

AGENDA
SANTA CRUZ METRO BOARD OF DIRECTORS
REGULAR MEETING OF APRIL 13, 2012
8:30 AM



Mission Statement: "To provide a public transportation service that enhances personal mobility and creates a sustainable transportation option in Santa Cruz County through a cost-effective, reliable, accessible, safe, clean and courteous transit service."

**THE BOARD MEETING AGENDA PACKET CAN BE FOUND ONLINE AT
WWW.SCMTD.COM AND IS AVAILABLE FOR INSPECTION AT SANTA CRUZ METRO'S
ADMINISTRATIVE OFFICES LOCATED AT 110 VERNON STREET, SANTA CRUZ, CALIFORNIA**

Director Lynn Robinson, City of Santa Cruz – Chair
Director Daniel Dodge, City of Watsonville – Vice Chair
Director Margarita Alejo, City of Watsonville
Director Hilary Bryant, City of Santa Cruz
Director Dene Bustichi, City of Scotts Valley
Director Ron Graves, City of Capitola
Director Michelle Hinkle, County of Santa Cruz
Director Deborah Lane, County of Santa Cruz
Director John Leopold, County of Santa Cruz
Director Ellen Pirie, County of Santa Cruz
Director Mark Stone, County of Santa Cruz
Ex-Officio Director Donna Blitzer, UC Santa Cruz

Leslie R. White, General Manager / Secretary of the Board
Margaret Gallagher, District Counsel

INTERPRETATION SERVICES / SERVICIOS DE TRADUCCIÓN

Spanish language translation is available on an as needed basis. Please make advance arrangements with Tony Tapiz, Administrative Services Coordinator at 831-426-6080. Traducción al español está disponible de forma según sea necesario. Por favor, hacer arreglos por adelantado con Tony Tapiz, Coordinador de Servicios Administrativos al numero 831-426-6080.

AMERICANS WITH DISABILITIES ACT

 The METRO Administrative Offices are located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, or to access the agenda and the agenda packet, should 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. For information regarding this agenda or interpretation services, please call Santa Cruz METRO at 831-426-6080.

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**MEETING LOCATION:
SANTA CRUZ METRO ADMINISTRATIVE OFFICES
110 VERNON STREET, SANTA CRUZ, CALIFORNIA**

8:30 A.M.

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

SECTION I: OPEN SESSION

1. ROLL CALL

2. ORAL AND WRITTEN COMMUNICATIONS

This time is set aside for Directors and members of the general public to address any item not on the Agenda which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Santa Cruz METRO will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. Any Director may place matters brought up under Oral and Written Communications on a future agenda. In accordance with District Resolution 69-2-1, speakers appearing at a Board meeting shall be limited to three minutes in his or her presentation. Any person addressing the Board may submit written statements, petitions or other documents to complement his or her presentation. 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.

3. LABOR ORGANIZATION COMMUNICATIONS

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

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

5-1. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN ASSIGNMENT OF THE LEASE AGREEMENT WITH LUCIANA ABREGO, DBA TAQUERIA EL DANDY TO CYNTHIA AGUADO AND EVA AVALOS, DBA TAQUERIA EL DANDY FOR THE KIOSK SPACE AT PACIFIC STATION, EFFECTIVE APRIL 1, 2012, AND THE CONSENT TO TRANSFER LEASE TO FACILITATE THE TRANSFER

Submitted by Margaret Gallagher, District Counsel

5-2. NOTICE OF ACTIONS TAKEN IN CLOSED SESSION: MANNY GARBEZ V. SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (BEFORE THE WORKERS' COMPENSATION APPEAL BOARD); LINDA BURKE V. SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (BEFORE THE WORKERS' COMPENSATION APPEAL BOARD)

Submitted by Margaret Gallagher, District Counsel

5-3. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF FEBRUARY 2012

Submitted by Angela Aitken, Finance Manager

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- 5-4. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORTS YEAR TO DATE AS OF FEBRUARY 29, 2012**
Submitted by Angela Aitken, Finance Manager
- 5-5. ACCEPT AND FILE METRO PARACRUZ OPERATIONS STATUS REPORT FOR JANUARY 2012**
Submitted by April Warnock, Paratransit Superintendent
- 5-6. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH MISSION LINEN & UNIFORM SERVICE FOR FURNISHING UNIFORMS, FLAT GOODS AND LAUNDRY SERVICES FOR AN AMOUNT NOT TO EXCEED \$20,000**
Submitted by Erron Alvey, Purchasing Agent
- 5-7. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH EVERGREEN OIL, INC. FOR INDUSTRIAL WASTE DISPOSAL AND INDUSTRIAL WASTE EMERGENCY RESPONSE SERVICES FOR AN AMOUNT NOT TO EXCEED \$25,000**
Submitted by Erron Alvey, Purchasing Agent

REGULAR AGENDA

- 6. CONSIDERATION OF RESOLUTION APPROVING THE FY12 REVISED BUDGET AS OF APRIL 2012**
Presented by Angela Aitken, Finance Manager
- 7. CONSIDERATION OF IMPLEMENTATION OF A MOBILE MUSE (POETRY ON THE BUSES) PROGRAM ON THE INSIDE OF SANTA CRUZ METRO'S BUSES INCLUDING SELECTING A METRO EMPLOYEE AND METRO RIDER AS CANDIDATES FOR THE SELECTION PANEL WHO WILL CHOOSE THE POETRY ON THE BUSES**
Presented by Margaret Gallagher, District Counsel
- 8. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO ENTER INTO NEGOTIATIONS FOR THE DEVELOPMENT OF A PROJECT LABOR AGREEMENT FOR THE CONSTRUCTION OF THE METROBASE OPERATIONS BUILDING AND BUS PARKING FACILITY**
Presented by Les White, General Manager
- 9. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE AGREEMENT WITH MACCARIO BARRIENTOS AND LUIS BARRIENTOS FOR THE LEASE OF THE BART CAVALLARO TRANSIT CENTER, INCLUDING JANITORIAL DUTIES**
Presented by Margaret Gallagher, District Counsel
- 10. ORAL ANNOUNCEMENT**
The next regularly scheduled Board meeting will be held Friday, April 27, 2012 at 9:00 a.m. at the Santa Cruz City Council Chambers located at 809 Center Street, in Santa Cruz.

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11. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Presented by Margaret Gallagher, District Counsel

12. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION II: CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

(Pursuant to Government Code Section 54956.9)

Name of Case: Ricardo Yopez v. SCMTD
(Before the Workers' Compensation Appeals Board)

Name of Case: Michelle Fitzpatrick v. SCMTD
(Before the Workers' Compensation Appeals Board)

CONFERENCE WITH LABOR NEGOTIATOR

(Pursuant to Government Code Section 54957.6)

Agency Negotiators: Leslie R. White, General Manager, Robyn Slater, Human Resources, Ciro Aguirre, Operations Manager

1. Employee Organization: United Transportation Union (UTU), Local 23 Fixed Route
2. Employee Organization: United Transportation Union (UTU), Local 23 Paracruz
3. Employee Organization: Service Employees International Union (SEIU), Local 521

SECTION III: RECONVENE TO OPEN SESSION

13. REPORT OF CLOSED SESSION

14. ADJOURNMENT

Adjourn to the next regularly scheduled Board Meeting on Friday, April 27, 2012 at 9:00 a.m. at the Santa Cruz City Council Chambers, located at 809 Center Street, in Santa Cruz.

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

The agenda packet and materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmttd.com subject to staff's ability to post the document before the meeting.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: March 9, 2012

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN ASSIGNMENT OF THE LEASE AGREEMENT WITH LUCIANA ABREGO, DBA TAQUERIA EL DANDY TO CYNTHIA AGUADO AND EVA AVALOS, DBA TAQUERIA EL DANDY FOR THE KIOSK SPACE AT PACIFIC STATION EFFECTIVE APRIL 1, 2012, AND THE CONSENT TO TRANSFER LEASE TO FACILITATE THE TRANSFER

I. RECOMMENDED ACTION

Authorize the General Manager to execute the Assignment of Lease with Luciana Abrego, dba Taqueria El Dandy to Cynthia Aguado and Eva Avalos dba Taqueria El Dandy for the kiosk space at Pacific Station effective April 1, 2012, and the Consent To Transfer Lease to facilitate the transfer.

II. SUMMARY OF ISSUES

- On March 1, 2006 Luciana Abrego was approved by the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) Board of Directors as an additional lessee on an existing Lease Agreement between Eulalio Abrego dba Taqueria El Dandy at Pacific Station and has been doing business at Pacific Station since that time..
- In February of 2010, Ms. Abrego entered into a new five-year Lease Agreement with Santa Cruz METRO at Pacific Station for Taqueria El Dandy.
- Ms. Abrego has recently found a buyer for her business and would like Santa Cruz METRO to accept the new buyers/owners of Taqueria El Dandy as new tenants at Pacific Station.
- The prospective new buyers have submitted financial information to Santa Cruz METRO staff to provide an overview of the business as well as their personal financial situation. The new buyers have been helping run the business and have previous and current experience in running a Taqueria.
- If the Lease Assignment is approved by Santa Cruz METRO, the new buyers will accept the assignment of Lease under the same terms and conditions, including the option of extending the current Lease for an additional five years after the initial term has ended on January 31, 2015.

III. DISCUSSION

Luciana Abrego began managing and running Taqueria El Dandy at Pacific Station with her brother-in-law Eulalio Abrego, a Santa Cruz METRO bus operator in February of 2005. Santa Cruz METRO authorized adding Ms. Abrego's name as a lessee to the Lease Agreement in 2006 pursuant to Mr. Abrego's request. In February 2010, Ms. Abrego began a new Lease as the only lessee on the Agreement and has been solely running the taqueria since that time.

Ms. Abrego and her husband have recently sold their business to Cynthia Aguado and Eva Avalos, also training them to run the Taqueria and take over the business at Pacific Station for the last several months. Ms. Aguado and Ms. Avalos have submitted financial information for Santa Cruz METRO's Property and Leasing Committee to review as well as a business plan, financial projections and a menu. Additionally, Ms. Abrego has worked out an agreement with the new owners to sell the necessary business equipment for their immediate use in the business.

If accepted, Ms. Aguado and Ms. Avalos would begin a Lease Assignment under the same terms and conditions of the taqueria's current Lease. The initial term of the lease will terminate on 1/31/15, but includes an option to extend the Lease by an additional five years, with the mutual agreement of both Landlord and Tenant. Ms. Abrego would remain on the Lease through the initial term.

It is recommended that the Board allow and accept the Assignment of Lease as set forth above.

IV. FINANCIAL CONSIDERATIONS

Rent for the restaurant space is currently \$522.22 per month with annual CPI adjustments.

V. ATTACHMENTS

Attachment A: Assignment of Lease

Attachment B: Consent to Transfer Lease

ATTACHMENT A

ASSIGNMENT OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT DATED FEBRUARY 1, 2010

THIS IS AN ASSIGNMENT of Lease by and among Santa Cruz Metropolitan Transit District ("**Landlord**"), Luciana Abrego, ("**Tenant**"), and Cynthia Aguado and Eva Avalos, ("**Assignees**").

For good consideration, it is agreed by and among the parties that:

1. The Tenants hereby assign, transfer and deliver to the Assignees all of the Tenant's rights in and to a certain lease between the Tenants and the Landlord for certain premises which consist generally of approximately 400 Square feet of kiosk space in the island concession area of the Center commonly called Pacific Station, located at 920 Pacific Avenue, Santa Cruz, California under a lease dated February 1, 2010, (the "**Lease**"). Notwithstanding the foregoing, Tenants agree that this Assignment shall not discharge the Tenants of its obligations to Landlord under the Lease in the event of the breach of same by the Assignees. A copy of the Lease is attached hereto as Exhibit A and made a part hereof by reference.
2. The Assignees agree to accept the said Lease, to pay all rents and punctually perform all of the Tenant's obligations under the said Lease accruing on and after the date of delivery of possession to the Assignees as contained herein. The Assignees further agree to indemnify and save harmless the Tenants from any breach of the Assignees' obligations hereunder.
3. The parties acknowledge that the Tenants shall deliver possession of the leased premises to the Assignees on or about April 1, 2012, and that time is of the essence. All rents and other charges accrued under the Lease prior to said date shall be fully paid by the Tenants, and thereafter by the Assignees.
4. Furthermore, Assignees shall reimburse Tenants for the amount of the Security Deposit upon signing this Agreement. If Assignees do not fulfill any of its obligations under the Lease, Landlord may apply the Security Deposit on account of such obligation or to reimburse Landlord for any sum that Landlord may expend due to Tenant's or Assignees' default. If Landlord applies any part of the Security Deposit, Assignees (and Tenants upon failure of Assignees), immediately after notice from Landlord, shall deposit with Landlord the amount so applied so that Landlord shall have the full Security Deposit available at all times during the term of the lease.

ATTACHMENT A

5. The Landlord hereby consents to the assignment of lease, provided that:
 - a) Consent to the assignment shall not discharge the Tenants of its obligations under the Lease in the event of the breach of same by the Assignees.
 - b) All monies due and owing to Landlord by Tenants and previous Assignees are paid in full at the time of Assignment.
 - c) In the event of breach by the Assignees, the Landlord shall provide the Tenants with written notice of same and the Tenants shall have full rights to commence all actions to recover possession of the leased premises (in the name of Landlord, if necessary) and retain all rights for the duration of the said Lease provided it shall immediately upon notification, pay all outstanding and unpaid rents and cure any other default.
 - d) There shall be no further assignment of lease without the prior written consent of Landlord.
6. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally by depositing the same in the United States Postal Service, registered or certified mail, return receipt requested with the postage prepaid, addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address by compliance with this section. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this paragraph.

Landlord:

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
ATTN: Secretary/General Manager

Tenant:

Luciana Abrego
7141 Soquel Drive
Aptos, CA 95003

Assignees:

Cynthia Aguado and Eva Avalos
1040 Nueva Vista Avenue
Watsonville, CA 95076

ATTACHMENT A

7. This agreement shall be binding upon and inure to the benefit of the parties, their successors, assigns and personal representatives.

Signed this _____ day of March 2012

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT (LANDLORD)**

**DBA TAQUERIA EL DANDY
(TENANT)**

Leslie R. White
General Manager

Luciana Abrego

**DBA TAQUERIA EL DANDY
(ASSIGNEES)**

Cynthia Aguado

Eva Avalos

ATTACHMENT A

EXHIBIT A

LEASE ON FILE AT METRO'S ADMINISTRATIVE OFFICES

ATTACHMENT B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

CONSENT TO TRANSFER LEASE

THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT HEREBY CONSENTS TO THE LEASE ASSIGNMENT FOR THE KIOSK SPACE IN THE ISLAND CONCESSION AREA OF THE CENTER COMMONLY KNOWN AS PACIFIC STATION FROM THE LEASE AGREEMENT WITH LUCIANA ABREGO, DBA TAQUERIA EL DANDY TO CYNTHIA AGUADO AND EVA AVALOS, DBA TAQUERIA EL DANDY EFFECTIVE APRIL 1, 2012 IN ACCORDANCE WITH PURCHASE AGREEMENT BETWEEN TENANT LUCIANA ABREGO AND ASSIGNEES CYNTHIA AGUADO AND EVA AVALOS.

Dated: March _____, 2012

Leslie White
General Manager

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

NOTICE OF ACTION TAKEN IN CLOSED SESSION MEMORANDUM

DATE: April 13, 2012

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: Notification Of Actions Taken In Closed Session Regarding The Following:
Manny Garbez v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

1. Settlement of Manny Garbez v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

On December 16, 2011, in closed session you authorized settlement in this matter in the amount of \$36,000.00 through a Compromise and Release of all Claims. The following directors authorized the settlement: Directors Bryant, Bustichi, Dodge, Graves, Hagen, Hinkle, Leopold, Neighbors, Pirie and Robinson. Director Stone was absent. Pursuant to this direction, an executed Compromise and Release was filed at the Worker's Compensation Appeals Board and the Award Approving the Compromise and Release was signed by the Administrative Law Judge on March 15, 2012.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

NOTICE OF ACTION TAKEN IN CLOSED SESSION MEMORANDUM

DATE: April 13, 2012

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: Notification Of Actions Taken In Closed Session Regarding The Following:
Linda Burke v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

1. Settlement of Linda Burke v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

On October 14, 2011, in closed session you authorized settlement in this matter in the amount of \$34,373.50 by way of Stipulations with Request for Award and allowing deductions of permanent disability payments previously paid. The following directors authorized the settlement: Directors Alejo, Bryant, Bustichi, Dodge, Graves, Hagen, Hinkle, Leopold, Pirie, Robinson and Stone. Pursuant to this direction, executed Stipulations with Request for Award were submitted to the Workers' Compensation Appeals Board and the WCAB Award was signed by the Administrative Law Judge on March 26, 2012.

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

DATE: 02/01/12 THRU 02/29/12

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
40941	02/14/12	-500.00 002991		HASTINGS, JENNIFER LYNNE	7	42964	EMPLOY TRAINING	-500.00	**VOID
41438	02/01/12	-966.29 001272		CITY OF SANTA CRUZ - PLANNING		44184	LANE 4 PROJECT	-18.48	**VOID
41540	02/07/12	-218.49 186		WILSON, GEORGE H., INC.		44185	METRO CENTER FENCING	-947.81	
41543	02/01/12	5,000.00 R539		ROBERT MARIN &		44308	RPRS & MAINT/FAC	-218.49	**VOID
41544	02/06/12	298.09 001193		AA GLASS SHOP		44475	REPAIR FEE	5,000.00	
41545	02/06/12	2,474.50 002978		AAA FENCE COMPANY	7	44406	GLASS REPLACE/WTC	298.09	
41546	02/06/12	1,050.00 001141		AMERICAN BUSINESS SYSTEMS, INC		44405	CHAIN LNK FNC 138 GC	2,474.50	
41547	02/06/12	250.67 002861		AMERICAN MESSAGING SVCS, LLC		44407	2/1-6/30/12 MAINT	1,050.00	
41548	02/06/12	4,369.82 001D		AT&T		44468	FEB PAGERS	250.67	
41549	02/06/12	1,580.40 011		BEWLEYS CLEANING	7	44438	12/19-1/18/12 PHONES	4,178.12	
41550	02/06/12	9,730.00 003005		BIGGAM, CHRISTENSEN & MINSLOFF		44439	CALL FORWARD PARTS	39.66	
41551	02/06/12	521.72 002189		BUS & EQUIPMENT		44440	FAX LINE INSTALL PTS	152.04	
41552	02/06/12	3,010.31 002627		CDW GOVERNMENT, INC.		44442	DEC JANITORIAL	774.00	
41553	02/06/12	18.48 001272		CITY OF SANTA CRUZ - PLANNING		44443	JAN JANITORIAL	806.40	
41554	02/06/12	55.90 667		CITY OF SCOTT'S VALLEY		44469	PROF SVCS/RISK	9,730.00	
41555	02/06/12	2,272.20 909		CLASSIC GRAPHICS		44441	REV VEH PARTS/PT	521.72	
41556	02/06/12	32,996.51 001124		CLEAN ENERGY		44545	OFFICE SUPPLY/IT	728.17	
41557	02/06/12	304.02 075		COAST PAPER & SUPPLY INC.		44546	POLYCOM SIP POE	2,282.14	
41558	02/06/12	1,678.00 003003		COMMERCIAL ENVIRONMENT		44476	LANE 4 PROJECT	18.48	
41559	02/06/12	420.71 001329		DOC AUTO LLC		44445	11/15-1/15 SVTC	55.90	
41560	02/06/12	45.00 002388		DOGHERRA'S		44409	OUT RPR #9830	2,272.20	
41561	02/06/12	42.00 298		ERGOMETRICS		44446	LNG 1/7/12	8,391.94	
41562	02/06/12	33.00 T218		FIENE, CAROLYN		44447	LNG 1/10/12	7,208.03	
41563	02/06/12	45.00 002295		FIRST ALARM		44448	LNG 1/13/12	9,591.63	
41564	02/06/12	27,812.28 002952		FLYERS ENERGY LLC		44449	LNG 1/16/12	7,804.91	
41565	02/06/12	1,279.23 647		GFI GENFARE		44408	CLEAN SUPPLY/FAC	175.77	
41566	02/06/12	815.94 T219		GORDON, RONALD		44444	CLEAN SUPPLY/FAC	128.25	
41567	02/06/12	219.75 001097		GREENWASTE RECOVERY, INC.		44473	JAN LANDSCAPE SVCE	1,678.00	
41568	02/06/12	13,765.29 001745		HARTFORD LIFE AND ACCIDENT INS		44410	OUT RPR #503	420.71	
41569	02/06/12	228.76 002313		HARTSELL & OLIVIERI	7	44450	OUT RPR REV VEH/PT	45.00	
						44411	PT OPERATOR TESTING	42.00	
						44412	PC10228	33.00	
						44470	DEC DISPATCH	45.00	
						44413	12/1-12/15/FUEL PT	9,782.25	
						44414	1/1-1/15/FUEL PT	7,790.86	
						44415	12/16-12/31/FUEL PT	7,579.29	
						44471	1/1-1/15 FUEL/FLT	2,630.81	
						44472	PROPANE/FLT	29.07	
						44452	REV VEH PARTS/FL	131.75	
						44453	REV VEH PARTS/FL	16.44	
						44454	REV VEH PARTS/FL	250.00	
						44455	REV VEH PARTS/FL	84.07	
						44456	REV VEH PARTS/FL	162.86	
						44457	REV VEH PARTS/FL	378.30	
						44458	REV VEH PARTS/FL	255.81	
						44457	SETTLEMENT/RISK	815.94	
						44451	DEC GARB/RES PARK	219.75	
						44478	FEB 12 LIFE/AD&D	3,717.41	
						44479	FEB 12 LTD	10,047.88	
						44460	PROF SVCS/RISK	228.76	

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

DATE: 02/01/12 THRU 02/29/12

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
41570	02/06/12	49.28 510A		HASLER, INC.		44459	2/1-2/29 PT	49.28	
41571	02/06/12	15.00 E024		HERSEY, LYNN		44477	EMPLOY EXAM/OPS	15.00	
41572	02/06/12	534.64 166		HOSE SHOP, THE		44416	PARTS & SUPPLY/FL	83.81	
						44417	REV VEH PARTS/FL	147.56	
						44418	REV VEH PARTS/FL	58.60	
						44419	REV VEH PARTS/FL	58.60	
						44420	RPRS & MAINT/FAC	116.69	
						44474	RPRS & MAINT/FAC	69.38	
41573	02/06/12	38,596.31 R612		HOWIE & SMITH, L.L.P.		44548	PROF SVCS/RISK	10,778.69	VOIDED
41573	02/06/12	-38,596.31 R612		HOWIE & SMITH, L.L.P.		44549	PROF SVCS/RISK	27,817.62	
41574	02/06/12	800.02 001209		IKON FINANCIAL SERVICES		44548	PROF SVCS/RISK	-10,778.69	**VOID
						44549	PROF SVCS/RISK	-27,817.62	
						44461	12/18-1/17 LS/MT PT	387.72	
						44550	1/18-2/17 LEASE/OPS	260.00	
						44551	1/18-2/17 MNT/OPS	152.30	
						44423	TEMP/PA W/E 1/1	237.15	
41575	02/06/12	389.05 878		KELLY SERVICES, INC.		44462	TEMP/HR W/E 12/11	151.90	
41576	02/06/12	809.85 001233		KIMBALL MIDWEST		44421	PARTS & SUPPLY/FL	777.91	
						44422	PARTS & SUPPLY/FL	31.94	
41577	02/06/12	3,262.00 674		LIEBERT CASSIDY WHITMORE	7	44424	1/12-12/12 TRAINING	3,262.00	
41578	02/06/12	1,027.50 002986		LUNA, SUZANNE	7	44425	TEMP/FIN W/E 1/27	1,027.50	
41579	02/06/12	742.00 001145		MANAGED HEALTH NETWORK		44464	FEB 12 EAP	742.00	
41580	02/06/12	943.89 300		MATCO TOOLS		44465	SMALL TOOLS/PT	943.89	
41581	02/06/12	445.48 001342		MCW ASSOCIATES, INC.		44466	UNIF & LAUNDRY/FAC	445.48	
41582	02/06/12	994.89 041		MISSION UNIFORM		44426	UNIF & LAUNDRY/FAC	445.48	
						44427	UNIF & LAUNDRY/FAC	42.24	
						44428	UNIF & LAUNDRY/FAC	4.18	
						44429	UNIF & LAUNDRY/FL	36.05	
						44430	UNIF & LAUNDRY/FL	25.11	
						44431	UNIF & LAUNDRY/FL	163.87	
						44432	UNIF & LAUNDRY/FL	59.25	
						44433	UNIF & LAUNDRY/FL	172.06	
						44434	UNIF & LAUNDRY/FL	59.25	
						44435	UNIF & LAUNDRY/FL	172.06	
						44436	UNIF & LAUNDRY/FL	163.98	
						44437	UNIF & LAUNDRY/FL	59.25	
						44463	UNIF & LAUNDRY/PT	33.41	
41583	02/06/12	12,686.00 001063		NEW FLYER INDUSTRIES LIMITED		44480	GRANT #CA.09.0185	2,318.39	
						44481	GRANT #CA.09.0185	5,485.96	
						44482	REV VEH PARTS/FL	433.06	
						44483	REV VEH PARTS/FL	712.11	
						44484	REV VEH PARTS/FL	253.02	
						44485	REV VEH PARTS/FL	214.25	
						44486	REV VEH PARTS/FL	3,254.11	
						44487	REV VEH PARTS/FL	15.10	
41584	02/06/12	1,527.64 002721		NEXTEL COMMUNICATIONS/SPRINT		44467	12/4-1/3/PT	1,443.10	
41585	02/06/12	4,203.99 009		PACIFIC GAS & ELECTRIC		44552	TVM WIRELESS/OPS	84.54	
						44489	12/24-1/25 1122 RVR	1,535.48	
						44490	12/24-1/25 1200 RVR	1,426.12	
						44491	12/9-1/9 RES PARK	1,142.46	

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41586	02/06/12	481	644.00	PIED PIPER EXTERMINATORS, INC.		44534	11/23-12/1 FINAL LDA	96.48	
						44535	11/20-12/1/11 UNIT A	3.45	
						44536	JAN PEST CTRL	70.00	
						44537	JAN PEST CTRL	241.00	
						44538	JAN PEST CTRL	53.00	
						44539	JAN PEST CTRL	48.50	
						44540	JAN PEST CTRL	183.00	
						44541	JAN PEST CTRL	48.50	
41587	02/06/12	E660	8.67	PRESTON, NATHANIEL		44488	MEAL RCPT/FL	8.67	
41589	02/06/12	107A	1,926.12	PROBUILD		44492	BSIP	44.89	
						44493	BSIP	11.05	
						44494	BSIP	260.31	
						44495	BSIP	23.28	
						44496	BSIP	346.45	
						44497	BSIP	22.68	
						44498	BSIP	189.78	
						44499	RPRS & MAINT/FAC	50.66	
						44500	RPRS & MAINT/FAC	23.97	
						44501	RPRS & MAINT/FAC	46.26	
						44502	RPRS & MAINT/FAC	88.39	
						44503	RPRS & MAINT/FAC	19.80	
						44504	RPRS & MAINT/FAC	9.84	
						44505	CR RPRS & MAINT/FAC	-67.07	
						44506	RPRS & MAINT/FAC	21.93	
						44507	RPRS & MAINT/FAC	29.18	
						44508	RPRS & MAINT/FAC	23.39	
						44509	RPRS & MAINT/FAC	4.65	
						44510	RPRS & MAINT/FAC	3.90	
						44511	RPRS & MAINT/FAC	19.48	
						44512	RPRS & MAINT/FAC	1.35	
						44513	RPRS & MAINT/FAC	51.11	
						44514	RPRS & MAINT/FAC	3.68	
						44515	RPRS & MAINT/FAC	193.98	
						44516	RPRS & MAINT/FAC	15.58	
						44517	RPRS & MAINT/FAC	29.84	
						44518	RPRS & MAINT/FAC	15.69	
						44519	RPRS & MAINT/FAC	1.65	
						44520	RPRS & MAINT/FAC	12.68	
						44521	RPRS & MAINT/FAC	58.71	
						44522	RPRS & MAINT/FAC	21.46	
						44523	RPRS & MAINT/FAC	130.69	
						44524	RPRS & MAINT/FAC	20.09	
						44525	RPRS & MAINT/FAC	7.30	
						44526	RPRS & MAINT/FAC	19.60	
						44527	RPRS & MAINT/FAC	6.81	
						44528	RPRS & MAINT/FAC	12.36	
						44529	RPRS & MAINT/FAC	15.60	
						44530	RPRS & MAINT/FAC	24.10	
						44531	RPRS & MAINT/FAC	21.45	
						44532	EQUIP RPR/FAC	81.00	

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41590	02/06/12	19,855.00 942	PROOFPOINT, INC.		44533	REV VEH PARTS/FL	8.57		
41591	02/06/12	396.95 001153	REPUBLIC ELEVATOR COMPANY		44542	1/12-7/13 SUPPORT	19,855.00		
41592	02/06/12	70.91 135	SANTA CRUZ AUTO PARTS, INC.		44543	JAN MAINT	396.95		
41593	02/06/12	15.00 001944	SANTA CRUZ COUNTY LAW LIBRARY		44554	REV VEH PARTS/FL	27.73		
41594	02/06/12	242.00 957	SECURITY SHORING & STEEL PLT		44555	REV VEH PARTS/FL	43.18		
41595	02/06/12	5,907.17 002954	TIRE DISTRIBUTION SYSTEMS, LLC 7		44556	QUARTERLY COPY CHRGE	15.00		
					44557	5/9-5/31 PLATE RENT	242.00		
					44558	JAN TIRES & TUBES/FL	392.14		
					44559	JAN TIRES & TUBES/FL	141.05		
					44560	JAN TIRES & TUBES/FL	143.51		
					44561	JAN TIRES & TUBES/FL	174.39		
					44562	JAN TIRES & TUBES/FL	379.82		
					44563	JAN TIRES & TUBES/FL	1,668.93		
					44564	JAN TIRES & TUBES/FL	743.96		
					44565	JAN TIRES & TUBES/FL	171.04		
					44566	JAN TIRES & TUBES/FL	513.13		
					44567	JAN TIRES & TUBES/FL	348.59		
41596	02/06/12	72.37 007	UNITED PARCEL SERVICE		44568	JAN TIRES & TUBES/FL	1,230.61		
41597	02/06/12	96.70 946	UNITED SITE SERVICES		44569	FRT OUT/FLT	72.37		
41598	02/06/12	642.92 002829	VALLEY POWER SYSTEMS, INC.		44570	1/20-2/16 FENCE RNT	96.70		
					44571	REV VEH PARTS/FL	2.89		
					44572	REV VEH PARTS/FL	537.30		
					44573	REV VEH PARTS/FL	74.32		
					44574	REV VEH PARTS/FL	9.47		
					44575	REV VEH PARTS/FL	18.94		
41599	02/06/12	54.50 434B	VERIZON CALIFORNIA		44576	MT. BIEWLASKI	54.50		
41600	02/06/12	11,440.00 001043	VISION SERVICE PLAN		44577	FEB 12 VSP	11,440.00		
41601	02/06/12	48.28 436	WEST PAYMENT CENTER		44578	SUBSCRIPT/LEGAL	48.28		
41602	02/13/12	115.50 002941	AA SAFE & LOCK CO		44579	PARTS & SUPPLIES/FL	79.59		
					44580	RPRS & MAINT/FAC	35.91		
					44581	POSTAGE/ADM	53.30		
41603	02/13/12	53.30 E662	ALVEY, ERRON		44582	VTT FEE/OPS	10.00		
41604	02/13/12	10.00 E651	BUSHNELL, RONALD JR.		44583	FEB 12 FED LEG SVCS	5,000.00		
41605	02/13/12	5,000.00 001324	CAPITALEGE ADVOCACY, LLC		44584	METRO CENTER FENCING	947.81		
41606	02/13/12	947.81 001272	CITY OF SANTA CRUZ - PLANNING		44585	COOP FEES/FAC	1,656.04		
41607	02/13/12	1,656.04 001346	CITY OF SANTA CRUZ		44586	LNG 1/19/12	9,685.36		
41608	02/13/12	26,797.77 001124	CLEAN ENERGY		44587	LNG 1/22/12	9,252.25		
					44588	LNG 1/25/12	7,860.16		
41609	02/13/12	1,549.67 001000	DAIMLER BUSES N. AMERICA INC.		44589	REV VEH PARTS/FL	1,185.66		
					44590	REV VEH PARTS/FL	119.18		
41610	02/13/12	584.27 001329	DOC AUTO LLC		44591	REV VEH PARTS/FL	244.83		
					44592	REV VEH PARTS/FL	94.71		
					44593	OUT RPR REV VEH/PT	72.72		
					44594	OUT RPR REV VEH/PT	231.18		
					44595	OUT RPR REV VEH/PT	112.94		
					44596	OUT RPR REV VEH/PT	72.72		
41611	02/13/12	500.00 002862	ECOLOGICAL CONCERNS INC.		44597	WATER DRAIN/DEC MB	500.00		
41612	02/13/12	10.00 E652	ESKINDER, BENYME			VTT FEE/OPS	10.00		
41613	02/13/12	10.00 E661	EUSSE-PATINO, BLANCA			VTT FEE/OPS	10.00		
41614	02/13/12	90.72 002307	EWING IRRIGATION PRODUCTS			RPRS & MAINT/FAC	90.72		

