



AGENDA

BOARD OF DIRECTORS REGULAR MEETING

SEPTEMBER 12, 2014 – 8:30 AM

SANTA CRUZ METRO ADMINISTRATIVE OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060

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

- | | | |
|--------------------------|---|-------------------------------------|
| <input type="checkbox"/> | <i>Director Hilary Bryant</i> | <u><i>City of Santa Cruz</i></u> |
| <input type="checkbox"/> | <i>Director Dene Bustichi, Chair</i> | <u><i>City of Scotts Valley</i></u> |
| <input type="checkbox"/> | <i>Director Karina Cervantez</i> | <u><i>City of Watsonville</i></u> |
| <input type="checkbox"/> | <i>Director Daniel Dodge</i> | <u><i>City of Watsonville</i></u> |
| <input type="checkbox"/> | <i>Director Zach Friend</i> | <u><i>County of Santa Cruz</i></u> |
| <input type="checkbox"/> | <i>Director Ron Graves</i> | <u><i>City of Capitola</i></u> |
| <input type="checkbox"/> | <i>Director Michelle Hinkle</i> | <u><i>County of Santa Cruz</i></u> |
| <input type="checkbox"/> | <i>Director Deborah Lane</i> | <u><i>County of Santa Cruz</i></u> |
| <input type="checkbox"/> | <i>Director John Leopold</i> | <u><i>County of Santa Cruz</i></u> |
| <input type="checkbox"/> | <i>Director Bruce McPherson</i> | <u><i>County of Santa Cruz</i></u> |
| <input type="checkbox"/> | <i>Director Lynn Robinson, Vice Chair</i> | <u><i>City of Santa Cruz</i></u> |
| <input type="checkbox"/> | <i>Ex-Officio Director Donna Blitzer</i> | <u><i>UC Santa Cruz</i></u> |

Alex Clifford, CEO

Leslyn K. Syren, District Counsel

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

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

8:30 AM

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

SECTION I: OPEN SESSION

1. CALL TO ORDER

2. ROLL CALL

3. ANNOUNCEMENTS

4. COMMUNICATIONS TO THE BOARD OF DIRECTORS

This time is set aside for Directors and members of the general public to address any item not on the Agenda which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. 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 Communications to the Board of Directors 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.

5. LABOR ORGANIZATION COMMUNICATIONS

6. 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.

- 7-1. CONSIDERATION OF ACCEPTING LEAVE TO PRESENT A LATE CLAIM FOR THE CLAIM OF CSAA INSURANCE EXCHANGE, SUBROGATING FOR MARYLOU CERMENO**
Liseth Guizar, Security and Risk Administrator

- 7-2. ACCEPT AND FILE MINUTES FOR THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETINGS OF**
 - i. June 27, 2014
 - ii. August 8, 2014
 - iii. August 22, 2014

- 7-3. RENEWAL OF PROPERTY INSURANCE COVERAGE FOR FY15 WITH ZURICH AMERICAN INSURANCE COMPANY**
Angela Aitken, Finance Manager

- 7-4. CONSIDERATION OF REAPPOINTMENT OF CHARLOTTE WALKER TO THE METRO ADVISORY COMMITTEE (MAC) FOR A TERM OF OFFICE ENDING SEPTEMBER 13, 2016**
Vice-Chair Lynn Robinson

- 7-5. CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE THREE (3) LICENSE AND INDEMNITY AGREEMENTS WITH THE UNIVERSITY OF CALIFORNIA SANTA CRUZ (UCSC) FOR THE REAL PROPERTY RIGHT TO USE SANTA CRUZ METRO BUS STOPS FOR THE NIGHT OWL, FALL FROLIC, AND SHADOW SERVICES FOR A PERIOD OF FIVE (5) YEARS. UCSC SHALL HAVE THE OPTION TO RENEW THESE AGREEMENTS FOR TWO SUCCEEDING FIVE-YEAR PERIODS**
Ciro Aguirre, Manager of Operations

REGULAR AGENDA

- 8. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**
Leslyn Syren, District Counsel

SECTION II: CLOSED SESSION

- 1. CONFERENCE WITH LEGAL COUNSEL**
Anticipated Litigation:
Govt. Code section 54956.9
Significant exposure to litigation pursuant to Subdivision (b). One(1) case.
Leslyn K. Syren, District Counsel



SECTION III: RECONVENE TO OPEN SESSION

- 9. REPORT OF CLOSED SESSION**
Leslyn K. Syren, District Counsel

- 10. CONSIDERATION OF A RESOLUTION TO SET A PUBLIC HEARING TO DISCUSS POSSIBLE OPTIONS FOR THE ROUTE 6**
Carolyn Derwing, Schedule Analyst

- 11. CONSIDERATION OF AWARD OF CONTRACT WITH HILL INTERNATIONAL, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES IN AN AMOUNT NOT TO EXCEED \$1,500,000**
Erron Alvey, Purchasing Manager

- 12. STRUCTURAL DEFICIT WORKSHOP II OF VIII**
Alex Clifford, CEO

- 13. ANNOUNCEMENT OF NEXT MEETING: FRIDAY, SEPTEMBER 26, 2014, 9:00 AM AT THE SANTA CRUZ CITY COUNCIL CHAMBERS, 809 CENTER STREET, SANTA CRUZ**
Lynn Robinson, Board Vice- Chair

- 14. ADJOURNMENT**
Adjourn to the next Board of Directors meeting.

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: September 12, 2014

TO: Board of Directors

FROM: Liseth Guizar, Security and Risk Administrator

SUBJECT: CONSIDERATION OF ACCEPTING LEAVE TO PRESENT A LATE CLAIM FOR THE CLAIM OF CSAA INSURANCE EXCHANGE, SUBROGATING FOR MARYLOU CERMENO

I. RECOMMENDED ACTION

That the Board grant Leave to Present a Late Claim for the Claim of CSAA Insurance Exchange, Subrogating for Marylou Cermeno.

II. SUMMARY OF ISSUES

- On November 13, 2013, a Santa Cruz METRO bus struck Marylou Cermeno's parked and unoccupied vehicle, causing damage to the vehicle.
- Cermeno's insurance company, CSAA Insurance Exchange (CSAA), erroneously submitted a demand for payment to the City of Watsonville, as the incident occurred in Watsonville.
- On June 24, 2014, Santa Cruz METRO received a subrogation demand from CSAA.
- Santa Cruz METRO returned the claim as untimely, as it was not presented within the six months after the event as required by law.
- On August 13, 2014, a Leave to Present a Late Claim was submitted by CSAA's law firm, Law Offices of Carbone, Smoke, Smith, Bent & Leonard.
- Staff recommends that the Board grant Leave to Present the Late Claim.

III. DISCUSSION/BACKGROUND

On November 13, 2013, Bus Operator John VanDeVeer was driving coach no. 2206, traveling westbound on West Lake Avenue in Watsonville, CA. A passenger who had missed his stop requested a courtesy stop, so Mr. VanDeVeer proceeded to pull over at the nearest cleared location. As the bus pulled off to the side, the right rear portion of the bus made contact with the left front portion of Marylou Cermeno's vehicle, which was legally parked and unoccupied on the side of the street. Cermeno's vehicle sustained damage to the left front fender, door and bumper in the sum of \$2,572.27.

Watsonville Police Department Officer Katich responded to the scene of the collision. In his report, Officer Katich found METRO at fault for the collision and stated that the METRO operator violated California Vehicle Code Section 22107 - Unsafe Turning Movement.

On June 24, 2014, METRO received a subrogation demand from CSAA in the sum of \$2,572.27 for the damage incurred to Cermeno's vehicle. Because the six-month statute of limitation to file a claim had expired on May 13, 2014, METRO returned the claim as untimely, citing sections 901 and 911.2 of California Government Code.

On August 13, 2014, METRO received the Leave to Present a Late Claim from the Law Office of Carbone, Smoke, Smith, Bent and Leonard. The law firm indicated that the claim was filed within the claim filing deadline, but was erroneously submitted to the wrong agency, the City of Watsonville, where the incident occurred. The Leave to Present a Late Claim request was based on mistake, inadvertence, surprise or excusable neglect as set forth under California Government Code Section 911.6(b).

Under the Government Claims Act, the failure to present a claim within the 6-month claim presentation period may be excused on a showing of special circumstances. Government Code §911.6 states that the public entity must grant the application to present a late claim if the failure is due to certain circumstances, specifically if the claim was not submitted due to mistake, inadvertence, surprise, or excusable neglect (§§7.12-7.37).

As such, Staff recommends that the Board grant the Leave to Present a Late Claim. It appears that CSAA did attempt to subrogate this matter in a timely manner, but submitted the subrogation demand to the incorrect agency by mistake.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None

V. ALTERNATIVES CONSIDERED

- Deny the Leave to Present a Late Claim
 - Staff does not recommend this option. Petitioner's Leave to Present a Late Claim meets the statutory requirements.

VI. ATTACHMENTS

Attachment A: Leave to Present a Late Claim from the Law Offices of Carbone, Smoke, Smith, Bent & Leonard.

Board of Directors
Board Meeting of September 12, 2014

Prepared By: Liseth Guizar, Security and Risk Administrator
Date Prepared: September 3, 2014

APPROVED:



Liseth Guizar, Security and Risk Administrator



Leslyn K. Syren, District Counsel



Alex Clifford, CEO/General Manager

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: September 12, 2014

TO: Board of Directors

FROM: Alex Clifford, CEO

SUBJECT: ACCEPT AND FILE MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETINGS: JUNE 27, AUGUST 8 AND AUGUST 22, 2014

I. RECOMMENDED ACTION

That the Board of Directors accept and file the minutes for the Santa Cruz METRO Board of Directors meetings on June 27, August 8 and August 22, 2014.

II. SUMMARY OF ISSUES

- Staff is providing minutes from the Santa Cruz METRO Board of Directors meetings: June 27, August 8, August 22, 2014
- Each meeting, staff will provide minutes from previous Santa Cruz METRO Board of Directors meetings.

III. DISCUSSION

The Board requested that staff include in the Board Packet minutes for previous Santa Cruz METRO Board of Directors meetings. Staff is enclosing the minutes from these meetings as a mechanism of complying with this request.

