnings:

Santa Cruz METRO receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant had been incurred. Capital grant funds earned, less amortization equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, Santa Cruz METRO changed its method of accounting for capital grants from capital contributions to reserved non-operating revenues. In accordance with GASB Statement No. 33, capital grants are required to be included in the determination of net income resulting in an increase in net revenue of \$6,861,247 and \$14,242,511 for the fiscal years 2010 and 2009, respectively.

Under GASB Statement No. 34, contributed capital and reserved retained earnings are presented in the net asset section as invested in capital assets, net of related debt.

Attachment A

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Presentation (Continued)

Proprietary Accounting and Financial Reporting:

As required under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, Santa Cruz METRO will continue to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. Santa Cruz METRO has elected under GASB Statement No. 20 to not apply all FASB Statements and Interpretations issued after November 30, 1989, due to the governmental nature of Santa Cruz METRO's operations.

Net Assets:

Net assets represent the residual interest in Santa Cruz METRO's assets after liabilities are deducted. In accordance with GASB Statement No. 34, the fund equity section on the statements of net assets was combined to report total net assets and present it in three broad components: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets invested in capital assets, net of related debt include capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net assets are restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net assets are unrestricted.

When both restricted and unrestricted resources are available for use, generally it is Santa Cruz METRO's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

Santa Cruz METRO considers all highly liquid investments with a maturity date within three months of the date acquired to be cash equivalents. Santa Cruz METRO deposits funds into an external investment pool maintained by the Santa Cruz County. These deposits are considered cash equivalents. The Santa Cruz County Pooled Investment Fund is authorized to invest in obligations of the U.S. Treasury agencies and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, and the State Treasurer's investment pool. Cash and cash equivalents are stated at fair value. For purposes of the statements of cash flows, Santa Cruz METRO considers all highly liquid investments (including restricted assets) to be cash equivalents.

E. Inventory

Inventory is carried at cost using the first-in/first-out (FIFO) method. Inventory held by Santa Cruz METRO consists of spare bus parts and operating supplies that are consumed by Santa Cruz METRO and are not for resale purposes.

F. Restricted Assets

Certain assets are classified as restricted assets on the statements of net assets because their use is subject to externally imposed stipulations, either by laws or regulations.

Attachment A

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Restricted Assets (Continued)

The cash resulting from a settlement agreement, as described in Note 9, represents proceeds restricted by the FTA. The State Transit Assistance Grant, Proposition 1B PTMISEA Grant, and the Proposition 1B OHS CTSGP Grant are restricted for capital expenditures. Restricted assets at June 30 are as follows:

	2010	2009
Cash and Cash Equivalents		
Federal Transit Administration Grant	\$ 1,322,636	\$ 3,092,552
Proposition 1B PTMISEA Grant	1,475,663	7,003,247
Proposition 1B OHS CTSGP Grant	834,344	429,525
State Transit Assistance Grant	4,232,523	1,836,010
 Total Restricted Assets	 \$ 7,865,166	 \$ 12,361,334

G. Property and Equipment

Property and equipment are recorded at cost. Depreciation for all such assets is computed on a straight-line basis. Estimated useful lives of assets are as follows:

Buildings and improvements	20-30 years
Revenue vehicles	12 years
Other vehicles and equipment	3-10 years

Depreciation expense on assets acquired with capital grant funds are transferred to net assets – invested in capital assets, net of related debt after being charged to operations.

Major improvements and betterments to existing facilities and equipment are capitalized. Costs for maintenance and repairs, which do not extend the useful lives of the applicable assets, are charged to expense as incurred. Upon disposition, costs and accumulated depreciation are removed from the accounts and resulting gains or losses are included in operations.

Santa Cruz METRO completed and capitalized the Scotts Valley Transit Center in fiscal year 1999. The cost of this facility totaled \$4,063,634, which was funded by federal, state, and local funds. The Scotts Valley Redevelopment Agency (the Agency), a political subdivision of the State of California, was one of Santa Cruz METRO's funding sources for this project and has retained an interest in the property. The title to the property is retained by both Santa Cruz METRO and the Agency as tenants in common with each party holding an individual interest in proportion to each party's financial participation in the project. The Agency's portion of the property is 13.87%. The Agency's portion is not recorded in Santa Cruz METRO's basic financial statements.

H. Sales and Use Tax

Santa Cruz METRO receives a .5% sales and use tax levied on all taxable sales in Santa Cruz County, which is collected and administered by the California State Board of Equalization. Additionally, Santa Cruz METRO is allocated, through the Santa Cruz County Regional Transportation Commission, a portion of the .25% sales and use tax levied by the Transportation Development Act (TDA).

I. Operating Assistance Grants

Operating assistance grants are recognized as revenue in the grant period earned.

Attachment A

NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Self-Insurance

Santa Cruz METRO is self-insured for the first \$250,000 of general and vehicular liability. For settlements in excess of \$250,000, Santa Cruz METRO has total coverage up to \$20,000,000 per occurrence. Additionally, Santa Cruz METRO is self-insured up to \$350,000 for workers' compensation claims. Santa Cruz METRO has recorded a liability for estimated claims to be paid including incurred but not reported claims.