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41615	02/13/12	5,417.44 432	EXPRESS EMPLOYMENT PROS			44593	TEMP/CS W/E 1/15	1,884.00	
						44594	TEMP/FAC W/E 1/15	1,080.00	
						44595	TEMP/FAC W/E 1/15	855.00	
41616	02/13/12	122.47 959	FIRST ADVANTAGE CORPORATION			44596	TEMP/OPS W/E 1/15	1,598.44	
41617	02/13/12	12,372.09 002952	FLYERS ENERGY LLC			44695	EMPLOY EXAM/HR	122.47	
41618	02/13/12	212.00 001302	GARDA CL WEST, INC.			44687	1/15-1/31 FUEL/FLT	3,074.21	
41619	02/13/12	52.26 117	GILLIG LLC			44696	1/16-1/31 FUEL/PT	9,297.88	
41620	02/13/12	168,867.00 002123	GIRO, INC.			44627	FEB ARMORED CAR SVC	212.00	
41621	02/13/12	3,639.60 282	GRAINGER			44322	CR REV VEH PARTS/FL	-177.43	
						44604	REV VEH PARTS/FL	229.69	
						44628	1/12-13 PRT MISC MOD	168,867.00	
						44599	RPRS & MAINT/FAC	32.15	
						44600	CR RPRS & MAINT/FAC	-32.15	
						44601	SMALL TOOLS/FAC	1,142.53	
						44602	RPRS & MAINT/FAC	2,469.57	
						44603	SMALL TOOLS/FAC	27.50	
41622	02/13/12	230.01 001097	GREENWASTE RECOVERY, INC.			44688	JAN GARB/SVTC	230.01	
41623	02/13/12	405.40 002313	HARTSELL & OLIVIERI	7		44605	PROF SVCS/RISK	405.40	
41624	02/13/12	27,817.62 R612	HOWIE & SMITH, L.L.P.			44606	PROF SVCS/RISK	27,817.62	
41625	02/13/12	10.00 E653	JAMES, HOWARD III			44689	VTT FEE/OPS	10.00	
41626	02/13/12	846.23 878	KELLY SERVICES, INC.			44629	TEMP/HR W/E 1/22	846.23	
41627	02/13/12	1,041.92 036	KELLY-MOORE PAINT CO., INC.			44607	RPRS & MAINT/FAC	868.27	
41628	02/13/12	1,562.70 852	LAW OFFICES OF MARIE F. SANG	7		44608	RPRS & MAINT/FAC	173.65	
						44611	WORK COMP FEE/OPS	304.00	
						44612	WORK COMP FEE/OPS	668.45	
						44613	WORK COMP FEE/PT	256.00	
						44614	WORK COMP FEE/OPS	334.25	
41629	02/13/12	592.00 511	LUMINATOR HOLDING LP			44609	REV VEH PARTS/FL	184.00	
						44610	REV VEH PARTS/FL	408.00	
41630	02/13/12	1,050.00 002986	LUNA, SUZANNE	7		44623	TEMP/FIN W/E 2/3	1,050.00	
41631	02/13/12	3,290.76 002997	NETWORK TOOL WAREHOUSE			44624	R134 AC REFRIDG REC	3,290.76	
41632	02/13/12	8,620.04 001063	NEW FLYER INDUSTRIES LIMITED			44615	REV VEH PARTS/FL	1,462.80	
						44616	REV VEH PARTS/FL	5,988.34	
						44617	REV VEH PARTS/FL	91.92	
						44618	REV VEH PARTS/FL	352.91	
						44619	REV VEH PARTS/FL	724.07	
41633	02/13/12	498.24 002721	NEXTEL COMMUNICATIONS/SPRINT			44622	12/26-1/25 DIRECT CO	498.24	
41634	02/13/12	362.58 004	NORTH BAY FORD LINC-MERCURY			44620	OUT RPR REV VEH/PT	32.99	
						44621	OUT RPR #503	329.59	
41635	02/13/12	1,805.00 E645	OLANDER, JOY			44625	EDUCATION EXP	1,710.00	
						44626	EDUCATION EXP	95.00	
41636	02/13/12	14,617.07 009	PACIFIC GAS & ELECTRIC			44637	12/30-1/30 PACIFIC	2,333.66	
						44638	12/23-1/24 WTC	30.72	
						44639	12/24-1/25 1122 RVR	254.10	
						44640	12/24-1/25 VERNON	5,539.42	
						44641	12/24-1/25 WMF	6,378.00	
						44642	12/24-1/25 1217 RVR	81.17	
41637	02/13/12	2,014.66 043	PALACE ART & OFFICE SUPPLY			44630	OFFICE SUPPLY/ADM	17.40	
						44631	OFFICE SUPPLY/ADM	596.80	
						44632	OFFICE SUPPLY/CS	58.88	

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41638	02/13/12	3,401.67 002823		PAT PIRAS CONSULTING	7	44633	OFFICE SUPPLY/OPS	291.27	
41639	02/13/12	44,778.18 002939		PREFERRED BENEFIT		44634	OFFICE SUPPLY/OPS	633.68	
41640	02/13/12	10.00 E654		PYKA, MATTHEW		44635	OFFICE SUPPLY/OPS	176.84	
41641	02/13/12	48.39 045		ROYAL WHOLESAL ELEC		44636	OFFICE SUPPLY/OPS	239.79	
41642	02/13/12	26,842.65 966		S. C. FUELS	0	44643	PT ADA ELLIG PROCESS	3,401.67	
41643	02/13/12	150.00 345		SANTA CRUZ COUNTY OFFICE OF		44693	FEB 12 DENTAL	44,778.18	
41644	02/13/12	44,098.55 002917		SANTA CRUZ METRO TRANSIT DIST		44690	VTT FEE/OPS	10.00	
41645	02/13/12	427.64 M054		SLOAN, SUZANNE	0	44644	RPRS & MAINT/FAC	48.39	
41646	02/13/12	1,986.66 001232		SPECIALIZED AUTO AND		44649	DIESEL 1/18/12	26,842.65	
41647	02/13/12	375.00 001165		THANH N. VU MD	7	44694	EMPLOY FINGERPRINTS	150.00	
41648	02/13/12	10.00 E655		THOMPSON, ELIZABETH		44645	1/1-1/31 WC FUND	44,098.55	
41649	02/13/12	10.00 E656		TOLINE, LYLE		44646	MISS SUPP RET PYMNTS	427.64	
41650	02/13/12	14,386.72 057		U.S. BANK		44647	OUT RPR REV VEH/PT	163.02	
						44650	OUT RPR REV VEH/PT	1,823.64	
						44651	EMPLOY EXAM/OPS	75.00	
						44652	EMPLOY EXAM/FLT	75.00	
						44653	EMPLOY EXAM/OPS	75.00	
						44654	EMPLOY EXAM/OPS	75.00	
						44691	VTT FEE/OPS	10.00	
						44692	VTT FEE/OPS	10.00	
						44656	4246044555645971	125.00	
						44657	4246044555645971	664.50	
						44658	4246044555645971	260.97	
						44659	4246044555645971	84.49	
						44660	4246044555645971	32.67	
						44661	4246044555645971	16.57	
						44662	4246044555645971	91.33	
						44663	4246044555645971	164.99	
						44664	4246044555645971	129.34	
						44665	4246044555645971	1,363.92	
						44666	4246044555645971	3,273.28	
						44667	4246044555645971	3,273.28	
						44668	4246044555645971	956.70	
						44669	4246044555645971	50.56	
						44670	4246044555645971	-956.70	
						44671	4246044555645971	246.84	
						44672	4246044555645971	83.63	
						44673	4246044555645971	49.63	
						44674	4246044555645971	125.44	
						44675	4246044555645971	1,086.94	
						44676	4246044555645971	96.51	
						44677	4246044555645971	1,627.50	
						44678	4246044555645971	13.33	
						44679	4246044555645971	1,526.00	
41651	02/13/12	26.31 007		UNITED PARCEL SERVICE		44655	FRT OUT/FLT	26.31	
41652	02/13/12	10.00 E657		VILLALOBOS, EDGARDO		44655	VTT FEE/OPS	10.00	
41653	02/13/12	27.64 002028		WESTCOAST LEGAL SERVICE	7	44680	PROF SVCS/RISK	27.64	
41654	02/13/12	65.54 186		WILSON, GEORGE H., INC.		44681	RPRS & MAINT/FAC	65.54	
41655	02/20/12	263.06 002941		AA SAFE & LOCK CO		44700	PROF SVCS/PT	181.68	

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41656	02/20/12	227.25 001093	ALERE TOXICOLOGY SERVICES, INC	44701		OFFICE SUPPLY/OPS	81.38		
41657	02/20/12	700.00 001128	ALWAYS TOWING & RECOVERY, INC	44698		PROF SVCS/HR	227.25		
41658	02/20/12	29,317.38 001264	ANDREWS INTERNATIONAL INC	44697		TOW #1002	700.00		
41659	02/20/12	477.25 001G	AT&T	44699		12/26-1/29 SECURITY	29,317.38		
				44821		REPEATER/OPS	84.95		
				44822		OPS PHONE	86.54		
41660	02/20/12	1,140.27 002363	BATTERIES PLUS	44823		REPEATER/OPS	305.76		
41661	02/20/12	3,904.70 059	BATTERIES USA, INC.	44706		RPRS & MAINT/FAC	656.58		
41662	02/20/12	239.79 001112	BRINKS AWARDS & SIGNS	44824		OFFICE SUPPLY/IT	483.69		
				44705		REV VEH PARTS/FL	3,904.70		
41663	02/20/12	5,964.00 001844	BRINKS INCORPORATED	44707	7	BOD PLAQUE	142.14		
				44762		BOD PLATES	97.65		
41664	02/20/12	592.24 002189	BUS & EQUIPMENT	44703		JAN 1200B SERVICE	2,235.00		
41665	02/20/12	371.97 002627	CDW GOVERNMENT, INC.	44704		JAN 1200B SERVICE	3,729.00		
41666	02/20/12	27.67 001346	CITY OF SANTA CRUZ	44702		REV VEH PARTS/PT	592.24		
41667	02/20/12	1,128.92 130	CITY OF WATSONVILLE UTILITIES	44825		POLYCOM EXT MICROPHN	371.97		
				44713		BSRP	27.67		
				44766		CONTAINER/WTC	841.60		
41668	02/20/12	16,153.45 001124	CLEAN ENERGY	44767		12/29-1/26 WTC	182.52		
				44768		12/29-1/26 WTC	36.46		
41669	02/20/12	83.33 075	COAST PAPER & SUPPLY INC.	44769		12/29-1/26 WTC	23.45		
41670	02/20/12	216.00 367	COMMUNITY TELEVISION OF	44770		12/29-2/1 WTC	44.89		
41671	02/20/12	112.17 002063	COSTCO	44709		LNG 1/28/12	9,044.07		
41672	02/20/12	2,596.10 504	CUMMINS WEST, INC.	44710		LNG 1/31/12	7,109.38		
				44708		CLEAN SUPPLY/FAC	83.33		
41673	02/20/12	1,725.15 480	DIESEL MARINE ELECTRIC, INC.	44763		12/31 BOS MTG	16.00		
41674	02/20/12	153.62 001329	DOC AUTO LLC	44764		1/27 BOD MTG	200.00		
				44714		SAFETY SUPPLY/PT	112.17		
41675	02/20/12	56.00 002388	DOGHERRA'S	44711		REV VEH PARTS/FL	118.35		
41676	02/20/12	1,045.00 001492	EVERGREEN OIL INC.	44712		REV VEH PARTS/FL	2,312.92		
41677	02/20/12	6,445.50 432	EXPRESS EMPLOYMENT PROS	44765		REV VEH PARTS/FL	164.83		
				44717		REV VEH PARTS/FL	1,725.15		
41678	02/20/12	163.40 001172	FERGUSON ENTERPRISES INC.	44715		OUT RPR REV VEH/PT	82.22		
				44716		OUT RPR REV VEH/PT	71.40		
41679	02/20/12	15.00 002295	FIRST ALARM	44718		OUT RPR REV VEH/PT	56.00		
41680	02/20/12	85.00 001189	GARY KENWILLE LOCKSMITH	44719		HAZ WASTE DISP/FAC	1,045.00		
41681	02/20/12	903.64 117	GILLIG LLC	44771		TEMP/PA W/E 1/29	1,080.00		
				44772		TEMP/CS W/E 1/29	1,872.00		
41682	02/20/12	219.75 001097	GREENWASTE RECOVERY, INC.	44773		TEMP/FAC W/E 1/29	1,093.50		
41683	02/20/12	500.00 002991	HASTINGS, JENNIFER LYNNE	44774		TEMP/FAC W/E 1/29	900.00		
41684	02/20/12	405.67 001209	IKON FINANCIAL SERVICES	44775		TEMP/OPS W/E 1/29	1,500.00		
				44721		RPRS & MAINT/FAC	38.43		
				44826		THERMOSTAT/SBF	124.97		
				44720		JAN DISPATCH	15.00		
				44723		PROF SVCS/PT	85.00		
				44722	7	REV VEH PARTS/FL	886.71		
				44827		REV VEH PARTS/FL	16.93		
				44724		JAN GARB/PT	219.75		
				42964		EMPLOY TRAINING	500.00		
				44725		1/18-2/17 LS/MNT PT	405.67		

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41685	02/20/12	3,783.24 002117	IULIANO	7	44726	JAN/FEB RENT DIFF	208.26		
41686	02/20/12	2,974.89 110	JESSICA GROCERY STORE, INC.	7	44727	115 DUBOIS RENT	3,574.98		
41687	02/20/12	879.20 878	KELLY SERVICES, INC.	7	44728	CUSTODIAL SERVICES	2,974.89		
41688	02/20/12	50.00 880	LEXISNEXIS	7	44729	TEMP/HR W/E 1/29	879.20		
41689	02/20/12	780.00 002986	LUNA, SUZANNE	7	44730	JAN 12 ACCESS CHG	50.00		
41690	02/20/12	1,710.38 001119	MACERICH PARTNERSHIP LP	7	44731	TEMP/FIN W/E 2/10	780.00		
41691	02/20/12	354.98 001342	MCW ASSOCIATES, INC.	7	44732	CAPITOLA MALL RENT	1,710.38		
41692	02/20/12	632.77 001052	MID VALLEY SUPPLY	7	44781	JAN 12 OUT RPR/PT	354.98		
41693	02/20/12	307.62 041	MISSION UNIFORM	7	44776	CLEAN SUPPLY/FAC	632.77		
					44777	UNIF & LAUNDRY/FAC	42.24		
					44778	UNIF & LAUNDRY/PT	33.41		
					44779	UNIF & LAUNDRY/FL	8.74		
					44780	UNIF & LAUNDRY/FL	163.98		
					44781	UNIF & LAUNDRY/FL	59.25		
41694	02/20/12	577.13 001063	NEW FLYER INDUSTRIES LIMITED	7	44734	REV VEH PARTS/FL	35.80		
					44735	REV VEH PARTS/FL	240.81		
					44736	REV VEH PARTS/FL	300.52		
41695	02/20/12	1,469.25 002721	NEXTEL COMMUNICATIONS/SPRINT	7	44828	1/4-2/3/PT	1,469.25		
41696	02/20/12	14,842.00 001176	NORTHSTAR, INC.	7	44733	JAN MAINT	14,842.00		
41697	02/20/12	1,172.82 009	PACIFIC GAS & ELECTRIC	7	44739	MAR 2012 1122 RVR ST	1,153.00		
					44835	1/6-2/3 SVTC	19.82		
41698	02/20/12	948.00 002947	PEDALERS EXPRESS	7	44738	JAN 12 MAIL P/U	948.00		
41699	02/20/12	255.00 001149	PREFERRED PLUMBING, INC.	7	44737	GREASE SVCE/WTC	255.00		
41700	02/20/12	1,299.26 107A	PROBUILD	7	44782	RPRS & MAINT/FAC	97.64		
					44783	RPRS & MAINT/FAC	9.72		
					44784	RPRS & MAINT/FAC	9.73		
					44785	RPRS & MAINT/FAC	20.50		
					44786	RPRS & MAINT/FAC	37.96		
					44787	RPRS & MAINT/FAC	27.72		
					44788	RPRS & MAINT/FAC	2.91		
					44789	RPRS & MAINT/FAC	3.88		
					44790	RPRS & MAINT/FAC	7.37		
					44791	RPRS & MAINT/FAC	111.00		
					44792	RPRS & MAINT/FAC	24.38		
					44793	RPRS & MAINT/FAC	14.64		
					44794	RPRS & MAINT/FAC	168.70		
					44795	CR RPRS & MAINT/FAC	-68.34		
					44829	BSIP	47.09		
					44830	BSIP	45.20		
					44831	BSIP	207.59		
					44832	BSIP	238.05		
					44833	BSIP	280.89		
					44834	BSIP	12.63		
41701	02/20/12	9,660.00 442	RAYMUNDO ENGINEERING CO. INC.	7	44740	2ND LNG TANK/ADDL EQ	9,660.00		
41702	02/20/12	87.40 019	RAYNE OF SANTA CRUZ, INC.	7	44741	SALT SERVICE	87.40		
41703	02/20/12	299.70 001098	ROBERT HALF MANAGEMENT RESOURCE	7	44796	TEMP/ADM W/E 1/27	299.70		
41704	02/20/12	56.99 E533	RODRIGUEZ, SENAIDA	7	44799	OFFICE SUPPLY/OPS	56.99		
41705	02/20/12	2,275.57 001379	SAFETY-KLEEN	7	44753	HAZ WASTE DISP	2,275.57		
41706	02/20/12	958.02 018	SALINAS VALLEY FORD SALES	7	44742	REV VEH PARTS/FL	958.02		
41707	02/20/12	225.83 135	SANTA CRUZ AUTO PARTS, INC.	7	44744	REV VEH PARTS/PT	44.40		

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41708	02/20/12	432.30 079		SANTA CRUZ MUNICIPAL UTILITIES		44745	REV VEH PARTS/PT	118.57	
41709	02/20/12	8,054.41 977		SANTA CRUZ TRANSPORTATION, LLC		44746	OUT RPR REV VEH/PT	57.65	
41710	02/20/12	2,500.00 002267		SHAW / YODER / ANTIWIH, INC.		44747	PARTS & SUPPLY/FL	5.21	
41711	02/20/12	123.00 115		SNAP-ON INDUSTRIAL		44756	11/18-1/18 RES PARK	432.30	
41712	02/20/12	117.00 T220		SOARES, DELIA		44750	JAN 12 PT SVCS	8,054.41	
41713	02/20/12	12,474.97 001075		SOQUEL III ASSOCIATES	7	44797	FEB 12 LEG SVCS	2,500.00	
41714	02/20/12	374.97 001232		SPECIALIZED AUTO AND		44743	OUT RPR EQUIP/FL	123.00	
						44751	PC PP CONVEN COUPONS	117.00	
						44752	RESEARCH PARK RENT	12,474.97	
						44757	OUT RPR REV VEH/PT	118.69	
						44758	OUT RPR REV VEH/PT	163.02	
						44759	OUT RPR REV VEH/PT	93.26	
41715	02/20/12	479.73 002245		STAPLES ADVANTAGE		44754	OFFICE SUPPLY/PT	263.57	
41716	02/20/12	352.35 002871		STATE ELECTRIC GENERATOR		44755	OFFICE SUPPLY/PT	216.16	
41717	02/20/12	124.78 104		STATE STEEL COMPANY	0	44748	SVCE/METRO CTR	352.35	
41718	02/20/12	300.00 001165		THANH N. VU MD	7	44749	RPRS & MAINT/FAC	124.78	
						44806	EMPLOY EXAM/PT	75.00	
						44807	EMPLOY EXAM/PT	75.00	
						44808	EMPLOY EXAM/PT	75.00	
						44809	EMPLOY EXAM/PT	75.00	
41719	02/20/12	3,182.48 002954		TIRE DISTRIBUTION SYSTEMS, LLC	7	44800	JAN TIRES & TUBES/PT	118.28	
						44801	DEC TIRES & TUBES/FL	383.08	
						44802	JAN TIRES & TUBES/FL	392.14	
						44803	JAN TIRES & TUBES/FL	1,112.62	
						44804	JAN TIRES & TUBES/FL	766.16	
						44805	JAN TIRES & TUBES/FL	410.20	
						44798	POSTAGE/ADM	499.44	
41720	02/20/12	499.44 003007		TOTALFUNDS BY HASLER		44760	1/5-1/20 FUELFORCE	6,845.00	
41721	02/20/12	6,845.00 003006		TRANSIT INTELLIGENCE, INC.		44810	FRT OUT/FLT	90.63	
41722	02/20/12	90.63 007		UNITED PARCEL SERVICE		44811	REV VEH PARTS/FL	679.44	
41723	02/20/12	1,203.63 002829		VALLEY POWER SYSTEMS, INC.		44812	REV VEH PARTS/FL	541.59	
						44813	CR REV VEH PARTS/FL	-17.40	
41724	02/20/12	8,232.71 001083		WATSONVILLE TRANSPORTATION, INC		44816	JAN 12 PT SVCS	8,232.71	
41725	02/20/12	70.00 682		WEISS, AMY L.	7	44814	1/27 BOD MTG	70.00	
41726	02/20/12	323.19 436		WEST PAYMENT CENTER		44818	JAN INFO CHARGES	323.19	
41727	02/20/12	1,750.00 002989		WORK IN PROGRESS COACHING	7	44815	JAN PROF SVCS	1,750.00	
41728	02/20/12	680.00 915		WORKIN.COM, INC.		44817	JOB ADS HR/BO/AS	680.00	
41729	02/20/12	88.86 147		ZEE MEDICAL SERVICE CO.		44819	SAFETY SUPPLY/FAC	44.37	
						44820	SAFETY SUPPLY/PT	44.49	
41730	02/20/12	481.38 148		ZEP MANUFACTURING COMPANY		44836	REV VEH PARTS/FL	481.38	
41731	02/21/12	4,099,084.88 001063		NEW FLYER INDUSTRIES LIMITED		44837	80% NF PURCH	372,644.08	
						44838	80% NF PURCH	372,644.08	
						44839	80% NF PURCH	372,644.08	
						44840	80% NF PURCH	372,644.08	
						44841	80% NF PURCH	372,644.08	
						44842	80% NF PURCH	372,644.08	
						44843	80% NF PURCH	372,644.08	
						44844	80% NF PURCH	372,644.08	
						44845	80% NF PURCH	372,644.08	
						44846	80% NF PURCH	372,644.08	

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41732	02/27/12	579.97 E437		AITKEN, ANGELA		44847	80% NF PURCH	372,644.08	
41733	02/27/12	71.11 M033		BAILEY, NEIL	0	44955	TRAINING	579.97	
41734	02/27/12	375.00 478		BEE CLENE	0	44848	MAR 12 RET SUPP	71.11	
41735	02/27/12	186.02 001112		BRINKS AWARDS & SIGNS	7	44867	CARPET CLEANING/ OPS	375.00	
41736	02/27/12	543,866.08 502		CA PUBLIC EMPLOYEES'		44866	NAME TAG/ OPS	186.02	
41737	02/27/12	85.00 E090		CALLEJAS, LETICIA		44956	MAR 12 MEDICAL	543,866.08	
41738	02/27/12	71.11 M022		CAPELLA, KATHLEEN	0	44859	EMPLOYEE EXAM/ OPS	85.00	
41739	02/27/12	15,699.79 001124		CLEAN ENERGY		44872	MAR 12 RET SUPP	71.11	
41740	02/27/12	49.68 002063		COSTCO		44872	LNG 02/03/12/ FL	8,797.73	
41741	02/27/12	650.82 504		CUMMINS WEST, INC.		44873	LNG 02/06/12/ FL	6,902.06	
41742	02/27/12	35.55 M039		DAVILA, ANA MARIA	0	44868	OFFICE SUPPLY/ OPS	49.68	
41743	02/27/12	5,843.96 157		DELL MARKETING L.P.		44870	OUT RPR #2803	602.30	
41744	02/27/12	415,056.88 154		DEPARTMENT OF MOTOR VEHICLES		44871	REV VEH PTS/ FL	48.52	
41745	02/27/12	423.59 001329		DOC AUTO LLC		44849	MAR 12 RET SUPP	35.55	
41746	02/27/12	655.00 916		DOCTORS ON DUTY MEDICAL CLINIC .		44881	PWRVAULT/AUTOLOADER	5,843.96	
						44874	COACHES 1201-1211	415,056.88	
						44875	OUT RPR REV VEH/ PT	63.13	
						44876	OUT RPR REV VEH/ PT	71.40	
						44877	OUT RPR REV VEH/ PT	35.00	
						44878	OUT RPR REV VEH/ PT	84.39	
						44879	OUT RPR REV VEH/ PT	35.00	
						44880	OUT RPR REV VEH/ PT	35.00	
						44957	EMPLOY EXAMS	99.67	
						44958	EMPLOY EXAMS	30.00	
						44959	EMPLOY EXAMS	30.00	
						44960	EMPLOY EXAMS	30.00	
						44961	EMPLOY EXAMS	30.00	
						44962	EMPLOY EXAMS	35.00	
						44963	EMPLOY EXAMS	120.00	
						44964	EMPLOY EXAMS	30.00	
						44965	EMPLOY EXAMS	30.00	
						44966	EMPLOY EXAMS	30.00	
						44967	EMPLOY EXAMS	20.00	
						44968	EMPLOY EXAMS	30.00	
						44969	EMPLOY EXAMS	30.00	
						44970	EMPLOY EXAMS	20.00	
						44971	EMPLOY EXAMS	30.00	
						44972	EMPLOY EXAMS	30.00	
						44973	EMPLOY EXAMS	30.00	
						44974	EMPLOY EXAMS	30.00	
						44975	EMPLOY EXAMS	30.00	
						44882	TEMP/MC W/E 2/5	1,320.00	
						44883	TEMP/OPS W/E 2/5	1,500.00	
						44884	TEMP/FIN W/E 2/5	1,080.00	
						44885	TEMP/FAC W/E 2/5	1,080.00	
						44886	TEMP/FAC W/E 2/5	900.00	
						44901	TESTING/HR	150.00	
						44887	JAN 12 MERCHANT FEES	677.68	
						44850	MAR 12 RET SUPP	35.55	
41747	02/27/12	6,030.00 432		EXPRESS EMPLOYMENT PROS					
41748	02/27/12	677.68 002962		FIS					
41749	02/27/12	35.55 M100		GARCIA, HELEN	0				

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41750	02/27/12	71.11 M041		GOUVEIA, ROBERT	0	44851	MAR 12 RET SUPP	71.11	
41751	02/27/12	1,797.81 282		GRAINGER		44902	RPRS & MAINT/FAC	19.17	
						44903	RPRS AMD MAINT/ FAC	41.58	
						44904	RPRS AND MAINT/ FAC	180.27	
						44905	SAFETY SUPP/ FAC	1,446.11	
						44977	CLEANING SUPP	110.68	
41752	02/27/12	58.29 M081		HALL, JAMES	0	44852	MAR 12 RET SUPP	58.29	
41753	02/27/12	44.28 510A		HASLER, INC.		44888	3/1-3/31 PT	44.28	
41754	02/27/12	1,881.37 166		HOSE SHOP, THE		44889	PARTS AND SUPPLY/ FM	42.01	
						44890	RPR'S & MAINT/FACIL	1,839.36	
41755	02/27/12	329.30 215		IKON OFFICE SOLUTIONS	0	44891	TEMP/MC 1/26-2/25	329.30	
41756	02/27/12	326.98 M061		KAMEDA, TERRY		44860	MAR 12 RET SUPP	326.98	
41757	02/27/12	62.33 E635		KINSLOW, DEBBIE		44978	OFFICE SUPPLY/ FIN	62.33	
41758	02/27/12	937.50 002986		LUNA, SUZANNE	7	44892	TEMP/FIN W/E 2/17	937.50	
41759	02/27/12	2,885.49 001052		MID VALLEY SUPPLY		44893	CLEAN SPPLY/FACIL	103.18	
						44894	CLEAN SPPLY/ FACIL	68.79	
						44895	CLEAN SPPLY/ FACIL	2,713.52	
41760	02/27/12	484.05 041		MISSION UNIFORM		44897	UNIF AND LAUNDRY/PT	33.41	
						44898	UNIF AND LAUNDRY/FAC	4.18	
						44899	UNIF AND LAUNDRY/FL	163.98	
						44906	UNIF LAUNDRY/ FL	59.25	
						44907	UNIF AND LAUNDRY/ FL	163.98	
						44908	UNIF AND LAUNDRY	59.25	
41761	02/27/12	5,911.57 002951		MOORE & ASSOCIATES, INC.		44909	WATS TRANSIT PLAN ST	5,911.57	
41762	02/27/12	920.99 288		MUNCIE TRANSIT SUPPLY		44896	OUT RPR EQUIP/ FL	920.99	
41763	02/27/12	1,046,169.34 001063		NEW FLYER INDUSTRIES LIMITED		44912	20% NF PURCH	93,161.02	
						44913	20% NF PURCH	93,161.02	
						44914	20% NF PURCH	93,161.02	
						44915	20% NF PURCH	93,161.02	
						44916	20% NF PURCH	93,161.02	
						44917	20% NF PURCH	93,161.02	
						44918	20% NF PURCH	93,161.02	
						44919	20% NF PURCH	93,161.02	
						44920	20% NF PURCH	93,161.02	
						44921	20% NF PURCH	93,161.02	
						44922	20% NF PURCH	93,161.02	
						44923	REV VEH PTS	7,801.88	
						44924	REV VEH PTS	505.21	
						44925	NEW BUS PARTS	12,871.90	
						44926	REV VEH PTS	219.13	
41764	02/27/12	933.15 004		NORTH BAY FORD LINC-MERCURY		44910	OUT RPR# 807/FL	902.81	
						44911	REV VEH PTS/ FL	30.34	
41765	02/27/12	35.55 M050		O'MARA, KATHLEEN	0	44853	MAR 12 RET SUPP	35.55	
41766	02/27/12	1,151.30 009		PACIFIC GAS & ELECTRIC		44927	1/10-2/8/ PT	1,151.30	
41767	02/27/12	5,410.15 043		PALACE ART & OFFICE SUPPLY		44928	OFFICE SUPPLY/ PT	1,224.72	
						44929	OFFICE SUPPLY/ PT	3,633.12	
						44930	OFFICE SUPPLY/ FAC	158.77	
						44931	OFFICE SUPPLY/ FAC	90.89	
						44932	OFFICE SUPPLY/ FL	302.65	
41768	02/27/12	353.68 M057		PARHAM, WALLACE	0	44861	MAR 12 RET SUPP	353.68	

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41769	02/27/12	35.55 M109		PEREZ, CHERYL		44854	MAR 12 RET SUPP	35.55	
41770	02/27/12	267.71 M064		PETERS, TERRIE	0	44862	MAR 12 RET SUPP	267.71	
41771	02/27/12	353.68 M058		POTEETE, BEVERLY	0	44863	MAR 12 RET SUPP	353.68	
41772	02/27/12	71.11 M085		ROSSI, DENISE	0	44900	MAR 12 RET SUPP	71.11	
41773	02/27/12	35.55 M030		ROWE, RUBY		44855	MAR 12 RET SUPP	35.55	
41774	02/27/12	26,097.70 966		S.C. FUELS	0	44941	DIESEL 2/2/12 FL	26,097.70	
41775	02/27/12	558.74 135		SANTA CRUZ AUTO PARTS, INC.		44933	REV VEH PTS/ FL	128.67	
						44934	VEH REV PTS/ FL	156.25	
						44935	REV VEH PTS/ PT	64.92	
						44936	REV VEH PTS/ PT	98.28	
						44937	REV VEH PTS/ PT	110.62	
41776	02/27/12	254.04 M010		SHORT, SLOAN	0	44864	MAR 12 RET SUPP	254.04	
41777	02/27/12	35.55 M054		SLOAN, SUZANNE	0	44856	MAR 12 RET SUPP	35.55	
41778	02/27/12	443.14 001232		SPECIALIZED AUTO AND		44938	OUT RPR REV VEH/ PT	137.59	
						44939	OUT RPR REV VEH/ PT	305.55	
41779	02/27/12	4,185.00 080C		STATE BOARD OF EQUALIZATION		44942	JAN-DEC 2011	4,185.00	
41780	02/27/12	606.52 104		STATE STEEL COMPANY	0	44940	REV VEH PTS/ FL	606.52	
41781	02/27/12	5,761.64 002954		TIRE DISTRIBUTION SYSTEMS, LLC	7	44944	FEB TIRES & TUBES/FL	625.44	
						44945	FEB TIRES & TUBES/FL	1,112.62	
						44946	FEB TIRES & TUBES/FL	402.84	
						44947	FEB TIRES & TUBES/FL	697.19	
						44948	FEB TIRES & TUBES/FL	410.20	
						44949	FEB TIRES & TUBES/FL	689.71	
						44950	FEB TIRES & TUBES/FL	684.17	
						44951	FEB TIRES & TUBES/FL	1,139.47	
41782	02/27/12	35.55 M086		TOLINE, DONALD	0	44857	MAR 12 RET SUPP	35.55	
41783	02/27/12	5,940.00 001014		TRANSIT RESOURCE CENTER		44943	BUS INSPEC-NEW PURCH	5,940.00	
41784	02/27/12	10.86 946		UNITED SITE SERVICES		44952	2/1-2/28 RENTAL/OPS	10.86	
41785	02/27/12	636.39 221		VEHICLE MAINTENANCE PROGRAM		44953	REV VEH PTS/ FL	636.39	
41786	02/27/12	326.98 M076		VONWAL, YVETTE	0	44865	MAR 12 RET SUPP	326.98	
41787	02/27/12	35.55 M088		YAGI, RANDY	0	44858	MAR 12 RET SUPP	35.55	
41788	02/27/12	27.63 871		YARDER MANUFACTURING COMPANY		44954	REV VEH PTS/ FL	27.63	
TOTAL		6,982,486.70		ACCOUNTS PAYABLE		TOTAL CHECKS	249	6,982,486.70	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 13, 2012
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: MONTHLY BUDGET STATUS REPORTS YEAR TO DATE AS OF
FEBRUARY 29, 2012**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the monthly budget status reports year to date as of February 29, 2012

II. SUMMARY OF ISSUES

- **Operating Revenues** year to date as of February 29, 2012 were \$196K or 1 % under the amount of revenue expected for the same period year to date.
- **Consolidated Operating Expenses** year to date as of February 29, 2012 were \$2,364K or 9 % under budget.
- **Capital Budget** spending year to date through February 2012 was \$6,490K or 27 % 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 revenue, expense and capital reports represent the status of Santa Cruz METRO's FY12 operating and capital budgets versus actual expenditures year to date.

The fiscal year has elapsed **67%**.

A. Operating Revenue

Operating Revenues year to date as of February 29, 2012 were \$196K or 1 % under the amount budgeted. Revenue variances are due to lower than anticipated Passenger Fares and Other Op Assistance/Funding and higher than anticipated Other Revenue (primarily Advertising Income).