IV. ATTACHMENTS

Attachment i: Minutes for the Board of Directors Meeting on June 27, 2014

Attachment ii: Minutes for the Board of Directors Meeting on August 8, 2014

Attachment iii: Minutes for the Board of Directors Meeting on August 22, 2014

Prepared By: Eriko K Dreyer, Pro Tem Administrative Services Coordinator
Date Prepared: September 3, 2014

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BOARD OF DIRECTORS

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District was convened on Friday, June 27, 2014 at the Santa Cruz City Council Chambers at 809 Center Street, in Santa Cruz, California.

SECTION I: OPEN SESSION

1. CALL TO ORDER

Chair Bustichi called the meeting to order at 9:02 a.m.

2. ROLL CALL

The following Directors were present:

- Director Hilary Bryant
- Director Dene Bustichi
- Director Karina Cervantez
- Director Daniel Dodge
- Director Zach Friend
- Director Ron Graves
- Director Michelle Hinkle
- Director Deborah Lane
- Director John Leopold
- Director Bruce McPherson
- Director Lynn Robinson
- Ex-Officio Director Donna Blitzer

STAFF PRESENT

Alex Clifford, CEO
Leslyn K. Syren, District Counsel

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

Angela Aitken, Santa Cruz METRO
Mike Stange, Santa Cruz METRO
Norm Hagen, METRO Advisory Committee
Debbie Kinslow, Santa Cruz METRO
Freddy Rocha, Santa Cruz METRO
Catalino Vasquez, Santa Cruz METRO
Suzanne Silva, Santa Cruz METRO
Liseth Guizar Santa Cruz METRO
Nicon Keesaw, METRO Advisory Committee

3. ANNOUNCEMENTS

Chair Bustichi announced the meeting was broadcasted by Community Television and introduced Amy Weiss as the translator. Ms. Weiss addressed the assembly in Spanish and offered her services to those who need Spanish interpretation.

4. COMMUNICATIONS TO THE BOARD OF DIRECTORS

Nicona Keesaw, member of the Metro Advisory Committee (MAC), addressed the board and asked for better communication between Santa Cruz METRO and Caltrans regarding better conditions for rural bus stops and roads. Ciro Aguirre, Manager of Operations for Santa Cruz METRO, replied that they were in the process of reaching out to Caltrans to improve the lines of communication. Director McPherson also responded that Caltrans has been cooperative.

Mr. Clifford introduced Acting Fleet Maintenance, Mike Stange.

Mr. Donald Hagen (Norm) spoke up on support of Item 14 to adopt a pilot program to provide summer student discounted fare. Chair Bustichi instructed him that he would have a chance to discuss this further when that item is introduced.

Director Lane stated she had heard that Operators were experiencing respiratory distress from excess dust at the Pacific Station. Mr. Aguirre replied that Staff was looking at alternative solutions.

Ms. Guizar reminded the Board and invited them to participate in the 4th of July Parade in Watsonville.

5. LABOR ORGANIZATION COMMUNICATIONS

Eduardo Montesino thanked the Board for their support by approving sponsorship for the Senior Luncheon. Vice-Chair Robinson stated the event was wonderful and that they did a great job.

6. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Ms. Guizar provided copies of an e-mail to be included with item 14.

CONSENT AGENDA

- 7-1. ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF APRIL 2014**
- 7-2. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORTS YEAR TO DATE AS OF APRIL 30, 2014**
- 7-3. ACCESSIBLE SERVICES REPORT FOR APRIL 2014**
- 7-4. ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS**
- 7-5. ACCEPT AND FILE STATUS REPORT OF ACTIVE GRANTS AND SUBMITTED GRANT PROPOSALS FOR JUNE 2014**
- 7-6. ACCEPT AND FILE METRO PARACRUZ OPERATIONS STATUS REPORT FOR MARCH & APRIL 2014**
- 7-7. APPROVE MINUTES OF BOARD OF DIRECTORS MEETINGS**
 - i. Meeting of March 28, 2014**
 - ii. Meeting of April 11, 2014**

- 7-8. RENEWAL OF AGREEMENT WITH COUNTY OF SANTA CRUZ FOR PAYROLL SERVICES**
- 7-9. CONSIDERATION OF INCREASING THE FUNDING FOR THE CONTRACT WITH ALLIANT INSURANCE SERVICES, INC. FOR EXCESS WORKERS' COMPENSATION INSURANCE BY \$23,379 FOR PAYMENT OF AN ADDITIONAL AUDITED PREMIUM FOR THE 2012/2013 TERM**
- 7-10. CONSIDERATION OF AWARD OF CONTRACT WITH PARC SERVICES, INC. FOR HAZARDOUS BUILDING MATERIALS ABATEMENT IN AN AMOUNT NOT TO EXCEED \$29,050**
- 7-11. Moved to Item 14a.**
- 7-12. CONSIDERATION OF RESPONSES TO THE RECOMMENDATIONS CONTAINED IN THE TRIENNIAL PERFORMANCE AUDIT CONDUCTED BY PCM ON BEHALF OF THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION**
- 7-13. CONSIDER A RESOLUTION AUTHORIZING THE GENERAL MANAGER TO SUBMIT APPLICATIONS AND EXECUTE AGREEMENTS FOR GRANTS FROM THE FEDERAL TRANSIT ADMINISTRATION AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION**

Chair Bustichi announced that Item 7-11 of the Consent Agenda will be moved to the regular agenda and redesignated as item 14a.

Public comment: none.

ACTION: MOTION: BRYANT SECOND: HINKLE

APPROVED CONSENT AGENDA WITH TEM 7-11 REDESIGNATED AS ITEM 14A.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

REGULAR AGENDA

8. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

Chair Dene Bustichi congratulated and thanked Federico Rocha, Fleet Maintenance Supervisor and Catalino Vasquez, Fleet Maintenance Mechanic for 10 Years of Service. They in turn thanked the Board.

Chair Dene Bustichi congratulated and thanked Bus Operators Francisco Ramierz Calderon, Patricia Cummings, Andre Paul Harte, Lynn Hersey, and Juan Serrato on 15 years of Service and mentioned that they were all a part of the same training class. Each recipient spoke to the Board and thanked them.

Public comment: none.

9. A RESOLUTION OF APPRECIATION FOR THE SERVICES OF ROBERT F. COTTER AS MAINTENANCE MANAGER FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Chair Dene Bustichi read from the resolution in honor of Mr. Cotter.

Public comment: none.

ACTION: MOTION: GRAVES SECOND: ROBINSON

APPROVED RESOLUTION OF APPRECIATION FOR THE SERVICES OF ROBERT F. COTTER.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

10. ADOPTION OF THE FINAL FY15 AND FY16 BUDGET

Angela Aitken, Finance Manager, gave a presentation on the budget and highlighted updated information that differed from the previous meeting.

Director Lane questioned the costs of the TVM Machines and looked for assurance the new machines, if purchased, would be ADA compliant. Mr. Clifford stated they would be compliant.

Public comment: none.

ACTION: MOTION: GRAVES SECOND: ROBINSON

APPROVED RESOLUTION TO ADOPT THE FINAL FY15 AND FY16 BUDGET.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

11. CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO EXECUTE A CONTRACT AMENDMENT WITH MANSFIELD OIL COMPANY TO INCREASE THE CONTRACT NOT-TO-EXCEED AMOUNT BY \$550,000 FOR PURCHASE AND DELIVERY OF DIESEL FUEL

Erron Alvey, Purchasing Manager, presented her staff report.

Public comment: none.

ACTION: MOTION: MCPHERSON SECOND: BRYANT

APPROVED RESOLUTION TO ADOPT THE FINAL FY15 AND FY16 BUDGET.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

12. THE DIRECTION FOR SUBSEQUENT DESIGN WORK AND A CONTRACT AMENDMENT FOR GROUP 4 ARCHITECTS RESEARCH + PLANNING ON PACIFIC STATION REDESIGN PROJECT

Thomas Hiltner, Grants/Legislative Analyst, presented his Staff Report highlighting the design options for both an expanded and existing sight. Chair Bustichi stated that the additional add would be money that was already earmarked for this project.

Public comment: none.

ACTION: MOTION: ROBINSON SECOND: GRAVES

APPROVED A CONTRACT AMENDMENT FOR GROUP 4 ARCHITECTS RESEARCH + PLANNING ON PACIFIC STATION REDESIGN PROJECT.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

13. NOMINATION OF AD HOC COMMITTEE FOR THE PACIFIC STATION REDESIGN PROJECT

Chair Dene Bustichi presented the Staff Report and asked for recommendation form the Board.

Director Bryant asked how many individuals would be included in the committee. After some discussion, the Board decided on three representatives. Director Bryant nominated Chair Bustichi, Vice-Chair Robinson and Director McPherson.

Director Lane nominated John Daugherty to address ADA accessibility. Chair Bustichi replied that Staff participation would be at the discretion of the CEO and District Counsel. Mr. Clifford confirmed that he would bring various staff to meetings depending on where they were with the project.

Public comment: none.

ACTION: MOTION: BRYANT SECOND: GRAVES

APPROVED CREATION OF AN AD HOC COMMITTEE AND APPROVED NOMINATIONS OF CHAIR BUSTICHI, VICE-CHAIR ROBINSON AND DIRECTOR MCPHERSON.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

14. PUBLIC HEARING TO APPROVE A RESOLUTION TO ADOPT A PILOT PROGRAM TO PROVIDE SUMMER (JULY, AUGUST AND SEPTEMBER - 2014) STUDENT DISCOUNTED FARE WITH A VALID STUDENT IDENTIFICATION CARD

Chair Bustichi and Mr. Clifford asked the Board to approve this resolution. Chair Bustichi emphasized that this program reached the entire county and was an opportunity to see if programs similar to this would be a success.

Vice-Chair Robinson and Director McPherson spoke in support of the program.

Public comment:

Mr. Hagen spoke in favor of the program and encouraged the Board to pass the resolution and also suggested the Board to consider those who may be traveling with the students.

Sam Robistelli, representative of the Boys & Girls Club of Scotts Valley, spoke in favor of the program and urged the Board to put this program forward more than once as there was not enough time to get the word out this time around. He also stated he spoke with families and children and found that a good majority did not have student IDs.