K. Employee Benefits

Vacation and medical leave benefits are accrued when earned and reduced when used. Any paid medical leave accrued beyond 96 hours may, at the employee's option be converted to annual leave and credited to the employee's annual leave schedule or paid in cash, depending on the bargaining unit, at 100% of the earned rate. Employees are paid accrued and unused annual leave at the time of separation from Santa Cruz METRO service.

L. Payroll

Santa Cruz METRO contracts with the Santa Cruz County Auditor-Controller to provide payroll processing services.

M. Pension Costs

Pension costs are expensed as incurred. The set costs equal the actuarially determined annual contribution amount.

N. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

O. Implementation of New Accounting Pronouncements

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. This statement requires that an intangible asset be recognized in the statement of net assets only if it is considered identifiable. This statement also establishes guidance specific to intangible assets related to amortization. This statement provides guidance on determining the useful lives of intangible assets when the length of their lives is limited by contractual or legal provisions. The statement did not have an effect on the financial position of Santa Cruz METRO.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This statement is not effective until June 30, 2010. The statement did not have an effect on the financial position of Santa Cruz METRO.

Attachment A

NOTE 2 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Cash on Hand	\$ 30,843	\$ 48,577
Demand Deposits	330,770	310,114
Deposits in Santa Cruz County Pooled Investment Fund	<u>28,839,492</u>	<u>36,074,988</u>
	<u>\$ 29,201,105</u>	<u>\$ 36,433,679</u>

Cash on Hand and Cash in Banks

Investments Authorized by the California Government Code and Santa Cruz METRO's Investment Policy

The table below identifies the **investment types** that are authorized for Santa Cruz METRO by the California Government Code (or Santa Cruz METRO's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or Santa Cruz METRO's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

Investment	Authorized Maximum Type Maturity	_____y	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds		5 years	None	None
U.S. Treasury Obligations		5 years	None	None
U.S. Agency Securities		5 years	None	None
Banker's Acceptances	180	days	None	None
Commercial Paper	270	days	None	None
Negotiable Certificates of Deposit	5	years	None	None
Repurchase Agreements	1	year	None	None
Reverse Repurchase Agreements		92 days	None	None
Medium-Term Notes		5 years	None	None
Mutual Funds		N/A	None	None
Money Market Mutual Funds		N/A	None	None
Mortgage Pass-Through Securities		5 years	None	None
County Pooled Investment Funds		N/A	100%	None
Local Agency Investment Fund (LAIF)		N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Attachment A

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of Santa Cruz METRO's investments to market interest rate fluctuations is provided by the following table that shows the distribution of Santa Cruz METRO's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
County Pooled Investment Fund	<u>\$ 28,839,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Santa Cruz METRO's investments were not considered to be highly sensitive to interest rate fluctuations as of June 30, 2010 or 2009.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, Santa Cruz METRO's investment policy, and the actual rating as of year-end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year-End		
				AAA	Aa	Not Rated
County Pooled Investment Fund	<u>\$ 28,839,492</u>	<u>A</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,839,492</u>

Concentration of Credit Risk

The investment policy of Santa Cruz METRO contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Santa Cruz METRO did not have any investments in any one issuer (other than external investment pools) that represent 5% or more of total Santa Cruz METRO's investments at June 30, 2010 or 2009.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and Santa Cruz METRO's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

Attachment A

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

Cash on Hand and Cash in Banks (Continued)

Custodial Credit Risk

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of Santa Cruz METRO's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in Santa Cruz County Pooled Investment Fund

Santa Cruz METRO is a voluntary participant in the Santa Cruz County Pooled Investment Fund. The fair value of Santa Cruz METRO's investment in this pool is reported in the accompanying basic financial statements at amounts based upon Santa Cruz METRO's pro-rata share of the fair value provided by the Santa Cruz County for the entire Santa Cruz County portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Santa Cruz County, which are recorded on an amortized cost basis.

NOTE 3 – RECEIVABLES

Receivables at June 30 are as follows:

	<u>2010</u>	<u>2009</u>
Federal Grants	\$ 18,232	\$ 1,793,004
State Grants	3,338,305	2,835,132
Sales Tax Revenue	2,262,400	2,181,400
Other	401,775	402,030
	<u>\$ 6,020,712</u>	<u>\$ 7,211,566</u>

Attachment A

NOTE 4 – CHANGES IN CAPITAL ASSETS

Facilities, property, and equipment at June 30 are summarized as follows:

June 30, 2010

	<u>Balance July 1, 2009</u>	<u>Additions and Transfers</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2010</u>
Non-Depreciated Assets				
Land	\$ 9,164,870	\$ -	\$ -	\$ 9,164,870
Construction-in-Progress	<u>30,175,183</u>	<u>6,657,767</u>	<u>(151,844)</u>	<u>36,681,106</u>
Total Non-Depreciated Assets	39,340,053	6,657,767	(151,844)	45,845,976
Depreciated Assets				
Building and Improvements	12,427,094	57,524	(665)	12,483,953
Revenue Vehicles	44,656,992	-	(57,366)	44,599,626
Operations Equipment	2,154,389	-	(343,528)	1,810,861
Other Equipment	1,500,624	-	-	1,500,624
Other Vehicles	1,218,674	-	(49,203)	1,169,471
Office Equipment	<u>1,293,076</u>	<u>301,958</u>	<u>(141,899)</u>	<u>1,453,135</u>
Total Depreciated Assets	63,250,849	359,482	(592,661)	63,017,670
Less Accumulated Depreciation	<u>(35,479,687)</u>	<u>(4,884,887)</u>	<u>592,627</u>	<u>(39,771,947)</u>
Depreciated Assets Net of Accumulated Depreciation	<u>27,771,162</u>	<u>(4,525,405)</u>	<u>(34)</u>	<u>23,245,723</u>
Total Capital Assets	<u>\$ 67,111,215</u>	<u>\$ 2,132,362</u>	<u>\$ (151,878)</u>	<u>\$ 69,091,699</u>

Depreciation expense at June 30, 2010, was \$4,884,887.