- **Passenger Fares** are under budget due to a decrease in ridership and increased sales of Discount passes.
- **Other Revenue** is over budget primarily due to more advertising than expected year to date as of February 29, 2012.
- **Other Op Assistance/Funding** is under budget due to grant funds not received in FY12.

B. Consolidated Operating Expenses

Consolidated Operating Expenses year to date as of February 29, 2012 were \$2,364K or 9 % under budget. Labor and Fringe Benefits, Services, Mobile Materials & Supplies, Casualty & Liability, and Miscellaneous Expenses all contributed to the variance.

- **Labor and Fringe Benefits** are below budget due to vacant funded positions and extended leaves.
- The majority of the variance in **Services** is due to **Prof & Tech Fees, Repair – Equipment, and Repair – Rev Vehicle** costs.
 - Prof & Tech Fees are under budget due to straight lining of the budget throughout the fiscal year and actual activity, primarily labor negotiations and recruitments, which will happen later in the year.
 - Repair – Equipment and Repair – Rev Vehicle are under budget due to inability to anticipate when repair costs will be incurred and straight lining of the budget.
- **Mobile Materials & Supplies** are under budget due to lower than anticipated prices of fuel, inability to anticipate when vehicle parts will be needed and the cyclical nature of tire and tube replacements, while the budget is straight lined.
- **Casualty & Liability** is under budget due to less than anticipated settlement costs year to date.
- **Miscellaneous** expenses are under budget due to less than anticipated training and travel expenses year to date, as well as cost cutting measures in all departments.

C. Capital Budget

Capital Budget spending year to date through February 2012 was \$6,490K or 27 % of the Capital budget. Of this, \$5,570K or 96 % has been spent on the State of Good Repair project, \$519K or 100 % has been spent on the Transit Management Information Technology project, \$135K or 27 % has been spent on the Bus Stop Improvements project, \$122K or 61 % has been spent on the MetroBase project and \$74K or 64 % has been spent on the Replacement of Fleet & Facilities Maintenance Software.

IV. FINANCIAL CONSIDERATIONS.

Funds from Carryover from Previous Years, STIC, STA, and Operating Reserves will be used in the listed order to bridge the budget gap at the end of the fiscal year, when the amount of the operating income/loss for the year is determined. In the meantime, the amount of operating income/loss year to date is reported in the monthly budget status reports.

Attachment A: FY12 Operating Revenue & Expenses Year to Date as of 02/29/12

Attachment B: FY12 Capital Budget Reports for the month ending – 02/29/12

Prepared by: Kristina Mihaylova, Financial Analyst

Date Prepared: April 02, 2012

ATTACHMENT A

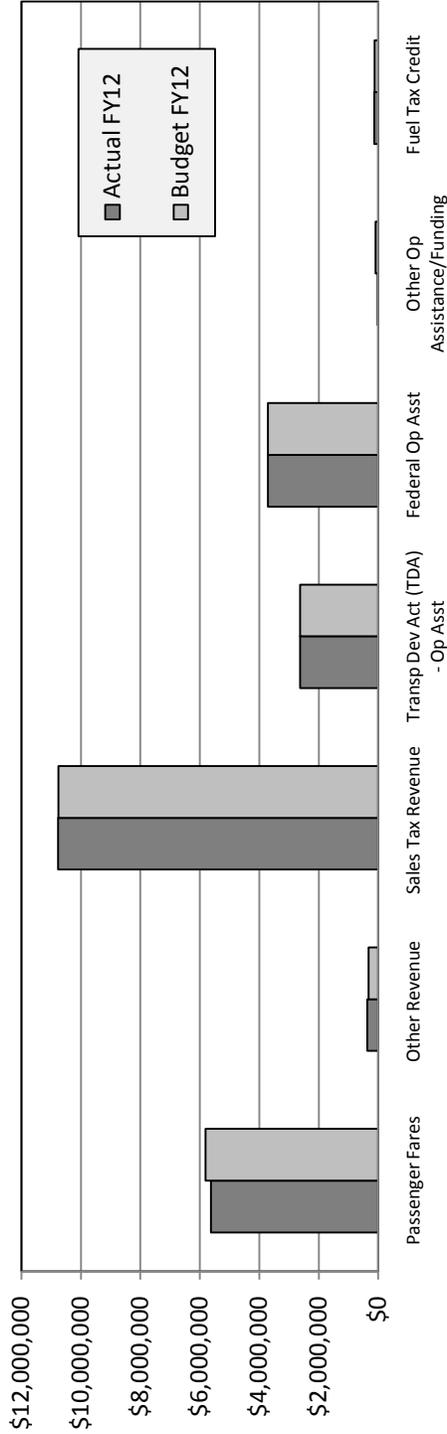


FY12

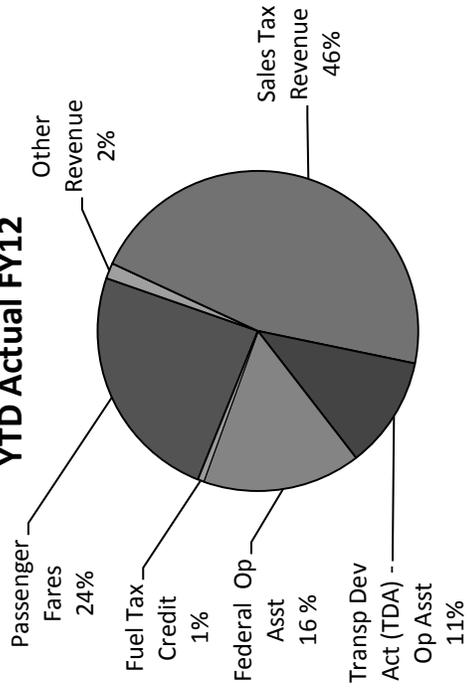
Operating Revenue & Expenses Year to Date as of February 29, 2012

	Year to Date			YTD Year Over Year Comparison			
	Actual	Budget	\$ Var	% Var	Actual FY11	\$ Var	% Var
Revenue:							
Passenger Fares	\$ 5,629,223	\$ 5,806,139	\$ (176,916)	-3%	\$ 5,590,693	\$ 38,530	1%
Other Revenue	\$ 367,565	\$ 326,467	\$ 41,099	13%	\$ 338,678	\$ 28,887	9%
Sales Tax Revenue	\$ 10,766,419	\$ 10,762,238	\$ 4,182	0%	\$ 10,269,030	\$ 497,390	5%
Transp Dev Act (TDA) - Op Asst	\$ 2,622,482	\$ 2,622,482	\$ -	0%	\$ 3,749,032	\$ (1,126,550)	-30%
Federal Op Assistance	\$ 3,707,070	\$ 3,707,070	\$ -	0%	\$ 3,696,155	\$ 10,915	0%
Other Op Assistance/Funding	\$ 11,702	\$ 83,867	\$ (72,165)	-86%	\$ 276,465	\$ (264,763)	-96%
STA - Op Assistance	\$ -	\$ -	\$ -	0%	\$ 2,801,550	\$ (2,801,550)	-100%
STIC - Op Assistance	\$ -	\$ -	\$ -	0%	\$ 1,202,159	\$ (1,202,159)	-100%
Fuel Tax Credit	\$ 133,096	\$ 125,000	\$ 8,096	6%	\$ -	\$ 133,096	100%
Transfers (to)/ from Reserves	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
Total Revenue	\$ 23,237,558	\$ 23,433,262	\$ (195,704)	-1%	\$ 27,923,761	\$ (4,686,203)	-17%
Expenses:							
Labor	\$ 10,132,212	\$ 10,690,077	\$ (557,865)	-5%	\$ 10,400,063	\$ (267,851)	-3%
Fringe Benefits	\$ 9,572,312	\$ 10,281,125	\$ (708,813)	-7%	\$ 8,603,613	\$ 968,699	11%
Services	\$ 1,378,025	\$ 1,736,461	\$ (358,436)	-21%	\$ 1,405,297	\$ (27,272)	-2%
Mobile Materials & Supplies	\$ 1,793,174	\$ 2,140,000	\$ (346,826)	-16%	\$ 1,849,282	\$ (56,108)	-3%
Other Materials & Supplies	\$ 183,424	\$ 196,441	\$ (13,017)	-7%	\$ 149,242	\$ 34,182	23%
Utilities	\$ 319,676	\$ 360,800	\$ (41,124)	-11%	\$ 309,530	\$ 10,146	3%
Casualty & Liability	\$ 497,123	\$ 730,950	\$ (233,827)	-32%	\$ 369,105	\$ 128,018	35%
Taxes	\$ 29,086	\$ 35,067	\$ (5,981)	-17%	\$ 30,676	\$ (1,590)	-5%
Purchased Transportation	\$ 174,529	\$ 166,667	\$ 7,862	5%	\$ 115,253	\$ 59,276	51%
Miscellaneous	\$ 97,398	\$ 196,517	\$ (99,119)	-50%	\$ 95,668	\$ 1,730	2%
Leases & Rentals	\$ 155,701	\$ 162,314	\$ (6,613)	-4%	\$ 221,293	\$ (65,592)	-30%
Total Expenses	\$ 24,332,661	\$ 26,696,419	\$ (2,363,758)	-9%	\$ 23,549,020	\$ 783,641	3%
Operating Income (Loss)	\$ (1,095,104)				\$ 4,374,741		

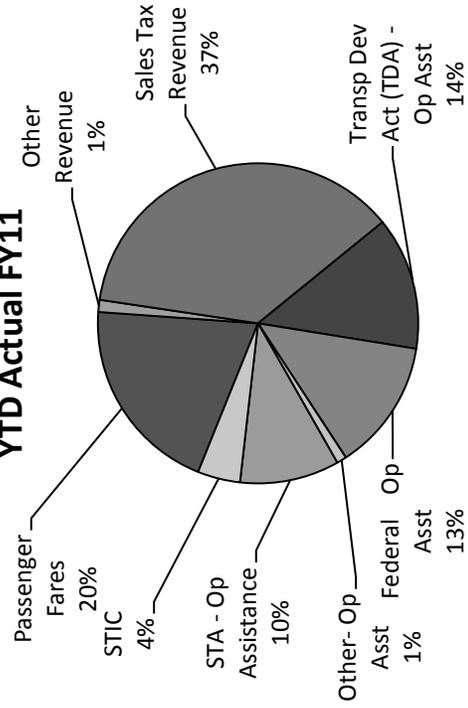
Total Revenue Year to Date as of February 29, 2012



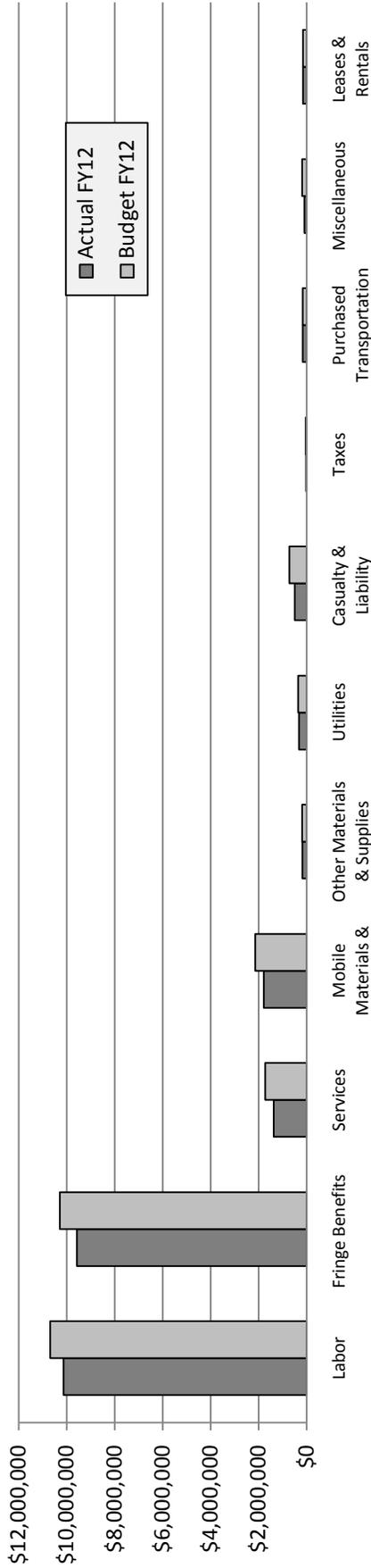
YTD Actual FY12



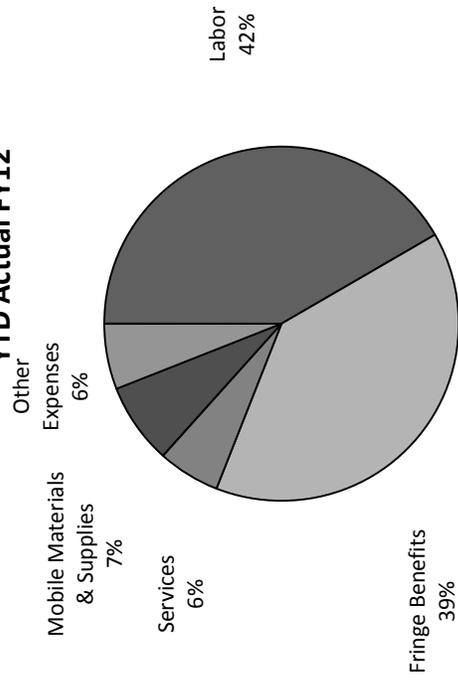
YTD Actual FY11



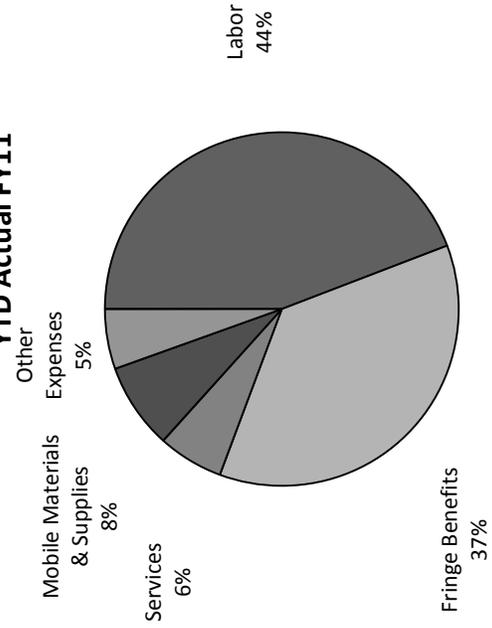
Total Expenses Year to Date as of February 29, 2012



YTD Actual FY12



YTD Actual FY11





FY12
Operating Revenue
Year to Date as of February 29, 2012

Percent of Year Elapsed - 67%

	Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
Passenger Fares						
Passenger Fares	\$ 2,440,660	\$ 2,545,314	-4%	\$ 2,309,941	\$ 130,719	6%
Paratransit Fares	\$ 195,845	\$ 173,673	13%	\$ 157,025	\$ 38,820	25%
Special Transit Fares - Contract	\$ 1,858,918	\$ 1,952,409	-5%	\$ 2,137,083	\$ (278,165)	-13%
Highway 17 Fares	\$ 956,437	\$ 813,874	18%	\$ 700,342	\$ 256,094	37%
Highway 17 Payments	\$ 177,363	\$ 320,868	-45%	\$ 286,301	\$ (108,938)	-38%
Subtotal Passenger Revenue	\$ 5,629,223	\$ 5,806,139	-3%	\$ 5,590,693	\$ 38,530	1%

	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
Other Revenue						
Commissions	\$ 2,794	\$ 3,733	-25%	\$ 3,282	\$ (488)	-15%
Advertising Income	\$ 174,609	\$ 133,333	31%	\$ 145,397	\$ 29,212	20%
Rent Income - SC Pacific Station	\$ 72,050	\$ 1,383	2%	\$ 56,447	\$ 15,603	28%
Rent Income - Watsonville TC	\$ 29,639	\$ 26,667	11%	\$ 27,282	\$ 2,357	9%
Interest Income	\$ 79,366	\$ 80,000	-1%	\$ 92,933	\$ (13,567)	-15%
Other Non-Transp Revenue	\$ 9,108	\$ 12,067	-25%	\$ 13,337	\$ (4,230)	-32%
Subtotal Other Revenue	\$ 367,565	\$ 326,467	13%	\$ 338,678	\$ 28,887	9%

Sales Tax Revenue	\$ 10,766,419	\$ 10,762,238	0%	\$ 10,269,030	\$ 497,390	5%
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Transp Dev Act (TDA) - Op Asst	\$ 2,622,482	\$ 2,622,482	0%	\$ 3,749,032	\$ (1,126,550)	-30%
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	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
Federal Op Assistance						
FTA Sec 5307 - Op Asst	\$ 3,707,070	\$ 3,707,070	0%	\$ 3,696,155	\$ 10,915	0%
FTA Sec 5311 - Rural Op Asst	\$ -	\$ -	0%	\$ -	\$ -	0%
Subtotal Federal Op Assistance	\$ 3,707,070	\$ 3,707,070	0%	\$ 3,696,155	\$ 10,915	0%

	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
Other Op Assistance/Funding						
AMBAG Funding	\$ -	\$ -	0%	\$ 6,465	\$ (6,465)	-100%
Other Op Assistance/Funding	\$ 11,702	\$ 83,867	-86%	\$ -	\$ 11,702	100%
FTA Sec 5309 - ARRA Op Asst	\$ -	\$ -	0%	\$ 270,000	\$ (270,000)	-100%
Subtotal Other Op Assistance/Funding	\$ 11,702	\$ 83,867	-86%	\$ 276,465	\$ (264,763)	-96%



FY12
Operating Revenue
Year to Date as of February 29, 2012

Percent of Year Elapsed - 67%

	Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
STA - Op Assistance	\$ -	\$ -	0%	\$ 2,801,550	\$ (2,801,550)	-100%
STIC - Op Assistance	\$ -	\$ -	0%	\$ 1,202,159	\$ (1,202,159)	-100%
Fuel Tax Credit	\$ 133,096	\$ 125,000	6%	\$ -	\$ 133,096	100%
Transfers (to)/ from Reserves	\$ -	\$ -	0%	\$ -	\$ -	0%
Total Revenue	<u>\$ 23,237,558</u>	<u>\$ 23,433,262</u>	-1%	<u>\$ 27,923,761</u>	<u>\$ (4,686,203)</u>	<u>-17%</u>
Total Operating Expenses	<u>\$ 24,332,661</u>			<u>\$ 23,549,020</u>		
Variance	<u>\$ (1,095,104)</u>			<u>\$ 4,374,741</u>		



FY12
Consolidated Operating Expenses
Year to Date as of February 29, 2012

	Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
501011 Bus Operator Pay	\$ 4,677,360	\$ 5,161,007	-9%	\$ 4,883,311	\$ (205,951)	-4%
501013 Bus Operator Overtime	\$ 1,030,622	\$ 1,023,727	1%	\$ 1,061,285	\$ (30,663)	-3%
501021 Other Salaries	\$ 4,113,409	\$ 4,272,225	-4%	\$ 4,260,852	\$ (147,443)	-3%
501023 Other Overtime	\$ 310,821	\$ 233,117	33%	\$ 194,615	\$ 116,207	60%
Total Labor -	\$ 10,132,212	\$ 10,690,077	-5%	\$ 10,400,063	\$ (267,851)	-3%

Fringe Benefits						
	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
502011 Medicare/Soc. Sec.	\$ 150,203	\$ 186,014	-19%	\$ 152,834	\$ (2,631)	-2%
502021 Retirement	\$ 1,756,147	\$ 1,985,405	-12%	\$ 1,437,593	\$ 318,553	22%
502031 Medical Insurance	\$ 4,226,386	\$ 4,516,119	-6%	\$ 3,762,188	\$ 464,198	12%
502041 Dental Insurance	\$ 306,567	\$ 337,236	-9%	\$ 287,402	\$ 19,165	7%
502045 Vision Insurance	\$ 83,922	\$ 87,185	-4%	\$ 88,240	\$ (4,319)	-5%
502051 Life Insurance	\$ 27,006	\$ 30,216	-11%	\$ 26,961	\$ 44	0%
502060 State Disability	\$ 126,213	\$ 137,429	-8%	\$ 131,481	\$ (5,267)	-4%
502061 Disability Insurance	\$ 78,404	\$ 151,239	-48%	\$ 126,436	\$ (48,032)	-38%
502071 State Unemp. Ins	\$ 75,541	\$ 55,365	36%	\$ 76,933	\$ (1,392)	-2%
502081 Worker's Comp Ins	\$ 813,614	\$ 599,999	36%	\$ 587,569	\$ 226,045	38%
502083 Worker's Comp IBNR	\$ -	\$ -	0%	\$ -	\$ -	0%
502101 Holiday Pay	\$ 233,398	\$ 285,935	-18%	\$ 250,293	\$ (16,895)	-7%
502103 Floating Holiday	\$ 24,361	\$ 52,277	-53%	\$ 12,906	\$ 11,455	89%
502109 Sick Leave	\$ 367,447	\$ 591,301	-38%	\$ 367,197	\$ 250	0%
502111 Annual Leave	\$ 1,150,833	\$ 1,126,777	2%	\$ 1,137,804	\$ 13,028	1%
502121 Other Paid Absence	\$ 100,178	\$ 82,167	22%	\$ 102,020	\$ (1,842)	-2%
502251 Physical Exams	\$ 5,931	\$ 9,407	-37%	\$ 3,825	\$ 2,106	55%
502253 Driver Lic Renewal	\$ 1,316	\$ 3,112	-58%	\$ 1,334	\$ (18)	-1%
502999 Other Fringe Benefits	\$ 44,847	\$ 43,941	2%	\$ 50,596	\$ (5,748)	-11%
Total Fringe Benefits -	\$ 9,572,312	\$ 10,281,125	-7%	\$ 8,603,613	\$ 968,700	11%

Total Personnel Expenses -	\$ 19,704,524	\$ 20,971,201	-6%	\$ 19,003,675	\$ 700,848	4%
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ATTACHMENT A



FY12 Consolidated Operating Expenses Year to Date as of February 29, 2012

	Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
Services						
503011 Acctg & Audit Fees	\$ 37,473	\$ 45,000	-17%	\$ 34,807	\$ 2,666	8%
503012 Admin & Bank Fees	\$ 160,446	\$ 165,846	-3%	\$ 113,743	\$ 46,703	41%
503031 Prof & Tech Fees	\$ 68,830	\$ 161,044	-57%	\$ 91,292	\$ (22,462)	-25%
503032 Legislative Services	\$ 60,000	\$ 60,000	0%	\$ 60,000	\$ -	0%
503033 Legal Services	\$ -	\$ 36,667	-100%	\$ 863	\$ (863)	-100%
503034 Pre-Employ Exams	\$ 4,708	\$ 5,013	-6%	\$ 1,385	\$ 3,324	240%
503041 Temp Help	\$ 213,821	\$ 104,800	104%	\$ 99,621	\$ 114,201	115%
503161 Custodial Services	\$ 44,091	\$ 48,466	-9%	\$ 45,184	\$ (1,093)	-2%
503162 Uniform & Laundry	\$ 12,100	\$ 14,857	-19%	\$ 12,658	\$ (558)	-4%
503171 Security Services	\$ 212,860	\$ 266,000	-20%	\$ 249,060	\$ (36,201)	-15%
503221 Classified/Legal Ads	\$ 7,067	\$ 14,895	-53%	\$ 3,978	\$ 3,089	78%
503222 Legal Advertising	\$ -	\$ -	0%	\$ -	\$ -	0%
503225 Graphic Services	\$ -	\$ 1,133	-100%	\$ -	\$ -	0%
503351 Repair - Bldg & Impr	\$ 30,348	\$ 66,667	-54%	\$ 48,634	\$ (18,286)	-38%
503352 Repair - Equipment	\$ 262,442	\$ 413,540	-37%	\$ 344,959	\$ (82,517)	-24%
503353 Repair - Rev Vehicle	\$ 211,676	\$ 282,533	-25%	\$ 261,188	\$ (49,512)	-19%
503354 Repair - Non Rev Vehic	\$ 20,736	\$ 16,667	24%	\$ 10,235	\$ 10,502	103%
503363 Haz Mat Disposal	\$ 31,426	\$ 33,333	-6%	\$ 27,690	\$ 3,736	13%
Total Services -	\$ 1,378,025	\$ 1,736,461	-21%	\$ 1,405,297	\$ (27,271)	-2%
Mobile Materials & Supplies						
504011 Fuels & Lube Non Rev ^	\$ 43,946	\$ 46,667	-6%	\$ 39,120	\$ 4,826	12%
504012 Fuels & Lube Rev Veh	\$ 1,298,751	\$ 1,503,333	-14%	\$ 1,299,755	\$ (1,004)	0%
504021 Tires & Tubes	\$ 92,686	\$ 166,667	-44%	\$ 131,492	\$ (38,805)	-30%
504161 Other Mobile Supplies	\$ -	\$ -	0%	\$ 38	\$ (38)	-100%
504191 Rev Vehicle Parts	\$ 357,791	\$ 423,334	-15%	\$ 378,877	\$ (21,087)	-6%
Total Mobile Materials & Supplies -	\$ 1,793,174	\$ 2,140,000	-16%	\$ 1,849,282	\$ (56,108)	-3%



FY12
Consolidated Operating Expenses
Year to Date as of February 29, 2012

	Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
Other Materials & Supplies						
504205 Freight Out	\$ 1,318	\$ 1,667	-21%	\$ 2,136	\$ (818)	-38%
504211 Postage & Mailing	\$ 7,059	\$ 12,056	-41%	\$ 8,017	\$ (957)	-12%
504214 Promotional Items	\$ -	\$ -	0%	\$ -	\$ -	0%
504215 Printing	\$ 41,388	\$ 44,442	-7%	\$ 28,892	\$ 12,496	43%
504217 Photo Supply/Processin	\$ 3	\$ 2,600	-100%	\$ 186	\$ (183)	-98%
504311 Office Supplies	\$ 45,121	\$ 44,943	0%	\$ 44,756	\$ 365	1%
504315 Safety Supplies	\$ 9,405	\$ 13,533	-31%	\$ 10,880	\$ (1,475)	-14%
504317 Cleaning Supplies	\$ 28,693	\$ 30,067	-5%	\$ 20,786	\$ 7,907	38%
504409 Repair/Maint Supplies	\$ 39,940	\$ 26,667	50%	\$ 21,554	\$ 18,386	85%
504421 Non-Inventory Parts	\$ 5,505	\$ 12,667	-57%	\$ 9,445	\$ (3,940)	-42%
504511 Small Tools	\$ 4,521	\$ 5,800	-22%	\$ 2,201	\$ 2,321	105%
504515 Employee Tool Rplcmt	\$ 470	\$ 2,000	-76%	\$ 390	\$ 80	21%
Total Other Materials & Supplies -	\$ 183,424	\$ 196,441	-7%	\$ 149,242	\$ 34,182	23%
Utilities						
505011 Gas & Electric	\$ 167,772	\$ 156,000	8%	\$ 153,478	\$ 14,294	9%
505021 Water & Garbage	\$ 84,666	\$ 100,000	-15%	\$ 83,176	\$ 1,490	2%
505031 Telecommunications	\$ 67,239	\$ 104,800	-36%	\$ 72,876	\$ (5,637)	-8%
Total Utilities -	\$ 319,676	\$ 360,800	-11%	\$ 309,530	\$ 10,147	3%
Casualty & Liability						
506011 Insurance - Property	\$ 69,748	\$ 76,667	-9%	\$ 61,780	\$ 7,968	13%
506015 Insurance - PL & PD	\$ 317,009	\$ 350,200	-9%	\$ 292,245	\$ 24,763	8%
506021 Insurance - Other	\$ 711	\$ 750	-5%	\$ 711	\$ -	0%
506123 Settlement Costs	\$ 127,859	\$ 303,333	-58%	\$ 89,140	\$ 38,719	43%
506127 Repairs - Dist Prop	\$ (18,204)	\$ -	100%	\$ (74,772)	\$ 56,568	-76%
Total Casualty & Liability -	\$ 497,123	\$ 730,950	-32%	\$ 369,105	\$ 128,017	35%
Taxes						
507051 Fuel Tax	\$ 8,695	\$ 9,333	-7%	\$ 8,793	\$ (98)	-1%
507201 Licenses & permits	\$ 9,876	\$ 12,400	-20%	\$ 8,418	\$ 1,458	17%
507999 Other Taxes	\$ 10,516	\$ 13,333	-21%	\$ 13,465	\$ (2,950)	-22%
Total Taxes -	\$ 29,086	\$ 35,067	-17%	\$ 30,676	\$ (1,590)	-5%



FY12
Consolidated Operating Expenses
Year to Date as of February 29, 2012

	Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	% Var	Actual FY11	\$ Var	% Var
Purchased Transportation						
503406 Contr/Paratrans	\$ 174,529	\$ 166,667	5%	\$ 115,253	\$ 59,276	51%
Total Purchased Transportation -	\$ 174,529	\$ 166,667	5%	\$ 115,253	\$ 59,276	51%
Miscellaneous						
509011 Dues & Subscriptions	\$ 42,859	\$ 47,095	-9%	\$ 43,553	\$ (694)	-2%
509085 Advertising - Rev Produ	-	-	0%	-	-	0%
509101 Emp Incentive Prog	\$ 226	\$ 23,689	-99%	\$ 7,449	\$ (7,223)	-97%
509121 Employee Training	\$ 26,689	\$ 51,338	-48%	\$ 14,251	\$ 12,438	87%
509123 Travel	\$ 19,803	\$ 62,295	-68%	\$ 23,470	\$ (3,667)	-16%
509125 Local Meeting Exp	\$ 2,588	\$ 3,533	-27%	\$ 2,262	\$ 326	14%
509127 Board Director Fees	\$ 4,300	\$ 8,400	-49%	\$ 4,350	\$ (50)	-1%
509150 Contributions	-	\$ 167	-100%	-	-	0%
509197 Sales Tax Expense	-	-	0%	-	-	0%
509198 Cash Over/Short	\$ 933	-	100%	\$ 333	\$ 600	180%
Total Misc -	\$ 97,398	\$ 196,517	-50%	\$ 95,668	\$ 1,730	2%
Leases & Rentals						
512011 Facility Rentals	\$ 141,978	\$ 149,000	-5%	\$ 213,285	\$ (71,306)	-33%
512061 Equipment Rentals	\$ 13,723	\$ 13,314	3%	\$ 8,008	\$ 5,715	71%
Total Leases & Rentals -	\$ 155,701	\$ 162,314	-4%	\$ 221,293	\$ (65,591)	-30%
Total Non-Personnel Expenses -	\$ 4,628,137	\$ 5,725,217	-19%	\$ 4,545,345	\$ 82,792	2%
TOTAL OPERATING EXPENSE -	\$ 24,332,661	\$ 26,696,419	-9%	\$ 23,549,020	\$ 783,641	3%

** does not include depreciation



FY12
CAPITAL BUDGET
For the month ending - February 29, 2012

	<u>YTD Actual</u>	<u>FY12 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Grant-Funded Projects</u>				
MetroBase Project- Operations Building (PTMISEA)	\$ -	\$ 11,010,047	\$ 11,010,047	0%
State of Good Repair (FTA, RES. RET. EARN.)	\$ 5,570,176	\$ 5,820,000	\$ 249,824	96%
MetroBase Project - FY10 Allocation (PTMISEA)	\$ 22,581	\$ 2,491,923	\$ 2,469,342	1%
2nd CNG Tank (STIC, MBUAPCD, RES. RET. EARN.)	\$ 61	\$ 1,561,070	\$ 1,561,009	0%
MetroBase Project - FY09 Allocation (PTMISEA)	\$ 121,854	\$ 200,000	\$ 78,146	61%
Transit Mgmt. Info. Technology (FTA-ARRA)	\$ 519,198	\$ 520,000	\$ 802	100%
Bus Stop Improvements (STIP)	\$ 135,385	\$ 500,000	\$ 364,615	27%
425 Front Street Purchase (FTA, STA)	\$ 3,228	\$ 40,000	\$ 36,772	8%
Land Mobile Radio Project - (LMR) (STATE-1B)	\$ -	\$ 790,000	\$ 790,000	0%
Non-Revenue Vehicle Replacement (MBUAPCD, FTA)	\$ -	\$ 192,105	\$ 192,105	0%
Video Surveillance Project - (CCTV) (STATE-1B)	\$ -	\$ 80,000	\$ 80,000	0%
Emergency Generator Relocation (OHS-1B)	\$ 17,412	\$ 20,000	\$ 2,588	87%
Subtotal Grant Funded Projects	\$ 6,389,895	\$ 23,225,145	\$ 16,835,250	28%
<u>IT Projects</u>				
HR Software Upgrade (STA)	\$ 555	\$ 125,000	\$ 124,445	0%
Replace Fleet & Facilities Maintenance Software (STA)	\$ 73,644	\$ 115,000	\$ 41,356	64%
Automated Purchasing System Software (STA)	\$ -	\$ 40,000	\$ 40,000	0%
Subtotal IT Projects	\$ 74,199	\$ 280,000	\$ 205,801	26%
<u>Facilities Repair & Improvements</u>				
Operations Bldg. Repairs (RES. RET. EARN.)	\$ 17,151	\$ 150,000	\$ 132,849	11%
MetroCenter Repairs (RES. RET. EARN.)	\$ -	\$ 200,000	\$ 200,000	0%
MTC Lane Four Shelter Replacement (STA)	\$ 972	\$ 40,000	\$ 39,028	2%
WTC Renovations & Repairs (STA)	\$ 8,221	\$ 85,000	\$ 76,779	10%
Repair, Reseal, Restripe (Sinkholes) - Ops (STA)	\$ -	\$ 10,000	\$ 10,000	0%
Subtotal Facilities Repairs & Improvements Projects	\$ 26,344	\$ 485,000	\$ 458,656	5%



FY12
CAPITAL BUDGET
For the month ending - February 29, 2012

	<u>YTD Actual</u>	<u>FY12 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<u>Revenue Vehicle Replacement</u>				
Replace WiFi on Highway 17 buses	\$ -	\$ 60,000	\$ 60,000	0%
Subtotal Revenue Vehicle Replacements	\$ -	\$ 60,000	\$ 60,000	0%
<u>Non-Revenue Vehicle Replacement</u>				
See above	\$ -	\$ -	\$ -	0%
Subtotal Non-Revenue Vehicle Replacements	\$ -	\$ -	\$ -	0%
<u>Office Equipment</u>				
Fire Safe Filing Cabinets (STA)	\$ -	\$ 8,000	\$ 8,000	0%
Subtotal Office Equipment	\$ -	\$ 8,000	\$ 8,000	0%
<u>Misc</u>				
Use of Reserves to balance Operating Budget	\$ -	\$ -	\$ -	0%
Subtotal Misc.	\$ -	\$ -	\$ -	0%
TOTAL CAPITAL PROJECTS	\$ 6,490,438	\$ 24,058,145	\$ 17,567,707	27%



FY12
CAPITAL BUDGET
For the month ending - February 29, 2012

	<u>YTD Actual</u>	<u>FY12 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
CAPITAL FUNDING				
Federal Capital Grants	\$ 6,092,602	\$ 6,514,162	\$ 421,560	94%
Other Fed - Sakata / Lawsuit proceeds	\$ -	\$ -	\$ -	-
State - PTMISEA (1B)	\$ 144,435	\$ 13,701,970	\$ 13,557,535	1%
State - Security Bond Funds (1B)	\$ 17,412	\$ 890,000	\$ 872,588	2%
State Transit Assistance (STA) Carryover-Prior Yrs	\$ 83,392	\$ 488,000	\$ 404,608	17%
State - MBUAPCD	\$ 61	\$ 360,000	\$ 359,939	0%
State - STIP	\$ 135,385	\$ 500,000	\$ 364,615	27%
Local - Reserved Retained Earnings	\$ 17,151	\$ 1,457,873	\$ 1,440,722	1%
Local Operating Match	\$ -	\$ 146,140	\$ 146,140	0%
TOTAL CAPITAL FUNDING	\$ 6,490,438	\$ 24,058,145	\$ 17,567,707	27%

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: March 23, 2012

TO: Board of Directors

FROM: April Warnock, Paratransit Superintendent

SUBJECT: METRO PARACRUZ OPERATIONS STATUS REPORT–JANUARY 2012

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

From December 2011 to January 2012, ParaCruz rides decreased by 492 rides. The decrease in rides does trend typically with the previous two years. The number of rides performed in January 2012 was 136 less than the number of rides performed in January 2011.