Eduardo Montesino spoke on behalf of the unions in support of the program.

ACTION: MOTION: BRYANT SECOND: MCPHERSON

APPROVED FORMATION OF THE AD HOC COMMITTEE AND NOMINATIONS OF CHAIR BUSTICHI, VICE-CHAIR ROBINSON AND DIRECTOR MCPHERSON.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

14a. CONSIDER AN AGREEMENT WITH THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION TO RECEIVE \$18,000 FOR STAFF ASSISTANCE WITH THE PASSENGER RAIL STUDY

Thomas Hiltner stated the study was to examine the feasibility of a rail line. He stated it was important to have a representative of Santa Cruz METRO involved.

Chair Bustichi cautioned the Board about participating in a study that was only focused on rail and asked for a closer look at what it would cost Santa Cruz METRO and what their approach should be.

Vice-Chair Robinson stated there was a need to look at the viability of Santa Cruz METRO's participation.

George Dondero, executive Director of Santa Cruz County Regional Transportation Commission (SCRTC), spoke in support of the proposal and welcomed Santa Cruz METRO's support and involvement in the study.

15. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Leslyn Syren, District Counsel, reviewed the items to be discussed.

Moved to Closed Session at 10:28 a.m.

SECTION II: CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATORS

(Pursuant to Government Code Section 54957.6)

Agency Representative: Robyn Slater, HR Manager

Employee Organizations: Unrepresented Employees (Management)

2. PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(Pursuant to Government Code Section 54957)

Leslyn K. Syren, District Counsel

SECTION III: RECONVENE TO OPEN SESSION

Reconvened to Open Session at 10:44 a.m.

16. REPORT OF CLOSED SESSION

Ms. Syren stated there was nothing to report from Closed Session.

Items 17-20 were presented together.

Ms. Slater asked the Board to approve a 2% increase for a 1 year extension. She extended her thanks to UTU and SEIU for their help.

Chair Bustichi reminded the Board that this increase was part of the budget that had just passed. He also extended thanks to the unions for their part in putting the proposal together.

17. CONSIDERATION OF A FORMAL RATIFICATION OF A LABOR AGREEMENT BETWEEN THE UNITED TRANSPORTATION UNION LOCAL 23, FIXED ROUTE FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016 THAT CONTAINS A 2% CONTRACTUAL WAGE ADJUSTMENT

ACTION: MOTION: MCPHERSON SECOND: GRAVES

APPROVED A FORMAL RATIFICATION OF A LABOR AGREEMENT BETWEEN THE UNITED TRANSPORTATION UNION LOCAL 23, FIXED ROUTE FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016 THAT CONTAINS A 2% CONTRACTUAL WAGE ADJUSTMENT.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

- 18. CONSIDERATION OF A FORMAL RATIFICATION OF A LABOR AGREEMENT BETWEEN THE UNITED TRANSPORTATION UNION LOCAL 23, PARACRUZ FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016 THAT CONTAINS A 2% CONTRACTUAL WAGE ADJUSTMENT**

ACTION: MOTION: MCPHERSON SECOND: GRAVES

APPROVED A FORMAL RATIFICATION OF A LABOR AGREEMENT BETWEEN THE UNITED TRANSPORTATION UNION LOCAL 23, PARACRUZ FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016 THAT CONTAINS A 2% CONTRACTUAL WAGE ADJUSTMENT.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

- 19. CONSIDERATION OF A FORMAL RATIFICATION OF A LABOR AGREEMENT BETWEEN THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521 FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016 THAT CONTAINS A 2% CONTRACTUAL WAGE ADJUSTMENT**

ACTION: MOTION: MCPHERSON SECOND: GRAVES

APPROVED A FORMAL RATIFICATION OF A LABOR AGREEMENT BETWEEN THE SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL 521 FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016 THAT CONTAINS A 2% CONTRACTUAL WAGE ADJUSTMENT.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

- 20. CONSIDERATION OF A FORMAL RATIFICATION OF THE MANAGEMENT COMPENSATION PLAN FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016 THAT CONTAINS A 2% WAGE ADJUSTMENT**

ACTION: MOTION: MCPHERSON SECOND: GRAVES

APPROVED A FORMAL RATIFICATION OF THE MANAGEMENT COMPENSATION PLAN FOR THE PERIOD JULY 1, 2015 THROUGH JUNE 30, 2016 THAT CONTAINS A 2% WAGE ADJUSTMENT.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS CERVANTEZ, DODGE, FRIEND, AND LEOPOLD ABSENT.

- 21. ANNOUNCEMENT OF NEXT MEETING: FRIDAY AUGUST 8, 8:30 AM, SANTA CRUZ METRO ADMINISTRATIVE OFFICES, 110 VERNON STREET, SANTA CRUZ**

Char Bustichi announced the location and time of the next meeting.

- 22. ADJOURNMENT**

Meeting was adjourned at 10: 56 a.m.

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BOARD OF DIRECTORS

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District was convened on Friday, August 8, 2014 at the Santa Cruz METRO Administrative Offices, located at 110 Vernon Street, in Santa Cruz, California.

SECTION I: OPEN SESSION

1. CALL TO ORDER

Chair Bustichi called the meeting to order at 8:38 a.m.

2. ROLL CALL

The following Directors were present:

- Director Hilary Bryant
- Director Dene Bustichi
- Director Karina Cervantez
- Director Daniel Dodge
- Director Zach Friend
- Director Ron Graves
- Director Michelle Hinkle
- Director Deborah Lane
- Director John Leopold
- Director Bruce McPherson
- Director Lynn Robinson
- Ex-Officio Director Donna Blitzer

STAFF PRESENT

- Alex Clifford, CEO
- Leslyn K. Syren, District Counsel

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

- Debbie Kinslow, Santa Cruz METRO
- Carolyn Derwing, SEA President
- Brian Bauldry, Pacific Crest Engineering
- Angela Aitken, Santa Cruz METRO
- Claire Fliesler, Santa Cruz METRO
- April Warnock, Santa Cruz METRO
- Mike Johnson, Direct Surety
- Ciro Aguirre, Santa Cruz METRO
- Anna-Marie Gouveia, Santa Cruz METRO

3. ANNOUNCEMENTS

None.

4. COMMUNICATIONS TO THE BOARD OF DIRECTORS

None.

5. LABOR ORGANIZATION COMMUNICATIONS

None.

6. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

None.

With the expectation of attaining a quorum later, Chair Bustichi announced that the Consent Agenda will be postponed and Item 9 will be taken out of order.

9. STRUCTURAL DEFICIT WORKSHOP I OF VIII

Mr. Clifford started the presentation by reviewing the timeframe and what could be expected in the upcoming months. He introduced the team and emphasized how the presentation and the work behind it was a true collaborative effort.

Chair Bustichi requested that all questions be recorded and included in the following meeting's workshop.

Presenters Angela Aitken, Tom Hiltner and Debbie Kinslow presented a look into the definition of a Structural Deficit, how Santa Cruz METRO reached the deficit it had, and where they saw the deficit heading.

Questions Raised were as follows:

Slide 9.6: Director Leopold stated that the budget that was passed assumed an increase of less than 3% and asked what would have looked like if included in the graph. He wondered how accurate they were in the initial estimate. Ms. Aitken replied that she would look into that and bring that information back to the board.

Slide 9.11: Chair Bustichi asked if the prediction that the reserves would be exhausted in FY16? He questioned what that number was. Ms. Aitken replied that based on the data, FY16 was a conservative time frame and it would be exhausted at that time.

Vice-Chair Robinson looked for confirmation on what was done during FY13. Ms. Aitken replied that they had used reserves to balance the budget.

Slide 9.12: Chair Bustichi asked for what was anticipated in sales tax growth and what that number was based upon. Ms. Aitken stated they based the numbers on an estimated 7% growth which has been the historical average. Mr. Clifford acknowledged the projection was a snapshot of the information at that time and would be subject to move.

Slide 9.15: Director Leopold asked about the differences in Operation Capital reserves and where the cash flow fits in that amount. Mr. Clifford clarified that the question was what would happen to the reserves if the Cash Flow was added. Ms. Aitken stated the Operations Capital reserves would change to be \$9.6M.

Director Dodge arrived at 9:24 a.m.

Vice-Chair Robinson referred back to slide 9.6 and noted the numbers show a loss of \$26M in sales tax but the graph's top is at \$25M. Mr. Clifford replied that the graph was depicting the loss difference year over year.

Slide 9.28:

Director Leopold asked for information in regards to the success of grants. He asked if there was an increase year over year or if the funding stayed pretty flat. Mr. Hiltner replied that grants for Operating Budget stayed fairly consistent. Director Leopold asked if the number represented all of the grants for Santa Cruz METRO. Mr. Hiltner replied in the negative. Mr. Clifford stated he would bring back a slide that will show grant amounts cumulatively, which he believed would show growth.

Slide 9.29: Mr. Clifford stated at the beginning of every workshop previous questions and follow-up items would be addressed first.

Director Friend asked if a future slide could show two or three assumptions for upcoming fiscal years that may include ideal and non-ideal scenarios. Mr. Clifford stated that they would bring back information that would include models at 75%, 100% and 125%.

Director Leopold asked if they could see detailed information on the drivers of labor cost.

Vice-Chair Robinson wanted to have information that got more into the details of time trends and extrapolate the reasons for the trends. Mr. Clifford replied they will bring back more detailed information.

Chair Bustichi clarified that on one of the graphs Vice-Chair Robinson was questioning, there was a dip in spending which may have been due to not replacing retirees. Chair Bustichi ask to see a graph that charted the historical percent of labor costs throughout the year.

Mr. Clifford and staff were thanked by Chair Bustichi, Vice-Chair Robinson and Director Leopold for their work and passion that helped engage the Board.

Public comment: none.

Director Friend acknowledged to the members of the Board that a quorum had been reached. In consideration of time, Vice-Chair Robinson moved item 8 out of order.

REGULAR AGENDA

8. PUBLIC HEARING: RECEIVE PUBLIC COMMENTS ON SANTA CRUZ METRO'S PROPOSED DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL OF 1.5% FOR FEDERAL FISCAL YEARS 2015-2017 (FFY15-FFY17) AND ADDITION OF THE DBE PROGRAM TO METRO'S ADMINISTRATIVE CODE

Ms. Aitken, presented the Staff Report stating there had been no comments submitted at that time.