June 30, 2009

	<u>Balance July 1, 2008</u>	<u>Additions and Transfers</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2009</u>
Non-Depreciated Assets				
Land	\$ 9,164,870	\$ -	\$ -	\$ 9,164,870
Construction-in-Progress	<u>23,160,708</u>	<u>7,070,170</u>	<u>(55,695)</u>	<u>30,175,183</u>
Total Non-Depreciated Assets	32,325,578	7,070,170	(55,695)	39,340,053
Depreciated Assets				
Building and Improvements	13,467,177	17,607	(1,057,690)	12,427,094
Revenue Vehicles	40,194,340	7,463,295	(3,000,643)	44,656,992
Operations Equipment	2,203,998	53,059	(102,668)	2,154,389
Other Equipment	1,489,053	11,671	(100)	1,500,624
Other Vehicles	1,217,023	1,651	-	1,218,674
Office Equipment	<u>1,199,716</u>	<u>138,596</u>	<u>(45,236)</u>	<u>1,293,076</u>
Total Depreciated Assets	59,771,307	7,685,879	(4,206,337)	63,250,849
Less Accumulated Depreciation	<u>(34,516,865)</u>	<u>(5,057,488)</u>	<u>4,094,666</u>	<u>(35,479,687)</u>
Depreciated Assets Net of Accumulated Depreciation	<u>25,254,442</u>	<u>2,628,391</u>	<u>(111,671)</u>	<u>27,771,162</u>
Total Capital Assets	<u>\$ 57,580,020</u>	<u>\$ 9,698,561</u>	<u>\$ (167,366)</u>	<u>\$ 67,111,215</u>

Depreciation expense at June 30, 2009, was \$5,057,488.

Attachment A

NOTE 5 – AVAILABLE NET ASSETS

An analysis of Santa Cruz METRO's available (undesigned) net assets at June 30 follows:

	<u>2010</u>	<u>2009</u>
Current Assets	\$ 28,573,424	\$ 32,571,557
Current Liabilities	<u>(6,140,678)</u>	<u>(7,392,375)</u>
Working Capital	22,432,746	25,179,182
Less:		
Inventory	(741,896)	(806,099)
Prepaid Expenses	<u>(474,877)</u>	<u>(481,547)</u>
Total Available Net Assets	<u>21,215,973</u>	<u>23,891,536</u>
Net Assets Designated for the Following:		
Cash Flow	(2,511,102)	(5,059,022)
Workers' Compensation Reserve	(2,091,581)	(2,091,581)
110 Vernon Purchase - Renovation		(2,400,000)
Insurance Reserve	(700,757)	(700,757)
Alternative Fuel Conversion Fund	-	-
Bus Stop Improvements Reserve	-	-
Carryover from Fiscal Year 2008-2009 Operating Budget	(1,989,862)	(2,155,738)
Net Assets Required to Offset Projected Operating Budget Shortfall for Fiscal Year 2011	(4,272,159)	(3,154,251)
Net Assets Required to Fund Transportation Improvement Programs for the Fiscal Years 2011-2012	<u>(14,025,636)</u>	<u>(14,025,636)</u>
Available Undesignated Net Assets (Deficits)	<u>\$ (4,375,124)</u>	<u>\$ (5,695,449)</u>

NOTE 6 – CAPITAL GRANTS

Santa Cruz METRO receives grants from the Federal Transit Authority (FTA), which provides financing for the acquisition of rolling stock and construction of facilities. Santa Cruz METRO also receives grants under the State Transportation Development Act primarily for the acquisition of rolling stock and support equipment, and purchase of furniture and fixtures.

A summary of federal, state, and local grant activity for the years ended June 30 is as follows:

	<u>2010</u>	<u>2009</u>
Federal Grants	\$ 6,629,512	\$ 6,194,664
State Grants	<u>231,735</u>	<u>8,047,847</u>
Total Capital Grants	<u>\$ 6,861,247</u>	<u>\$ 14,242,511</u>

Attachment A

NOTE 7 – COMMITMENTS

Santa Cruz METRO leases a number of its facilities under operating leases extending through 2015. For the years ended June 30, 2010 and 2009, rental expense relating to the leases was \$544,474 and \$728,350, respectively. Santa Cruz METRO also leases to others retail space in its transit facilities under noncancelable agreements. Minimum lease payments and receipts for existing operating leases are as follows:

Year Ending June 30	Lease Commitments	Rental Income	Net
2011	\$ 207,866	\$ 110,768	\$ 97,098
2012	214,726	84,917	129,809
2013	222,474	81,804	140,670
2014	182,954	80,696	102,258
2015	22,771	89,103	(66,332)
	<u>\$ 850,791</u>	<u>\$ 447,288</u>	<u>\$ 403,503</u>

NOTE 8 – JOINT VENTURES (Joint Powers Authority with CalTIP)

Santa Cruz METRO participates in a joint powers authority (JPA), the California Transit Insurance Pool (CalTIP). The relationship between Santa Cruz METRO and the JPA is such that the JPA is not a component unit of Santa Cruz METRO for financial reporting purposes.