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 March 23, 2012

ParaCruz On-time Performance Report		
	Jan 2011	Jan 2012
Total pick ups	6876	6740
Percent in “ready window”	96.06%	96.50%
1 to 5 minutes late	1.88%	1.48%
6 to 10 minutes late	1.06%	.98%
11 to 15 minutes late	.49%	.45%
16 to 20 minutes late	.32%	.31%
21 to 25 minutes late	.12%	.13%
26 to 30 minutes late	.03%	.04%
31 to 35 minutes late	.04%	.07%
36 to 40 minutes late	.00%	.03%
41 or more minutes late (excessively late/missed trips)	.00%	.00%
Total beyond “ready window”	3.94%	3.50%

During the month of January 2012, ParaCruz received four (4) Customer Service Reports. One (1) of the reports was a valid complaint, one (1) of the reports was not verifiable, and two (2) of the reports were compliments.

ATTACHMENT B

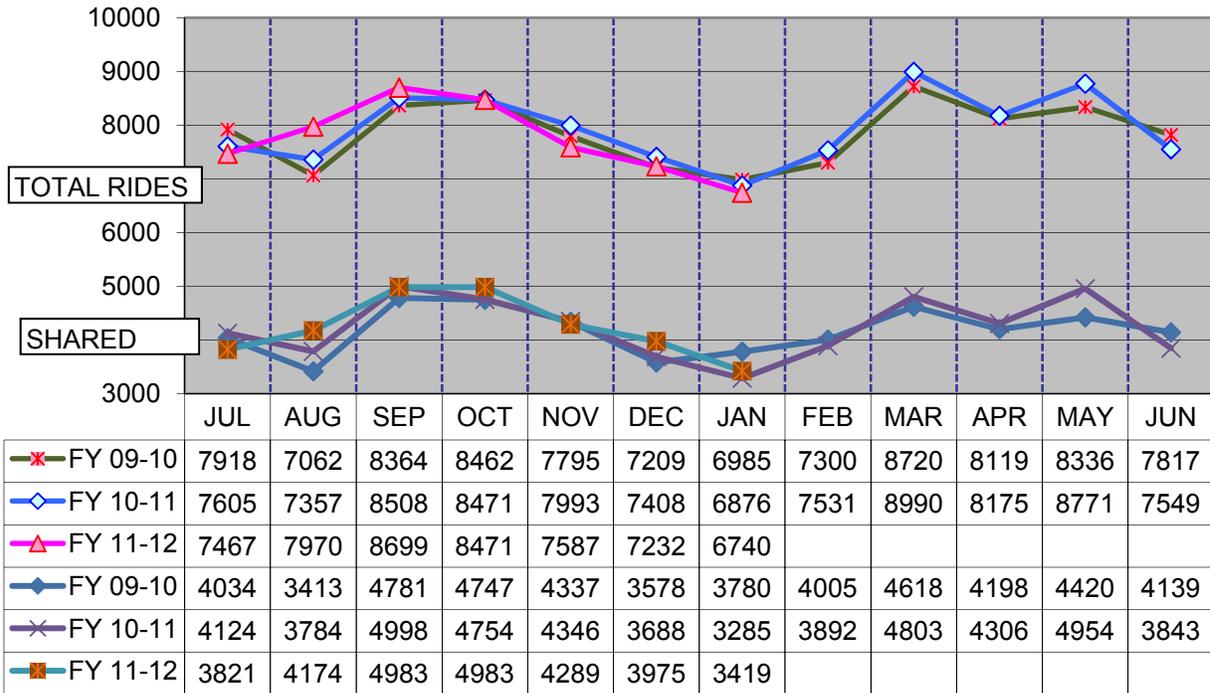
Board of Directors
Board Meeting January 23, 2012

Comparative Operating Statistics This Fiscal Year, Last Fiscal Year through January 2012.

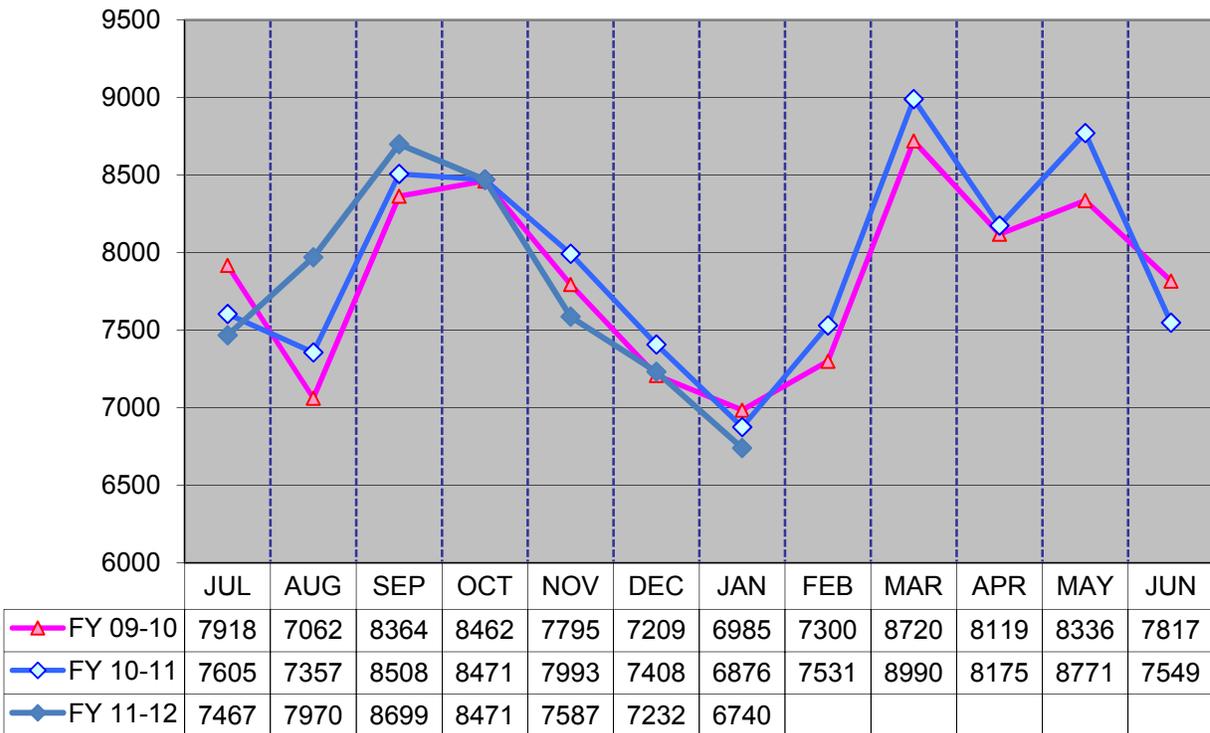
	Jan 11	Jan 12	Fiscal 10-11	Fiscal 11-12	Performance Averages	Performance Goals
Requested	7204	7150	57,442	57,745	8530	
Performed	6876	6740	54,211	54,165	7932	
Cancels	20.33%	17.85%	17.93%	17.86%	18.34%	
No Shows	3.97%	3.73%	2.08%	3.22%	2.93%	Less than 3%
Total miles	46,676	46,417	367,899	366,760	53,476	
Av trip miles	5.08	4.83	5.01	4.89	4.89	
Within ready window	95.99%	95.26%	96.17%	95.26%	94.87%	92.00% or better
Excessively late/missed trips	0	0	10	13	2.75	Zero (0)
Call center volume	N/A	5391	N/A	42,422	N/A	
Call average seconds to answer	N/A	29 secs	N/A	23 secs	N/A	Less than 2 minutes
Hold times less than 2 minutes	N/A	98.5%	N/A	97.86%	N/A	Greater than 90%
Distinct riders	760	570	1548	1284	757	
Most frequent rider	55 rides	47 rides	360 rides	315 rides	52 rides	
Shared rides	56.9%	60.9%	62.3%	64.4%	63.48%	Greater than 60%
Passengers per rev hour	2.01	1.93	2.12	2.01	2.02	Greater than 1.6 passengers/hour
Rides by supplemental providers	6.94%	12.39%	9.65%	13.26%	12.50%	No more than 25%
Vendor cost per ride	\$21.23	\$22.55	\$20.68	\$21.16	\$22.09	
ParaCruz driver cost per ride (estimated)	\$22.55	\$27.13	\$24.10	\$27.72	\$23.95	
Rides < 10 miles	71.2%	68.53%	70.35%	69.16%	68.01%	
Rides > 10	28.8%	31.47%	29.65%	30.84%	31.81%	

ATTACHMENT C

TOTAL RIDES vs. SHARED RIDES

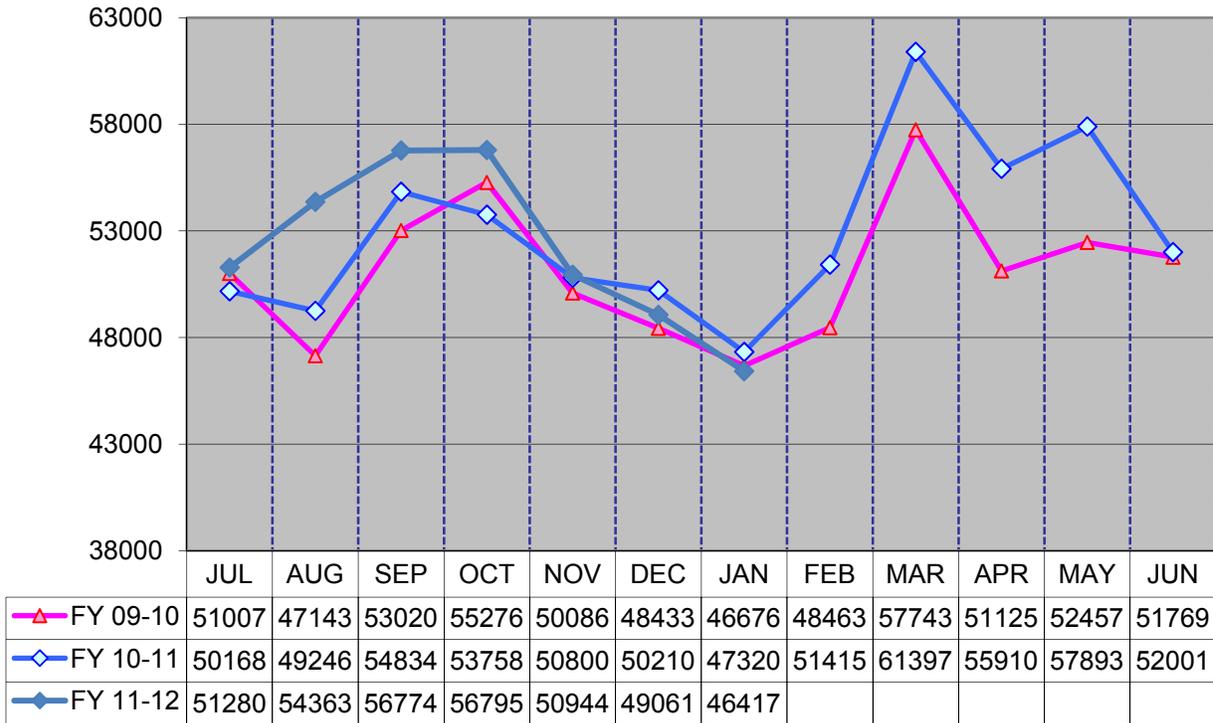


NUMBER OF RIDES COMPARISON CHART

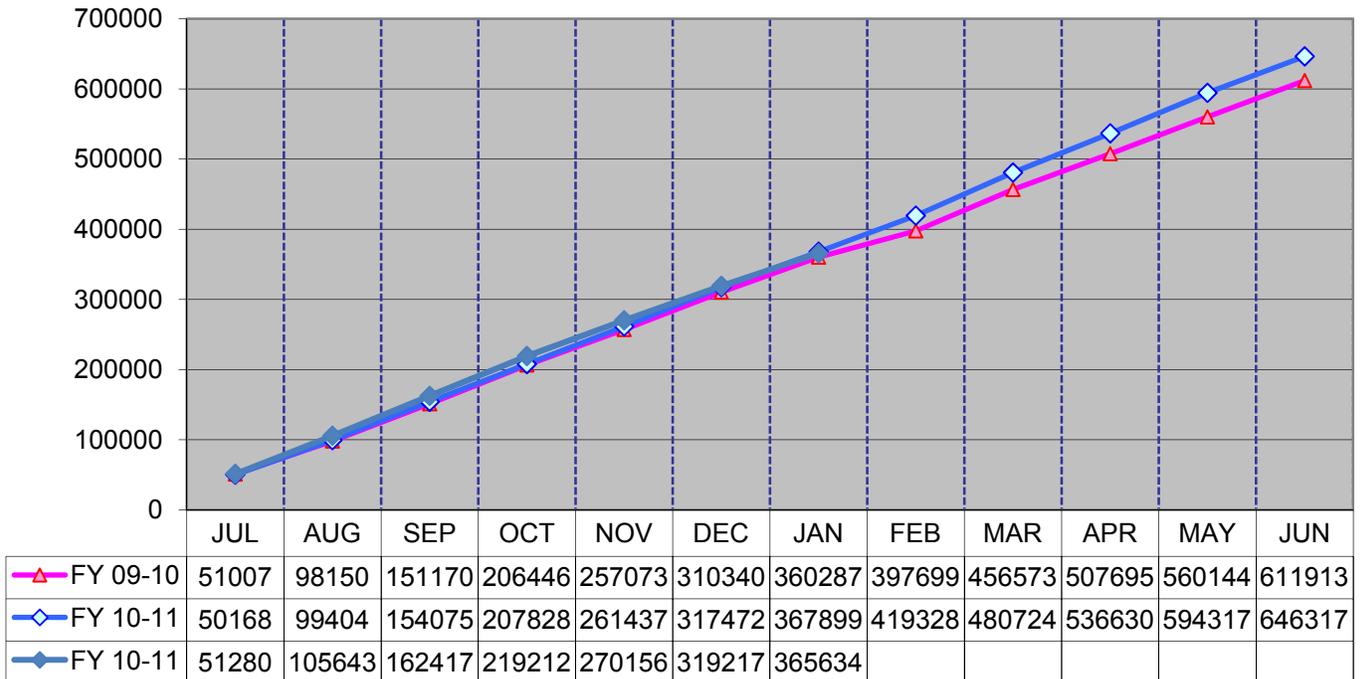


ATTACHMENT D

MILEAGE COMPARISON



YEAR TO DATE MILEAGE COMPARISON CHART



ATTACHMENT E

MONTHLY ASSESSMENTS						
	UNRESTRICTED	RESTRICTED	RESTRICTED	TEMPORARY	DENIED	TOTAL
		CONDITIONAL	TRIP BY TRIP			
JANUARY 2011	43	3	4	4	0	54
FEBRUARY 2011	41	2	14	4	0	61
MARCH 2011	43	3	5	7	0	58
APRIL 2011	44	0	3	4	0	51
MAY 2011	49	1	4	2	0	56
JUNE 2011	48	0	4	0	0	52
JULY 2011	54	0	0	1	0	55
AUGUST 2011	66	0	3	0	1	70
SEPTEMBER 2011	48	0	7	2	0	57
OCTOBER 2011	59	0	4	0	0	63
NOVEMBER 2011	64	0	3	6	1	74
DECEMBER 2011	49	0	1	3	0	53
JANUARY 2012	31	0	2	3	0	36

NUMBER OF ELIGIBLE RIDERS	
YEAR	ACTIVE
2006	5315
2007	4820
2008	4895
2009	5291
2010	3314

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 13, 2012

TO: Board of Directors

FROM: Erron Alvey, Purchasing Agent

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH MISSION LINEN & UNIFORM SERVICE FOR FURNISHING UNIFORMS, FLAT GOODS AND LAUNDRY SERVICES FOR AN AMOUNT NOT TO EXCEED \$20,000.

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to execute a one-year contract extension with Mission Linen & Uniform Service for furnishing uniforms, flat goods, and laundry services for an amount not to exceed \$20,000 .

II. SUMMARY OF ISSUES

- Santa Cruz METRO has a contract with Mission Linen & Uniform Service for uniform, flat goods and laundry services.
- This contract was established on May 1, 2009 for a one-year period with four optional one-year extensions.
- The current contract approved by the Board of Directors will expire on April 30, 2012.
- Mission Linen & Uniform Service has requested a renewal of the contract without any changes to the rates for the new contract period.

III. DISCUSSION

Santa Cruz METRO has a contract with Mission Linen Supply Service for furnishing uniforms, flat goods, and laundry services that is due to expire on April 30, 2012. Per Robert Cotter, Maintenance Manager, over the past year, the quality of service provided by Mission Linen & Uniform Service has been good. Mission Linen & Uniform Service has reviewed the contract and has requested a one-year contract extension without any changes to the rates for the new contract period.

Staff recommends that Santa Cruz METRO exercise the option for a one-year contract extension with Mission Linen & Uniform Service for an amount not to exceed \$20,000. Staff further recommends that the Board of Directors authorize the General Manager to execute a one-year contract extension on behalf of Santa Cruz METRO. Robert Cotter, Maintenance Manger will continue to serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS

Funds to support this contract are included in the ParaCruz, Facilities and Fleet Maintenance FY12 & FY13 operating budgets.

V. ATTACHMENTS

Attachment A: Letter from Mission Linen & Uniform Service.

Attachment B: Contract Amendment with Mission Linen & Uniform Service

Attachment A



315 Kern St
Salinas, Ca. 93905
831 424-1707

March 13, 2012

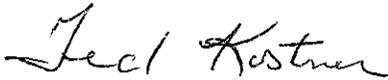
Erron Alvey
Santa Cruz Metropolitan Transit District
110 Vernon St
Santa Cruz, Ca 95060

Re: Contract for furnishing Uniforms, Flat Goods and Laundry Services (09-15)

Dear Ms Alvey:

At this time (Mission Linen Supply) would like to extend the above contract for an additional one year period with no modifications. We also would like to take this moment to thank you for your continued patronage. If you have any questions or comments you can contact me by phone at 831 424-1707 or my e-mail address fkostner@missionlinen.com

Sincerely,



Fred Kostner
General Manager

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT THIRD AMENDMENT TO CONTRACT NO. 09-15 FOR UNIFORM, FLAT GOODS AND LAUNDRY SERVICE

This Third Amendment to Contract No. 09-15 for Uniform, Flat Goods and Laundry Service is made effective May 1, 2012 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“Santa Cruz METRO”) and MISSION LINEN & UNIFORM SERVICE. (“Contractor”).

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for Uniform, Flat Goods and Laundry Service (“Contract”) on May 1, 2009.
- 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 April 30, 2013. 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 Second 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

Signed on _____

Santa Cruz METRO
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
MISSION LINEN & UNIFORM SERVICE

By _____
Fred Kostner
General Manager

Approved as to Form:

Margaret R. Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 13, 2012

TO: Board of Directors

FROM: Erron Alvey, Purchasing Agent

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT RENEWAL WITH EVERGREEN OIL, INC. FOR INDUSTRIAL WASTE DISPOSAL AND INDUSTRIAL WASTE EMERGENCY RESPONSE SERVICES 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 extension with Evergreen Oil, Inc. for industrial waste disposal and industrial waste emergency response services for an amount not to exceed \$25,000 .

II. SUMMARY OF ISSUES

- Santa Cruz METRO has a contract with Evergreen Oil, Inc. for industrial waste disposal and industrial waste emergency response services.
- This contract was established on May 1, 2009 for a one-year period with four optional one-year extensions.
- The current contract approved by the Board of Directors will expire on April 30, 2012.
- Evergreen Oil, Inc. has requested a renewal of the contract without any changes to the rates for the new contract period.

III. DISCUSSION

Santa Cruz METRO has a contract with Evergreen Oil, Inc. for industrial waste disposal and industrial waste emergency response services that is due to expire on April 30, 2012. Per Robert Cotter, Maintenance Manager, over the past year, the quality of service provided by Evergreen Oil, Inc. has been acceptable. Evergreen Oil, Inc. has reviewed the contract and has requested a one-year contract extension without any changes to the rates for the new contract period.

Staff recommends that Santa Cruz METRO exercise the option for a one-year contract extension with Evergreen Oil, Inc. for an amount not to exceed \$25,000. Staff further recommends that the Board of Directors authorize the General Manager to execute a one-year contract extension on behalf of Santa Cruz METRO. Robert Cotter, Maintenance Manger will continue to serve as the Contract Administrator and will ensure contract compliance.

IV. FINANCIAL CONSIDERATIONS

Funds to support this contract are included in the Facilities Maintenance FY12 & FY 13 operating budgets.

V. ATTACHMENTS

Attachment A: Letter from Evergreen Oil, Inc.

Attachment B: Contract Amendment with Evergreen Oil, Inc.

Attachment A



Evergreen

2415 Campus Dr., Suite 225
Irvine, Ca. 92612
800-972-5284, ext 212 Fax 949-474-9149

March 7, 2012

Erron Alvey
Purchasing Agent
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, Ca 95060

Re: Renewal of Contract
Industrial Waste Disposal and Industrial Waste Emergency Responsive Services

Dear Erron Alvey

Evergreen Oil, Inc. is in receipt of your request to extend the above listed contract for an additional year. We are pleased to do so with no changes.

We thank Santa Cruz Metropolitan Transit District for business.

Thank You
Evergreen Oil, Inc

A handwritten signature in cursive script that reads "Christopher Goff".

Christopher Goff
VP Environmental Services
949-289-3121

5-7.a1

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT THIRD AMENDMENT TO CONTRACT NO. 09-11 FOR HAZARDOUS INDUSTRIAL WASTE DISPOSAL AND INDUSTRIAL WASTE EMERGENCY SERVICES

This Third Amendment to Contract No. 09-11 for Hazardous Industrial Waste Disposal and Industrial Waste Emergency Response Services is made effective May 1, 2012 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California (“Santa Cruz METRO”) and EVERGREEN OIL, INC. (“Contractor”).

I. RECITALS

1.1 Santa Cruz METRO and Contractor entered into a Contract for Service for Hazardous Industrial Waste Disposal and Industrial Waste Emergency Response Services (“Contract”) on May 1, 2009.

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 April 30, 2013. 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 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

Signed on _____

Santa Cruz METRO
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

By _____
Gary Colbert
President

Approved as to Form:

Margaret R. Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 13, 2012
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
SUBJECT: CONSIDERATION OF RESOLUTION APPROVING THE FY12 REVISED BUDGET AS OF APRIL 2012

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors adopt a resolution approving the FY12 Revised Budget as of April 2012, as presented.

II. SUMMARY OF ISSUES

- The FY12 Revised Budget as of April 2012 is a revised one-year budget. The Board of Directors adopted the previous FY12 Revised one-year budget in January of 2012.
- The proposed **FY12 Revised Operating Budget as of April 2012's** Total Revenue is \$38,955,513. The corresponding Total Expense is \$38,955,513, which is a decrease of approximately \$1.178M (2.9 %).
- Major **Operating Revenue** assumptions in the FY12 Revised Budget as of April 2012 and variances from the FY12 Revised Budget as of January 2012 include:
 - Decrease in Passenger Fares and Special Transit Fares, 4.0 % and 5.0 %, respectively
 - 18.0 % increase in Highway 17 Fares
 - 45.0 % decrease in Highway 17 Payments
 - 25.0 % increase in Advertising Income
 - Decrease in the use of funds from STIC and Carryover from Previous Year, 100 % and 10.2 %, respectively
- Major variances in **Operating Expenses** in the FY12 Revised Budget as of April 2012 from the FY12 Revised Budget as of January 2012 include:
 - Incorporating changes in the Fleet Maintenance staffing level
 - Updating Medical, Dental, Vision and Life Insurance premiums rates for benefited retirees
 - Revising Long Disability Insurance (LTD) rates and maximum monthly coverage for active employees

- Updating non-personnel budget accounts to reflect decreased funding needs in the following areas:
 - 11.4 % decrease in Services
 - 13.6 % decrease in Mobile Materials & Supplies
 - 7.8 % decrease in Utilities
 - 17.3 % decrease in Casualty & Liability
 - 32.3 % decrease in Miscellaneous Expenses

III. DISCUSSION

The proposed FY12 Revised Operating Budget as of April 2012 is a revised one-year budget. The Board of Directors adopted the previous FY12 Revised one-year budget in January of 2012.

A. Operating Revenues

The proposed **FY12 Revised Operating Budget as of April 2012's** Total Revenue is \$38,955,513, which is a decrease of 2.9 % from the FY12 Revised Operating Budget as of January 2012's Revenue. The decrease in Revenue is primarily due to the loss in ridership in the first three quarters of the fiscal year and the decrease in the use of funds from Carryover from Previous Years and STIC. Variances in Total Revenue between the FY12 Revised Budget as of April 2012 and the FY12 Revised Operating Budget as of January 2012 are depicted below:

- **Fare Revenue** accounts have been projected based on actual ridership and revenue data for the first eight months of the fiscal year. The analysis of actual local fixed route ridership and collected passenger fares in FY12, year to date as of February 29, 2012 suggested a decrease of 4.0 % in Passenger Fares. The loss in local ridership is primarily due to the service reduction implemented in September 2011. Special Transit Fares are projected to decrease by 5.0 % mainly due to less transit service available to UCSC and dropped Night Owl service. Highway 17 Fares are projected to increase by 18 %. The increase in Highway 17 Fares is due to increased ridership, which also results in a decrease in the Highway 17 Payments by 45.0 % (the correlation between collected Highway 17 Fares and received Highway 17 Payments is negative). VTA no longer sells Highway 17 tickets; hence payments to VTA have decreased. Passengers are utilizing all other ticket sales venues, such as TVM's, Internet, Customer Service, etc.
- **Advertising Income** is projected to increase by 25.0 % due to more advertising than expected year to date as of February 29, 2012.
- The use of funds from **STIC** and **Carryover from Previous Years** is projected to decrease by 100.0 % and 10.2 %, respectively, as less than anticipated funds will be needed to bridge the budget gap, as a result of revised operating expenses in the FY12 Revised Budget as of April 2012.

B. Operating Expenses - Consolidated

The proposed **FY12 Revised Operating Budget as of April 2012's** Total Expenses are estimated at \$38,955,513, which is a decrease of 2.9 % from the FY12 Revised Operating Budget as of January 2012's Expenses. Variances in Total Expenses between the FY12 Revised Operating Budget as of April 2012 and the FY12 Revised Operating Budget as of January 2012 are depicted below:

- **Personnel Expenses (Labor and Fringe Benefits)** are projected to decrease overall by 0.4 % (\$115K) due to the following:
 - Incorporating changes in the Fleet Maintenance staffing levels:
 - 1 FM Mechanic III position is unfunded in the last 4 months of the fiscal year
 - 1 FM Mechanic II position is funded in the last 4 months of the fiscal year
 - Updating Medical, Dental, Vision and Life Insurance premiums rates, effective January 2012, for all benefited retirees, which resulted in slight percentage changes in the related accounts.
 - Revising Long Disability Insurance (LTD) rates and maximum monthly coverage for active employees to reflect current premiums and coverage resulting in a decrease of 37.4 % in LTD.

- **Non - Personnel Expenses** are projected to decrease overall by 12.3 % (\$1.063M) due to the following:
 - **Services** are anticipated to decrease by 11.4 % due to funds for recruitment of General Manager (in Prof/Tech Fees), additional Security Services on weekends and Repairs to Equipment (CNG Station) and Revenue Vehicles delayed until FY13 and FY14.
 - **Mobile Materials & Supplies** are anticipated to decrease by 13.6 % due to lower than anticipated fuel prices in the first half of the fiscal year, as well as the cyclical nature of Tire & Tube replacements.
 - **Utilities** are anticipated to decrease by 7.8 % due to a 26.7 % decrease in Telecommunications resulting from efficiencies achieved with the purchase of the new phone system, as well as funds for leasing a repeater site delayed until FY13.
 - **Casualty & Liability** is anticipated to decrease by 17.3 % due to revised budget for Insurance – PL/PD and Settlement Costs; decreasing by 7.6 % and 33.0 %, respectively.

- **Miscellaneous Expenses** are anticipated to decrease by 32.3 % due to less than anticipated spending year to date as of February 29, 2012, for Employee Incentive Program, Employee Training and Travel.
- **Leases & Rentals** are anticipated to increase by 1.5 % due to additional funds needed for Equipment Rental and copier leasing.

IV. FINANCIAL CONSIDERATIONS

The proposed **FY12 Revised Operating Budget as of April 2012's** Total Revenue is \$38,955,513. The corresponding Total Expense is \$38,955,513, which is a decrease of approximately \$ 1.178M in revenue and corresponding expense.

V. ATTACHMENTS

Attachment A: FY12 Budget Resolution

Attachment B: FY12 Revised Operating Budget as of April 2012

Prepared by: Kristina Mihaylova, Financial Analyst

Date Prepared: April 02, 2012

Attachment A

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

Resolution No. _____

On the Motion of Director _____

Duly Seconded by Director _____

The following Resolution is adopted:

A RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING A REVISION TO THE FY12 OPERATING BUDGET

WHEREAS, it is necessary to revise the adopted FY12 Operating Budget of the Santa Cruz Metropolitan Transit District to provide for revisions in the operating revenue and expense budget.

NOW, THEREFORE, BE IT RESOLVED, the budget is hereby amended per the attached Attachment B.