Vice-Chair Robinson opened the public hearing at 10:03 a.m.

Public comment: Mike Johnson, with Direct Surety, spoke in favor of the program.

With no further public comment, Vice-Chair Robinson closed the public hearing at 10:06 a.m.

ACTION: **MOTION: BUSTICHI** **SECOND: LEOPOLD**

APPROVED DISADVANTAGED BUSINESS ENTERPRISE (DBE) GOAL OF 1.5% FOR FEDERAL FISCAL YEARS 2015-2017 (FFY15-FFY17) AND ADDITION OF THE DBE PROGRAM TO METRO’S ADMINISTRATIVE CODE

MOTION PASSED UNANIMOUSLY WITH DIRECTORS BRYANT, CERVANTEZ, HINKLE, LANE AND MCPHERSON ABSENT.

CONSENT AGENDA

- 7-1. **ACCEPT AND FILE MINUTES FOR THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETINGS OF**
 - i. April 25, 2014
 - ii. June 13, 2014
- 7-2. **Moved to regular agenda.**
- 7-3. **CONSIDERATION OF ISSUING A FORMAL INVITATION FOR BIDS FOR THE PURCHASE AND INSTALLATION OF CARPETING AND RELATED SITE WORK AT PACIFIC STATION**
Erron Alvey, Purchasing Manager
- 7-4. **CONSIDERATION OF REJECTING ALL BIDS RECEIVED FOR THE APPLICATION OF CHIP SEAL ON UNPAVED PARKING LOT AND RELATED SITE WORK**
Erron Alvey, Purchasing Manager
- 7-5. **CONSIDERATION OF APPROVAL OF AUDIT ENGAGEMENT LETTER WITH BROWN ARMSTRONG ACCOUNTANCY CORPORATION FOR FINANCIAL AUDIT AND TAX SERVICES FOR YEAR THE ENDED JUNE 30, 2014**
Angela Aitken, Finance Manager
- 7-6. **CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A TWO YEAR LEASE WITH ONE OPTION TO RENEW FOR AN ADDITIONAL TWO YEARS FOR THE PROPERTY LOCATED AT 2880 RESEARCH PARK DRIVE IN SOQUEL**
Ciro Aguirre, Manager of Operations

Director Leopold requested to move item 7-2 to the regular agenda.

ACTION: MOTION: BUSTICHI SECOND: GRAVES

APPROVED CONSENT AGENDA WITH ITEM 7-2 MOVED TO THE REGULAR AGENDA.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS BRYANT, CERVANTEZ, HINKLE, LANE AND MCPHERSON ABSENT.

REGULAR AGENDA

- 7-2. **CONSIDERATION OF AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE A CONTRACT AMENDMENT WITH MIKE STANGE FOR INTERIM FLEET MAINTENANCE MANAGEMENT SERVICES IN AN ADDITIONAL AMOUNT NOT TO EXCEED \$75,000**
Director Leopold expressed his concerns over the length and expense of the contract amendment.

Mr. Clifford spoke in support of the extension of the contract and noted some of the accomplishments Mr. Stange has achieved while on board.

Director Dodge asked if the contract was covered by the money allocated to the management position within the budget. Mr. Clifford replied the budgeted amount does provide a partial off set.

Public comment: none.

ACTION: MOTION: BUSTICHI SECOND: FRIEND

Director Dodge stated he echoed Director Leopold’s concerns about the generous contract and timeline for the extension if it goes beyond the October 31 deadline.

APPROVED CONSENT AGENDA WITH ITEM 7-2 MOVED TO THE REGULAR AGENDA.

MOTION PASSED UNANIMOUSLY WITH DIRECTORS BRYANT, CERVANTEZ, HINKLE, LANE AND MCPHERSON ABSENT

8. **Moved before consent agenda.**
9. **Moved to follow item 6.**
10. **ANNOUNCEMENT OF NEXT MEETING: FRIDAY, AUGUST 22, 9:00 AM, SCOTTS VALLEY CITY COUNCIL CHAMBERS, 1 CIVIC CENTER DR, SCOTTS VALLEY**
Vice- Chair Robinson announced the location and time of the following meeting.
11. **ADJOURNMENT**
Meeting was adjourned at 10:15 a.m.

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BOARD OF DIRECTORS

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District was convened on Friday, August 22, 2014 at the Scotts Valley City Chambers located at 1 Civic Center Drive, Scotts Valley, California.

SECTION I: OPEN SESSION

1. CALL TO ORDER

Chair Bustichi called the meeting to order at 9:03 a.m.

2. ROLL CALL

The following Directors were present:

- Director Hilary Bryant
- Director Dene Bustichi
- Director Karina Cervantez
- Director Daniel Dodge
- Director Zach Friend
- Director Ron Graves
- Director Michelle Hinkle
- Director Deborah Lane
- Director John Leopold
- Director Bruce McPherson
- Director Lynn Robinson
- Ex-Officio Director Donna Blitzer

STAFF PRESENT

- Alex Clifford, CEO
- Leslyn K. Syren, District Counsel

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

- Suzanne Silva, Santa Cruz METRO
- Amy Weiss, Interpreter
- Robyn Slater, Santa Cruz METRO
- Carolyn Derwing, SEA President
- Daniel Zaragoza, Santa Cruz METRO
- April Warnock, Santa Cruz METRO
- Will Regan, VMU – SEIU
- Eduard Montesino, Santa Cruz METRO
- Sergio Lona-Gonzalez, Santa Cruz METRO

3. ANNOUNCEMENTS

Chair Bustichi announced the meeting was being taped by the technicians Gene and Kevin and will be broadcast by Community Television. Chair Bustichi introduced Amy Weiss as the translator who in turn, addressed the assembly in Spanish and offered her services to those who need Spanish interpretation.

Chair Bustichi also announced that there was a revised Management Comp Steps and a letter from MAC in support of Item 17-17. He stated both were available for viewing by the public.

Chair Bustichi announced that item 7-11 would be removed from the agenda.

Director Lane asked to have item 7-2 moved to the regular agenda. Chair Bustichi stated it would be moved to the first item of the regular agenda.

Director Leopold questioned why item 7-11 was removed. Ms. Syren answered that there was a bid protest that needed to be processed before bringing back to the Board.

Consent agenda was taken out of order.

CONSENT AGENDA

- 7-1. ACCEPT AND FILE PRELIMINARY APPROVED CHECKS JOURNAL DETAIL FOR THE MONTH OF MAY 2014**
- 7-2. Moved to first item of regular agenda**
- 7-3. APPROVAL TO CHANGE THE MONTHLY SUBMITTAL OF THE ACCESSIBLE SERVICES REPORT TO SUBMITTAL ON A QUARTERLY BASIS AND ACCEPT AND FILE MONTHLY ACCESSIBLE SERVICES REPORT FOR APRIL, MAY AND JUNE 2014**
- 7-4. ACCEPT AND FILE MINUTES FOR THE METRO ADVISORY COMMITTEE (MAC) MEETING MAY 21, 2014**
- 7-5. ACCEPT AND FILE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION MEETING MINUTES REFLECTING VOTING RESULTS FROM SANTA CRUZ METRO APPOINTEES**
- 7-6. ACCEPT AND FILE THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR MAY AND JUNE 2014**
- 7-7. ACCEPT AND FILE STATUS REPORT FOR ACTIVE GRANTS AND SUBMITTED GRANT PROPOSALS FOR AUGUST 2014**
- 7-8. CONSIDER ADOPTING A RESOLUTION AUTHORIZING THE CEO TO EXECUTE ACTIONS NECESSARY TO RECEIVE PUBLIC TRANSPORTATION, MODERNIZATION, IMPROVEMENT AND SERVICE ENHANCEMENT ACCOUNT FOR THE EXPANSION AND RENOVATION OF PACIFIC STATION**
- 7-9. ACCEPT AND FILE SANTA CRUZ METRO SYSTEM RIDERSHIP REPORT FOR APRIL, MAY & JUNE 2014**
- 7-10. CONSIDER A CONTRACT AMENDMENT FOR B+U ARCHITECTS TO ADD FUNDS FOR ADDITIONAL DESIGN SERVICES**
- 7-11. Removed from agenda.**

- 7-12. CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT AMENDMENT WITH DOC AUTO TO INCREASE THE CONTRACT NOT-TO-EXCEED AMOUNT BY \$32,760 FOR PARACRUZ VEHICLE MAINTENANCE SERVICES**
- 7-13. NOTIFICATION OF REVISED PROCESS AND THE NAMES OF THE PARTICIPANTS SELECTED FOR LEADERSHIP SANTA CRUZ COUNTY, CLASS #30**
- 7-14. CLASS SPECIFICATION AND REPRESENTATION CHANGE FOR THE ADMINISTRATIVE COORDINATOR POSITION**
- 7-15. CONSIDERATION OF A REQUEST TO PROVIDE SERVICE TO THE SANTA CRUZ FOLLIES ON SEPTEMBER 12, 2014 AT A COST OF APPROXIMATELY \$238.75**
- 7-16. UPDATE: SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION’S PASSENGER RAIL STUDY**
- 7-17. CONSIDERATION OF PROVIDING LIMITED SERVICE TO THE 2014 SANTA CRUZ COUNTY FAIR GROUNDS IN EXCHANGE FOR FAIR VENDOR SPACE**

Public comment: Mr. Montesino expressed concern regarding item 7-14 after the discussion of the budget deficit that they were asking for more money for an additional position.

Director Dodge asked what was the previous process for item 7-13. Mr. Clifford replied that there had not been a formal process before and that during a previous meeting the action requested was that staff bring back a process of selecting participants.

ACTION: MOTION: ROBINSON SECOND: LEOPOLD

APPROVED CONSENT AGENDA WITH ITEM 7-2 MOVED TO THE FIRST ITEM IN REGULAR AGENDA AND REMOVAL OF ITEM 7-11.

MOTION PASSED UNANIMOUSLY WITH DIRECTOR BRYANT AND HINKLE ABSENT.

Board returned to Item 4.