CalTIP arranges for and provides property and liability insurance for its 25 members. CalTIP is governed by a board that controls the operations of CalTIP, including selection of management and approval of operating budgets, independent of any influence by the member districts. Each member district pays a premium commensurate with the level of coverage requested and shares in surpluses and deficits proportionate to their participation in CalTIP.

Condensed unaudited financial information of CalTIP for the years ended April 30 (most recent information available) is as follows:

	2010	2009
Total Assets	\$ 26,681,312	\$ 25,860,459
Total Liabilities	10,133,289	9,782,422
Fund Balance	<u>\$ 16,548,023</u>	<u>\$ 16,078,037</u>
Total Revenues	\$ 6,386,315	\$ 7,915,686
Total Expenditures	5,916,329	6,485,801
Net Increase in Fund Balance	<u>\$ 469,986</u>	<u>\$ 1,429,885</u>

CalTIP has not calculated Santa Cruz METRO's share of year-end assets, liabilities, or fund balance.

NOTE 9 – WATSONVILLE FLEET MAINTENANCE FACILITY SETTLEMENT RECEIPT

Santa Cruz METRO's fleet maintenance facility in Watsonville was damaged in the Loma Prieta earthquake (the earthquake) in October 1989. An engineering study concluded that the demolition of the existing facility and construction of a new facility was the most practical course of action. Therefore, the net book value of the facility was written off the books in a prior year.

Attachment A

NOTE 9 – WATSONVILLE FLEET MAINTENANCE FACILITY SETTLEMENT RECEIPT (Continued)

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, Santa Cruz METRO initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,538 in costs) to Santa Cruz METRO during fiscal year 1996, representing damages less attorney fees. FTA Section 3/5309 restricts the use of these proceeds, and the interest earned thereon. Accordingly, the net restricted amount of \$1,322,636 and \$3,092,552 is reflected on the statements of net assets as deferred revenue at June 30, 2010 and 2009, respectively.

NOTE 10 – CONTINGENCIES

Santa Cruz METRO has received state and federal funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, Santa Cruz METRO believes that any required reimbursement will not be material.

Additionally, Santa Cruz METRO is party to various claims and litigation in the normal course of business. In the opinion of management and in-house counsel, any ultimate losses have been adequately provided for in the basic financial statements.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

Plan Description

Santa Cruz METRO's defined benefit pension plan, the Miscellaneous Plan for Santa Cruz Metropolitan Transit District (the Plan), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. Santa Cruz METRO selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board of Directors action. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

There are 303 active plan members in the Plan as of June 30, 2010, which are required to contribute a percent of their annual covered salary. In lieu of salary increases and for employees who agreed to salary reductions in certain prior years, Santa Cruz METRO agreed to pay a portion of the employee contribution, based on formulas negotiated in their labor agreements. Santa Cruz METRO is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2010, was 13.383%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Attachment A

NOTE 11 – DEFINED BENEFIT PENSION PLAN (Continued)

Annual Pension Cost

For fiscal year ended June 30, 2010, Santa Cruz METRO's annual pension cost of \$2,151,927 was equal to Santa Cruz METRO's required and actual contributions. This includes Santa Cruz METRO's contribution to the employee contribution requirement. The required contribution for fiscal year ended June 30, 2010, was determined as part of the June 30, 2007, actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percentage of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administration expenses), (b) projected salary increases that vary by duration of service ranging from 3.25% to 14.45% for miscellaneous members, and (c) 3.25% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.0%. The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three-year period. The Plan's unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for the Plan

Three-year trend information, with respect to Santa Cruz METRO's participation in CalPERS, is as follows:

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 1,997,214	100%	\$ -
6/30/2009	\$ 2,215,058	100%	\$ -
6/30/2010	\$ 2,151,927	100%	\$ -

Required Supplementary Information

Supplementary information is intended to show the progress made towards funding benefit obligations. Required three-year supplemental information, available to date, for Santa Cruz METRO is as follows:

Valuation Date	Entry Age Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/2006	\$ 82,885,847	\$ 711,312,490	\$ 73,357	86.0%	\$ 157,022,920	
6/30/2007	\$ 90,009,906	\$ 781,252,158	\$ 57,748	87.5%	\$ 152,491,039	
6/30/2008	\$ 97,329,553	\$ 852,056,437	\$ 73,116	87.4%	\$ 166,035,532	
6/30/2009	\$ 109,418,745	\$ 899,621,182	\$ 97,563	81.9%	\$ 112,097,024	

NOTE 12 – DEFERRED COMPENSATION PLAN

Santa Cruz METRO offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and provisions of the Government Code of the State of California. The plan, available to all Santa Cruz METRO employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. Santa Cruz METRO employees participate in two such plans, the Great-West Life and Annuity Insurance (Great-West) plan and the other through CalPERS.

At June 30, 2010, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying statement of net assets as required under GASB Statement No. 27, *Accounting Standards for Pensions by State and Local Governmental Employers*.