PASSED AND ADOPTED this 13th day of April 2012, by the following vote:

AYES: Directors -

NOES: Directors -

ABSENT: Directors -

ABSTAIN: Directors -

Approved _____

LYNN ROBINSON

Board Chair

ATTEST _____

LESLIE R. WHITE

General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER

District Counsel

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY12 REVISED OPERATING BUDGET AS OF APRIL 2012 REVENUE SOURCES

REVENUE SOURCE	REVISED		% CHANGE		REVISED		% CHANGE	
	BUDGET JANUARY FY12	BUDG FY12	REV BUDG JAN FY12	BUDG APRIL FY12	REV BUDG JAN FY12	BUDG APRIL FY12	REV BUDG JAN FY12	BUDG APRIL FY12
Passenger Fares	3,775,729		-6.1%	3,624,700			-4.0%	
Special Transit Fares	3,139,201		-2.8%	2,982,241			-5.0%	
Paratransit Fares	269,381		7.0%	269,381			0.0%	
Highway 17 Fares	1,287,715		15.9%	1,519,504			18.0%	
Highway 17 Payments	415,849		0.0%	228,717			-45.0%	
Commissions	5,600		0.0%	5,600			0.0%	
Advertising Income	200,000		0.0%	250,000			25.0%	
Rent Income	146,000		16.8%	146,000			0.0%	
Interest Income	120,000		0.0%	120,000			0.0%	
Other Non-Transp Revenue	18,100		0.0%	18,100			0.0%	
Sales Tax (1/2 cent)	15,940,280		6.0%	15,940,280			0.0%	
Transp Dev Act (TDA) Funds	5,244,963		0.0%	5,244,963			0.0%	
FTA Sec 5307 - Op Assistance	3,707,070		0.0%	3,707,070			0.0%	
Prop 84 - TOD	10,000		0.0%	10,000			0.0%	
FTA Sec 5311 - Rural Op Asst	156,312		0.0%	156,312			0.0%	
AMBAG/CTC/Misc. Grant Funding	154,400		0.0%	154,400			0.0%	
STIC	521,425		-48.9%	-			-100.0%	
STA	-		-100.0%	-			0.0%	
Fuel Tax Credit	500,000		100.0%	500,000			0.0%	
Carryover from Previous Years	4,344,632		146.5%	3,901,552			-10.2%	
Transfer (to)/from Capital Reserves	75,631		0.0%	75,631			0.0%	
Transfer (to)/from Operating Reserves	101,062		-90.8%	101,062			0.0%	
UNREALIZED REVENUE	-		0.0%	-			0.0%	
TOTAL REVENUE	40,133,350		2.2%	38,955,513			-2.9%	

* FTA funding is used solely to fund labor expense

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY12 REVISED OPERATING BUDGET AS OF APRIL 2012

Consolidated Expenses

ACCOUNT	REVISED BUDGET JANUARY FY12	% CHANGE BUDG FY12	REVISED BUDGET APRIL FY12	% CHANGE REV BUDG APRIL FY12
LABOR				
501011 Bus Operator Pay	7,741,510	1.1%	7,741,510	0.0%
501013 Bus Operator OT	1,535,591	1.1%	1,535,591	0.0%
501021 Other Salaries	6,448,835	2.4%	6,445,501	-0.1%
501023 Other OT	349,676	0.4%	349,548	0.0%
Totals	16,075,613	1.6%	16,072,151	0.0%
FRINGE BENEFITS				
502011 Medicare/Soc. Sec.	279,020	13.8%	278,967	0.0%
502021 Retirement	2,978,108	2.7%	2,977,496	0.0%
502031 Medical Ins	6,774,177	1.0%	6,740,752	-0.5%
502041 Dental Ins	505,854	7.3%	509,946	0.8%
502045 Vision Ins	130,776	0.8%	131,436	0.5%
502051 Life Ins/AD&D	45,322	1.7%	45,439	0.3%
502060 State Disability Ins (SDI)	206,145	8.9%	206,105	0.0%
502061 Long Term Disability Ins	226,859	-0.6%	142,003	-37.4%
502071 State Unemployment Ins (SUI)	83,047	6.7%	83,320	0.3%
502081 Worker's Comp Ins	900,000	0.0%	900,000	0.0%
502101 Holiday Pay	388,393	2.8%	388,662	0.1%
502103 Floating Holiday	78,415	10.0%	78,415	0.0%
502109 Sick Leave	886,952	2.4%	886,788	0.0%
502111 Annual Leave	1,690,166	10.9%	1,689,866	0.0%
502121 Other Paid Absence	123,249	2.7%	123,223	0.0%
502251 Phys. Exams	14,110	0.0%	14,110	0.0%
502253 Driver Lic Renewal	4,668	0.0%	4,668	0.0%
502999 Other Fringe Benefits	65,915	-1.4%	69,005	4.7%
Totals	15,381,177	3.0%	15,270,202	-0.7%

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY12 REVISED OPERATING BUDGET AS OF APRIL 2012 Consolidated Expenses

ACCOUNT	REVISED		% CHANGE		REVISED		% CHANGE	
	BUDGET JANUARY FY12	BUDGET JANUARY FY12	BUDG FY12	JAN FY12	BUDGET APRIL FY12	REV BUDG APRIL FY12	REV BUDG APRIL FY12	% CHANGE
SERVICES								
503011 Accting/Audit Fees	95,250	95,250	0.0%		95,250	95,250	0.0%	0.0%
503012 Admin/Bank Fees	294,050	294,050	6.5%		294,050	294,050	0.0%	0.0%
503031 Prof/Technical Fees	248,614	248,614	-0.2%		208,614	208,614	-16.1%	-16.1%
503032 Legislative Services	90,000	90,000	0.0%		90,000	90,000	0.0%	0.0%
503033 Legal Services	55,000	55,000	0.0%		55,000	55,000	0.0%	0.0%
503034 Pre-Employment Exams	7,519	7,519	0.0%		7,519	7,519	0.0%	0.0%
503041 Temp Help	157,200	157,200	100.0%		157,200	157,200	0.0%	0.0%
503161 Custodial Services	72,700	72,700	-16.3%		72,700	72,700	0.0%	0.0%
503162 Uniforms/Laundry	22,285	22,285	-1.0%		22,285	22,285	0.0%	0.0%
503171 Security Services	399,000	399,000	0.0%		324,000	324,000	-18.8%	-18.8%
503221 Classified/Legal Ads	22,343	22,343	0.0%		22,343	22,343	0.0%	0.0%
503222 Legal Ads	-	-	0.0%		-	-	0.0%	0.0%
503225 Graphic Services	1,700	1,700	-57.5%		1,700	1,700	0.0%	0.0%
503351 Repair - Bldg & Impr	100,000	100,000	0.0%		100,000	100,000	0.0%	0.0%
503352 Repair - Equipment	620,310	620,310	0.2%		495,310	495,310	-20.2%	-20.2%
503353 Repair - Rev Vehicle	423,800	423,800	-1.4%		358,800	358,800	-15.3%	-15.3%
503354 Repair - Non Rev Vehicle	25,000	25,000	0.0%		25,000	25,000	0.0%	0.0%
503363 Haz Mat Disposal	50,000	50,000	0.0%		50,000	50,000	0.0%	0.0%
Totals	2,684,771	2,684,771	6.0%		2,379,771	2,379,771	-11.4%	-11.4%
MOBILE MATERIALS & SUPPLIES								
504011 Fuels & Lubricants - Non Rev Veh	70,000	70,000	0.0%		70,000	70,000	0.0%	0.0%
504012 Fuels & Lubricants - Rev Veh	2,255,000	2,255,000	0.0%		1,980,000	1,980,000	-12.2%	-12.2%
504021 Tires & Tubes	250,000	250,000	0.0%		175,000	175,000	-30.0%	-30.0%
504161 Other Mobile Supplies	-	-	0.0%		-	-	0.0%	0.0%
504191 Rev Vehicle Parts	635,000	635,000	0.0%		550,000	550,000	-13.4%	-13.4%
Totals	3,210,000	3,210,000	0.0%		2,775,000	2,775,000	-13.6%	-13.6%

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY12 REVISED OPERATING BUDGET AS OF APRIL 2012 Consolidated Expenses

ACCOUNT	REVISED	% CHANGE	REVISED	% CHANGE	REV BUDG	JAN FY12	REV BUDG	APRIL FY12	% CHANGE
	BUDGET JANUARY FY12	BUDG FY12	BUDGET APRIL FY12	REV BUDG JAN FY12	REV BUDG JAN FY12	REV BUDG APRIL FY12	REV BUDG APRIL FY12	REV BUDG APRIL FY12	% CHANGE
OTHER MATERIALS & SUPPLIES									
504205 Freight Out	2,500	0.0%	2,500	0.0%	2,500				0.0%
504211 Postage & Mailing	18,830	0.0%	18,830	0.0%	18,830				0.0%
504214 Promotional Items	-	0.0%	-	0.0%	-				0.0%
504215 Printing	75,167	1.1%	75,167	1.1%	75,167				0.0%
504217 Photo Supp/Process	3,900	0.0%	3,900	0.0%	3,900				0.0%
504311 Office Supplies	67,415	1.5%	67,415	1.5%	67,415				0.0%
504315 Safety Supplies	20,300	0.0%	20,300	0.0%	20,300				0.0%
504317 Cleaning Supplies	45,100	18.4%	45,100	18.4%	45,100				0.0%
504409 Repair/Maint Supplies	40,000	0.0%	40,000	0.0%	40,000				0.0%
504421 Non-Inventory Parts	19,000	0.0%	19,000	0.0%	19,000				0.0%
504511 Small Tools	8,700	0.0%	8,700	0.0%	8,700				0.0%
504515 Employee Tool Replacement	3,000	0.0%	3,000	0.0%	3,000				0.0%
Totals	303,912	3.0%	303,912	3.0%	303,912				0.0%
UTILITIES									
505011 Gas & Electric	234,000	0.0%	234,000	0.0%	234,000				0.0%
505021 Water & Garbage	150,000	0.0%	150,000	0.0%	150,000				0.0%
505031 Telecommunications	157,200	4.1%	115,200	4.1%	115,200				-26.7%
Totals	541,200	1.2%	499,200	1.2%	499,200				-7.8%
CASUALTY & LIABILITY									
506011 Insurance - Property	115,000	0.0%	115,000	0.0%	115,000				0.0%
506015 Insurance - PL/PD	525,300	0.0%	485,300	0.0%	485,300				-7.6%
506021 Insurance - Other	750	0.0%	750	0.0%	750				0.0%
506123 Settlement Costs	455,000	0.0%	305,000	0.0%	305,000				-33.0%
506127 Repairs - District Prop	-	0.0%	-	0.0%	-				0.0%
Totals	1,096,050	0.0%	906,050	0.0%	906,050				-17.3%

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FY12 REVISED OPERATING BUDGET AS OF APRIL 2012

Consolidated Expenses

ACCOUNT	REVISED BUDGET JANUARY FY12	% CHANGE BUDG FY12	REVISED BUDGET APRIL FY12	% CHANGE REV BUDG APRIL FY12
TAXES				
507051 Fuel Tax	14,000	0.0%	14,000	0.0%
507201 Licenses & Permits	19,300	0.0%	19,300	0.0%
507999 Other Taxes	20,000	0.0%	20,000	0.0%
Totals	53,300	0.0%	53,300	0.0%
PURCHASED TRANS.				
503406 Contract/Paratransit	250,000	0.0%	250,000	0.0%
Totals	250,000	0.0%	250,000	0.0%
MISC EXPENSE				
509011 Dues/Subscriptions	70,147	0.0%	70,147	0.0%
509085 Advertising - Rev Prod	-	0.0%	-	0.0%
509101 Employee Incentive Program	35,533	0.0%	5,533	-84.4%
509121 Employee Training	77,007	16.3%	52,007	-32.5%
509123 Travel	93,443	0.0%	53,443	-42.8%
509125 Local Meeting Expense	5,300	6.0%	5,300	0.0%
509127 Board Director Fees	12,600	0.0%	12,600	0.0%
509150 Contributions	250	0.0%	250	0.0%
509198 Cash Over/Short	-	0.0%	-	0.0%
Totals	294,280	3.9%	199,280	-32.3%
LEASES & RENTALS				
512011 Facility Lease	223,500	0.0%	223,500	0.0%
512061 Equipment Rental	19,547	0.0%	23,147	18.4%
Totals	243,047	0.0%	246,647	1.5%
PERSONNEL TOTAL	31,456,790	2.3%	31,342,353	-0.4%
NON-PERSONNEL TOTAL	8,676,560	2.1%	7,613,160	-12.3%
TOTAL OPERATING EXPENSES	40,133,350	2.2%	38,955,513	-2.9%

4/5/2012

Consolidated

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 13, 2012

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: CONSIDERATION OF IMPLEMENTATION OF A MOBILE MUSE (POETRY ON THE BUSES) PROGRAM ON THE INSIDE OF SANTA CRUZ METRO'S BUSES INCLUDING SELECTING SANTA CRUZ METRO REPRESENTATIVES FOR THE POETRY SELECTION PANEL

I. RECOMMENDED ACTION

Implement a Mobile Muse Program (Poetry on the Buses) on Santa Cruz METRO's Buses and Select Two (2) Representatives to Serve on the County of Santa Cruz Arts Commission Poetry Selection Panel

II. SUMMARY OF ISSUES

- On January 4, 2011, Santa Cruz METRO received a request from Peggy and Gary Young to implement a *Poetry on the Bus* Program on Santa Cruz METRO's buses in order to promote poetry throughout the County of Santa Cruz. Gary Young had been named the first Poet Laureate of Santa Cruz County by the Cultural Council of Santa Cruz County. The job of the Poet Laureate is to advance and enliven the art of poetry in Santa Cruz County.
- The Youngs inquired as to whether Santa Cruz METRO would approve placing poetry on METRO buses in English and Spanish.
- On May 13, 2011, the Santa Cruz METRO Board of Directors considered whether to implement a *Poetry on the Bus* Program. Peggy and Gary Young were present and participated in the discussion with the Board of Directors. They indicated that the program would operate on the local level and that there would be no costs to Santa Cruz METRO. The Board of Directors did not take action at that time.
- At the January 27, 2012 meeting, the Santa Cruz METRO Board of Directors again considered the issue and directed District Counsel to meet with Poetry on the Buses' supporters and develop a Mobile Muse Program.
- On March 23, 2012, the Santa Cruz METRO Board of Directors gave a preliminary approval to implement a Mobile Muse Program (Poetry on the Buses) on Santa Cruz METRO's buses.
- Santa Cruz METRO's Board of Directors requested that District Counsel 1-provide specific language to incorporate into a policy for the Mobile Muse Program; and 2-draft a permission certificate (waiver) for poets to sign when submitting their poetry to the Mobile Muse Program for display on the buses.

III. DISCUSSION

In 2002, Santa Cruz METRO implemented a bus advertising program that currently generates over \$200,000 in income per year. Santa Cruz METRO's Board of Directors approved Administration Regulation (AR)-1006 to implement the advertising program which requires advertising on the buses be "strictly commercial in nature and purpose." The regulation makes clear that it is not Santa Cruz METRO's intent to open its advertising spaces up to provide a general public forum for purposes of communication but rather that the use of the spaces is limited to commercial purposes and only to generate income. The regulation sets forth Santa Cruz METRO's intent to maintain a position of neutrality on political, religious, controversial public matters and issues in order to promote its commercial enterprise and not detract from its mission.

In order to implement the Mobile Muse Program, Santa Cruz METRO's Advertising Policy and Regulation AR-1006 have been modified in order to allow noncommercial posters to be displayed inside the buses. However, the proposed language for the Mobile Muse Program preserves Santa Cruz METRO's intent to maintain its advertising space as a non-public forum. Santa Cruz METRO's intent is to provide a comfortable and enjoyable riding space for its passengers and increase its ridership through the use of poetry. Santa Cruz METRO's amended Advertising Policy and Regulations AR-1006 is set forth in *Attachment A* and includes specific criteria to implement the Mobile Muse Program. The regulation requires the County of Santa Cruz' assurances that it will follow the Mobile Muse Program criteria and that it will indemnify and defend Santa Cruz METRO against infringement claims.

Attachment B contains the proposed permission and waiver certificate which has been developed since the last Santa Cruz METRO Board of Director's regular meeting. The certificate is designed to inform the poets about the Mobile Muse Program criteria and to ensure that each poet has the right to grant permission to Santa Cruz METRO for the display of his/her poetry.

Also attached, as Attachment C, is a list of Santa Cruz METRO employees who are interested in being included on the Selection Panel for the program. Their applications are also attached for your review and consideration. Additional applications may be presented at the Board Meeting on April 13, 2012.

IV. FINANCIAL CONSIDERATIONS

Santa Cruz METRO staff time will be expended in accepting the posters, confirming the paperwork has been properly submitted, reviewing the posters to insure Santa Cruz METRO criteria has been complied with and the posting and removal of the posters.

V. ATTACHMENTS

- Attachment A:** Proposed Language for policy to administer Mobile Muse Program
- Attachment B:** Permission Certificate (waiver)
- Attachment C:** List of Individuals (with reasons) interested in candidacy of Selection Panel for poetry

ATTACHMENT A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Regulation Number: AR-1006

Computer Title: Advertising DRAFT 4/9/12

Effective Date: September 27, 2002

Pages: 57

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.	E.P
<u>4/5/12</u>	<u>Policy amended to include Mobile Muse Program.</u>	

I. POLICY

1.01 Santa Cruz Metro sells space ~~inside and upon~~ on the outside of 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 The inside advertising spaces of Santa Cruz METRO's buses shall be primarily used for communication by Santa Cruz METRO to its passengers. With the remaining spaces Santa Cruz METRO authorizes the Mobile Muse Program to be implemented as more particularly described in Section VI.

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Advertising Policy and Regulations

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~~1.02~~1.03 _____ 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 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~~1.04 _____ In addition to the foregoing, noncommercial speech is excluded from advertising ~~inside and upon~~ on the outside of 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~~ on the outside of 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.

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Advertising Policy and Regulations

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- 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.
- 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 on the~~ outside of 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,

ATTACHMENT A

Advertising Policy and Regulations

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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.
- 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~~ on the outside of 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 for any reason including because of race, color, national origin, ethnic background, disability, religion, sex, gender or sexual preference.
- 4.08 No advertising shall be displayed ~~in or upon~~ on the outside of 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~~ on the outside of 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.

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Advertising Policy and Regulations

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- 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.
- 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. MOBILE MUSE PROGRAM

- 6.01 Santa Cruz METRO has determined that the Mobile Muse Program, as described herein, will enhance its transit passengers' riding enjoyment and as a result will increase its transit ridership. Santa Cruz METRO does not intend to create a public forum for purposes of communication through this Program but rather to make use of property held by it in a proprietary capacity in order to maintain and increase its ridership. As a result, Santa Cruz METRO has determined that the Mobile Muse Program, in the selection of the poetry for display, must meet the following criteria: 1.) promote an appearance of neutrality on political, religious, and controversial public matters and issues; 2.) enhance public safety; 3.) not offend Santa Cruz METRO's ridership and potential ridership; 4.) not promote illegal activities; 5.) recognize that the riders' who will read the poetry are a "captive audience"; 6.) not cause a reduction in income earned by Santa Cruz METRO's commercial advertising program; 7.) avoid poetry which is unsuitable for exposure to children or persons with immature judgment; 8.) not promote tobacco products, alcoholic beverages, sexually explicit or suggestive material, obscene material, weapons or their use, imminent lawlessness and violence; 9.) and not include language that is derogatory, or defamatory to any person or group because of race, color, national origin, ethnicity, religion, sex, gender, sexual preference, veteran's status or disability.

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Advertising Policy and Regulations

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6.02 The Mobile Muse Program will consist of poems selected by the County of Santa Cruz Arts Commission Selection Panel for display inside Santa Cruz METRO buses. The County of Santa Cruz Arts Commission (Arts Commission) is responsible to facilitate the Santa Cruz METRO Mobile Muse Program. The Arts Commission will perform the following tasks:

- a. Establish a Panel that meets as needed to select poems for display inside Santa Cruz METRO buses based on Santa Cruz METRO criteria and any other compatible criteria required by the Arts Commission;
- b. Ensure that the Selection Panel consists of five voting members: a poet (past or present Santa Cruz County Poet Laureate or other poet designated by the Arts Commission), a Santa Cruz County Arts Commissioner, a public community member selected by the Arts Commission, a Santa Cruz METRO representative selected by the Santa Cruz METRO Board of Directors and a community member who is also a bus rider selected by the Santa Cruz METRO Board of Directors;
- c. Ensure that 50% of the poems selected for display are in Spanish;
- d. Obtain funding for the printing of the selected poetry on 11" x 17", 120 pound coated cover stock, using 12 point, C1S or equivalent as determined by Santa Cruz METRO staff; no funding will be required from Santa Cruz METRO for printing.
- e. Utilize the permission and waiver certificate (certificate) which has been approved for use by Santa Cruz METRO and the County of Santa Cruz for the Mobile Muse Program. Obtain a completed certificate from each poet whose poem(s) are displayed inside Santa Cruz METRO's buses.
- f. Provide Santa Cruz METRO's Administrative Services Coordinator, located at Santa Cruz METRO's Administrative Offices, 110 Vernon Street, Santa Cruz, CA 95060, with the completed certificates and the corresponding completed posters for display;
- g. Ensure that each poster contains a removal date located in the lower right hand corner that can be seen by Santa Cruz METRO staff; and
- h. Pick up used posters when notified by Santa Cruz METRO's Administrative Services Coordinator.

6.03 Santa Cruz METRO's Administrative Services Coordinator will accept poetry posters for display on the inside of Santa Cruz METRO's buses along with the corresponding completed certificates. If the certificates are in order, the posters are on the required coated card stock with the removal dates properly displayed, and the poetry meets the Santa Cruz METRO criteria, the Administrative Services Coordinator will arrange for the transfer of the posters to the Santa Cruz METRO Maintenance staff who will, within 21 days of receipt, display the posters on vacant spaces inside the buses. The poetry posters will be removed by the Santa Cruz Maintenance staff upon the removal date or if they become torn or

ATTACHMENT A

disfigured for display purposes. After removal, the Santa Cruz Maintenance staff will return the posters to the Administrative Services Coordinator who will contact the County of Santa Cruz for pick-up. Santa Cruz METRO will not be responsible for any out of pocket expenses for the implementation of this Program except staff costs required to review certificates and placards prior to posting and to post and remove the placards from the buses.

6.04 To implement and maintain the Mobile Muse Program, the County of Santa Cruz must at all times agree to all the terms set forth in section 6.02 herein and agree to indemnify, defend and hold harmless the Santa Cruz METRO and its directors, officers and employees for any and all liability, loss, damages, penalties, costs or expenses arising out of, or in connection with any third-party claim of infringement arising out of the use and/or display of the poems on Santa Cruz METRO buses.

VII. ADMINISTRATION OF ADVERTISING REGULATION

76.01 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.

76.02 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.

ATTACHMENT B

Permission and Waiver Certificate for the Mobile Muse Program

The Santa Cruz County Arts Commission and the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) developed the Mobile Muse Program in order to provide bus riders with a traveling exhibit of Santa Cruz County artists' work. The Program also provides artists of all ages and abilities with an opportunity to show their work, highlighting the wealth of creativity in our County.

If chosen by the Santa Cruz County Arts Commission Selection Panel, your work will be placed inside a bus in the "channel card" space, on one of the 90 SCMTD buses that run on 36 routes throughout the County. Before beginning your work, please be sure you have read and understand the following guidelines for submission. In order to be selected the poetry must meet these criteria:

- 1) There is no guarantee that by submitting an application for consideration by the Mobile Muse Selection Panel, your work will be selected for display.
- 2) The poems included with your application materials must not have been previously submitted for consideration by the Mobile Muse Selection Panel.
- 3) The displays are located inside a public space, a "neutral ground," not a gallery or museum. Poetry that is of a religious, political, environmental nature, or about other public matters or issues or may offend Santa Cruz METRO ridership will not be displayed. Poetry which is unsuitable for children or persons with immature judgment will not be displayed. Poetry using language that is violent, derogatory, defamatory, promoting illegal activities, tobacco products, alcoholic beverages, sexually explicit or suggestive material, obscene material, will not be displayed.
- 4) Care will be taken with your displayed work, but because the buses are a public space, there is a possibility that your work may be damaged or stolen; you will not be reimbursed for any damages or theft.
- 5) Your application materials will not be returned.
- 6) The art drop-off and pick-up location (Simpkins Family Swim Center) is a public space, and will not be controlled or monitored.

Drop off your work and waiver form at the Simpkins Family Swim Center, 979 17th Avenue, Santa Cruz on or before DATE _____, to be considered for display during the months DATE _____. Swim Center hours are DAY/TIMES _____.

The permission and waiver form must be filled out completely, and attached to your submission.

You must submit 10 copies of your poems in hard copy, as well as a CD which includes the same poems (Word file, formatted for PC).

If your form is not filled out completely, or if both hard copies and a CD are not included with your application materials, your work will not be considered by the panel for display.

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You will be notified of the panel's decision via e-mail.

MOBILE MUSE PROGRAM - Permission and Waiver Form

You must include this completed form in your application materials.

Name _____ E-mail _____

Address _____ City _____ Zip _____

My signature on this waiver indicates the following:

1. I declare and affirm that a.) I am the person who created the poem(s) submitted; b.) I am the sole legal owner of all right, title and interest in the poem(s) including all related intellectual property rights and am legally authorized to submit the poem(s); c.) I certify that the poem(s) does not contain material that infringes the right of anyone else and that there is no legal impediment to its display on Santa Cruz METRO buses. Finally, I declare that the poem(s) have not been previously submitted to the Mobile Muse Program.
2. I agree to indemnify, defend and hold the County of Santa Cruz and the Santa Cruz METRO, its elected officials, officers, employees and volunteers, free and harmless from any and all claims, damages, costs and liabilities, arising out of any alleged infringement or violation of any intellectual property or other rights, as a result of my submission, selection and use of this poem(s) in the Mobile Muse Program. This indemnity obligation applies to claims of infringement violation(s) alleged by me or any other persons or entities.
3. By submitting my poem, I agree that my poem may be displayed on the inside of Santa Cruz METRO buses by the County of Santa Cruz and the Santa Cruz METRO without any fee or other form of compensation and may be used in its entirety or in part by the County of Santa Cruz or the Santa Cruz METRO. I grant the County of Santa Cruz and the Santa Cruz METRO, the license to use, reproduce, distribute, publish, and display the poems(s) selected by the Mobile Muse Selection Panel in any and all media now known or hereafter developed (including, without limitation, print, broadcast, and internet), for all purposes related to the Mobile Muse Program, including advertising and promotional activities, and the display on the inside of Santa Cruz METRO's buses.
4. I accept and understand that neither the County of Santa Cruz nor the Santa Cruz METRO assume any responsibility or liability for lost or damaged entries or those that do not arrive by the deadline. I understand and acknowledge that my application and submission will not be returned to me whether my poem(s) are accepted for display or not.
5. I understand and acknowledge that selection for display is based on many factors, which include, but are not limited to, available space and variety of submissions. Additionally, I understand and accept that the following selection criteria for submission of poems for display inside Santa Cruz METRO buses will be utilized for selection purposes: That is, the displays are located inside a public space, a "neutral ground," not a gallery or museum, and therefore, poems that are of a religious, political, or on controversial public matters or issues, or may offend Santa Cruz METRO ridership will not be displayed. Poems which are unsuitable for children or persons with

ATTACHMENT B

immature judgment will not be displayed. Poems using language that is violent, derogatory, defamatory, promoting illegal activities, tobacco products, alcoholic beverages, sexually explicit or suggestive material, obscene material, will not be displayed.

6. I agree to assume any and all risk of loss due to the submission of my poem(s) to the Mobile Muse Program. I hereby expressly release and hold harmless the County of Santa Cruz and the Santa Cruz METRO (including their elected leaders, officials, employees, and volunteers) from all liability for the free use of my poem(s) that I am voluntarily submitting, including, but not limited to, the presentation, distribution, reproduction and display of the final work.

I affirm that I am 18 years of age or older.

If under 18 years of age, I affirm that my parent or legal guardian confirms that my poem(s) can be used by the County of Santa Cruz and the Santa Cruz METRO as set forth above.

I HAVE READ, UNDERSTAND, AND AGREE TO THE STATEMENTS AND POLICIES AS STATED ABOVE.

Poet Participant Signature

Date

Parent/Guardian Signature (when applicable)

Date

ATTACHMENT C

SUMMARY OF APPLICANTS FOR POETRY SELECTION PANEL

Applicant Name	Employment	Bus Rider
Tove Beatty	Legislative and Grants Analyst	Occasional
Carolyn Derwing	Schedule Analyst	Occasional
Todd Pinsky	Bus Operator	Regular
April Warnock	Paratransit Superintendent	Unknown

ATTACHMENT C

Peg Gallagher

From: Tove Beatty
Sent: Friday, March 23, 2012 10:42 AM
To: Les White; Peg Gallagher
Subject: Nominating Myself for Poetry Job

Hi Les and Peg:

I have no idea who the person from METRO will be on the new poetry program, but I would like to throw my hat into the ring. I would love to do this. I have the following qualifications:

- English major with Honors and emphasis in 20th century poetry (and now 21st), although I do consider myself a specialist in poetry in English post-1860, or the start of the American Civil War (Walt Whitman, in other words, is pretty much the starting point of my expertise, though you could go back as far as the Romantics and Emerson, if you wanted to, love him).
- Minor specialty in post-war poems, just an area of interest, along with shorter works such as haiku and the American school of Imagism, so I do have a great interest in short works that would fit on a bus.
- Also specialized in feminist, minority works in my critical thinking classes, so I have a lot of expertise in the poetry of the suppressed, some of which might actually be appropriate for a bus, particularly some of the indigenous nature poetry of this area.
- Have met and dined/drank to varying degrees with the following poets: Allen Ginsberg, Philip Whalen (numerous times, friend to Ginsberg, Kerouac and that crew), Diane di Prima (girlfriend to beatniks), Lawrence Ferlinghetti (big drinker, lots of fun), Seamus Heaney (Nobel winner, though I met him the year before he won), Michael McClure (beatnik poet, friend to Philip), Patti Smith (musician/poet/supporter of hospice where I worked, met her several times), Czeslaw Milosz (Nobel winner), Morton Marcus (SC's most famous export poetry-wise, recently died), Robert Hunter (Grateful Dead lyricist) and lots of others not so major. I have also been to innumerable readings, both of the famous and local poets and famous locals.
- I own 1,600 volumes of poetry, some extraordinarily rare.
- Edited national poetry journal ("Reed Magazine") for two years in college, literally read thousands of bad poems and the occasional good one. I have a very discerning eye for poetry.
- My honor's thesis was titled: "Nature, God and the Dialectic of Romantic Inhumanism in the Poetry of Robinson Jeffers," who was a Monterey Bay Area poet of major acclaim. I think the title alone qualifies me.
- Have won several poetry contests myself, though my poetry is way too long for any bus, so I would automatically be excluded from submitting anyway.

Please consider this my application for this position, and I can provide a much more thorough resume of my poetry qualifications should you need it, as well as writing samples, if indeed this position is open for nominations and I can nominate myself. I'm probably more qualified for this than I am for my day job.

Thanks for the consideration,
Tove

ATTACHMENT C

Carolyn Derwing

8109 Newton Drive
Felton, CA 95018
831-588-6437
cderwing@yahoo.com

March 29, 2012

Margaret Gallagher
SCMTD District Counsel
110 Vernon
Santa Cruz, CA, 95060

Dear Ms. Gallagher,

I would like to formally request that my name be considered for representing SCMTD employees on the selection panel for the Mobile Muse Program. I believe that I possess both the artistic sensitivity to be a valued participant from the poets' perspective but I am also quite aware of the concerns that METRO has with the scope of this particular project. I think that I would be able to help the panel reach decisions that would be satisfactory to all groups involved.

At heart I am an artist (in this case a musician) and I value the contributions of the Arts in our society. I truly believe that history will judge a society and a culture by its creative expressions, including art, music, poetry and architecture. I think it is important that every human being have access to the arts and be exposed to the arts in some way. Creative expression is part of the human condition and sometimes you discover your creativity by experiencing the creativity of others. I believe that the Mobile Muse Program is a wonderful way to bring creativity and beauty into what may otherwise be a rather mundane commute for most bus passengers.

I understand that there are people at METRO who are opposed to this program. I wholeheartedly believe in the value of the Mobile Muse Program and I would truly be honored to represent METRO in this capacity, and maybe change some minds along the way.

Yours sincerely,

Carolyn Derwing

ATTACHMENT C

Rebecca Daniel

From: Peg Gallagher
Sent: Tuesday, March 27, 2012 8:50 PM
To: Todd Pinsky
Cc: Rebecca Daniel
Subject: Re: Mobile Muse

Thanks Todd. I will bring this matter to the Board of Directors on April 13th. Thank you for your interest. Peg

Sent from my iPhone

On Mar 27, 2012, at 7:53 PM, "Todd Pinsky" <toddcofa@gmail.com> wrote:

> Hello Peg,

>

> I'd like to serve on this committee for several reasons. First, I have school-age kids, and while they are not involved in this program, I support extracurricular activities in literature and the arts. I believe that giving kids a chance to have their work displayed is a fine incentive, not to mention an excellent use of interior bus space that will benefit passengers as well.

>

> I have been a writer for many years before employment with Metro. I have written many tv and radio spots, ad and marketing brochures, websites, slogans, and such. I wrote a weekly newspaper column for three years and I have published one book, with the follow-up finished and waiting for me to publish it with all the spare time I have these days. Maybe I'll knock that out tomorrow during my split. I'm not a poet per se but I have been a musician forever, and if we stretch the definition of poetry to include song lyrics (and ignore any subjective yardstick of "quality") then I have written about 50.

>

> Here's what I am not: A judge of poetry. I would hope that members of this committee won't get wrapped up judging by personal taste, but rather will work to make sure that as long as material meets whatever criteria is set by Mobile Muse and/or Metro, it gets a chance to be displayed. It seems like a good program and I would like to help implement it.

>

> I hope this is helpful. Thanks for your consideration.

>

> Best,

> Todd Pinsky

ATTACHMENT C

Rebecca Daniel

From: Peg Gallagher
Sent: Monday, March 26, 2012 11:56 AM
To: Rebecca Daniel
Subject: FW: Mobile Muse Program Selection Committee Panel

From: April Warnock
Sent: Monday, March 26, 2012 11:27 AM
To: Peg Gallagher
Subject: RE: Mobile Muse Program Selection Committee Panel

Hi Peg,

I am interested in participating in the Mobile Muse program, primarily because as a frequent user of public transit, I enjoy the opportunity to read something that evokes a chain of thoughts for me, while onboard the bus or train. (The service announcements and glossy movie advertisements don't provide that opportunity). Having travelled in different localities, I have noticed that the posting of locally produced art has helped me to understand the culture of the area in which I am visiting.

I have been a voracious reader since the day I could string the words together. I grew up without a television, and read just about everything that came my way. (Including service announcements and movie advertisements).

I have taken writing classes at the local college, and while I do not write poetry, I enjoy reading it.

April

From: Peg Gallagher
Sent: Monday, March 26, 2012 10:46 AM
To: April Warnock
Subject: RE: Mobile Muse Program Selection Committee Panel

April, can you send me a letter or email explaining your interest and why you would be a good candidate for the appointment. Thank you. peg

From: April Warnock
Sent: Monday, March 26, 2012 10:27 AM
To: Peg Gallagher
Subject: RE: Mobile Muse Program Selection Committee Panel

Hi Peg,

I would like to participate

April

From: Peg Gallagher
Sent: Friday, March 23, 2012 2:21 PM
To: Les White; Angela Aitken; Debbie Kinslow; Robyn Slater; Pat Aviles; Frank Cheng; Harlan I. Glatt; Isaac B. Holly;

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 13, 2012

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO ENTER INTO NEGOTIATIONS FOR THE DEVELOPMENT OF A PROJECT LABOR AGREEMENT FOR THE CONSTRUCTION OF THE METROBASE OPERATIONS BUILDING AND BUS PARKING FACILITY.

I. RECOMMENDED ACTION

That the Board of Directors authorize the General Manager to enter into negotiations with the Building and Construction Trades Council for the purpose of developing a Project Labor Agreement for the construction of the MetroBase Operations Building and Bus Parking Facility.

II. SUMMARY OF ISSUES

- On February 24, 2012 the Board of Directors approved authorizing the General Manager to issue bid specifications for the construction of the MetroBase Operations Building and Bus Parking Facility.
- The MetroBase project is funded by a combination of local, state, and federal funds.
- Many major construction projects utilize a Project Labor Agreement with the Building Trade Unions to insure interruption-free quality construction work.
- The previous construction phases of the MetroBase Project have used Labor Harmony and Apprenticeship provisions, but not a full Project Labor Agreement as such agreements were prohibited by an Executive Order issued by President George W. Bush.
- On February 6, 2009 President Barack Obama rescinded the prohibition of Project Labor Agreements order issued by President Bush and replaced it with Executive Order 13502 which encouraged the use of Project Labor Agreements.
- Representatives of the Monterey/Santa Cruz Building and Construction Trades Council have asked that METRO engage in negotiations to develop a Project Labor Agreement that would be used for the construction of the Operations Building and Bus Parking Facility.