4. COMMUNICATIONS TO THE BOARD OF DIRECTORS

Director Lane extended her thanks to Mr. Clifford for a job well done.

Director McPherson extended his thanks regarding the budget workshops. Mr. Clifford extended his thanks to the team who put the presentation together.

Public comment: none.

5. LABOR ORGANIZATION COMMUNICATIONS

None.

6. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

None.

REGULAR AGENDA

7-2. MONTHLY BUDGET STATUS REPORTS YEAR TO DATE AS OF

Director Lane stated she moved the item as she had a question regarding the passenger fares being 2% under budget. Ms. Aitken replied that the number is based on extrapolating information and making an assumption. The full data was not yet available.

Public comment: none.

ACTION: MOTION: GRAVES SECOND: ROBINSON

APPROVED BUDGET STATUS REPORTS YEAR TO DATE AS OF MAY 31, 2014.

MOTION PASSED UNANIMOUSLY WITH DIRECTOR BRYANT AND HINKLE ABSENT.

8. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

Chair Bustichi presented a certificate of appreciation for 15 years of service to Eduardo Montesino, Bus Operator who in turn spoke to the assembly in thanks.

Chair Bustichi presented a certificate of appreciation for 25 years of service to Sergio Lona –Gonzalez who in turn spoke to the assembly offering in thanks and sharing some of his experiences and recognized a few individuals who helped him during his tenure.

9. CONSIDERATION OF PROVIDING SUPPORT FOR A METRO/UTU23/SEIU521 PICNIC TO BE HELD OCTOBER 25, 2014 AT THE HARVEY WEST PARK

Mr. Clifford stated this was a great event to boost moral and urged the Board to continue to sponsor the event.

Public comment: none.

ACTION: MOTION: DODGE SECOND: FRIEND

APPROVED PROVIDING SUPPORT FOR A METRO/UTU23/SEIU521 PICNIC TO BE HELD OCTOBER 25, 2014 AT THE HARVEY WEST PARK.

MOTION PASSED UNANIMOUSLY WITH DIRECTOR BRYANT AND HINKLE ABSENT.

10. ORAL REPORT FROM THE AMERICAN PUBLIC TRANSPORTATION ASSOCIATION MEETING IN CLEVELAND THAT WAS ATTENDED BY DIRECTOR DANIEL DODGE

Director Dodge spoke of his experiences while at the conference and emphasized that it was a great opportunity for networking and continued dialogue regarding issues experienced by transit districts.

Public comment: none.

ACTION: None needed as this was an oral report.

11. CEO TO GIVE ORAL REPORT

Mr. Clifford gave an oral report highlighting a CTC grant approval to which he extended his congratulations to the Grant Department.

Mr. Clifford spoke of the La Posada walkthrough that he, Vice-Chair Robinson, La Posada committee members and two Public Works representatives did in preparation for responding to the Board's request to reexamine Route 6. Mr. Clifford stated they would bring back a request for public hearing at the September 12 Board meeting.

Mr. Clifford discussed the follow-up of Cap & Trade and how he looks to influence the criteria on which grant funding is awarded. He further described some of the grants that Santa Cruz METRO would be pursuing.

Mr. Clifford reviewed the timeline for the Upcoming Structural Deficit Workshops.

A discussion occurred between Mr. Clifford, Director McPherson, Director Dodge and Mr. Hiltner over the current criteria of the Cap and Trade census and possible challenges in qualification.

Director Leopold asked if there was any new information on the Parea bill. Mr. Clifford responded he would get back to him with that information.

Director Lane asked for information from the first Structural Deficit Workshop and expressed her concern over the estimated numbers particularly in reference to what was termed the fiscal cliff.

Public Comment: none.

ACTION: None needed as this was an oral report.

12. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Ms. Syren reviewed the items which would be discussed in the closed session.

13. ANNOUNCEMENT OF NEXT MEETING: FRIDAY SEPTEMBER 12, 8:30 AM, SANTA CRUZ METRO ADMINISTRATIVE OFFICES, 110 VERNON STREET, SANTA CRUZ

Chair Bustichi announced the date, time and location of the following Board meeting.

14. ADJOURNMENT

Meeting adjourned at 9:59 a.m.

11. CEO TO GIVE ORAL REPORT

Mr. Clifford gave an oral report highlighting a CTC grant approval to which he extended his congratulations to the Grant Department.

Mr. Clifford spoke of the La Posada walkthrough that he, Vice-Chair Robinson, La Posada committee members and two Public Works representatives did in preparation for responding to the Board's request to reexamine Route 6. Mr. Clifford stated they would bring back a request for public hearing at the September 12 Board meeting.

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A discussion occurred between Mr. Clifford, Director McPherson, Director Dodge and Mr. Hiltner over the current criteria of the Cap and Trade census and possible challenges in qualification.

Director Leopold asked if there was any new information on the Parea bill. Mr. Clifford responded he would get back to him with that information.

Director Lane asked for information from the first Structural Deficit Workshop and expressed her concern over the estimated numbers particularly in reference to what was termed the fiscal cliff.

Public Comment: none.

ACTION: None needed as this was an oral report.

12. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Ms. Syren reviewed the items which would be discussed in the closed session.

13. ANNOUNCEMENT OF NEXT MEETING: FRIDAY SEPTEMBER 12, 8:30 AM, SANTA CRUZ METRO ADMINISTRATIVE OFFICES, 110 VERNON STREET, SANTA CRUZ

Chair Bustichi announced the date, time and location of the following Board meeting.

14. ADJOURNMENT

Meeting adjourned at 9:59 a.m.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: September 12, 2014
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: RENEWAL OF PROPERTY INSURANCE COVERAGE FOR FY15
WITH ZURICH AMERICAN INSURANCE COMPANY**

I. RECOMMENDED ACTION

That the Board of Directors authorizes renewal of property insurance coverage with Zurich American Insurance Company.

II. SUMMARY OF ISSUES

- Santa Cruz METRO maintains property insurance on all its owned facilities and on leased facilities in accordance with lease agreements, as well as on building contents.
- Staff recommends that the Board of Directors authorize the renewal of property insurance coverage with Zurich American Insurance Company in the amount of [\\$50,031](#).

III. DISCUSSION/BACKGROUND

Barney & Barney, Santa Cruz METRO's property insurance broker, has arranged for renewal of property insurance coverage with Zurich American Insurance Company. This is all risk coverage, excluding earthquake and flood, and includes buildings and contents, computer and telephone systems, employee tools, and other equipment, with a \$5,000 deductible.

The Zurich American Insurance Company is rated A+ XV by A. M. Best. The "A+" is the superior or highest rating on the A.M. Best rating scale, and "XV" refers to financial size category (FSC) and is based on adjusted policyholders' surplus. "XV" translates to two billion or greater.

Santa Cruz METRO does not carry earthquake insurance.

Santa Cruz METRO carries flood insurance under a separate policy for the Fueling and Service Building at 1200 "B" River Street. The flood insurance for the former Operations Building at 1200 River Street was cancelled due to construction of the Judy K. Souza Operations Facility and Santa Cruz Metro will need to add coverage prior to assuming occupancy.

Staff recommends that the Board of Directors authorize the renewal of property insurance coverage with Zurich American Insurance Company in the amount of [\\$50,031](#). The year

over year increase is \$1,383 or 2.84% and is the average for risks in California according to the broker.

IV. ALTERNATIVES

- Using an alternate insurance carrier is certainly an option but could negatively impact the cost.
 - Switching carriers to Zurich American Insurance last fiscal year and consolidating all properties to a single policy rather than two, contributed to the significant reduction in our annual premium (down by \$38,000) along with cancelling the coverage on the former Operations Building.
- The Judy K Souza Operations Facility is currently covered by a “builder’s risk” policy with Zurich American Insurance Company paid by Lewis C. Nelson & Sons Inc. through February 18, 2015, as a requirement of their contract.
- Santa Cruz METRO could self-insure – but the agency does not currently have the cash reserves to support such a program.

V. COORDINATION

This staff report has been coordinated with Barney & Barney staff to update statement of values schedules, renew coverage and determine the final amount of the invoice that will be presented for payment.

VI. FINANCIAL CONSIDERATIONS

The following, outlines the elements of the above recommendation:

1. **AMOUNT OF RECOMMENDATION:** \$50,031
2. **SOURCE OF FUNDING:** FY15 Operating Budget
3. **EXPENSE ACCOUNTS TO CHARGE:** Ins. Property - 506011
4. **FISCAL IMPACT:**
 - The cost for the recommendation of renewal of property insurance in the amount of \$50,031 is included in the Finance Department FY15 - FY16 final operating budget.

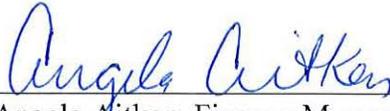
VII. ATTACHMENTS

Attachment A: None

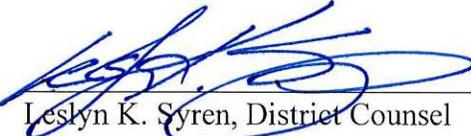
Board of Directors
Board Meeting of September 12, 2014

Prepared By: Debbie Kinslow, Assistant Finance Manager
Date Prepared: August 20, 2014

APPROVED:

 8/22/14

Angela Aitken, Finance Manager

 8/26/14

Leslyn K. Syren, District Counsel

 9/2/14

Alex Clifford, CEO/General Manager

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: September 12, 2014
TO: Board of Directors
FROM: Vice-Chair Lynn Robinson
SUBJECT: **CONSIDERATION OF REAPPOINTMENT OF CHARLOTTE WALKER TO THE METRO ADVISORY COMMITTEE (MAC) FOR A TERM OF OFFICE ENDING SEPTEMBER 13, 2016**

I. RECOMMENDED ACTION

That the Board approve the reappointment of Charlotte Walker to the Metro Advisory Committee (MAC) as the appointment of Vice-Chair Robinson for a term of office ending September 13, 2016

II. SUMMARY OF ISSUES

- Charlotte Walker has been a MAC committee member since August 2009
- Ms. Walker's appointment by Vice-Chair Robinson expires September 13, 2014.
- Vice-Chair Robinson is requesting approval to reappoint Charlotte Walker to the MAC.
- Pursuant to Section 3.2 of the MAC Bylaws the appointment of Charlotte Walker would be eligible for a term that would commence immediately and end September 13, 2016.