Attachment A

NOTE 12 – DEFERRED COMPENSATION PLAN (Continued)

Complete financial statements for Great-West can be obtained from Great-West at 851 5 E. Orchard Road, Greenwood Village, CO 80111. Complete financial statements for CalPERS can be obtained from CalPERS at Lincoln Plaza North, 400 Q Street, Sacramento, CA 94229.

NOTE 13 – RISK MANAGEMENT

Santa Cruz METRO is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which Santa Cruz METRO carries commercial insurance. Santa Cruz METRO has established limited risk management programs for workers' compensation, and general and vehicular liability, as described in Note 1, as well.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The IBNR for workers' compensation was based on an actuarial study dated May 2010. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other economic and social factors. Changes in the balances of claims liabilities are as follows:

	<u>2010</u>	<u>2009</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 4,511,218	\$ 4,673,899
Incurred Claims (Including IBNR's)	(984,735)	(903,021)
Claim Payments	<u>556,594</u>	<u>740,340</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 4,083,077</u>	<u>\$ 4,511,218</u>

NOTE 14 – TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA ADMINISTRATIVE CODE

Santa Cruz METRO is subject to compliance with the TDA provisions, Sections 6634 and 6637 of the California Administrative Code and Sections 99267, 99268.1, and 99314.6 of the Public Utilities Code.

Section 6634

Pursuant to Section 6634, a transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs, less the required fares, and local support. Santa Cruz METRO did not receive TDA or State Transit Assistance revenues in excess of the prescribed formula amounts.

Section 6637

Pursuant to Section 6637, a claimant must maintain its accounts and records in accordance with the Uniform System of Accounts and Records for Transit Operators adopted by the State Controller. Santa Cruz METRO did maintain its accounts and records in accordance with the Uniform System of Accounts and Records for Transit Operators.

Sections 99267, 99268.1, and 99314.6

Pursuant to the TDA, Santa Cruz METRO is defined as an older operator and is not required to meet the fare box ratio requirement of the Act. Santa Cruz METRO has met the 5% expenditure limitation requirement.

Attachment A

NOTE 15 – PUBLIC TRANSPORTATION MODERNIZATION, IMPROVEMENT, AND SERVICE ENHANCEMENT ACCOUNT (PTMISEA)

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, Proposition 1B. Of the \$ 19.925 billion of State general obligation bonds authorized, \$4 billion was set aside by the State, as instructed by the statute, as the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

The audit of public transportation operator finances, pursuant to Section 99245 of the Public Utilities Code (PUC) and required under the TDA, was expanded to include verification of receipt and appropriate expenditure of PTMISEA bond funds.

The Santa Cruz County Regional Transportation Commission (SCCRTC) is responsible for allocating the Proposition 1B PUC Section 99313 funds in Santa Cruz County. In December 2007, the SCCRTC programmed 100% of its share of Section 99313 Proposition 1B PTMISEA funds (approximately \$2.1 million) to Santa Cruz METRO for the Consolidated MetroBase Project. Funds audited include the SCCRTC share of PUC Section 99313 Proposition 1B transit funds that have been passed-through to Santa Cruz METRO.

During the fiscal year ended June 30, 2010, Santa Cruz METRO earned interest of \$45,581 from the State's PTMISEA account for construction funding for the Consolidated MetroBase Project. As of June 30, 2010, qualifying expenditures of \$5,573,165 were incurred and the remaining balance of \$1,475,663 including accrued interest was deferred. Qualifying expenditures must be encumbered within three years from the date of the allocation and expended within three years from the date of the encumbrance.

**Schedule of PTMISEA Bond 1B Grants
For the Year Ended June 30, 2010**

	2010
Balance - beginning of the year	\$ 7,003,247
Receipts:	
Interest accrued 7/1/2009 through 6/30/2010	45,581
Expenses:	
MetroBase Construction	(5,573,165)
Balance - end of year	\$ 1,475,663

**Schedule of PTMISEA Bond 1B Grants
For the Year Ended June 30, 2009**

	2009
Balance - beginning of the year	\$ 4,442,909
Receipts:	
Warrant No. 63-181418 - Deposited 7/15/2009	2,480,910
Interest accrued 7/1/2008 through 6/30/2009	79,428
Expenses:	
MetroBase Construction	-
Balance - end of year	\$ 7,003,247

Attachment A

NOTE 16 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

Santa Cruz METRO provides post-retirement CalPERS medical benefits to qualified retired employees age 50 and older (including eligible dependents) who have completed at least five years of CalPERS eligible service. Santa Cruz METRO pays medical premiums depending on bargaining union contract requirements. If the retiree has ten years of Santa Cruz METRO eligible service, Santa Cruz METRO provides post-retirement dental and vision benefits for qualified retirees (including eligible dependents), and life insurance for the retiree only, until the retiree reaches age 65. Bus operators who retired and reached the age of 65 prior to June 30, 1994, will continue to receive dental and vision coverage beyond age 65. Life insurance is not provided to management retirees who retired prior to July 1, 2005. The costs of providing these benefits are recognized when paid. Santa Cruz METRO has recognized approximately \$1,597,810 and \$1,557,326 of expense for these benefits for the years ending June 30, 2010 and 2009, respectively.