III. DISCUSSION

On February 24, 2012 the METRO Board of Directors approved authorizing the General Manager to issue Bid Specifications and other necessary documents to procure construction and related services for the construction of the Operations Building and Bus Parking Facility component of the MetroBase Project. Funding for the Operations Building and Facility is provided through a combination of local, state, and federal sources.

Prior to 2001 many major capital investment projects using federal funds used Project Labor Agreements (PLA's) with the building and trades unions to ensure high quality of work and uninterrupted progress. In 2001 President George W. Bush issued an Executive Order that prohibited the use of PLA's on federally funded projects. This prohibition remained in place until February 6, 2009 when President Barack Obama issued Executive Order 13502 (attached) which rescinded the prohibition and provided for the use of PLA's on federally funded projects.

During the time of the PLA prohibition METRO included Labor Harmony and Apprenticeship provisions in the MetroBase construction specifications. This language was developed with the assistance of representatives of the Monterey/Santa Cruz Building and Construction Trades Council. As the PLA prohibition has been rescinded by Presidential Executive Order the representatives of the Building and Construction Trades Council has requested that METRO consider entering into PLA with the Council for the construction of the Operations Building and Bus Parking Facility. If the Board of Directors is receptive to developing a PLA for the Operations Building and Bus Parking Facility construction the initial action would be to authorize the General Manager to enter into negotiations with the Monterey/Santa Cruz Building and Construction Trades Council Representatives. The Council Representatives have prepared a Draft PLA that illustrates what an agreement might look like. The sample agreement is attached to this Staff Report. I have attached news articles that advance both pro and con views regarding the use of a PLA.

IV. FINANCIAL CONSIDERATIONS

At this time it is unclear if there are any financial impacts on the cost of the construction as a result of the use or lack of use of a PLA.

V. ATTACHMENTS

- Attachment A:** Executive Order 13502
- Attachment B:** Sample PLA
- Attachment C:** News Articles

ATTACHMENT A

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release
February 6, 2009

EXECUTIVE ORDER 13502

USE OF PROJECT LABOR AGREEMENTS FOR FEDERAL CONSTRUCTION PROJECTS

By the authority vested in me as President by the Constitution and the laws of the United States of America, including the Federal Property and Administrative Services Act, 40 U.S.C. 101 *et seq.*, and in order to promote the efficient administration and completion of Federal construction projects, it is hereby ordered that:

Section 1. Policy. (a) Large-scale construction projects pose special challenges to efficient and timely procurement by the Federal Government. Construction employers typically do not have a permanent workforce, which makes it difficult for them to predict labor costs when bidding on contracts and to ensure a steady supply of labor on contracts being performed. Challenges also arise due to the fact that construction projects typically involve multiple employers at a single location. A labor dispute involving one employer can delay the entire project. A lack of coordination among various employers, or uncertainty about the terms and conditions of employment of various groups of workers, can create frictions and disputes in the absence of an agreed-upon resolution mechanism. These problems threaten the efficient and timely completion of construction projects undertaken by Federal contractors. On larger projects, which are generally more complex and of longer duration, these problems tend to be more pronounced.

(b) The use of a project labor agreement may prevent these problems from developing by providing structure and stability to large-scale construction projects, thereby promoting the efficient and expeditious completion of Federal construction contracts. Accordingly, it is the policy of the Federal Government to encourage executive agencies to consider requiring the use of project labor agreements in connection with large-scale construction projects in order to promote economy and efficiency in Federal procurement.

Sec. 2. Definitions.

(a) The term "labor organization" as used in this order means a labor organization as defined in 29 U.S.C. 152(5).

(b) The term "construction" as used in this order means construction, rehabilitation, alteration, conversion, extension, repair, or improvement of buildings, highways, or other real property.

(c) The term "large-scale construction project" as used in this order means a construction project where the total cost to the Federal Government is \$25 million or more.

(d) The term "executive agency" as used in this order has the same meaning as in 5 U.S.C. 105, but excludes the Government Accountability Office.

(e) The term "project labor agreement" as used in this order means a pre-hire collective bargaining agreement with one or more labor organizations that establishes the terms and conditions of employment for a specific construction project and is an agreement described in 29 U.S.C. 158(f).

Sec. 3. (a) In awarding any contract in connection with a large-scale construction project, or obligating funds pursuant to such a contract, executive agencies may, on a project-by-project basis, require the use of a project labor agreement by a contractor where use of such an agreement will (i) advance the Federal Government's interest in achieving economy and efficiency in Federal procurement, producing labor-management stability, and ensuring compliance with laws and regulations governing safety and health,

ATTACHMENT A

equal employment opportunity, labor and employment standards, and other matters, and (ii) be consistent with law.

(b) If an executive agency determines under subsection (a) that the use of a project labor agreement will satisfy the criteria in clauses (i) and (ii) of that subsection, the agency may, if appropriate, require that every contractor or subcontractor on the project agree, for that project, to negotiate or become a party to a project labor agreement with one or more appropriate labor organizations.

Sec. 4. Any project labor agreement reached pursuant to this order shall:

(a) bind all contractors and subcontractors on the construction project through the inclusion of appropriate specifications in all relevant solicitation provisions and contract documents;

(b) allow all contractors and subcontractors to compete for contracts and subcontracts without regard to whether they are otherwise parties to collective bargaining agreements;

(c) contain guarantees against strikes, lockouts, and similar job disruptions;

(d) set forth effective, prompt, and mutually binding procedures for resolving labor disputes arising during the project labor agreement;

(e) provide other mechanisms for labor-management cooperation on matters of mutual interest and concern, including productivity, quality of work, safety, and health;

and

(f) fully conform to all statutes, regulations, and Executive Orders.

Sec. 5. This order does not require an executive agency to use a project labor agreement on any construction project, nor does it preclude the use of a project labor agreement in circumstances not covered by this order, including leasehold arrangements and projects receiving Federal financial assistance. This order also does not require contractors or subcontractors to enter into a project labor agreement with any particular labor organization.

Sec. 6. Within 120 days of the date of this order, the Federal Acquisition Regulatory Council (FAR Council), to the extent permitted by law, shall take whatever action is required to amend the Federal Acquisition Regulation to implement the provisions of this order.

Sec. 7. The Director of OMB, in consultation with the Secretary of Labor and with other officials as appropriate, shall provide the President within 180 days of this order, recommendations about whether broader use of project labor agreements, with respect to both construction projects undertaken under Federal contracts and construction projects receiving Federal financial assistance, would help to promote the economical, efficient, and timely completion of such projects.

Sec. 8. Revocation of Prior Orders, Rules, and Regulations. Executive Order 13202 of February 17, 2001, and Executive Order 13208 of April 6, 2001, are revoked. The heads of executive agencies shall, to the extent permitted by law, revoke expeditiously any orders, rules, or regulations implementing Executive Orders 13202 and 13208.

Sec. 9. Severability. If any provision of this order, or the application of such provision to any person or circumstance, is held to be invalid, the remainder of this order and the application of the provisions of such to any person or circumstance shall not be affected thereby.

Sec. 10. General. (a) Nothing in this order shall be construed to impair or otherwise affect:

ATTACHMENT A

(i) authority granted by law to an executive department, agency, or the head thereof; or

(ii) functions of the Director of the Office of Management and Budget relating to budgetary, administrative, or legislative proposals.

(b) This order shall be implemented consistent with applicable law and subject to the availability of appropriations.

(c) This order is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

Sec. 11. Effective Date. This order shall be effective immediately and shall apply to all solicitations for contracts issued on or after the effective date of the action taken by the FAR Council under section 6 of this order.

BARACK OBAMA

THE WHITE HOUSE,

February 6, 2009.

PROJECT LABOR AGREEMENT
FOR SANTA CRUZ METRO TRANSIT DISTRICT
METROBASE OPERATIONS BUILDING/BUS PARKING FACILITY
INTRODUCTION/FINDINGS

The purpose of this Agreement is to promote efficiency of construction operations during Santa Cruz Metro Transit District's ("the District") MetroBase Operations Building/Bus Parking Facility Project (the Project") and provide for peaceful settlement of labor disputes and grievances without strikes or lockouts, thereby promoting the public interest in assuring the timely and economical completion of the Project.

WHEREAS, the successful completion of the Project is of the utmost importance to District; and

WHEREAS, large numbers of workers of various skills will be required in the performance of the construction work, including those to be represented by the unions affiliated with the Monterey/Santa Cruz Building and Construction Trades Council ("the Council") and any other labor organization which is signatory to this Agreement employed by contractors and subcontractors who are signatory to agreements with said labor organizations; and

WHEREAS, it is recognized that on a Project of this magnitude with multiple contractors and bargaining units on the job site at the same time over an extended period of time, the potential for work disruption is substantial without an overriding commitment to maintain continuity of work; and

WHEREAS, the interests of the general public, the District, the Unions and Contractor/Employers would be best served if the construction work proceeded in an orderly manner without disruption because of strikes, sympathy strikes, work stoppages, picketing, lockouts, slowdowns or other interferences with work; and

WHEREAS, the Contractor/Employers and the Unions desire to mutually establish and stabilize wages, hours and working conditions for the workers employed on the Project by the Contractor/Employer(s) and the Union(s) to the end that a satisfactory, continuous and

harmonious relationship will exist among the parties to this Agreement; and

WHEREAS, the parties agree that one of the primary purposes of this agreement is to avoid the tensions that might arise on the Project if union and nonunion workers of different employers were to work side by side on the Project thereby leading to labor disputes that could delay completion of the Project; and

WHEREAS, this Agreement is not intended to replace, interfere, abrogate, diminish or modify existing local or national collective bargaining agreements in effect during the duration of the Project, insofar as a legally binding agreement exists between the Contractor/Employer(s) and the affected Union(s) except to the extent that the provisions of this Agreement are inconsistent with said collective bargaining agreements, in which event, the provisions of this Agreement shall prevail; and

WHEREAS, the contracts for the construction of the Project will be awarded in accordance with the applicable provisions of the California State Public Contract Code; and

WHEREAS, the District has the absolute right to select the lowest reliable and responsible bidder for the award of construction contracts on the Project; and

WHEREAS, the parties signatory to this Agreement pledge their full good faith and trust to work towards mutually satisfactory completion of the Project;

NOW, THEREFORE, IT IS AGREED BETWEEN AND AMONG THE PARTIES HERETO, AS FOLLOWS:

ARTICLE I

DEFINITIONS

1.1 “Agreement” means this Project Labor Agreement.

1.2 “District” means the Santa Cruz Metro Transit District and its public employees, including managerial personnel.

1.3 “Contractor/Employer(s)” means any individual, firm, partnership or corporation, or combination thereof, including joint ventures, that is an independent business enterprise and has entered into a contract with the District or Project Manager or any of its contractors or

subcontractors of any tier, with respect to the construction of any part of the Project under contract terms and conditions approved by the District and which incorporate this Agreement.

1.4 “Construction Contract” means the public works or improvement contracts awarded by the District after execution of this Agreement that are necessary to complete the Project.

1.5 “Project” means the construction of the new MetroBase Operations Building/Bus Parking Facility located at 1200 River Street in Santa Cruz, California. The MetroBase Operations Building/Bus Parking Facility consists of the projects as defined in Section 2.2 of this Agreement. The Project does not include any other District construction, including construction or renovation, if any, of existing District facilities.

1.6 “Union’ or “Unions” means the Monterey/Santa Cruz Building and Construction Trades Council, AFL-CIO (“the Council”) and any other labor organization signatory to this Agreement, acting in their own behalf and on behalf of their respective affiliates and member organization whose names are subscribed hereto and who have through their officers executed this Agreement (“Signatory Unions”).

1.7 “Project Manager” means the business entity designated by the District to oversee all phases of construction on the Project and is (**Name of Project Manager**).

1.8 “Master Agreement” means the Master Collective Bargaining Agreement of each craft union signatory hereto.

1.9 “Schedule A” means the Master Collective Bargaining Agreement of each craft Union signatory hereto, copies of which shall be on file with the District.

ARTICLE II

SCOPE OF AGREEMENT

2.1 Parties: The Agreement shall apply and is limited to the District and all Contractors/Employers performing construction contracts on the Project including surveying and on-site testing and inspection where such work is traditionally covered by a collective bargaining agreement with a Union and the Council and any other labor organization signatory to this

Agreement, acting in their own behalf and on behalf of their respective affiliates and member organizations whose names are subscribed hereto and who have through their officers executed this Agreement (“Signatory Unions”).

2.2 Project Description: The Agreement shall govern the award of all Construction Contracts identified by the District as part of the Project. **Attachment B**, attached to this Agreement and incorporated herein by reference, is a list of bid packages to be covered by this Agreement. For the purposes of this Agreement, the Project shall be considered completed upon filing of a Notice of Completion, or otherwise provided by applicable State law.

2.3 Covered Work: This Agreement covers, without limitation, all site preparation, surveying, on-site construction, alteration, painting or repair of buildings, structures, modular furniture installations, and other works and related activities for the Project that is within the craft jurisdiction of one of the Unions and that is directly part of the Project, including, without limitation, pipelines (including those in linear corridors built to serve the project), pumps, pump stations, start-up, on-site soils and material inspection and testing, and demolition of any existing structures, required to be performed to complete the Project. On-site work includes work done for the Project in temporary yards or areas adjacent to the Project, and at any on-site or off-site batch plant constructed solely to supply materials to the Project. This Agreement covers all on-site fabrication work over which the Prime Contractor(s) or its Subcontractor(s) possess the right of control (including work done for the Project in any temporary yard or area established for the Project.) This agreement also covers all off-site work, including fabrication traditionally performed by the Unions, that is part of the Project, provided such off-site work is covered by a current “Master Agreement” or “Schedule A” Agreement or local addenda to a National Agreement of the applicable Union(s) that is in effect as of the execution date of this Agreement. The furnishing of supplies, equipment or materials which are stockpiled for later use shall in no case be considered subcontracting; however, the delivery of ready-mix, asphalt, aggregate, sand or other fill material which are directly incorporated into the construction process as well as the off-hauling of debris and excess fill and/or mud shall be covered by the

terms and conditions of this Agreement.

2.4 Project Labor Disputes: All Project labor disputes involving the application or interpretation of the master collective bargaining agreement to which a signatory Contractor/Employer and a signatory Union are parties shall be resolved pursuant to the resolution procedures of the master collective bargaining agreement. All disputes relating to the interpretation or application of the Agreement shall be subject to resolution by the Grievance Committee and the grievance arbitration procedure set forth herein.

2.5 Work covered by the Agreement within the craft jurisdiction of the Elevator Constructors will be performed under the terms of the National Agreement of the International Union of Elevator Constructors except that Articles IV, XII, and XIII of the Agreement shall prevail and be applied to such work. Work covered by the Agreement within the craft jurisdiction of the Boilermakers will be performed under the terms of the National Transient Lodge (NTL) Articles of Agreement except that Articles IV, XII, and XIII of the Agreement shall prevail and be applied to such work.

2.6 Exclusions

(1) The Agreement shall be limited to construction work on the Project.

(2) The Agreement is not intended to, and shall not affect or govern the award of public works contracts by the District which are not included in the Project.

(3) The Agreement shall not apply to a Contractor/Employer's non-construction craft employees, including but not limited to executives, managerial employees, engineering employees and supervisors above the level of General Foreman (except those covered by existing Master Agreements), staff engineers or other professional engineers, administrative and management.

(4) This Agreement shall not apply to any work performed on or near or leading to the site of work covered by this Agreement that is undertaken by state, county, city or other governmental bodies or their contractors; or by public or private utilities or their contractors.

2.7 Award of Contracts: It is understood and agreed that the District and/or Contractor as appropriate have the absolute right to select any qualified bidder for the award of contracts under this Agreement. The bidder need only be willing, ready and able to execute and comply with this Agreement.

ARTICLE III

EFFECT OF AGREEMENT

3.1 By executing the Agreement, the Unions and the District agree to be bound by each and all of the provisions of the Agreement.

3.2 By accepting the award of a construction contract for the Project, whether as contractor or subcontractor, the Contractor/Employer agrees to be bound by each and every provision of the Agreement and agrees that it will evidence its acceptance prior to the commencement of work by executing the **Letter of Assent** in the form attached hereto as **Attachment A**.

3.3 At the time that any Contractor/Employer enters into a subcontract with any subcontractor providing for the performance of a construction contract, the Contractor/Employer shall provide a copy of this Agreement to said subcontractor and shall require the subcontractor as a part of accepting an award of a construction subcontract to agree in writing, to be bound by each and every provision of this Agreement prior to the commencement of work. If a Contractor/Employer requires a subcontractor to agree in writing to comply with the terms of this Agreement as a condition of awarding work to the subcontractor, the Contractor/Employer shall not be liable in any way for the subcontractor's failure to pay the wages and benefits required by this Agreement except as required by the provisions of the California Labor Code.

3.4 This Agreement shall only be binding on the signatory parties hereto and shall not apply to the parents, affiliates, subsidiaries, or other ventures of any such party. Each Contractor shall alone be liable and responsible for its own individual acts and conduct and for any breach or alleged breach of this Agreement. Any dispute between the Union(s) and the Contractor(s) respecting compliance with the terms of the Agreement, shall not affect the rights, liabilities,

obligations and duties between the signatory Union(s) and other Contractor(s) party to this Agreement.

3.5 It is mutually agreed by the parties that any liability by a signatory Union to this Agreement shall be several and not joint. Any alleged breach of this Agreement by a signatory Union shall not affect the rights, liabilities, obligations and duties between the signatory Contractor(s) and the other Union(s) party to this Agreement.

3.6 The provisions of this Agreement, including Schedules A's, which are the local Master Agreements of the Signatory Unions having jurisdiction over the work on the Project, shall apply to the work covered by this Agreement, notwithstanding the provisions of any other local, area and/or national agreements which may conflict with or differ from the terms of this Agreement. Where a subject covered by the provisions of this Agreement is also covered by a Schedule A, the provisions of this Agreement shall prevail. Where a subject is covered by the provisions of a Schedule A and is not covered by this Agreement, the provisions of the Schedule A shall prevail.

ARTICLE IV

WORK STOPPAGES, STRIKES, SYMPATHY STRIKES AND LOCKOUTS

4.1 The Unions, District and Contractor/Employers agree that for the duration of the Project:

(1) There shall be no strikes, sympathy strikes, work stoppages, picketing, handbilling or otherwise advising the public that a labor dispute exists, or slowdowns of any kind, for any reason, by the Unions or employees employed on the Project, at the job site of the Project or at any other facility of the District because of a dispute on the Project. Nor shall the Unions or any employees employed on the Project participate in any strikes, sympathy strikes, work stoppages, picketing, handbilling, slowdowns, or otherwise advising the public that a labor dispute exists at the jobsite of the Project because of a dispute between Unions and Contractor/Employer on any other project. It shall not be considered a violation of this Article if labor is withheld by a Union due to lack of payments to a Trust Fund or failure to make payroll

on the Project. Nothing stated in this Agreement shall prevent Unions from participating in the actions mentioned in this section on jobsites other than the Project jobsite because of disputes between the Unions and Contractor/Employers on projects other than the Project.

(2) As to employees employed on the Project, there shall be no lockout of any kind by a Contractor/Employer covered by the Agreement.

(3) If a Master Agreement between a Contractor/Employer and the Union expires before the Contractor/Employer completes the performance of a construction contract for work covered under this Agreement and the Union or Contractor/Employer gives notice of demands for a new or modified Master Agreement, the Union agrees that it will not strike the Contractor/Employer on said contract for work covered under this Agreement and the Union and the Contractor/Employer agree that the expired Master Agreement shall continue in full force and effect for work covered under this Agreement until a new or modified Master Agreement is reached between the Union and Contractor/Employer. If the new or modified Master Agreement reached between the Union and Contractor/Employer provides that any terms of the Master Agreement shall be retroactive, the Contractor/Employer agrees to comply with any retroactive terms of the new or modified Master Agreement which is applicable to employees employed on the project within seven (7) days after the effective date of the new or modified Master Agreement.

4.2 Any party to this Agreement shall institute the following procedure, prior to initiating any other action at law or equity, when a breach of this Article is alleged to have occurred:

(1) A party invoking this procedure shall notify Thomas Angelo, as the permanent arbitrator, or, Robert Hirsch, as the alternate under this procedure. In the event that the permanent arbitrator is unavailable at any time, the alternate will be contacted. If neither is available, then a selection shall be made from the list of arbitrators in Article 12.2. Notice to the arbitrator shall be by the most expeditious means available, with notices by facsimile or telephone to the party alleged to be in violation and to the Council and involved local Union if a

Union is alleged to be in violation.

(2) Upon receipt of said notice, the District will contact the designated arbitrator named above or his alternate who will attempt to convene a hearing within twenty-four (24) hours if it is contended that the violation still exists.

(3) The arbitrator shall notify the parties by facsimile or telephone of the place and time for the hearing. Said hearing shall be completed in one session, which, with appropriate recesses at the arbitrator's discretion, shall not exceed twenty-four (24) hours unless otherwise agreed upon by all parties. A failure of any party to attend said hearings shall not delay the hearing of evidence or the issuance of any award by the arbitrator.

(4) The sole issue at the hearing shall be whether or not a violation of Article IV, Section 4.1 of the Agreement has occurred. The arbitrator shall have no authority to consider any matter of justification, explanation or mitigation of such violation or to award damages, which issue is reserved for court proceedings, if any. The award shall be issued in writing within three (3) hours after the close of the hearing, and may be issued without a written opinion. If any party desires a written opinion, one shall be issued within fifteen (15) days, but its issuance shall not delay compliance with or enforcement of the award. The arbitrator may order cessation of the violation of this Article and other appropriate relief and such award shall be served on all parties by hand or registered mail upon issuance.

(5) Such award may be enforced by any Court of competent jurisdiction upon the filing of this Agreement and all other relevant documents referred to above in the following manner. Written notice of the filing of such enforcement proceedings shall be given to the other party. In the proceeding to obtain a temporary order enforcing the arbitrator's award as issued under Section 4.2(4) of this Article, all parties waive the right to a hearing and agree that such proceedings may be *ex parte*. Such agreement does not waive any party's right to participate in a hearing for a final order or enforcement. The Court's order or orders enforcing the arbitrator's award shall be served on all parties by hand or delivered by certified mail.

(6) Any rights created by statute or law governing arbitration proceedings inconsistent with the above procedure, or which interfere with compliance, are waived by the parties.

(7) The fees and expenses of the arbitrator shall be divided equally between the party instituting the arbitration proceedings provided in this Article and the party alleged to be in breach of its obligation under this Article.

ARTICLE V

PRECONSTRUCTION CONFERENCE

5.1 A preconstruction conference shall be held prior to the commencement of each construction phase. Such conference shall be attended by a representative each from the participating Contractor/Employers and Union(s) and the Project Manager.

ARTICLE VI

NO DISCRIMINATION

6.1 The Contractor/Employers and Unions agree not to engage in any form of discrimination on the ground of or because of race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability or Acquired Immune Deficiency Syndrome or AIDS-Related Condition (AIDS/ARC), against any employee, or applicant for employment, on the Project.

ARTICLE VII

UNION SECURITY

7.1 The Contractor/Employers recognize the Union(s) as the sole bargaining representative of all craft employees working within the scope of this Agreement.

7.2 All employees who are employed by Contractor/Employers to work on the Project will be required to become members and maintain membership in the appropriate Union on or before 8 days of cumulative employment on the Project. Membership under this section shall be satisfied by the tendering of periodic dues and fees uniformly required to the extent allowed by the law.

7.3 Authorized representatives of the Unions shall have access to the Projects whenever work covered by this Agreement is being, has been, or will be performed on the Project.

ARTICLE VIII

REFERRAL

8.1 Contractor/Employers performing construction work on the Project described in the Agreement shall, in filling craft job requirements, utilize and be bound by the registration facilities and referral systems established or authorized by the Unions signatory hereto when such procedures are not in violation of Federal law. The Contractor/Employer(s) shall have the right to reject any applicant referred by the Union(s), in accordance with the applicable Master Agreement.

8.2 The Contractor(s) shall have the unqualified right to select and hire directly all supervisors above general foreman it considers necessary and desirable, without such persons being referred by the Union(s).

8.3 In the event that referral facilities maintained by the Union(s) are unable to fill the requisition of a Contractor/Employer for employees within a forty-eight (48) hour period (Saturdays, Sundays and Holidays excluded) after such requisition is made by the Contractor/Employer(s), the Contractor/Employer(s) shall be free to obtain work persons from any source. A Contractor who hires any personnel to perform covered work on the Project pursuant to this Section shall immediately provide the appropriate Union with the name and address of such employee(s) and shall immediately refer such employee(s) to the appropriate Union to satisfy the requirements of Article VII of this Agreement.

8.4 Unions will exert their utmost efforts to recruit sufficient numbers of skilled craft persons to fulfill the requirements of the Contractor/Employer(s). Recognizing the special needs of the Project and the acute shortage of skilled craftspeople, the Unions shall consider a Contractor's request to transfer key employees to work on this Project in a manner consistent with the Union's referral procedures.

ARTICLE IX

BENEFITS

9.1 All Contractor/Employers agree to pay contributions to the established vacation, pension and other form of deferred compensation plan, apprenticeship, and health benefit funds established by the applicable Master Agreement for each hour worked on the Project in the amounts designated in the Master Agreements of the appropriate local unions. The Contractor/Employers shall not be required to pay contributions to any other trust funds that are not contained in the published prevailing wage determination to satisfy their obligation under this Article, except that those Contractor/Employers who are signatory to the Master Agreements with the respective trades shall continue to pay all trust fund contributions as outlined in such Master Agreements.

9.2 By signing this Agreement, the Contractor/Employers adopt and agree to be bound by the written terms of the legally established Trust Agreements, as described in section 9.1, specifying the detailed basis on which payments are to be made into, and benefits paid out of, such Trust Funds.

9.3 Wages, Hours, Terms and Conditions of Employment: The wages, hours and other terms and conditions of employment on the Project shall be governed by the Master Agreement of the respective crafts, copies of which shall be on file with the District, to the extent such Master Agreement is not inconsistent with this Agreement. Where a subject is covered by the Master Agreement and not covered by this Agreement, the Master Agreement will prevail. When a subject is covered by both the Master Agreement and this Agreement, to the extent there is any inconsistency, this Agreement will prevail.

9.4 Holidays: The only recognized holidays on the Project shall be New Year's Day, Presidents' Day, Martin Luther King Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the Day After Thanksgiving and Christmas Day. If a holiday falls on a Saturday, it shall be recognized on the preceding Friday. If a holiday falls on a Sunday, it shall be recognized on the following Monday. Under no circumstances shall work be performed on

Labor Day, except in the case of an emergency that could result in physical harm or destruction of property.

ARTICLE X

EMPLOYEE GRIEVANCE PROCEDURE

10.1 All disputes involving discipline and/or discharge of employees working on the Project shall be resolved through the grievance and arbitration provision contained in the Master Agreement for the craft of the affected employee. No employee working on the Project shall be disciplined or dismissed without just cause.

ARTICLE XI

COMPLIANCE

11.1 It shall be the responsibility of the Contractor/Employers and Unions to investigate and monitor compliance with the provisions of the Agreement contained in Article IX. Nothing in this agreement shall be construed to interfere with or supersede the usual and customary legal remedies available to the Unions and/or employee benefit Trust Funds to collect delinquent Trust Fund contributions from Employers on the Project. The District shall monitor and enforce compliance with the prevailing wage requirements of the state and Contractors/Employers' compliance with this Agreement.

ARTICLE XII

GRIEVANCE ARBITRATION PROCEDURE

12.1 The parties understand and agree that in the event any dispute arises out of the meaning, interpretation or application of the provisions of this Agreement, the same shall be settled by means of the procedures set out herein. No grievance shall be recognized unless the grieving party (Local Union or District Council on its own behalf, or on behalf of an employee whom it represents, or a contractor on its own behalf) provides notice in writing to the signatory party with whom it has a dispute within five (5) days after becoming aware of the dispute but in no event more than thirty (30) days after it reasonably should have become aware of the event giving rise to the dispute. The time limits in Section 12.1 may be extended by mutual written

agreement of the parties.

12.2 Grievances shall be settled according to the following procedures:

Step 1: Within five (5) business days after the receipt of the written notice of the grievance, the Business Representative of the involved Local Union or District Council, or his/her designee, or the representative of the employee, and the representative of the involved Contractor/Employer shall confer and attempt to resolve the grievance.

Step 2: In the event that the representatives are unable, to resolve the dispute within the five (5) business days after its referral to Step 1, within five (5) business days thereafter, the alleged grievance may be referred in writing by either involved party to the Business Manager(s) of the affected Union(s) involved and the Manager of Labor Relations of the Employer(s) or the Manager's designated representative, and the Project Manager for discussion and resolution.

Step 3: If the grievance is not settled in Step 2 within five (5) business days, either party may request the dispute be submitted to arbitration or the time may be extended by mutual consent of both parties. Within five (5) business days after referral of a dispute to Step 3, the representatives shall choose a mutually agreed upon arbitrator for final and binding arbitration. The parties agree that if the permanent arbitrator or his alternate is not available, an arbitrator shall be selected by the alternate striking method from the list of five (5) below. The order of striking names from the list of arbitrators shall be determined by a coin toss, the winner of which shall decide whether they wish to strike first or second.

1. William Riker
2. Barry Winogard
3. Mathew Goldberg
4. Robert Hirsch
5. Jeri-Lou Cossack

The decision of the Arbitrator shall be binding on all parties. The Arbitrator shall have no authority to change, amend, add to or detract from any of the provisions of the Agreement. The

expense of the Arbitrator shall be borne equally by both parties. The Arbitrator shall arrange for a hearing on the earliest available date from the date of his/her selection. A decision shall be given to the parties within five (5) calendar days after completion of the hearing unless such time is extended by mutual agreement. A written opinion may be requested by a party from the presiding arbitrator.

The time limits specified in any step of the Grievance Procedure set forth in Section 12.2 may be extended by mutual agreement of the parties initiated by the written request of one party to the other, at the appropriate step of the Grievance Procedure. However, failure to process a grievance, or failure to respond in writing within the time limits provided above, without an agreed upon extension of time, shall be deemed a waiver of such grievance without prejudice, or without precedent to the processing of and/or resolution of like or similar grievances or disputes.

In order to encourage the resolution of disputes and grievances at Steps 1 and 2 of this Grievance Procedure, the parties agree that such settlements shall not be precedent setting.

ARTICLE XIII

WORK ASSIGNMENTS AND JURISDICTIONAL DISPUTES:

NORTHERN CALIFORNIA PLAN FOR THE SETTLEMENT OF JURISDICTIONAL DISPUTES IN THE CONSTRUCTION INDUSTRY

13.1 The assignment of Covered Work will be solely the responsibility of the Employer performing the work involved; and such work assignments will be in accordance with the Plan for the Settlement of the Jurisdictional Disputes in the Construction Industry (the “Plan”) or any successor Plan.

13.2 All jurisdictional disputes on this Project between or among the building and construction trades Unions and the Employers parties to this Agreement, shall be settled and adjusted according to the present Plan established by the Building and Construction Trades Department or any other plan or method of procedure that may be adopted in the future by the

Building and Construction Trades Department. Decisions rendered shall be final, binding and conclusive on the Employers and Unions parties to this Agreement.

13.3 For the convenience of the parties, and in recognition of the expense of travel between Northern California and Washington, DC, at the request of any party to a jurisdictional dispute under this Agreement an Arbitrator shall be chosen by the procedures specified in Article V, Section 5, of the Plan from a list composed of John Kagel, Thomas Angelo, Robert Hirsch, and Thomas Pagan, and the Arbitrator's hearing on the dispute shall be held at the offices of the Monterey & Santa Cruz Counties Building and Construction Trades Council. All other procedures shall be as specified in the Plan.

13.4 All jurisdictional disputes shall be resolved without the occurrence of any strike, work stoppage, or slow-down of any nature, and the Employer's assignment shall be adhered to until the dispute is resolved. Individual employees violating this section shall be subject to immediate discharge. Each Employer will conduct a pre-job conference with the Council prior to commencing work. The Project Manager and District will be advised in advance of all such conferences and may participate if they wish. Pre-job conferences for different Employers may be held together.

ARTICLE XIV

APPRENTICES

14.1 Recognizing the need to develop adequate numbers of competent workers in the construction industry, the Contractor/Employer(s) shall employ apprentices of a California State-approved Joint Apprenticeship Program in the respective crafts to perform such work as is within their capabilities and which is customarily performed by the craft in which they are indentured.

14.2 The apprentice ratios will be in compliance with the applicable provisions of the California Labor Code and Prevailing Wage Rate Determination.

14.3 There shall be no restrictions on the utilization of apprentices in performing the work of their craft provided they are properly supervised.

ARTICLE XV

MANAGEMENT RIGHTS

15.1 The Contractor/Employer(s) shall retain full and, exclusive authority for the management of their operations, including the right to direct their work force in their sole discretion. No rules, customs or practices shall be permitted or observed which limit or restrict production, or limit or restrict the working efforts of employees except that lawful manning provisions in the Master Agreement shall be recognized.

ARTICLE XVI

HELMETS TO HARDHATS

16.1 The Contractor/Employers and the Unions recognize a desire to facilitate the entry into the building and construction trades of veterans who are interested in careers in the building and construction industry. The Contractor/Employers and Unions agree to utilize the services of the Center for Military Recruitment, Assessment and Veterans Employment (hereinafter "Center) and the Center's "Helmets to Hardhats" program to serve as a resource for preliminary orientation, assessment of construction aptitude, referral to apprenticeship programs or hiring halls, counseling and mentoring, support network, employment opportunities and other needs as identified by the parties.

16.2 The Unions and Contractor/Employers agree to coordinate with the Center to create and maintain an integrated database of veterans interested in working on the Project and of apprenticeship and employment opportunities for this Project. To the extent permitted by law, the Unions will give credit to such veterans for bona fide, provable past experience.

ARTICLE XVII

DRUG & ALCOHOL TESTING

17.1 The use, sale, transfer, purchase and/or possession of a controlled substance, alcohol and/or firearms at any time during the work day is prohibited.