III. DISCUSSION/BACKGROUND

On December 19, 2003, after a significant amount of discussion and multiple meetings, the Board approved the creation of a new Metro Advisory Committee (MAC) that replaced the METRO Users Group (MUG), and the Board approved the structure of the new committee. Application Forms were used to solicit interested persons to participate on the MAC.

The Board of Directors appoints individuals who want to serve as committee members of the MAC. Each Board member provides a name of an individual who they want to nominate, and the Board of Directors then confirms the individual. A committee such as the MAC is most effective when it is comprised of a full complement of committee members.

Vice-Chair Robinson has indicated that she would like the Board of Directors to consider the reappointment of Charlotte Walker to continue to serve as a committee member of the MAC.

If approved by the Board of Directors, the term for Charlotte Walker would commence immediately and conclude on September 13, 2016.

IV. ALTERNATIVES

- Leave committee member opening vacant, but quorum to hold monthly meetings would be difficult to reach on a consistent basis.

V. COORDINATION

This staff report has been coordinated with the Administration department, the CEO, and Vice-Chair Robinson.

VI. FINANCIAL CONSIDERATIONS

The following, outlines the elements of the above recommendation:

1) AMOUNT OF RECOMMENDATION:

- Three (3) bus passes per member, per meeting attended
- Maximum of 33 passes per year which equates to \$330 per year per member

2) SOURCE OF FUNDING:

- FY15-FY16 Final Operating Budget – Operating Revenue

3) EXPENSE ACCOUNTS TO CHARGE:

- None. These passes are given in exchange for the MAC member's time and attendance at the monthly MAC meetings.

4) FISCAL IMPACT:

- There is no significant tangible cost to reappoint Charlotte Walker as a MAC member.

VII. ATTACHMENTS

N/A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: September 12, 2014

TO: Board of Directors

FROM: Ciro Aguirre, Manager of Operations

SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE THREE (3) LICENSE AND INDEMNITY AGREEMENTS WITH THE UNIVERSITY OF CALIFORNIA SANTA CRUZ (UCSC) FOR THE REAL PROPERTY RIGHT TO USE SANTA CRUZ METRO BUS STOPS FOR THE NIGHT OWL, FALL FROLIC, AND SHADOW SERVICES FOR A PERIOD OF FIVE (5) YEARS. UCSC SHALL HAVE THE OPTION TO RENEW THESE AGREEMENTS FOR TWO SUCCEEDING FIVE-YEAR PERIODS.

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute three (3) separate License and Indemnity Agreements with UCSC for the use of Santa Cruz METRO Bus Stops to include Night Owl, Fall Frolic, and Shadow Service for a five year period. These Agreements may be renewed for two (2) succeeding five-year periods.

II. SUMMARY OF ISSUES

- UCSC sponsors yearly events consisting of the Night Owl, Fall Frolic, and Shadow Service.
- Transportation of students for these events is performed by UCSC Transportation and Parking Services (TAPS).
- TAPS requires the use of Santa Cruz METRO (SC METRO) bus stops to deliver their service.
- Authorization request is to License and Indemnify the use of SC METRO bus stops by UCSC for a five-year period with two options to renew for an additional five years each.
- Santa Cruz METRO Staff requests Board approval of three (3) License and Indemnity Agreements (Attachments A-C) for these events.

III. DISCUSSION/BACKGROUND

Prior to 2010, SC METRO provided bus service for activities sponsored by UCSC consisting of the Night Owl and Fall Frolic, Service. Because of Federal Transportation Administration Charter Regulations precluding Public Transportation Agencies from providing Bus Shuttle Service, SC METRO suspended providing service to these activities requiring UCSC TAPS to assume transportation responsibilities for these events.

As of 2011, SC METRO has requested, on a Fiscal Year basis, that the SC METRO Board of Directors authorize the General Manager to enter into a Licensing and Indemnity Agreement (Agreement) with UCSC to use select SC METRO bus stops for student boarding and alighting purposes during these events by TAPS buses.

Night Owl: UCSC TAPS will be operating “Night Owl” transit services tentatively beginning on Saturday, September 27th for the 2014-15 school years. TAPS will continue to use the previously-designated list of off-campus SC METRO stops, consisting of those stops on Routes 16 and 19 to support this service (*See Exhibit A to Attachment A*).

Boardwalk Frolic: This year's “Fall Frolic” event is scheduled for Monday, September 29th from 6pm until 10:30pm, with the gates opening at 5:45pm. UCSC TAPS will operate their shuttle service between campus and the Metro stop #1318, located on Cliff Street adjacent to the Boardwalk parking lot (across from the bowling alley). Coordination with the City of Santa Cruz will also take place to block off several adjoining on-street parking spaces to ensure adequate space for at least two UCSC buses (*See Attachment B*).

Holiday "Shadow" Services: UCSC TAPS will operate "Shadow" transit service between the Main Campus and downtown Santa Cruz on Memorial Day 2015 when SC METRO buses are not operating. The routing used on this day will utilize SC METRO Routes 16 and 19 bus stops. The Pacific Station Transit Center will be used to board/alight students using these designated SC METRO bus stops along the route as reflected in *Exhibit A to Attachment C*. TAPS **will not** be providing any "Shadow" service on other SC METRO holidays (i.e. Labor Day, Thanksgiving Day, Christmas, or New Year's Day).

Historically, the use of SC METRO bus stops by UCSC - TAPS has been a yearly recurring request made by UCSC to SC METRO that staff presents to the SC METRO Board of Directors for authorization. For this year's request, staff is recommending that the Board authorize SC METRO's CEO to enter into a five (5) year Agreement with UCSC with two (2) options to renew for an additional five (5) years each.

In discussions with SC METRO Legal Department, it was determined that the bus stops to be used by UCSC/TAPS have remained consistent throughout the years, therefore, the request is considered a “real property right to use” allowing for an agreement to extend beyond one year intervals with options to renew. In addition, it was decided that it would be beneficial to create three separate Agreements for these events, as they utilize different stops during specific dates throughout the year. In the event that routing changes occur which affect the bus stops used during a particular period, the SC METRO Board will be asked to review and authorize any changes to bus stops used.

IV. ALTERNATIVES

- Deny UCSC/TAPS access to SC METRO bus stops.
- Limit events under which UCSC/TAPS may use SC METRO bus stops.
- Continue limiting these agreements to one (1) year intervals.

- Allow only an initial five (5) year agreement.
- Allow only one five (5) year option to renew.

V. COORDINATION

This Staff Report has been coordinated with Mr. Larry Pageler, UCSC Director of Transportation Services.

VI. FINANCIAL CONSIDERATIONS

These Agreements would allow UCSC to utilize SC METRO bus stops without cost, but will hold UCSC responsible for any costs incurred related to their use.

VII. ATTACHMENTS

Attachment A: License and Indemnity Agreement for Night Owl Service

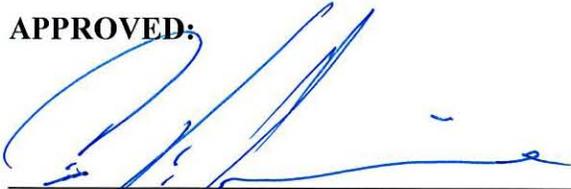
Attachment B: License and Indemnity Agreement for Fall Frolic Event

Attachment C: License and Indemnity Agreement for Shadow Service

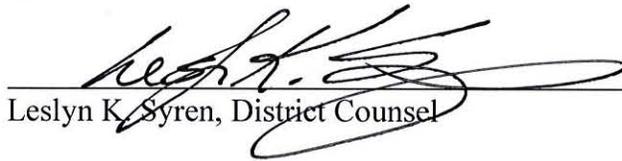
Board of Directors
Board Meeting of September 12, 2014

Prepared By: Rickie-Ann Kegley, Paralegal
Date Prepared: September 5, 2014

APPROVED:



Ciro Aguirre, Operations Manager



Leslyn K. Syren, District Counsel



Alex Clifford, CEO/General Manager

ATTACHMENT A

LICENSE AND INDEMNITY AGREEMENT FOR NIGHT OWL SERVICE

This LICENSE AND INDEMNITY AGREEMENT (hereinafter "Agreement") is entered into as of September 12, 2014 (the "Effective Date") by and between Santa Cruz Metropolitan Transit District (hereinafter "Licensor") and the Regents of the University of California (hereinafter "Licensee"), on behalf of its Santa Cruz campus. Licensor and Licensee are each referred to individually herein as a "Party" and collectively as the "Parties."

RECITALS:

1. Licensor is a local public transportation agency with administrative offices located at 110 Vernon Street, Santa Cruz, California and has bus stops located at various locations in the City of Santa Cruz, in the County of Santa Cruz, California, as further described in "Exhibit A," which is hereby attached and incorporated (hereinafter collectively "Bus Stops").
2. Licensee desires to utilize Licensor's Bus Stops in order to load/unload bus passengers who are utilizing the Licensee's late-night Night Owl bus service (the "NO Bus").
3. Licensor is willing for Licensee to utilize Licensor's Bus Stops for this purpose, subject to the terms and conditions of this License and Indemnity Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Grant of License to Licensee.** Licensor hereby grants Licensee (and their respective officers, managers, employees, contractors and other authorized agents acting under Licensee's authority and within the scope of its consent) permission to utilize at no cost the Bus Stops for the exclusive purpose of loading and unloading passengers utilizing the FF Bus. Licensee's right of use shall be confined to the Bus Stops described in Exhibit A. Licensor further grants permission to Licensee to allow its passengers to enter onto the Bus Stops in order to access them and to wait at the Bus Stops for the NO Bus. Licensor further grants permission to Licensee to maintain and keep the Bus Stop clean and free of trash and debris left by any NO Bus passengers.
2. **Licensee's Satisfaction with Bus Stops.** Licensee has inspected each of the Bus Stops identified in Exhibit A and on a regular and recurring basis will inspect them prior to its use of them to satisfy itself of their condition. Licensee has found the Bus Stops fit for the intended purpose herein and in safe and good working order. Should Licensee become dissatisfied with the safe condition of the Bus Stop(s), Licensee shall immediately inform Licensor of such dissatisfaction and provide Licensor the opportunity to correct the Bus Stop(s) condition prior to any further use. Licensee warrants that its NO Bus operators will not use any Bus Stop identified in Exhibit A that is not in safe and good working order.