Annual OPEB Cost and Net OPEB Obligation

Santa Cruz METRO's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. For fiscal year 2009-10, Santa Cruz METRO's annual OPEB cost was \$2,556,820. Santa Cruz METRO's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2010, were as follows:

Annual required contribution	\$ 4,140,013
Interest on net OPEB obligation	128,063
Adjustments to annual required contribution	<u>(113,446)</u>
 Annual OPEB cost	 4,154,630
 Contributions made	 <u>1,597,810</u>
 Change in net OPEB obligation (asset)	 2,556,820
 Net OPEB obligation (asset) - beginning of year	 <u>2,561,254</u>
 Net OPEB obligation (asset) - end of year	 <u><u>\$ 5,118,074</u></u>

Year Ended June 30,	Annual OPEB Cost	Actual Perce Employer Contributions	ntage of Annual OPEB Cost Contributed	Net Ending OPEB Obligation (Asset)
2009	\$ 3,980,818	\$ 1,419,564	35.66%	\$ 2,561,254
2010	\$ 4,154,630	\$ 1,597,810	38.46%	\$ 5,118,074

Funding Policy, Funded Status, and Funding Progress

Santa Cruz METRO's required contribution is based on pay-as-you-go financing requirements. For fiscal year 2009-10, Santa Cruz METRO contributed \$1,597,810 to the plan.

As of April 1, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$43,442,791, all of which was unfunded.

Attachment A

NOTE 16 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (Continued)

Funding Policy, Funded Status, and Funding Progress (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and probability about the occurrence of future events far into the future. Amounts determined regarding the funded status of a plan and the annual required contributions of Santa Cruz METRO are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, will present multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations.

The actuarial assumptions used for rates of employee turnover, retirement, and mortality, as well as economic assumptions regarding healthcare inflation and interest were based on a standard set of actuarial assumptions modified as appropriate for Santa Cruz METRO. Turnover rates were taken from CalPERS actuarial table for miscellaneous employees, which closely matches Santa Cruz METRO turnover experience. Retirement rates were also based on Santa Cruz METRO experience. Healthcare inflation rates are based on actuarial analysis of recent Santa Cruz METRO experience and actuarial knowledge of the general healthcare environment. The actuarial assumption to determine the cost of covering early retirees (those under the age of 65) was an age-specific claims cost matrix fitted to the average estimated equivalent one-party premium for the current retiree group. Healthcare costs were assumed to increase by 3% per year of age for ages under 65. The unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis over 30 years. The remaining amortization period as of June 30, 2010, was 29 years.

Attachment A

REQUIRED SUPPLEMENTARY INFORMATION

Attachment A

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2010**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
4/1/2010	\$ (13,048,300)	\$ 44,208,804	\$ 42,346,100	42.34%	\$ 30,506,898	
4/1/2008	\$ -	\$ 44,208,804	\$ 44,208,804		\$ 30,535,279	

Attachment A

SUPPLEMENTARY INFORMATION

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT STATEMENTS OF OPERATING EXPENSES FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010	2009
Labor		
Operators' salaries and wages	\$ 7,411,965	\$ 7,571,893
Other salaries and wages	6,260,879	6,161,034
Overtime	2,095,294	1,771,761
	15,768,138	15,504,688
Fringe Benefits		
Absence with pay	3,146,948	3,017,547
Pension plans	2,151,927	2,215,059
Vision, medical, and dental plans	5,963,749	5,934,447
Workers' compensation insurance	128,453	577,659
Disability insurance	408,638	388,509
Other fringe benefits	191,192	174,116
Other post employment benefits	2,556,820	2,561,254
	14,547,727	14,868,591
Services		
Accounting	88,407	79,984
Administrative and banking	184,567	185,856
Professional and technical services	600,387	350,007
Security 341	,990	358,207
Outside repairs	813,428	790,841
Other services	148,140	163,844
	2,176,919	1,928,739
Materials and Supplies Consumed		
Fuels and lubricants	1,595,353	1,454,579
Tires and tubes	201,950	180,368
Vehicle parts	600,455	460,132
Other materials and supplies	260,626	294,828
	2,658,384	2,389,907
Utilities	453,148	431,353
Casualty and Liability Costs	691,738	685,475
Taxes and Licenses	47,576	43,847
Purchased Transportation Services		
Paratransit	294,183	176,002
Miscellaneous Expenses	139,102	144,675
Equipment and Facility Lease	556,380	744,327
Depreciation		
Property acquired with operator funds	393,121	442,630
Property acquired by federal, state, or TDA funds	4,491,766	4,614,858
	7,067,014	7,283,167
Total Operating Expenses	\$ 42,218,182	\$ 41,975,092

Attachment A

OTHER SCHEDULES AND REPORTS

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2010

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grantor's Number</u>	<u>Total Federal Expenditures</u>
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Federal Transit Administration (FTA)			
Section 9/5307			
ARRA - Operating Assistance	20.507*	CA-96-X030	\$ 205,000
Operating Assistance	20.507*	CA-90-Y751	3,645,442
ARRA - PC Vans, Fareboxes, IT Equipment	20.507*	CA-95-X030	<u>177,330</u>
			<u>4,027,772</u>
Section 18/5311			
Operating Assistance	20.509	649170	<u>170,894</u>
New Freedom - Trapeze Pass IVR	20.509	64719	54,406
AMBAG - Transit Planning - Rotational Intern	20.515	WE 670	<u>4,351</u>
			<u>58,757</u>
Total Expenditures of Federal Awards			<u>\$ 4,257,423</u>

* Major federal financial assistance program.