17.2 The Parties agree to recognize and use the Substance Abuse Program contained in each applicable Union's Schedule A.

ARTICLE XVIII TERM

SAVINGS CLAUSE

18.1 The parties agree that in the event any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void as being in contravention of any applicable law, by a court of competent jurisdiction, the remainder of the Agreement shall remain in full force and effect. The parties further agree that if any article, provision, clause, sentence or word of the Agreement is determined to be illegal or void, by a court of competent jurisdiction, the parties shall substitute, by mutual agreement, in its place and stead, an article, provision, clause, sentence or word which will meet the objections to its validity and which will be in accordance with the intent and purpose of the article, provision, clause, sentence or work in question.

18.2 The parties also agree that in the event that a decision of a court of competent jurisdiction materially alters the terms of the Agreement such that the intent of the parties is defeated, then the entire Agreement shall be null and void.

18.3 If a court of competent jurisdiction determines that all or part of the Agreement is invalid and/or enjoins the District from complying with all or part of its provisions and the District accordingly determines that the Agreement will not be required as part of an award to a Contractor/Employer, the unions will no longer be bound by the provisions of Article IV.

ARTICLE XIX TERM

19.1 The Agreement shall be included as a condition of the award of construction contracts for the Project.

19.2 The Agreement shall continue in full force and effect until the completion of the Project.

SANTA CRUZ METRO TRANSIT DISTRICT

By _____ Date _____

MONTEREY/SANTA CRUZ BUILDING AND
CONSTRUCTION TRADES COUNCIL, AFL-CIO (COUNCIL)

By _____ Date _____

SIGNATURE BLOCKS FOR UNIONS

THE INTERNATIONAL BROTHERHOOD OF
BOILERMAKERS, LOCAL LODGE 549

By: _____

Title: _____

BRICKLAYERS, TILESETTERS AND ALLIED
CRAFTWORKERS LOCAL 3

By: _____

Title: _____

DISTRICT COUNCIL 16 INTERNATIONAL UNION
OF PAINTERS AND ALLIED TRADES

On behalf of:
CARPET, LINOLEUM AND SOFT TILE
WORKERS, LOCAL 12; GLAZIERS, ARCHITECTURAL
METAL, AND GLASSWORKERS LOCAL UNION 1621;
PAINTERS & TAPERS LOCAL UNION 272

By: _____

Title: _____

INTERNATIONAL UNION OF ELEVATOR
CONSTRUCTORS LOCAL 8

By: _____

Title: _____

INTERNATIONAL BROTHERHOOD OF ELECTRICAL
WORKERS LOCAL 234

By: _____

Title: _____

HEAT & FROST INSULATORS & ALLIED
WORKERS LOCAL 16

By: _____

Title: _____

IRONWORKERS LOCAL UNION 377

By: _____

Title: _____

LABORERS LOCAL 270

By: _____

Title: _____

OPERATIVE PLASTERERS' AND CEMENT
MASONS' LOCAL UNION # 300 OF NORTHERN
CALIFORNIA

By: _____

Title: _____

OPERATING ENGINEERS LOCAL UNION NO. 3

By: _____

Title: _____

PLUMBERS AND STEAMFITTERS LOCAL 62

By: _____

Title: _____

ROOFERS AND WATERPROOFERS
UNION LOCAL 95

By: _____

Title: _____

SHEET METAL WORKERS LOCAL UNION NO. 104

By: _____

Title: _____

ROAD SPRINKLER FITTERS LOCAL UNION 669

By: _____

Title: _____

GENERAL TEAMSTERS UNION LOCAL 912

By: _____

Title: _____

1/661857

**ATTACHMENT A
AGREED TO LETTER OF ASSENT**

[Date]

[Addressee]

[Address]

[City and State]

Re: Santa Cruz Metro Transit District, MetroBase Operations Building/Bus Parking Facility
Project Labor Agreement -- Letter of Assent

Dear Mr./Ms. _____:

The undersigned party confirms that it agrees to be a party to and bound by the Santa Cruz Metro Transit District, MetroBase Operations Building/Bus Parking Facility Project, Project Labor Agreement as such Agreement may, from time to time, be amended by the parties or interpreted pursuant to its terms.

By executing this Letter of Assent, the undersigned party subscribes to, adopts and agrees to be bound by the written terms of the legally established trust agreements specifying the detailed basis upon which contributions are to be made into, and benefits made out of, such trust funds and ratifies and accepts the trustees appointed by the parties to such trust funds.

Such obligation to be a party to and bound by this Agreement shall extend to all work covered by said Agreement undertaken by the undersigned party on the Santa Cruz Metro Transit District, MetroBase Operations Building/Bus Parking Facility Project. The undersigned party shall require all of its subcontractors, of whatever tier, to become similarly bound for all their work within the scope of this Agreement by signing an identical Letter of Assent.

This letter shall constitute a subscription agreement, to the extent of the terms of the letter.

CONTRACTOR/SUBCONTRACTOR: _____

California State License Number: _____

Name and Signature of
Authorized Person:

(Print Name)

(Title)

(Signature)

(Telephone Number)

ATTACHMENT B: BID PACKAGES

VTA's project labor agreement will increase BART line costs

By Nicole Goehring

Special to the Mercury News

mercurynews.com

Posted: 02/13/2012 08:42:00 PM PST

February 14, 2012 4:42 AM GMT Updated: 02/13/2012 08:42:02 PM PST

A recent column by the Santa Clara Valley Transportation Authority chairman and Santa Clara County Supervisor Ken Yeager praised VTA's vote last September that put in place a discriminatory Project Labor Agreement for construction on the BART to San Jose Project.

Approved in an 11-1 board vote, with only Los Altos Hills Council member Rich Larsen dissenting, the agreement is supposed to achieve cost savings, schedule improvement, fair wages and a smoothly run project. Nothing could be farther from the truth.

A Project Labor Agreement is a union creation written by and for labor special interests that comprise less than 15 percent of the construction workforce locally and nationally. It mandates that project workers who choose not to belong to a union still pay union dues, pay into union pension plans and be hired through a union hiring hall. It also excludes union-free apprenticeship programs such as those run locally by the Associated Builders and Contractors. Apprentices who belong to these programs will not be able to work on the VTA project.

What is rarely mentioned are the moral implications of using the government as an agent to prod contractors and their employees into union agreements.

Is it right for a government to require contractors to make employee fringe benefit payments to union-managed trust funds and obtain their workers from a union hiring hall? What kind of thinking leads a representative of the people to require workers to pay initiation fees and dues to a union as a condition of working on a public project paid for with those workers' own tax dollars? What kind of community leader wants to build four taxpayer-funded schools for the cost of five in order to curry favor with a special interest group?

The PLA for the BART project was negotiated by VTA staff and Neil Struthers, business agent for the Santa Clara and San Benito Building and Construction Trades Council. Construction companies did not negotiate the PLA but will have to comply with the terms. The night of the VTA vote, Struthers touted the agreement as a way for contractors whose workers currently are not affiliated with the union to sample the union car before they are asked to buy it.

Even San Jose Mayor Chuck Reed supported the PLA: "We need the FTA (Federal Transit Administration) money. If the government is telling us to use the PLA, let's do it."

VTA was notified by the federal agency on Jan. 9 that VTA's \$900 million grant request for the BART Silicon Valley Berryessa Extension has received all of the administrative approvals and was 60 days away from a full funding grant agreement.

A Project Labor Agreement is not a requirement for federal projects. In fact, between 2001 and 2008, these agreements were banned on projects receiving federal dollars. According to a recent Beacon Hill Institute Study, "Project Labor Agreements on Federal Construction Projects: A Costly Solution in Search of a Problem," found that the agreements significantly increase construction costs. The Federal Office of Management and Budget was unable to provide any examples of labor disruptions that resulted in significant project delays or increased costs.

Research on school construction in California from 1996 through 2008, along with a study released in July by National University in San Diego, shows that Project Labor Agreements decrease competition, resulting in project cost increases of 13 percent to 15 percent.

This indicates the BART project will cost taxpayers up to an additional \$116 million, or 15 percent of \$772 million.

With government budgets stretched to the breaking point and essential services being cut, it is critical that taxpayers get the best quality work at the best price. Shame on VTA.

Nicole Goehring is government affairs director of Associated Builders and Contractors Golden Gate Chapter (www.thetruthaboutplas.com). She wrote this for this newspaper.

Bob Balgenorth: Project Labor Agreements are good for public projects

By Bob Balgenorth

Special to the Mercury News

mercurynews.com

Posted: 02/23/2012 03:37:51 PM PST

February 24, 2012 2:29 AM GMT Updated: 02/23/2012 06:29:24 PM PST

Project Labor Agreements, or PLAs, are popular with many construction businesses and public agencies in the Bay Area; for example, the Valley Transportation Authority voted 11-1 in favor of a PLA for construction of the BART-to-San Jose project.

A PLA is a risk-management tool. Negotiated before work on a project begins, it generally includes a no-strike clause as well as a process to resolve disputes. It establishes the hours of work, wages, benefits and working conditions. Many municipal PLAs also have local-hire provisions and other benefits desired by the community.

Still, a few anti-union contractors malign these agreements out of self-interest. This was the case with Nicole Goehring's column on this page last week on behalf of the Associated Builders and Contractors' Golden Gate chapter. As U.S. Sen. Daniel Patrick Moynahan once said: "Everyone is entitled to their own opinion, but not their own facts."

Federal law and the California Public Contract Code authorize local governments to enter into PLAs. The code requires all PLAs to include provisions that "prohibit discrimination based on race, national origin, religion, sex, sexual orientation, political affiliation or membership in a labor organization in hiring and dispatching workers for the project." This is consistent with the competitive bidding requirements under state and federal law, so nonunion and union contractors can compete in a fair and open manner.

Local Advertisement

governments, school districts and special districts throughout California are increasingly using these agreements to deliver high-quality construction projects. Sophisticated, profit-driven companies that seek cost effective results without compromising quality also are increasingly utilizing PLAs. In Santa Clara County, there are more than 100 construction projects, both public and private, totaling more than \$8 billion, that were completed or are under way with PLAs.

Project Labor Agreements prevent contractors from misclassifying workers or committing other violations that may gain them an unfair competitive advantage, including importing unskilled workers from other states. This is precisely why the Associated Builders and Contractors opposes PLAs. This group represents an insignificant 0.4 percent of all licensed contractors in California. However, those few contractors account for a staggering 24 percent of all construction-related wage and hour violations in California.

Furthermore, its assertion that unions represent only 15 percent of the construction workforce may be true in Mississippi, but not in California -- and definitely not in the Bay Area, where the majority of contractors performing public works have strong partnerships with their employees and local communities. Unlike Mississippi, California's construction workers, union and nonunion, earn a decent wage on public works projects to provide for themselves and their families.

Another argument is that PLAs increase costs. That shaky argument comes from a recent study paid for by Associated Builders that was dismissed by academics as flawed. All public works projects, regardless of a PLA, are covered by prevailing wage requirements determined by the California Department of Industrial Relations, which sets the wages for workers.

The VTA bid came in 10 percent under the transit agency's estimate, and it promised to complete the project a full year ahead of its original schedule because of the PLA. None of the Associated Builders and Contractors companies was found to be qualified for this complex and important project.

The VTA board should be congratulated on taking the extra step to protect taxpayer funds by ensuring contractors and workers compete based on quality and conformance with our laws, rather than economies that come with avoidance and deception.

Bob Balgenorth is president of the Building and Construction Trades Council of California. He wrote this for this newspaper.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: April 13, 2012

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE AGREEMENT WITH MACARIO BARRIENTOS AND LUIS BARRIENTOS FOR THE LEASE OF THE BART CAVALLARO TRANSIT CENTER, INCLUDING JANITORIAL DUTIES

I. RECOMMENDED ACTION

Authorize the General Manager to execute a Lease Agreement with Macario Barrientos and Luis Barrientos, to lease the Bart Cavallaro Transit Center, including janitorial services.

II. SUMMARY OF ISSUES

- A Request for Proposals for the lease of the Bart Cavallaro Transit Center was issued on February 1, 2012.
- The Center has been vacant since Steve Dymerski and Ok Hyun Cho-Byun dba the Blue Dolphin terminated their lease in 2005.
- Two separate proposals were received and evaluated by the Santa Cruz METRO Leasing Committee.
- It is recommended that the Santa Cruz METRO Board of Directors authorize the General Manager to execute a Lease Agreement with Macario Barrientos and Luis Barrientos who wish to lease the space to operate a coffee house at the Center, and provide janitorial services for a monthly cost to Santa Cruz METRO of \$600.

III. DISCUSSION

Santa Cruz METRO constructed the Bart Cavallaro Transit Center in 1995 in order to facilitate its fixed route and paratransit services in the City of Scotts Valley and the San Lorenzo Valley. One of Santa Cruz METRO's most successful routes, the Highway 17 commuter route travels through this center. The Bart Cavallaro Transit Center includes a building with a large space that has in the past been leased to various coffee shop tenants. These tenants have always been required to provide Santa Cruz METRO's customers with transit information and also have been required to sell tickets and bus passes from the center. The last tenant also provided all janitorial work at the center.

From 2005 to the present, Santa Cruz METRO staff have made efforts to lease the center but without success. In the beginning of 2012, staff received inquiries about whether it would lease the space at this time. As a result, on February 1, 2012, Santa Cruz METRO staff issued a Request for Proposals and received two responses.

Marcelo Siero, dba Business with Pleasure, submitted a proposal requesting to lease the center in order to facilitate his existing copy business. Macario Barrientos and Luis Barrientos submitted a proposal for the lease of the Center for a new business venture entitled Café Amigo. Both Proposers agreed to provide ticketing and route information and janitorial services for the transit center.

The Leasing and Property Committee, consisting of Angela Aitken, Finance Manager, Robert Cotter, Maintenance Manager and Margaret Gallagher, District Counsel, reviewed both proposals and interviewed each proposer. Thereafter, the committee determined that the Café Amigo proposal is more compatible with the transit center and would provide more benefits to transit service riders than the copy business proposal.

Therefore, Santa Cruz METRO staff recommends that Macario Barrientos and Luis Barrientos be offered an opportunity to begin their new business venture and lease space at the Bart Cavallaro Transit Center commencing on May 1, 2012.

IV. FINANCIAL CONSIDERATIONS

The Janitorial services provided by Luis Barrientos and Macario Barrientos will cost Santa Cruz METRO \$600.00 per month.

V. ATTACHMENTS

Attachment A: Proposed Lease Agreement

Attachment B: Specifications for Janitorial Services at the Bart Cavallaro Transit Center

ATTACHMENT A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT

THIS LEASE is made on _____, 2012 between the **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, a political subdivision of the State of California ("Landlord"), whose address is 110 Vernon Street, Santa Cruz, California, 95060, and, Macario Barrientos and Luis Barrientos ("Tenants") **dba Café Amigo**, whose address is 246 Kings Village Drive, Scotts Valley, California, 95066 who agree as follows:

RECITALS

1. This lease is made with reference to the following facts and objectives:

Landlord is the owner of certain real property commonly known as the Scotts Valley Transit Center (hereinafter "Center") described in Exhibit "A." Said real property includes, without limitation, "Premises" which consists generally of approximately 2,270 sq. ft as follows: Building Lobby of 1,122.63 sq. ft. (approx. 45 x 25 ft); adjacent storage/ office of 54.25 sq. ft. (approx. 7x 8 ft.); and the area under the south trellis of 1,093 sq. ft. (approx. 25 x 44 ft.).

2. Tenant is willing to lease the Premises from Landlord pursuant to the provisions stated in this lease.

3. Tenant wishes to lease the Premises described below for the purposes of operating a Coffeeshop.

4. Tenant has examined the Premises and is fully informed of their condition.

ARTICLE 1: PREMISES

1.1 General

Landlord leases to Tenant and Tenant leases from Landlord the premises located in the Scotts Valley Transit Center at 246 King Village Drive, City of Scotts Valley, County of Santa Cruz, State of California, pictured in Exhibit A.

1.2 Airspace/Subsurface Rights

This lease confers no rights either with regard to the subsurface of the land in which the Premises are located or with regard to airspace above the ceiling in which the Premises are located.

ARTICLE 2: TERM

2.1 Fixed Term

The term shall commence on May 1, 2012 and shall expire at 12:01 a.m. on April 30, 2013, unless sooner terminated in accordance with the provisions herein.

2.2 Inability to Deliver Possession

Landlord has delivered possession of the premises to Tenant and tenant by his acceptance of the premises warrants that the premises are in good condition and meet Tenant's business needs.

2.3 Option to Extend Term

Tenant shall have two (2) options to extend the term of its lease, each for an additional one (1) year period under the same terms and conditions specified herein except that Landlord would be allowed to charge rent, if appropriate. To exercise the option Landlord must receive written notification from Tenant exercising said option not later than ninety (90) days prior to the expiration of the initial one (1) year term. Tenant shall have no other right to extend the term beyond the options to extend term as described herein.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT

2.4 Tenant's Notice and Default

- a. If Tenant fails to give Landlord an option notice at least 90 days prior to the expiration of the initial term, Tenant's rights under this Article 2 shall be deemed to have been waived, and Landlord shall be free (without any further obligation to Tenant) to lease premises to anyone upon the same or any other terms and conditions and without any further obligation to Tenant, whether or not the terms and conditions of such lease are more or less favorable than those offered to Tenant.
- b. Tenant's extended term options shall be suspended during any period in which Tenant is in default under any provision of this Lease until said default has been cured. If Tenant fails to exercise its extension option in any instance when such rights may arise, in writing, prior to the expiration of the applicable time period for the exercise of such rights, Tenant's rights to the extension shall thereafter be deemed null and void and of no further force or effect. The period of time within which the extension option may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise such rights because of the foregoing provisions. All rights of Tenant to the extension option shall terminate and be of no further force or effect even after Tenant's due and timely exercise thereof, if, after such exercise, but prior to the commencement date of the term of the extension option: (1) Tenant fails to pay to Landlord a monetary obligation of Tenant for a period of ten (10) days after such obligation becomes due (without any necessity of Landlord to give notice thereof to Tenant); (2) Tenant fails to cure a material non-monetary default within thirty (30) days after Landlord gives written notice to Tenant of such default; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, the Tenant shall not be in default if it begins such cure within the thirty (30) day period described above and, thereafter, diligently prosecutes such cure to completion; or (3) Landlord gives to Tenant three (3) or more notices of default (and Tenant was in fact in default in such instances), whether or not such defaults are ultimately cured. Landlord's waiver of its right to terminate this Lease due to Tenant's default in any instance shall not be deemed a waiver of the foregoing conditions precedent and conditions subsequent to the exercise of the extension option.

2.5 Extension Option Not Separately Assignable

The extension options shall not be assignable separate and apart from this Lease.

ARTICLE 3: RENT

3.1 Rent Exchange for Services; Hours of Operation

Tenant shall receive free monthly rent, in exchange for the following services:

1. Tenant shall provide customer service to the public regarding local and regional transit information. This shall include providing local bus route and transfer information and providing Headways to those needing transit information.
2. Tenant shall provide bus and transit ticket and pass sales to the public.
3. Tenant shall keep the Center open at all times during hours of business operation for customers, passengers and the public to use the restroom facilities.
4. Tenant shall immediately notify Landlord of any problem, incident, accident, or criminal activity occurring at the Center.
5. Tenant shall provide other services as agreed upon with Landlord
6. Tenant agrees to provide the above mentioned services and to operate its business at a minimum during the hours of 6:00 a.m. to 10:00 a.m. and again from 2:00 p.m. until 6:00 p.m., Monday through Friday unless weekend traffic increases.
7. Working cooperatively with the janitorial service to keep the site clean.
8. Providing security services to the Center as follows:

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT

- (a) Informing center users of the rules and regulations specified in Exhibit C attached hereto.
- (b) Calling Scotts Valley Police Department regarding violations of rules and regulations.
- (c) Notifying the Facilities Maintenance Department at the Santa Cruz Metropolitan Transit District in the event of vandalism, possible damage to property or breach of security at the site.

3.2 Payment for Permits

Tenant shall be solely responsible to obtain and pay for use permits, necessary design review permits and building permits for any approved Tenant improvements.

3.3 Negation of Partnership

Landlord shall not become or be deemed a partner or a joint-venturer with Tenant by reason of the provisions of this lease.

ARTICLE 4: SECURITY DEPOSIT

Tenant has deposited with Landlord _____ hundred Dollars (\$00.00), as a security deposit for the performance by Tenant of the provisions of this lease. If Tenant is in default, Landlord can use the security deposit, or any portion of it, to cure the default or to compensate Landlord for all damages sustained by Landlord resulting from Tenant's default including reasonable attorney's fees. Tenant shall within 10 days on demand pay to Landlord a sum equal to the portion of the security deposit expended or applied by Landlord as provided in this Article so as to maintain the security deposit in the sum initially deposited with Landlord. Tenant's failure to do so shall be a material default under this Lease. If Tenant is not in default at the expiration or termination of this lease, Landlord shall return the security deposit to Tenant within thirty (30) days. Landlord's obligations with respect to the security deposit are those of a debtor and not a trustee. Landlord can maintain the security deposit separate and apart from Landlord's general funds or can commingle the security deposit with Landlord's general and other funds. Landlord shall not be required to pay Tenant interest on the security deposit.

ARTICLE 5: USE; LIMITATIONS ON USE

5.1 Use

- a. Premises shall be used by Tenant for a Snack and Drink Facility as more particularly set forth herein, and for no other use without Landlord's written consent. Said use (including, without limitation, limitations on use) is further described in Exhibit B attached hereto and made a part hereof.
- b. No other business shall be conducted on the Premises by Tenant except upon the prior written consent of the Landlord. Landlord shall not be a guarantor or otherwise liable to Tenant of Tenant's business or of insuring that individuals who ride landlord's buses patronize tenant's business.
- c. Tenant shall continuously use the Premises for the uses specified in this lease and shall continuously merchandise the Premises, during the hours specified in Exhibit B. If the Premises are destroyed or partially condemned and this lease remains in full force and effect, Tenant shall continue operation of its business at the Premises to the extent reasonably practicable from the standpoint of good business judgment during any period of reconstruction.
- d. If social unrest, riots, police or unlikely action cause or require the Center to be closed, Tenant shall notify Landlord and secure the premises. Tenant shall notify Landlord of the reason the Center had to be closed and the length of the closure. If Tenant and Landlord dispute the need for closure pursuant to this provision, Landlord's determination shall be final.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT

- e. Tenant specifically agrees that the premises are not to be used for any interior or exterior storage of toxic or hazardous chemicals or materials other than those associated with Tenant's business subject to Landlord's approval. The business conducted by the Tenant on the Premises shall be of a character and nature that will not be detrimental to the value of the Premises. No use shall be made or permitted to be made of the Premises, nor acts done in or about the Premises, which will in any way conflict with any law, ordinance, rule or regulation affecting the occupancy or use of the Premises, which are or may hereafter be enacted or promulgated by any public authority, or which will increase the existing rate of insurance upon the building or cause a cancellation of any insurance policy covering the building or any part thereof. Nor shall Tenant permit to be kept, or use in or about the Premises, any article which may be prohibited by the standard form of fire insurance policy maintained by Landlord. Tenant shall not commit, or suffer to be committed, any waste upon Premises, or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of the premises by Landlord's bus passengers or customers. Tenant shall not allow said Premises, nor shall it be used for any improper, immoral, unlawful, or unethical purpose or for sleeping or residential purposes, including washing clothes or for the mixing of anything that might emit any objectionable odor or objectionable noises or lights into the building in which the Premises are located.

5.2 Limitations on Use

Tenant's use of the Premises as provided in this lease shall be in accordance with the following:

5.2.1 Cancellation of Insurance; Increase in Insurance Rates

- a. Tenant shall not do, bring, or keep anything in or about the Premises that will cause a cancellation of any insurance or an increase in the rate of any insurance covering the Premises.
- b. If the rate of any insurance (including, without limitation, any fire, casualty, liability, or other insurance policy insuring Landlord, Landlord's property, and Tenant at the Center, or any of Tenants' property) carried by Landlord is increased as a result of Tenant's use, Tenant shall pay to Landlord a sum equal to the difference between the original premium and the increased premium. Said payment shall be made within ten (10) days before the date Landlord is obligated to pay premium on the insurance, or within ten (10) days after Landlord delivers to Tenant a certified statement from Landlord's insurance carrier stating that the rate increase was caused solely by an activity of Tenant on the Premises as permitted in this lease, whichever date is later..
- c. Tenant's expense, to the requirements of applicable fire control agencies having jurisdiction over the Premises, including, without limitation, any restrictions on occupancy and the provision of fire extinguishers. Tenant's obligation under this section shall include at Tenant's cost the obtaining and maintaining of any business license, use permits, design review permits for signs, and the building permits for any tenant improvements, or any other federal, state or local government requirement.
- d. Except that Tenant shall not be obligated to comply with any law that requires alterations, maintenance, or restoration to the Premises unless the alterations, maintenance, or restoration are required as a result of Tenant's particular and specific use of the Premises at the time or as a result of Tenant's own construction on the Premises. Landlord shall make any alterations, maintenance, or restoration to the Premises required by such laws that Tenant is not obligated to make. Notwithstanding, the foregoing Tenant shall not alter the premises in any fashion without Landlord's written approval.

5.2.2 Deliveries

- a. Tenant shall not allow deliveries of any kind to be made on the bus lanes. Additionally, Tenant's employees shall be restricted to park in areas other than the bus lanes. Tenant shall ensure that the buses are unobstructed and allowed movement through the Scotts Valley Transit Center as

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT

scheduled by Landlord. Tenant shall ensure that neither it nor any of its operations shall interfere with Landlord's transit services.

5.2.3 Waste; Nuisance

- a. Tenant shall not use the Premises or public area, or permit or suffer the Premises to be occupied or used, in any manner that will constitute waste, nuisance, or unreasonable annoyance (including, without limitation, the use of loudspeakers or sound or light apparatus that can be heard or seen outside the Premises) to other users of the building in which the Premises are located.
- b. No secondhand store, auction, distress or fire sale, or bankruptcy or going-out of-business sale may be conducted on the Premises or public area without Landlord's written consent. Tenant shall not sell or display merchandise outside the confines of the Premises or in the public area.

5.2.4 Overloading

- a. Tenant shall not do anything on the Premises that will cause damage to the building in which the Premises are located.
- b. The Premises shall not be overloaded. No machinery, apparatus, or other appliance shall be used or operated in or on the Premises that will in any manner injure, vibrate, or shake the Premises and or the Metro Center including the parking areas.

5.2.5 Hours of Operation

- a. Tenant agrees not to leave the Premises unoccupied or vacant during regular business hours as defined by the Landlord. Tenant shall continuously during the entire term hereof conduct and carry on Tenant's aforesaid business on the Premises, and shall keep said Premises open for business and cause such business to be conducted thereon, during each and every day and for such number of hours each day, as is established in Exhibit B of this Lease.
- b. Landlord may, at its option, change the hours of operation for Tenant's business set forth in Exhibit B, by providing reasonable and timely notice of any change. Landlord may, at its option, and for good cause, permit Tenant to temporarily close down said business or otherwise limit operations. However, Tenant must submit a written request to the Board of Directors of Landlord for any change to be considered.

5.2.6 Rules and Regulations/Common Area

- a. Tenant acknowledges that this lease is made on property owned by Landlord and under Landlord's exclusive control. Said property is primarily devoted to the provision of transit services for the public and is commonly known as the Scotts Valley Transit Center. Tenant agrees that it shall do nothing to interfere with Landlord's transit services. Tenant further acknowledges that the primary duties of Landlord are to operate transit services safely; and Tenant hereby agrees to abide by all laws, ordinances, directives, rules and regulations promulgated by the Board of Directors of Landlord now existing or hereafter made for the government, management, maintenance, and operation of the Center, including such directives as to usage of the Center as may be promulgated by the officers or representatives of the Landlord in their official or departmental capacity upon reasonable and timely notification. Tenant further agrees that such directives, rules, regulations, ordinances and conditions as may be imposed by Landlord through its Board of Directors, administrative officers, department heads or duly authorized representatives, shall be subject to proper and timely compliance by Tenant. Tenant acknowledges that it has read and reviewed the Center Rules and Regulations, which are attached hereto as Exhibit C and incorporated herein by reference and agrees to follow them.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT

- b. Certain areas have been constructed by Landlord within the Premises for the general use, convenience and benefit of the occupants of the Center and their customers and employees, including the lobby, sidewalks, landscaped areas and other areas for pedestrian use (herein called the "Common Area"). Except as may be limited herein, Tenant shall have the non-exclusive right for itself and for its customers, invitees, employees, contractors, subtenants and licenses to use the Common Area in common with Landlord and other persons permitted to use the same for pedestrian ingress, egress and access.

5.2.7 Limitation

- a. This lease is made for commercial purposes related to the operation of the Center, and no use shall be made of the Premises by Tenant that would, in Landlord's opinion, interfere with transit operations and operation of the Center or any other Center's business in any manner or form.

ARTICLE 6: MAINTENANCE

6.1 Landlord's Maintenance

- a. **Except as provided in Section 6.2 and Articles 10 and 11, Landlord at its cost shall maintain in good condition, the following:**
- 1. The structural parts of the building and other improvements in which the premises are located, which structural parts include only the foundations, bearing and exterior walls (excluding glass), sub-flooring, and roof (excluding skylights);**
 - 2. The unexposed electrical fixtures, plumbing fixtures, lights and sewage systems, including, without limitation, those portions of the systems lying outside the premises;**
 - 3. Window frames, gutters, and down spouts on the building and other improvements in which the premises are located;**
 - 4. Automatic doors, drinking fountains and display cases installed by Landlord; and**
 - 5. Heating and ventilating system servicing the premises if installed by Landlord.**
- b. Landlord shall not be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers or any other person in or about the premises; whether such damage or injury is caused by or results from: 1) fire, steam, electricity, water, gas or rain; 2) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; 3) conditions arising in or about the premises or upon other portions of any building which the premises is part, or from other sources or places; or 4) any act or omission of any other tenant of any building of which the premises is a part. Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Tenant. Tenant, as a material part of the consideration to be rendered to Landlord, hereby waives all claims against Landlord for the foregoing damages from any cause arising at any time.

6.2 Tenant's Maintenance

- a. Tenant at its cost shall maintain, in good condition, all portions of the Premises, both inside and out, including, without limitation, all signs, storefronts, plate glass, show windows, all Tenant's personal property, restrooms, fixture maintenance (light bulbs, etc.), and periodic services of heating and ventilation, electric and electronic equipment as recommended by the manufacturer

ATTACHMENT A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT

(HVAC system and door maintenance). Tenant is responsible for building upkeep including cleaning of interior paint, exterior and interior graffiti and broken plate glass.

- b. Tenant shall be liable for any damage to the building in which the Premises are located resulting from the acts or omissions of Tenant or its authorized representatives or its employees or its customers. Landlord is not responsible for the repair of the Premises for damage caused by third parties, including Tenant, its employees, its representatives, or its customers.

ARTICLE 7: REPAIRS AND ALTERATIONS

- a. Tenant will take good care of the Premises and promptly notify the Landlord in writing of any damage caused thereto by Tenant, its employees or invitees and will not make any repairs or alterations without written permission of Landlord first had and obtained, and consent for same shall not be unreasonably withheld by Landlord. Any alterations or improvements made shall remain on and be surrendered with the Premises on expiration or termination of the term, except that Landlord can elect within thirty (30) days before expiration of the term, or within five (5) days after termination of the term, to require Tenant to remove any alterations or improvements that Tenant has made to the Premises. If Landlord so elects, Tenant at its cost shall restore the Premises to the condition designated by Landlord in its election before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later, and Tenant shall be liable for rent during any such period. Tenant shall keep the premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.
- b. Landlord shall be under no obligation to make any repairs, alterations or improvements to or upon the Premises, or any part thereof, at any time except as provided in this Lease. Landlord shall at its sole cost and expense, at all times during the term hereof, repair and maintain the roof and exterior walls (~~other than plate glass, and doors, and roll-up doors~~) and foundations of the building in which the Premises are located; provided that Tenant shall reimburse Landlord for the cost and expense of repairing any and all damage to the roof, foundation or exterior walls of the Premises resulting from the acts or omissions of Tenant, Tenant's agents, employees, customers or other invitees.
- c. Tenant shall, except for the intentional or negligent acts or omissions of Landlord, its agents, or employees, or third parties at its sole cost and expense, at all times during the term hereof, keep and maintain the Premises, the improvements thereof and every part thereof (including but not limited to plate glass, heating, ventilating, store fronts, doors, automatic doors and awnings) in good and sanitary order, condition and repair and in compliance with all laws and regulations applicable thereto.
- d. Landlord may, at any time and for any reason during the term and any extensions thereof, remodel all or any part of the Center. Landlord's rights to remodel include, without limitation, the right to enclose, cover, re-configure, reposition or otherwise modify any part of the building in which the Premises are a part. Landlord shall not unreasonably interfere with Tenant's business as a result of alterations or improvements.

ARTICLE 8: TRADE FIXTURES

Subject to the provisions of Article 7, above, Tenant may install and maintain its trade fixtures on the Premises, provided that such fixtures, by reason of the manner in which they are affixed, do not become an integral part of the building or Premises. Tenant, if not in default hereunder, may at any time or from time to time during the term hereof, or upon the expiration or termination of this Lease, alter or remove any such trade fixtures so installed by Tenant, and any damage to the Premises caused by such installation, alteration or removal of such trade fixtures shall be promptly repaired by Tenant at the expense of Tenant. If not so removed by Tenant within thirty (30) days of the expiration or sooner termination of this Lease, said trade fixtures shall, at Landlord's option, become the property of Landlord or Landlord, at its option, may remove said trade fixtures and any damage to the Premises caused by

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such installation, alteration or removal of such trade fixtures and the cost of such removal shall be paid by Tenant to Landlord upon demand.