ATTACHMENT A

3. **Term and Termination.** It is understood and agreed that this License Agreement shall remain in full force for a five (5) year period, beginning on the “Effective Date” and ending five (5) years thereafter (the “Expiration Date”). This contract may be renewed for two (2) succeeding five-year periods by the parties executing extensions to this contract.
 - A. It is further agreed that if at any time Licensor determines that it is no longer in its best interests to continue to grant this license to Licensee, that it can, upon five (5) days written notice, terminate this license without further notice or liability of any kind.
4. **Permits.** Licensee shall, at its sole cost and expense, obtain all necessary governmental permits and approvals required to operate the NO Bus. Licensees shall comply with all laws, codes, rules, regulations and permits applicable to the use of the Bus Stops for the purposes herein contemplated.
5. **Non-Interference with Licensor’s Operations.** Licensee shall utilize this license and the permission granted herein in such a way that it does not unreasonably disrupt Licensor’s transit operations and shall minimize any inconvenience to Licensor’s customers, passengers, invitees, employees or the public. Licensee shall not use the Bus Stops for parking, stopping or idling any NO Bus for bus schedule purposes (“Holdovers”) and will utilize them only for the purpose of picking up and dropping off passengers. Licensee shall also take every reasonable precaution to prevent and avoid damage to the Bus Stops, their improvements, and any and all persons or property located thereon, arising from Licensee’s use of the Bus Stops or from any other permitted use thereon. Licensee is required to keep the Bus Stops clean and free of debris left by NO Bus passengers. Should Licensee cause damage to the Bus Stop(s) in any way, Licensee shall immediately report such damage to Licensor and, as provided by Paragraph 6 below, shall make arrangements for the repair of same at its sole cost.
6. **Liability and Duty to Pay for Damages and Insurance.** Licensee shall be liable for any and all damages, harm, losses, expenses or injuries to the Bus Stops (including their improvements) or to any person(s) or any other property (collectively “Damages”) caused by Licensee or its agents, employees, invitees or guests, regardless of whether such Damages were caused by negligence or intentional conduct, to the extent required by Paragraph 7. Licensee shall at its sole expense promptly repair or remediate any such Damages to the reasonable satisfaction of Licensor. Licensee, at its sole expense, shall obtain and keep in force during the term of this Agreement a policy of commercial general liability insurance and a program of self-insurance insuring Licensee for Licensee’s use of Licensor’s Bus Stops. Such commercial general liability insurance and program of self-insurance shall be in the amount of not less than \$5 million per occurrence. The limit of such insurance, shall not, however, limit the liability of Licensee hereunder. The provisions of this Paragraph 6 shall survive termination of this Agreement. A certificate of such insurance may be viewed at or downloaded from the following web address:

<http://www.ucop.edu/riskmgmt/faq/documents/generic-certificate-self-ins.pdf>

Licensee will supply, upon request, evidence of commercial general liability insurance.

ATTACHMENT A

Licensor, its directors, officers, employees, agents and volunteers are hereby named as additionally covered parties on Licensee's general liability self-insurance program, as relating to the activities described in this Agreement, provided that such provision shall apply only in proportion to and to the extent of the negligent acts or omissions, of Licensee, its officers, employees, agents, invitees or guests.

7. **Indemnity.** Licensee shall to the fullest extent permitted by law, indemnify and hold harmless Licensor from and against any and all claims, causes of action, demands, losses, judgments, fines, penalties, obligations, liens, and liabilities (including, without limitation, all expenses, attorneys' fees, and costs incurred in investigating or defending against the same) (collectively, "Costs") that are asserted against Licensor (i) relating to or arising out of or as a result of Licensee's herein-permitted use; (ii) that arise out of access to the Bus Stops pursuant to this Agreement by Licensee, its agents, employees, invitees, or guests; (iii) that are due to any violation of law by Licensee, its agents, employees, invitees, or guests in utilizing these "Bus Stops"; or (iv) that are due to breach of any of the provisions of this Agreement by Licensee; but, the foregoing notwithstanding, Licensee's indemnification obligation to Licensor under this Paragraph 7 shall only be in proportion to and to the extent that such Costs are caused by the negligent or intentional acts or omissions of Licensee, its officers, agents, employees, invitees, or guests. The provisions of this Paragraph 7 shall survive termination of this Agreement.
8. **Adverse Litigation Rights.** Licensor shall have the right to control all legal proceedings enumerated in Paragraph 7 asserted against Licensor, including the right to (i) select counsel and/or mediators reasonably satisfactory to Licensor, (ii) approve, in its sole discretion, of any settlements that would require the taking of any action or payment of money on the part of Licensor, and (iii) oversee all other choices associated with such legal proceedings. The provisions of this Paragraph 8 shall survive termination of this Agreement.
9. **Reimbursement for Expenses and Attorney Fees.** Each party shall bear its own costs incurred in the preparation and negotiation of this Agreement. In the event any party shall commence legal proceedings against another party for the purpose of enforcing any provision of this Agreement, or by reason of any breach arising under the provisions hereof, then the prevailing party or parties in such proceedings shall be entitled to reasonable litigation expenses, including attorneys' fees and expert fees, to be determined by the Court.
10. **Assignment, Successor and Assigns.** Licensee may not assign any of its rights under this Agreement, either voluntarily or by operation of law, without Licensor's prior written consent, which shall not be unreasonably withheld. No assignment by Licensee shall release Licensee from any liability under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns, including without limitation subsequent owners of the Bus Stops.
11. **Execution of Agreement.** Each signatory hereto warrants to the other parties hereto its authority to sign on behalf of the party for whom he or she purports to sign.

ATTACHMENT A

12. **Entire Agreement.** This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior discussions, negotiations, understandings or agreements relating thereto.
13. **Time is of the essence.** Time is of the essence in this Agreement.
14. **No Oral Modification.** No alteration or variation of this Agreement shall be valid or binding unless made in writing and signed by the parties hereto.
15. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California.
16. **Venue.** Licensor and Licensees hereby stipulate that the proper venue in which any legal proceeding arising between the parties shall be heard is in Santa Cruz County, California Superior Court.
17. **Notices.** Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person or (b) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

To Licensor:

Alex Clifford
CEO/General Manager
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060-2101

To Licensee:

University of California, Santa Cruz
ATTN: Larry Pageler, TAPS
1156 High Street
Santa Cruz, CA 95064

With a copy to:

University of California, Santa Cruz
ATTN: Real Estate Office
1156 High Street
Santa Cruz, CA 95064

18. **Counterparts; Facsimile Signatures.** This Agreement may be executed in one or more counterparts and delivered by facsimile transmission with original signatures to follow, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

ATTACHMENT A

19. **Property Rights.** The right granted in Paragraph 1 of this Agreement is a mere license only, and does not constitute an easement, right of way, or real property interest in the Property. No legal title or interest in Licensor's Bus Stops is otherwise created or vested in Licensee under this Agreement.
20. **No Third Party Beneficiaries.** This Agreement is solely for the benefit of Licensor and Licensees. Nothing contained in this Agreement shall be deemed to confer on anyone other than Licensor and Licensees the right to enforce the performance of or compliance with of any of the obligations contained herein.
21. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.
22. **Recording.** This License shall not be recorded.
23. **Rule of Construction.** Licensor and Licensees shall both be deemed to have drafted this Agreement, and the rule of construction that a document is to be construed against the drafting party shall not be employed in the construction or interpretation of this Agreement.

This license is entered into as of the effective date set forth above, by and between:

LICENSOR:
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

By: _____

Title: _____

Date: _____

Approved as to Form:

Leslyn K. Syren
District Counsel

ATTACHMENT A

LICENSEE:
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _____

Title: _____

Date: _____

ATTACHMENT A

Exhibit A

Night Owl Bus Stops

Stops on the Route 16 and Route 19 that may be used for UCSC Night Owl Service.

Seq	Route	Stop ID	Description	Side	Dir
1	16	1591R	Laurel\\Center	F	W
2	16	2731R	Laurel\\Blackburn	N	W
3	16	1630R	Mission\\Laurel	F	S
4	16	1226R	Bay\\Mission	F	W
5	16	1227R	Bay\\King	F	W
6	16	1228R	Bay\\Escalona	N	N
7	16	1230R	Bay\\Iowa	F	N
8	16	1232R	Bay\\Meder	M	N
9	16	2328R	Empire Grade\\Arboretum	M	S
10	16	2739R	Empire Grade\\Tosca Terrace	F	S
11	16	1510R	High\\Western Dr	F	E
12	16	2376R	Bay\\High	F	S
13	16	1231R	Bay\\Nobel	F	S
14	16	2056R	Bay\\King	F	S
15	16	1625R	Mission\\Bay/Trescony	F	N
16	16	1629R	Mission\\Laurel	N	N
17	16	1590R	Laurel\\Blackburn	F	E
18	16	2572R	Laurel\\Chestnut	F	E
19	16	1592R	Laurel\\Washington/Center	N	E
20	19	2697R	Pacific\\Center	N	S
21	19	2592R	Pacific\\Viaduct	N	S
22	19	2582R	Bay\\West Cliff	F	W
23	19	2583R	Bay\\Laguna	N	W
24	19	2584R	Bay\\National	F	W
25	19	1220R	Bay\\Garfield Park Village	M	W
26	19	2291R	Bay\\California	F	W
27	19	1223R	Bay\\Seaside	F	W
28	19	2588R	Bay\\Mission	N	W
29	19	2375R	High\\Barn Theater (UCSC)	F	W
30	19	2374R	High\\Western Dr	N	W
31	19	1385R	Empire Grade\\Arboretum (Water Tank)	M	N
32	19	1225R	Bay\\Mission	F	E
33	19	1224R	Bay\\Seaside	F	E
34	19	1222R	Bay\\Redwood	N	E
35	19	1219R	Bay\\Garfield Park Village	M	E
36	19	2585R	Bay\\National	N	E
37	19	2586R	Bay\\Laguna	N	E
38	19	2587R	Bay\\West Cliff	N	E
39	19	2593R	Pacific\\Second	N	N

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ATTACHMENT B

LICENSE AND INDEMNITY AGREEMENT FOR FALL FROLIC EVENT

This LICENSE AND INDEMNITY AGREEMENT (hereinafter "Agreement") is entered into as of September 12, 2014 (the "Effective Date") by and between Santa Cruz Metropolitan Transit District (hereinafter "Licensor") and the Regents of the University of California (hereinafter "Licensee"), on behalf of its Santa Cruz campus. Licensor and Licensee are each referred to individually herein as a "Party" and collectively as the "Parties."