See accompanying notes to schedule of federal financial assistance.

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2010

NOTE 1 – GENERAL

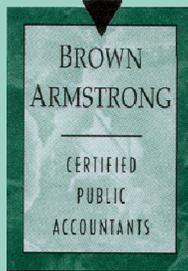
The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO). Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agents, is included on the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Federal capital grant funds are used to purchase property, plant, and equipment. Federal grants receivable are included in capital and operating grants receivable, which also includes receivables from state and local grant sources.

Attachment A

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS AND THE RULES AND REGULATIONS OF THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District, as of and for the year ended June 30, 2010, and have issued our report thereon dated December 21, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the rules and regulations of the California Transportation Development Act.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Santa Cruz Metropolitan Transit District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Santa Cruz Metropolitan Transit District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Santa Cruz Metropolitan Transit District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Attachment A

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Santa Cruz Metropolitan Transit District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. We also performed tests of its compliance with the rules and regulations of the California Transportation Development Act. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the Santa Cruz Metropolitan Transit District in a separate letter dated December 21, 2010.

This report is intended solely for the information and use of management, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

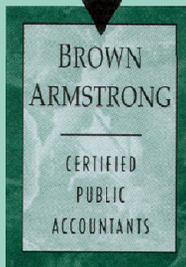
BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
December 21, 2010

Attachment A

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

Compliance

We have audited the Santa Cruz Metropolitan Transit District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Santa Cruz Metropolitan Transit District's major federal programs for the year ended June 30, 2010. The Santa Cruz Metropolitan Transit District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on the Santa Cruz Metropolitan Transit District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Santa Cruz Metropolitan Transit District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Santa Cruz Metropolitan Transit District's compliance with those requirements.

In our opinion, the Santa Cruz Metropolitan Transit District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Santa Cruz Metropolitan Transit District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Santa Cruz Metropolitan Transit District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of Santa Cruz Metropolitan Transit District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Santa Cruz Metropolitan Transit District's internal control over compliance.

Attachment A

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BROWN
ACCO

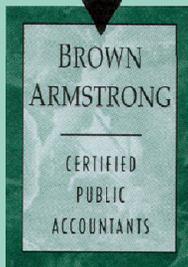
ARMSTRONG
UNTANCY CORPORATION



Bakersfield, California
December 21, 2010

Attachment A

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REPORT ON COMPLIANCE WITH THE CALIFORNIA TRANSPORTATION DEVELOPMENT ACT

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO), as of and for the year ended June 30, 2010, and have issued our report thereon dated December 21, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Santa Cruz METRO is the responsibility of the management of Santa Cruz METRO. As part of obtaining reasonable assurance about whether Santa Cruz METRO basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. Additionally, we performed tests to determine that allocations made and expenditures paid by Santa Cruz METRO were made in accordance with the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission and in conformance with the California Transportation Development Act. Specifically, we performed each of the specific tasks identified in the California Code of Regulations Sections 6666 and 6667 that are applicable to Santa Cruz METRO. In connection with our audit, nothing came to our attention that caused us to believe Santa Cruz METRO failed to comply with the Statutes, Rules, and Regulations of the California Transportation Development Act and the allocation instructions and resolutions of the Transportation Commission. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

In November 2006, California voters passed a bond measure enacting the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. Of the \$19.925 billion of State general obligation bonds authorized, \$4 billion was set aside by the State, as instructed by the statute, as the Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA). These funds are available to the California Department of Transportation for intercity rail projects and to transit operators in California for rehabilitation, safety, or modernization improvements; capital service enhancements or expansions; new capital projects; bus rapid transit improvements; or for rolling stock procurement, rehabilitation, or replacement.

Attachment A

During the fiscal year ended June 30, 2010, Santa Cruz METRO applied for and received \$0 from the State's PTMISEA funds for the purpose of construction of the Consolidated MetroBase Project. As of June 30, 2010, PTMISEA interest received and funds expended were verified in the course of our audit as follows:

Schedule of PTMISEA Bond 1B Funds For the Year Ended June 30, 2010	
Description	Amount
Balance – beginning of the year	\$ 7,003,247
Proceeds received:	
Interest earned	45,581
Expenses incurred:	
MetroBase Construction	(5,573,165)
Balance – end of year	<u>\$ 1,475,663</u>

The results of our tests indicated that, with respect to the items tested, Santa Cruz METRO complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Santa Cruz METRO had not complied, in all material respects, with those provisions.

This report is intended for the information of management, the Board of Directors, the State Controller's Office, the U.S. Department of Transportation, and officials of applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

BROWN
ACCO

ARMSTRONG
UNTANCY CORPORATION



Bakersfield, California
December 21, 2010

Attachment A

FINDINGS AND QUESTIONED COSTS SECTION

Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2010

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? Yes No

Significant deficiencies identified? Yes N one reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness identified? Yes No

Reportable conditions identified that are not considered to be material weaknesses? Yes N one reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? Yes No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Clusters

20.507

Federal Transit Administration-Section 9

Dollar threshold used to distinguish Type A & B programs: \$300,000

Auditee qualified as low risk auditee? Yes No

Attachment A

II. Findings Relating to Financial Statements Required Under Generally Accepted Government Auditing Standards

None.