ARTICLE 9: UTILITIES AND SERVICES

9.1 Landlord and Tenant shall be responsible for electrical utilities and services as follows:

- a. Tenant shall make all arrangements for and pay for all utilities and services furnished to or used by it, including, without limitation, electricity, gas, water and telephone service, and for all connection charges and taxes;
- b. If Landlord is required to construct new or additional utility installations, including, without limitation, wiring, plumbing, conduits, and mains resulting from Tenant's changed or increased utility requirements, Tenant shall on demand pay to Landlord the total cost of these items;
- c. Landlord shall not be liable for failure to furnish utilities or services to the premises, but in case of the failure, Landlord will take all reasonable steps to restore the interrupted utilities and services;
- d. Tenant shall reimburse Landlord on a monthly basis (or other period as may be established by Landlord) for Landlord's costs in furnishing trash collection services to the premises which shall be billed to Tenant. Tenant shall pay for such services within ten (10) calendar days from the date Landlord bills Tenant;
- e. Tenant agrees to keep premises free and clear of any lien or encumbrance of any kind whatsoever created by Tenant's acts or omissions.
- f. Utility charges may be separately determined by Landlord based on utility rating of Tenant's use of premises and the common areas, as a percentage of total utility use by those sharing the same meter, or as metered use. Tenant shall pay directly to the appropriate supplier the cost of all heat, light, power, and other utilities and services supplied to the premises. If Landlord authorizes Tenant's premises to be separately metered, then Tenant shall pay for the full cost of the installation of the meter.
- g. Landlord can discontinue, without notice to Tenant, any of the utilities or services furnished to the premises for which Tenant fails to reimburse Landlord on a prompt basis as provided in this Article, and no such discontinuance shall be deemed an actual or a constructive eviction.

ARTICLE 10: INDEMNITY AND EXCULPATION; INSURANCE

10.1 Tenant's Indemnification of District

Tenant shall exonerate, indemnify, defend, and hold harmless Landlord (which shall include, without limitation, its officers, agents, employees and volunteers) and the property of Landlord from and against any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which Landlord may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, arising out of, or in any manner connected with the Tenant's lease of the Premises under the terms of this Agreement including any condition of the Premises or any portion thereof over which Tenant has control and/or a duty to repair and/or maintain under the terms of this Lease. Such indemnification includes any damage to the person(s), or property(ies) of Tenant and third persons. Notwithstanding the foregoing, Landlord shall be solely responsible for claims, demands, losses, damages, defense costs or liability of any kind or nature arising from its own transit operation at the Center so long as such claim, demand, loss, damage, defense costs or liability is not due to Tenant's negligence, intentional act or omission or due to Tenant's failure to meet its obligations under the lease.

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10.2 Liability Insurance

- a. Tenant further agrees to take out and keep in force during the life hereof, at Tenant's expense, insurance, and products liability insurance, with a company or companies satisfactory to Landlord to protect Landlord against any liability incident from the use of, or resulting from, any accident or occurrence in or about said Premises, with a single combined public and products liability and property damage limit of at least ONE MILLION DOLLARS (\$1,000,000) for any one accident or occurrence.
- b. All public liability insurance, products liability insurance, and property damage insurance shall insure performance by Tenant of the indemnity provisions of Section 10.1. Said policy or policies shall require that in the event of cancellation of any policy, the insurance carrier shall notify Landlord in writing at least thirty (30) days prior thereto, and Tenant agrees, if Tenant does not keep such insurance in full force and effect, then Landlord may, at its option either terminate this lease, or take out the necessary insurance and pay the premium, and the repayment thereof shall be deemed to be part of the rental and payable as such on the next day upon which rent becomes due. Tenant shall have the insurance carrier(s) also notify Landlord thirty (30) days in advance of any modifications reducing the coverage of said policy(ies), and in the event that any of said insurance carriers do not notify Landlord of any modification, Tenant shall do so upon receiving notice of such modification. Tenant agrees that Landlord shall be named on said insurance coverage as an additional insured party in accordance with the foregoing covenants, and that cross-liability coverage in favor of Landlord shall be provided. Tenant shall furnish Landlord with evidence of insurance satisfactory to Landlord. Said policy or policies shall further provide that any other insurance carrier by Landlord shall be excess insurance only, as to the liability insured thereby.
- c. Landlord may increase or decrease the amount of public liability, products liability, and property damage insurance required, based upon a general review by Landlord of the standard insurance requirement as determined by the Board of Directors of Landlord to be in the public interest and required for all other Premises on said Metro Center. Changes in insurance amounts shall occur not more frequently than once a year.

10.3 Fire and Other Perils Insurance

- a. Landlord shall provide Fire and Other Insurance with respect to the Premises, except that Landlord shall not provide earthquake and flood insurance. Insurance shall be obtained in the name of Landlord covering said leased Premises and all fixtures therein against loss by reason of the perils of fire, lightning, vandalism and malicious mischief, and endorsed to include extended coverage, said policy to be on a replacement cost basis, and to be maintained in full force and effect throughout the term of this lease. Said policy or policies shall provide that the loss payable shall be paid to Landlord.
- b. The "full replacement value" of the building and other improvements to be insured shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three (3) years, either party shall have the right to notify the other party that it elects to have the replacement value determined by an insurance company. The determination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the determination.
- c. The pro rata cost (based on percentage of Center's square footage) said insurance shall be paid by Tenant, and shall reflect Tenant's business nature and size insofar as they measurably affect the Landlord's premiums. If any other tenant of the building of which the demised Premises are a part is conducting a business or otherwise engages in an activity or omits to take a precaution that the insurer identifies as producing a specified higher insurance rate than would be produced

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by the business and conduct of Tenant, such additional insurance rates will not be passed on to Tenant, even on a pro rata basis. Landlord will be the final authority regarding Tenant's share of the cost of the insurance. Landlord shall inform Tenant of its actual cost of the commencement of the lease. Payment of Tenant's insurance cost shall be in addition to all other required rent and is due within ten (10) calendar days of mailing.

- d. Landlord may increase or decrease the amount of fire and other perils insurance required, based upon a general review by Landlord of the standard insurance requirement as resolved by the Board of Directors of Landlord to be in the public interest and required for all other Premises on said Metro Center.
- e. Landlord is not responsible for the acts or omissions of third parties against Tenant.

10.4 Tenant's Fire and Malicious Mischief Insurance

Tenant shall maintain on all its personal property (including unattached movable business equipment) in, on, or about the Premises, a policy of standard fire and extended and malicious mischief endorsements, to the extent of one hundred percent (100%) of their full replacement value. Landlord shall be named as an additional insured.

10.5 Plate Glass Insurance

Tenant at its cost shall maintain full coverage plate glass insurance on the Premises. Both parties shall be named as additional insureds.

10.7 Proof of Insurance

Tenant shall provide proof of insurance evidencing at least the minimum levels described in Article 10 on or before the date of execution of this lease and thereafter on an annual basis or at such times as Landlord requests such proof of insurance.

10.8 Other Insurance Matters

All insurance required under this lease shall:

- a. Be issued by insurance companies authorized to do business in the State of California, with a financial rating of at least an A + 3A status as rated in the most recent edition of Best's Insurance Reports.
- b. Be issued as a primary policy.
 - 1. Contain an endorsement requiring thirty- (30) days written notice from the insurance company to both parties before cancellation or change in the coverage, scope, or amount of any policy.
 - 2. Each policy, or a certificate of the policy, together with evidence of payment of premiums, shall be deposited with the other party at the commencement of the term, and on renewal of the policy not less than twenty (20) days before expiration of the term of the policy.

ARTICLE 11: DESTRUCTION

DAMAGE OR DESTRUCTION

In the event the premises, or the building or other improvements in which the premises are located, shall be damaged by fire, earthquake, the elements or other casualty and that the cause of said damage is covered by insurance so that the damage thereto is such that the premises, or the building and other

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improvements in which the premises are located, may be repaired, reconstructed or restored within a period of ninety (90) days, landlord shall promptly commence the work or repair, reconstruction and the restoration, and shall diligently prosecute the same to completion at landlord's expense. During this period of time, this Lease shall continue in full force and effect except that Tenant shall not be liable for monthly rent if the Premises are totally destroyed or unusable for safety and health reasons as determined by the applicable municipal safety and health departments, so long as this restriction is not caused by Tenant. Tenant would be liable only for monthly rent in proportion to usable space if partially destroyed. If the Premises, or the building or other improvements in which the Premises are located, cannot be restored within ninety (90) days, either Tenant or Landlord has the option to terminate this Lease by giving written notice to the other. If the insurance is not sufficient to fully pay for the repairs, reconstruction or restoration, Landlord shall notify Tenant in writing of same and Tenant shall have the option to pay the cost of said repairs, reconstruction or restoration over and above the available insurance proceeds. Should Tenant not elect to pay said excess costs, either party may terminate this Lease by giving written notice of same to the other party.

ARTICLE 12: ASSIGNMENT

12.1 ASSIGNMENT AND SUBLETTING

- a. Tenant shall not, either voluntarily or by operation of law, assign, sell, encumber, pledge or otherwise transfer all or any part of Tenant's leasehold estate hereunder, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees, or sublet the Premises or any portion thereof, without Landlord's prior written consent. Landlord's consent shall not be unreasonably withheld provided:
1. The same quality of business and financial soundness of ownership and management is maintained and will continue to be maintained in a manner compatible with the high standards contemplated by this Lease.
 2. That each and every covenant, condition or obligation imposed upon Tenant by this Lease, and each and every right, remedy or benefit afforded Landlord by this Lease is not thereby impaired or diminished;
 3. Tenant remains liable for performance of each and every obligation under this Lease to be performed by Tenant;
 4. As to subletting, Landlord shall receive One Hundred Percent (100%) of the gross rent paid by any assignee/sub-tenant in excess of the gross rent otherwise payable to Landlord pursuant to this Lease;
 5. Tenant reimburses Landlord for Landlord's reasonable costs and professional fees (legal and/or accounting) incurred in conjunction with the processing and documentation of any such requested assignment or subletting of this Lease by Tenant.
- b. Tenant desires at any time to assign this Lease, or sublet any portion of the Premises, Tenant shall first notify Landlord of its desire to do so and shall submit in writing to Landlord, at least sixty (60) days but not more than one hundred and twenty (120) days before the intended date of assignment/subletting, the name of the proposed assignee/subtenant, the nature of the proposed assignee's/subtenant's business to be carried on in the Premises, the terms and provisions of the proposed assignment/subletting, and such reasonable financial information as Landlord may request, certified by the proposed assignee/subtenant as being true and correct as of the date of certification.

ARTICLE 13: DEFAULT

13.1 Tenant's Default

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- a. The occurrence of any of the following shall constitute a default by Tenant:
1. Failure to pay rent when due if the failure continues for three (3) days after a notice has been sent to Tenant
 2. Failure to occupy the Premises and/or operate the Tenant's business as described herein on the Premises; (Tenant shall be conclusively presumed to have defaulted if Tenant leaves the Premises closed or unoccupied continuously for fifteen (15) days.
 3. Failure to perform any other provision of this lease if the failure to perform is not cured within three (3) days after notice has been given to Tenant. If the provisions of the lease violated by the Tenant cannot be performed within the three-day notice period described herein, Landlord shall not be required to give notice demanding the performance of the violated provisions of the lease.
 4. The filing or commencement of any proceeding by or against Tenant under the Federal Bankruptcy code whether voluntary or involuntary, if not dismissed within sixty (60) days from the date of filing, shall constitute a default under this Lease.
 5. Either the appointment of a receiver to take possession of all, or substantially all, of the assets of any Tenant or garnishment of or levy or writ of execution on, all or substantially all of the assets of any Tenant which remains in effect for more than sixty (60) days, or a general assignment by any Tenant for the benefit of creditors, shall constitute a default of this Lease by Tenant.
- b. Notices given under this Article shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, as the case may be, within applicable period of time, or quit the Premises. No such notice shall be deemed forfeiture or a termination of this lease unless Landlord so elects in the notice.

13.2 Landlord's Remedies

13.2.1 Cumulative Nature of Remedies

Landlord shall have the following remedies if Tenant commits a default. These remedies are not exclusive; they are cumulative in addition to any remedies now or later allowed by law.

13.2.2 Tenant's Right to Possession Not Terminated

- a. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and re-let them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in re-letting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the re-letting, and like costs. Re-letting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any relating. No act by Landlord allowed by this Article shall terminate this lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent Tenant shall have the right to assign or sublet its interest in this lease, but Tenant shall not be released from liability. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld.

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- b. If Landlord elects to re-let the Premises as provided in this Article, rent that Landlord receives from re-letting shall be applied to the payment of:
1. First, any indebtedness from Tenant to Landlord other than rent due from Tenant;
 2. Second, all costs, including for maintenance, incurred by Landlord in re-letting;
 3. Third, rent due and unpaid under this lease. After deducting the payments referred to in this Article, any sum remaining from the rent Landlord receives from re-letting shall be held by Landlord and applied in payment of future rent as rent becomes due under this lease. In no event shall Tenant be entitled to any excess rent received by Landlord. If, on the date rent is due under this lease, the rent received from the re-letting is less than the rent due on that date, Tenant shall pay to Landlord, in addition to the remaining rent due, all costs, including for maintenance, Landlord incurred in re-letting that remain after applying the rent received from the re-letting as provided in this Article.

13.2.3 Termination of Tenant's Right to Possession

- a. Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving written notice to Tenant shall terminate this lease. Acts of maintenance, efforts to re-let the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:
1. The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this lease;
 2. The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;
 3. The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and,
 4. Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.
- b. "The worth, at the time of the award," as used in items "1" and "2" of this Section 13.2.3, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth at the time of the award," as referred to in item "3" of this Section 13.2.3, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

13.2.4 Landlord's Right to Cure Tenant's Default

Landlord, at any time after Tenant commits a default, can cure the default at Tenant's cost. If Landlord at any time, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be due immediately from Tenant to Landlord at the time the sum is paid, and shall bear interest at the maximum rate an individual is permitted by law to charge from the date the sum is paid by Landlord until Landlord is reimbursed by Tenant. The sum, together with interest on it, shall be additional rent.

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ARTICLE 14: SIGNS

- a. Tenant shall not have the right to place, construct, or maintain on the glass panes or supports of the show windows of the Premises, the doors, or the exterior walls or roof of the building in which the Premises are located or any interior portions of the Premises that may be visible from the exterior of the Premises, any signs, advertisements, names, insignia, trademarks, descriptive material, or any other similar item without Landlord's written consent and any necessary approval from the City of Scotts Valley required. Any signs approved by Landlord and placed on the Premises shall be at Tenant's sole cost. Landlord at Tenant's cost can remove any item placed, constructed, or maintained that does not comply with the provisions of this paragraph.
- b. Tenant shall not, without Landlord's written consent, place, construct, or maintain on the Premises any advertisement media, including, without limitation, searchlights, flashing lights, loudspeakers, phonographs, or other similar visual or audio media. Tenant shall not solicit business in, on, or about the public areas, or distribute handbills or other advertising or promotional media in, on, or about the public areas at Metro Center without written consent of landlord, except that Tenant shall be entitled to engage in radio, television, and newspaper advertising as is customarily used for the type of business in which Tenant is engaged.
- c. Any sign that Landlord grants Tenant the right to place, construct, and maintain shall comply with all laws and Tenant shall obtain any approval required by such laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.
- d. Landlord shall have the right to use for its signs the exterior walls and roof of the building in which the Premises are located.

ARTICLE 15: LANDLORD'S ENTRY ON PREMISES

- a. Tenant will permit Landlord and its agents to enter into and upon the Premises at all reasonable times and upon reasonable notice for the purpose of inspecting the same, or for the purpose of protecting the interest therein of Landlord, or to post notices of non-responsibility, or to service or make alterations, repairs or additions to the Premises or to any other portion of the building in which the Premises are situated, including the erection of scaffolding, props, or other mechanical devices and will permit Landlord at any time within ninety (90) days prior to the expiration of this Lease, to bring prospective tenants, broker or agents upon the Premises for purposes of inspection or display. Landlord shall not be liable in any manner for any inconvenience, disturbance, loss of business, nuisance, or other damage arising out of Landlord's entry on the Premises as provided in this Article.
- b. Tenant shall not be entitled to an abatement or reduction of rent if Landlord exercises any rights reserved in this Article.
- c. Landlord shall conduct its activities on the Premises as allowed in this Article in a manner that will cause the least possible inconvenience, annoyance, or disturbance to Tenant.

ARTICLE 16: SUBORDINATION AND OFFSET STATEMENT

Tenant agrees that this Lease is subordinate to any mortgage, trust deed or like encumbrance heretofore or hereafter placed upon said Premises by Landlord or his successors in interest to secure the payments or moneys loaned, interest thereon and other obligations. Tenant also agrees to promptly execute and deliver to Landlord from time to time, as demanded by Landlord, an offset statement or estoppel certificate containing such acts: as are within the knowledge of and are available to Tenant pertaining to this Lease, as a purchaser of the leased property or a lender may reasonably require if said statement is prepared for signing by Landlord. Failure to deliver the executed offset statement or estoppel certificate to Landlord within ten (10) days from receipt of same, shall be conclusive upon Tenant for the benefit of the party requesting the statement or certificate, or his successor, that this Lease is in full force and effect

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and has not been modified except as may be represented by Landlord in the statement or certificate delivered to Tenant.

ARTICLE 17: NOTICE

Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party or any other person shall be in writing and either served personally by depositing the same in the United States Postal Service, registered or certified mail, return receipt requested with the postage prepaid, addressed to the other party at the address set forth below. Either party may change its address by notifying the other party of the change of address by compliance with this section. Notice shall be deemed communicated within forty-eight (48) hours from the time of mailing if mailed as provided in this Article 17.

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
ATTN: Secretary/General Manager

Macario and Luis Barrientos
dba Café Amigo
ADDRESS

ARTICLE 18: WAIVER

- a. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.
- b. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved.
- c. No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the lease.
- d. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.
- e. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the lease.

ARTICLE 19: SURRENDER OF PREMISES; HOLDING OVER

19.1 Surrender of Premises

- a. On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations to the Premises in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 11), except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 7. Tenant shall remove all its personal property within the above stated time. Tenant shall perform all restoration made necessary by the removal of any alterations or tenant's personal property within the time periods stated in this Article.

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- b. Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the Premises on expiration or termination of the term as allowed or required by this lease by giving at least ten (10) days' notice to Tenant. Title to any such alterations or Tenant's personal property that Landlord elects to retain or dispose of on expiration of the ten (10) day period shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing, and disposition of any alterations or tenant's personal property.
- c. If Tenant fails to surrender the Premises to Landlord on expiration as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

19.2 Holding Over

If Tenant, with Landlord's written consent, remains in possession of the Premises after expiration or termination of the term, or after the date in any notice given by Landlord to Tenant terminating this lease, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable on thirty (30) days' written notice given at any time by either party. All provisions of this lease, except those pertaining to term, option to extend, and option to acquire the Premises, shall apply to the month-to-month tenancy.

ARTICLE 20: MISCELLANEOUS PROVISIONS

20.1 General Conditions

20.1.1 Time of Essence

Time is of the essence of each provision of this lease.

20.1.2 Corporate Authority

If Tenant is a corporation, Tenant shall deliver to Landlord on execution of this lease a certified copy of a resolution of its board of directors authorizing the execution of this lease and naming the officers that are authorized to execute this lease on behalf of the corporation.

20.1.3 Successors

This lease shall be binding on and inure to the benefit of the parties and their successors, except as provided in Article 12.

20.1.4 Rent Payable in U.S. Money

Rent and all other sums payable under this lease must be paid in lawful money of the United States of America.

20.1.5 Real Estate Brokers; Finders

Each party represents that it has not had dealings with any real estate broker, finder, or other person, with respect to this lease in any manner. Each party shall hold harmless the other party from all damages resulting from any claims that may be asserted against the other party by any broker, finder, or other person, with whom the other party has or purportedly has dealt.

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20.1.6 Status of Parties on Termination of Lease

In the event of termination, the rights and obligations of the parties, which by their nature survive termination covered by this Lease, shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Lease shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended, and the hold harmless agreement and insurance provisions, contained in Article 10 shall survive.

20.1.7 Exhibits-Incorporation in Lease

All exhibits referred to are attached to this lease and incorporated by reference.

20.1.8 Licenses and Permits

It shall be Tenant's responsibility, at Tenant's sole cost and expense, to obtain all necessary licenses and permits to carry out the terms of this lease and to operate the business above mentioned on the leased Premises. Landlord makes no representation as to the availability of and opportunity for licenses and permits for any leased Premises at the Center.

20.1.9 Pest Control

Landlord shall contract with a licensed pest control firm for the control of pests in the Premises. The duration, extent, and frequency of pest control measures shall be determined by Landlord. Tenant shall reimburse Landlord for the costs incurred by Landlord for this service on a quarterly basis.

20.1.10 Drug and Alcohol Policy

Tenant and its employees shall not use, possess, manufacture, or distribute alcohol or illegal drugs while on the premises at Metro Center or at any District facility, or distribute same to Landlord's employees, passengers, or the general public.

20.1.11 Smoke Free

The Center is a smoke free facility. Tenant shall comply with the City Ordinance regarding smoking. Tenant and its employees and customers shall not smoke tobacco products on the premises.

20.1.12 Information Form

Tenant shall provide to Landlord a completed information form containing names and telephone numbers of contact person, on a semi-annual basis or when changes occur.

20.1.13 Termination for Convenience

The lease may be terminated by the Landlord upon fifteen (15) days notice at any time without cause for any reason in whole or in part, whenever the Landlord determines that such termination is in the Landlord's best interest.

20.1.14 Publicity

Tenant agrees to submit to Landlord all advertising, sales promotion, and other public matter relating to any service furnished by Tenant wherein the Landlord's name is mentioned or language used from which the connection of Landlord's name therewith may, within reason, be inferred or implied. Tenant further agrees not to publish or use any such advertising, sales promotion or publicity matter without the prior written consent of the Landlord.

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20.1.15 Consent to Breach Not Waiver

No provision hereof shall be deemed waived and no breach excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. Any consent by any party to, or waiver of, a breach by the other, whether express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

20.1.16 Prohibition of Discrimination against Qualified Handicapped Persons

Tenant shall comply with the provisions of the Americans With Disabilities Act and Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally-assisted programs.

20.1.17 Cal OSHA/Hazardous Substances

- a. Tenant shall not bring, or permit to be brought, upon the premises, any hazardous or toxic materials or chemicals, except for ordinary and customary cleaning supplies used in Tenant's business. All materials brought onto the premises shall be used, stored, and removed in compliance with all applicable laws, statutes, ordinances and governmental rules, regulations or requirements.
- b. Tenant shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on Landlord's property, (2) ensure that its employees take appropriate protective measures, and (3) provide the Landlord's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on Landlord's property.
- c. Tenant shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, Tenant shall indemnify the Landlord against any and all damage, loss, and injury resulting from non-compliance with this Article.
- d. Tenant shall comply with Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 – 25249.13. Tenant will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.
- e. Tenant shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Tenant. Tenant shall be solely responsible for all clean-up efforts and costs.
- f. Tenant shall indemnify and defend Landlord and his successors and assigns against and hold them harmless from any and all claims, demands, liabilities, damages, including punitive damages, costs and expenses, including reasonable attorney's fees caused by Tenants actions, herein collectively referred to as "Claims":
 1. Any Claim by a federal, state or local governmental agency arising out of or in any way connected with the environmental condition of the Premises caused by Tenants action, including, but not limited to, Claims for additional clean-up of the Premises; and
 2. any Claim by a successor in interest of Tenant (including a mortgagee who acquires title to the Premises through foreclosure or by accepting a deed in lieu of foreclosure), or by any subtenant licensee, or invitee of Tenant arising out of or in any way connected with the environmental condition of the Premises caused by Tenants or Subtenants actions.

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20.1.18 All Amendments in Writing

No amendment to this Lease shall be effective unless it is in writing and signed by duly authorized representatives of both parties.

20.1.19 Responsibility for Equipment

Landlord shall not be responsible nor held liable for any damage to person or property consequent upon the use, or misuse, or failure of any equipment used by Tenant, or any of its employees, even though such equipment be furnished, rented or loaned to Tenant by Landlord.

20.1.20 Equipment

Tenant is responsible to return to the Landlord in good condition any equipment, including keys, issued to it by the Landlord pursuant to this Agreement. If the tenant fails or refuses to return Landlord-issued equipment within five days of the conclusion of the tenant work the Landlord shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to tenant or take other appropriate legal action at the discretion of the Landlord.

20.1.21 Nondiscrimination

Tenant shall not discriminate on the grounds of race, religion, color, sex, age, marital status, medical condition, disability, national origin or sexual preference in any manner or as a result of or arising out of this lease agreement.

20.2.1 Liens

Tenant shall keep the Premises and building and the property on which the Premises are situated, free of any liens arising out of work performed, materials furnished or obligations incurred by Tenant.

This lease shall be construed and interpreted in accordance with the applicable laws of the State of California and of the United States of America. Each party shall perform its obligation hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect.

20.2.2 Integrated Agreement; Modification

This lease contains all the agreements of the parties and cannot be amended or modified except by a written agreement.

20.2.3 Provisions are Covenants and Conditions

All provisions, whether covenants or conditions, on the part of Tenant shall be deemed to be both covenants and conditions.

20.2.4 Use of Definitions

The definitions contained in this lease shall be used to interpret this lease.

20.2.5 Definitions

As used in this lease, the following words and phrases shall have the following meanings:

- a. ALTERATION: Any addition or change to, or modification of, the Premises made by Tenant after the fixturing period, including, without limitation, fixtures, but excluding trade fixtures as defined here, and tenant's improvements as defined here.

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- b. **AUTHORIZED REPRESENTATIVE:** Any officer, agent, employee, or independent contractor retained or employed and acting within authority given him/her by that party.
- c. **CONSENT:** Landlord's or Tenant's express, prior, written approval on the party's letterhead.
- d. **DAMAGE:** Injury deterioration or loss to a person or property caused by another person's acts or omissions. Damage includes death.
- e. **DAMAGES:** A monetary compensation or indemnity that can be recovered in the courts by any person who has suffered injury to his/her person, property, or rights through another's act or omission.
- f. **DESTRUCTION:** Damage, as defined here, to or disfigurement of the Premises.
- g. **ENCUMBRANCE:** Any deed of trust, mortgage, or other written security device or agreement affecting the Premises, and the note or other obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.
- h. **EXPIRATION:** The coming to an end of the time specified in the lease as its duration, including any extension of the term resulting from the exercise of an option to extend.
- i. **GOOD CONDITION:** The good physical condition of the Premises and each portion of the Premises, including, without limitation, signs, windows, show windows, appurtenances, and tenant's personal property as defined here. "In good condition" means first-class, neat, clean, and broom-clean, and is equivalent to similar phrases referring to physical adequacy in appearance and for use.
- j. **HOLD HARMLESS:** To defend and indemnify from all liability, losses, penalties, damages as defined here, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims, or judgments arising out of or related to any damage, as defined here, to any person or property.
- k. **LAW:** Any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirements of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the parties or the Premises, or both, in effect either at the time of execution of the lease or at any time during the term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).
- l. **LENDER:** The beneficiary, mortgagee, secured party, or other holder of an encumbrance, as defined here.
- m. **LIEN:** A charge imposes on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act. Most of the liens referred to in this lease are mechanics' liens.
- n. **MAINTENANCE:** Repairs, replacement, preventive maintenance, repainting, and cleaning.
- o. **PERSON:** One or more human beings, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, trusts, estates, associations, and any combination of human beings and legal entities.
- p. **PROVISION:** Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulations the lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.

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- q. PUBLIC AREA: Any area outside Premises in Metro Center to which the public commonly is allowed access by Landlord.
- r. RENT: Minimum monthly rent, rent for fixtures, equipment and cookware, percentage rent, additional rent, security deposit, maintenance expenses, operating costs, insurance, utilities and services, other similar charges, and any other money owed by Tenant to Landlord under the provisions of this Lease.
- s. RESTORATION: The reconstruction, rebuilding, rehabilitation, and repairs that are necessary to return destroyed portions of the Premises and other property to substantially the same physical condition as they were in immediately before the destruction.
- t. SUBSTANTIAL COMPLETION: Completion of Landlord's construction obligation as evidenced by Landlord's architect or by the general contractor performing Landlord's construction obligation.
- u. SUCCESSOR: Assignee, transferee, personal representative, heir, or other person or entity succeeding lawfully, and pursuant to the provisions of this lease, to the rights or obligations of either party.
- v. TENANT'S IMPROVEMENT: Any addition to or modification of the Premises made by Tenant before, at, or near the commencement of the term, including,
- w. TENANT'S PERSONAL PROPERTY: Tenant's equipment, furniture, merchandise, and movable property placed in the Premises by Tenant, including tenant's trade fixtures, as defined here as set forth in Exhibit E.
- x. TENANT'S TRADE FIXTURE: Any property installed in or on the Premises by Tenant for purposes of trade, manufacture, ornament, or related use as set forth in Exhibit E.
- y. TERM: The period of time during which Tenant has a right to occupy the Premises.
- z. TERMINATION: The ending of the term for any reason before expiration, as defined here.

20.2.6 Captions

The captions of this lease shall have no effect on its interpretation.

20.2.7 Singular and Plural

When required by the context of this lease, the singular shall include the plural.

20.2.8 Joint and Several Obligations

"Party" shall mean Landlord or Tenant; and if more than one person or entity is Landlord or Tenant, the obligations imposed on that party shall be joint and several.

20.2.9 Severability

The unenforceability, invalidity, or illegality of any provision shall not render the other provisions unenforceable, invalid, or illegal.

ARTICLE 21: ATTORNEYS' FEES

In the event suit is brought to enforce or interpret any part of this Lease Agreement, the prevailing party shall be entitled to recover as an element of costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover his costs of

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT TRANSIT CENTER LEASE AGREEMENT

suit, whether or not the suit proceeds to final judgment. A party not entitled to recover his costs shall not recover attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover his costs of attorney's fees.

ARTICLE 22: AUTHORITY

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

IN WITNESS WHEREOF, this lease is executed by the Santa Cruz Metropolitan Transit District and the Tenant has affixed his/her signature(s) the day and year first herein above written.

LANDLORD-SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BY: _____
Leslie R. White,
Secretary/General Manager

DATE: _____

TENANTS – Café Amigo

BY: _____
Macario Barrientos, Owner

DATE: _____

Luis Barrientos, Owner

DATE: _____

Approved as to Form:

BY: _____
Margaret Gallagher,
District Counsel

DATE: _____

Exhibit A - Floor plan

Exhibit B - Menu, hours of operation

Closure for Holidays- Thanksgiving (varies), Christmas (Dec. 25), and New Year's Day (Jan. 1)

Exhibit C - Rules and Regulations

Exhibit D - Tenant Personal Property

ATTACHMENT B

BART CAVALLARO TRANSIT CENTER JANITORIAL DUTIES OF TENANT

4. MINIMUM JANITORIAL REQUIREMENTS

4.1 RESTROOMS (Minimum of two times daily – 11am/7pm or more frequently as conditions require.)

- 4.1.1 Clean restrooms. Keep restrooms in an orderly and clean state.
- 4.1.2 Clean and sanitize toilets and sinks.
- 4.1.3 **Provide** and stock restroom supplies as needed.
- 4.1.4 Clean fixtures (e.g., hand dryer, trash receptacles).
- 4.1.5 Empty trash receptacles and women's sanitary napkin container.
- 4.1.6 Scrub and sanitize walls. Remove mold from tiles.
- 4.1.7 Clean mirrors.
- 4.1.8 Sweep and mop floors.
- 4.1.9 Scrub doors and partitions and polish metal surfaces.
- 4.1.10 Scrub entry doors and adjacent areas.
- 4.1.11 Remove all graffiti immediately. If unable to remove, report to Facilities Maintenance (see item 3.4.3 below).

4.2 TRANSIT CENTER LOBBY (**Minimum one time daily – 11am**)

- 4.2.1 Keep public Transit Center lobby in an orderly and clean state
- 4.2.2 Empty trash receptacles.
- 4.2.3 Spot mop floor (use "Wet Floor" signs as necessary).
- 4.2.4 Safety-check auto doors.
- 4.2.5 Remove all graffiti and posters from lobby.
- 4.2.6 Clean interior glass and doors.
- 4.2.7 Clean interior ledges.
- 4.2.8 Clean benches, tables, and chairs.
- 4.2.9 Sanitize public conveniences, e.g., drinking fountains and pay phones.

4.3 BUS AREAS AND PARKING LOT AREA. (**Minimum one time daily – 4pm**)

- 4.3.1 Empty parking lot trashcans and recycling cans.
- 4.3.2 Make sure pedestrian areas are kept clean and safe.
- 4.3.3 Remove trash from landscaping and sidewalk area.
- 4.3.4 Clean sidewalk area around facility (**minimum one time weekly, and as needed to maintain cleanliness – in evenings**). Steam cleaning or pressure washing preferred and in accordance with METRO's storm water pollution prevention program.

4.4 OTHER DUTIES

Report any problems to the METRO's Facilities Maintenance Department at 426-6080 ext. 1202. Leave a message if calling when the office is closed.

- 4.4.1 See that all doors to facility, clocks, and lighting are functioning properly. Contact the Facilities Department if there are any problems.
- 4.4.2 Make sure all trash receptacles are clean and in good condition; report all damage.
- 4.4.3 **Report immediately** any vandalism, or any graffiti that cannot be removed from walls, benches, or signage, including the bus and public parking areas of the facility.
- 4.4.4 Provide transit information and sell transit bus tickets to customers.

ATTACHMENT B

4.5 CUSTOMER SERVICE REQUIREMENTS

Tenant shall provide the following services:

- 4.5.1 Tenant shall provide customer service to the public regarding local and regional transit information. This shall include providing local bus route and transfer information and providing Headways to those needing transit information.
- 4.5.2 Tenant shall provide bus and transit ticket and pass sales to the public.
- 4.5.3 Tenant shall keep the Center open at all times during hours of business operation for customers, passengers and the public to use the restroom facilities.
- 4.5.4 Tenant shall immediately notify Landlord of any problem, incident, accident, or criminal activity occurring at the Center.
- 4.5.5 Tenant shall provide other services as agreed upon with Landlord.
- 4.5.6 Tenant agrees to provide the above-mentioned services and to operate its business during the hours of 6:30 am. to 5:30 p.m. Monday through Friday and 7:30 a.m. to 4:30 p.m. on weekends all year round except for Christmas, Thanksgiving and New Year's Day, unless otherwise authorized by Landlord.
- 4.5.7 Working cooperatively with the janitorial service to keep the site clean.
- 4.5.8 Providing security services to the Center as follows:
 - (a) Informing center users of the rules and regulations specified in Exhibit C attached hereto.
 - (b) Calling Scotts Valley Police Department regarding violations of rules and regulations.
 - (c) Notifying the Facilities Maintenance Department at the Santa Cruz Metropolitan Transit District in the event of vandalism, possible damage to property or breach of security at the site.