III. Federal Award Findings and Questioned Costs

None.

IV. State Award Findings and Questioned Costs

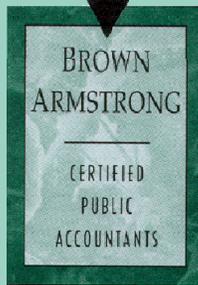
None.

V. A Summary of Prior Audit (all June 30, 2009) Findings and Current Year Status Follows

None.

Attachment B

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Andrew J. Paulden, CPA
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Chris M. Thornburgh, CPA
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REQUIRED COMMUNICATION TO THE BOARD OF DIRECTORS IN ACCORDANCE WITH PROFESSIONAL STANDARDS

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2010, and have issued our report thereon dated December 21, 2010. Professional standards require that we provide you with the following information related to our audit. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2010. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Santa Cruz METRO are described in Note 1 to the financial statements. New accounting policies adopted during the year ended June 30, 2010, are Governmental Accounting Standards Board (GASB) Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. These statements did not have an effect on the financial position of Santa Cruz METRO. We noted no transactions entered into by Santa Cruz METRO during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the basic financial statements were:

- Management's estimate of the accrued claims and depreciation expense is based on management's past experience and expected useful life.
- Actuarial Assumptions and Methods Underlying Other Postemployment Benefits (OPEB) Liability – Management's acceptance of various actuarial assumptions and methods underlying the calculation of Santa Cruz METRO's OPEB liability is based on the actuarial valuation prepared by Total Compensation Systems, Inc.

We evaluated the key factors and assumptions used to develop the accrued claims and depreciation expense in determining that it is reasonable in relation to the basic financial statements taken as a whole.

REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Attachment B

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the basic financial statements were:

- The disclosure of depreciation expense in Note 4 to the financial statements is based on management's assumption of the asset's expected useful life.
- The disclosure of the Annual OPEB Cost and Net OPEB Obligation in Note 16 to the financial statements is based on actuarial assumptions adopted by management.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material to the basic financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 21, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Santa Cruz METRO's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Santa Cruz METRO's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board of Directors and management of Santa Cruz Metropolitan Transit District and is not intended to be and should not be used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

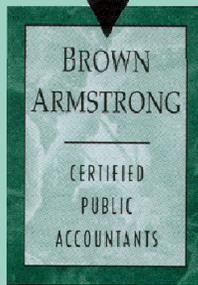


By: Steven R. Starbuck

Bakersfield, California
December 21, 2010

Attachment C

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AGREED UPON FINDINGS DESIGNED TO INCREASE EFFICIENCY, INTERNAL CONTROLS AND/OR FINANCIAL REPORTING

To the Board of Directors
Santa Cruz Metropolitan Transit District
Santa Cruz, California

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) for the year ended June 30, 2010, and have issued our report thereon dated December 21, 2010. In planning and performing our audit of the basic financial statements of Santa Cruz METRO, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

As a result of our audit, we noted two agreed-upon findings. These findings and recommendations, which have been discussed with the appropriate members of management, are intended to improve the internal control structure or result in other efficiencies and are summarized as follows:

Current Year Findings and Recommendations

Finding 1

Santa Cruz METRO does not perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.

Recommendation

Santa Cruz METRO should perform ticket-related procedures that determine whether ticket sales are accurately reported and that tickets in inventory are safeguarded. The reconciliation should be performed at least semi-annually until the process results in a tolerable variance level.

Management Response

Management agrees with the recommendation. In December 2010, Santa Cruz METRO installed new GFI Genfare Odyssey Validating Fareboxes on the fixed route bus fleet. This new farebox technology eliminates the requirement of a pre-printed ticket inventory. All tickets are now issued on demand from a farebox, a Printer Encoder Machine (PEM) or from a Ticket Vending Machine (TVM). The tickets are printed on paper that is not negotiable until it is validated by a farebox, PEM or TVM. Finance staff will work with Operations Management and the staff at Metro Center to draft new ticket-related procedures to reconcile all ticket sales to revenue collected, and assure that ticket sales are accurately reported. The reconciliation process will be performed at least semi-annually and monitored until it is determined that the process results in a tolerable variance level. We anticipate the new ticket reconciliation process to be in place by Spring 2011.

Attachment C

Current Year Disposition of Prior Year Finding and Recommendation

Finding 1

Santa Cruz METRO does not perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.

Recommendation

Santa Cruz METRO should perform ticket-related procedures that determine whether ticket sales are accurately reported and that tickets in inventory are safeguarded. The reconciliation should be performed at least semi-annually until the process results in a tolerable variance level.

Management Response

Finance Management created reconciliations between tickets received, ticket sales, and revenue collected to assist in accurate reporting of ticket sales. However, the new policy and procedures for ticket reconciliation will not be implemented until late 2009 due to the ticketing manager retiring from Santa Cruz METRO in October. The replacement ticketing manager will be trained on the new reconciliation policies and procedures to ensure the process is accurately adopted.

Current Year Status

See current year Finding 1.

This information is intended solely for the use of the Board of Directors and management of Santa Cruz Metropolitan Transit District should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

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By: Steven R. Starbuck

Bakersfield, California
December 21, 2010