RECITALS:

1. Licensor is a local public transportation agency with administrative offices located at 110 Vernon Street, Santa Cruz, California and has bus stops located at various locations in the City of Santa Cruz, in the County of Santa Cruz, California. Licensor authorizes the use of the bus stop #1318, located on Cliff Street/Beach Street adjacent to the Boardwalk parking lot across the street from the Boardwalk Bowl (Northbound) in the City of Santa Cruz, California (hereinafter the "Bus Stop").
2. Licensee desires to utilize Licensor's Bus Stop in order to load/unload bus passengers who are utilizing the Licensee's Fall Frolic event on September 29, 2014 from 6:00pm to 10:30pm (the "FF Bus").
3. Licensor is willing for Licensee to utilize Licensor's Bus Stop for this purpose, subject to the terms and conditions of this License and Indemnity Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Grant of License to Licensee.** Licensor hereby grants Licensee (and their respective officers, managers, employees, contractors and other authorized agents acting under Licensee's authority and within the scope of its consent) permission to utilize at no cost the Bus Stop for the exclusive purpose of loading and unloading passengers utilizing the FF Bus. Licensee's right of use shall be confined to the Bus Stop location described in Recital 1 above. Licensor further grants permission to Licensee to allow its passengers to enter onto the Bus Stop in order to access them and to wait at the Bus Stop for the FF Bus. Licensor further grants permission to Licensee to maintain and keep the Bus Stop clean and free of trash and debris left by any FF Bus passengers.
2. **Licensee's Satisfaction with Bus Stops.** Licensee has inspected each of the Bus Stop identified in Recital 1 above, and on a regular and recurring basis will inspect them prior to its use of them to satisfy itself of their condition. Licensee has found that this Bus Stop fits the intended purpose herein and is in safe and good working order. Should Licensee become dissatisfied with the safe condition of the Bus Stop, Licensee shall immediately inform Licensor of such dissatisfaction and provide Licensor the opportunity to correct the Bus Stop condition prior to any further use. Licensee warrants that its NO Bus operators will not use any Bus Stop that is not in safe and good working order.

ATTACHMENT B

3. **Term and Termination.** It is understood and agreed that this License Agreement shall remain in full force for a five (5) year period, beginning on the “Effective Date” and ending five (5) years thereafter (the “Expiration Date”). This contract may be renewed for two (2) succeeding five-year periods by the parties executing extensions to this contract.
 - A. It is further agreed that if at any time Licensor determines that it is no longer in its best interests to continue to grant this license to Licensee, that it can, upon five (5) days written notice, terminate this license without further notice or liability of any kind.
4. **Permits.** Licensee shall, at its sole cost and expense, obtain all necessary governmental permits and approvals required to operate the NO Bus. Licensees shall comply with all laws, codes, rules, regulations and permits applicable to the use of the Bus Stop for the purposes herein contemplated.
5. **Non-Interference with Licensor’s Operations.** Licensee shall utilize this license and the permission granted herein in such a way that it does not unreasonably disrupt Licensor’s transit operations and shall minimize any inconvenience to Licensor’s customers, passengers, invitees, employees or the public. Licensee shall not use the Bus Stop for parking, stopping or idling any NO Bus for bus schedule purposes (“Holdovers”) and will utilize them only for the purpose of picking up and dropping off passengers. Licensee shall also take every reasonable precaution to prevent and avoid damage to the Bus Stop, their improvements, and any and all persons or property located thereon, arising from Licensee’s use of the Bus Stop or from any other permitted use thereon. Licensee is required to keep the Bus Stop clean and free of debris left by NO Bus passengers. Should Licensee cause damage to the Bus Stop in any way, Licensee shall immediately report such damage to Licensor and, as provided by Paragraph 6 below, shall make arrangements for the repair of same at its sole cost.
6. **Liability and Duty to Pay for Damages and Insurance.** Licensee shall be liable for any and all damages, harm, losses, expenses or injuries to the Bus Stop (including their improvements) or to any person(s) or any other property (collectively “Damages”) caused by Licensee or its agents, employees, invitees or guests, regardless of whether such Damages were caused by negligence or intentional conduct, to the extent required by Paragraph 7. Licensee shall at its sole expense promptly repair or remediate any such Damages to the reasonable satisfaction of Licensor. Licensee, at its sole expense, shall obtain and keep in force during the term of this Agreement a policy of commercial general liability insurance and a program of self-insurance insuring Licensee for Licensee’s use of Licensor’s Bus Stop. Such commercial general liability insurance and program of self-insurance shall be in the amount of not less than \$5 million per occurrence. The limit of such insurance, shall not, however, limit the liability of Licensee hereunder. The provisions of this Paragraph 6 shall survive termination of this Agreement. A certificate of such insurance may be viewed at or downloaded from the following web address:

<http://www.ucop.edu/riskmgt/faq/documents/generic-certificate-self-ins.pdf>

Licensee will supply, upon request, evidence of commercial general liability insurance.

ATTACHMENT B

Licensor, its directors, officers, employees, agents and volunteers are hereby named as additionally covered parties on Licensee's general liability self-insurance program, as relating to the activities described in this Agreement, provided that such provision shall apply only in proportion to and to the extent of the negligent acts or omissions, of Licensee, its officers, employees, agents, invitees or guests.

7. **Indemnity.** Licensee shall to the fullest extent permitted by law, indemnify and hold harmless Licensor from and against any and all claims, causes of action, demands, losses, judgments, fines, penalties, obligations, liens, and liabilities (including, without limitation, all expenses, attorneys' fees, and costs incurred in investigating or defending against the same) (collectively, "Costs") that are asserted against Licensor (i) relating to or arising out of or as a result of Licensee's herein-permitted use; (ii) that arise out of access to the Bus Stop pursuant to this Agreement by Licensee, its agents, employees, invitees, or guests; (iii) that are due to any violation of law by Licensee, its agents, employees, invitees, or guests in utilizing this "Bus Stop"; or (iv) that are due to breach of any of the provisions of this Agreement by Licensee; but, the foregoing notwithstanding, Licensee's indemnification obligation to Licensor under this Paragraph 7 shall only be in proportion to and to the extent that such Costs are caused by the negligent or intentional acts or omissions of Licensee, its officers, agents, employees, invitees, or guests. The provisions of this Paragraph 7 shall survive termination of this Agreement.
8. **Adverse Litigation Rights.** Licensor shall have the right to control all legal proceedings enumerated in Paragraph 7 asserted against Licensor, including the right to (i) select counsel and/or mediators reasonably satisfactory to Licensor, (ii) approve, in its sole discretion, of any settlements that would require the taking of any action or payment of money on the part of Licensor, and (iii) oversee all other choices associated with such legal proceedings. The provisions of this Paragraph 8 shall survive termination of this Agreement.
9. **Reimbursement for Expenses and Attorney Fees.** Each party shall bear its own costs incurred in the preparation and negotiation of this Agreement. In the event any party shall commence legal proceedings against another party for the purpose of enforcing any provision of this Agreement, or by reason of any breach arising under the provisions hereof, then the prevailing party or parties in such proceedings shall be entitled to reasonable litigation expenses, including attorneys' fees and expert fees, to be determined by the Court.
10. **Assignment, Successor and Assigns.** Licensee may not assign any of its rights under this Agreement, either voluntarily or by operation of law, without Licensor's prior written consent, which shall not be unreasonably withheld. No assignment by Licensee shall release Licensee from any liability under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns, including without limitation subsequent owners of the Bus Stop.
11. **Execution of Agreement.** Each signatory hereto warrants to the other parties hereto its authority to sign on behalf of the party for whom he or she purports to sign.

ATTACHMENT B

12. **Entire Agreement.** This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior discussions, negotiations, understandings or agreements relating thereto.
13. **Time is of the essence.** Time is of the essence in this Agreement.
14. **No Oral Modification.** No alteration or variation of this Agreement shall be valid or binding unless made in writing and signed by the parties hereto.
15. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California.
16. **Venue.** Licensor and Licensees hereby stipulate that the proper venue in which any legal proceeding arising between the parties shall be heard is in Santa Cruz County, California Superior Court.
17. **Notices.** Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person or (b) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

To Licensor:

Alex Clifford
CEO/General Manager
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060-2101

To Licensee:

University of California, Santa Cruz
ATTN: Larry Pageler, TAPS
1156 High Street
Santa Cruz, CA 95064

With a copy to:

University of California, Santa Cruz
ATTN: Real Estate Office
1156 High Street
Santa Cruz, CA 95064

18. **Counterparts; Facsimile Signatures.** This Agreement may be executed in one or more counterparts and delivered by facsimile transmission with original signatures to follow, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

ATTACHMENT B

19. **Property Rights.** The right granted in Paragraph 1 of this Agreement is a mere license only, and does not constitute an easement, right of way, or real property interest in the Property. No legal title or interest in Licensor's Bus Stop is otherwise created or vested in Licensee under this Agreement.
20. **No Third Party Beneficiaries.** This Agreement is solely for the benefit of Licensor and Licensees. Nothing contained in this Agreement shall be deemed to confer on anyone other than Licensor and Licensees the right to enforce the performance of or compliance with of any of the obligations contained herein.
21. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.
22. **Recording.** This License shall not be recorded.
23. **Rule of Construction.** Licensor and Licensees shall both be deemed to have drafted this Agreement, and the rule of construction that a document is to be construed against the drafting party shall not be employed in the construction or interpretation of this Agreement.

This license is entered into as of the effective date set forth above, by and between:

LICENSOR:
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

By: _____

Title: _____

Date: _____

Approved as to Form:

Leslyn K. Syren
District Counsel

ATTACHMENT B

LICENSEE:
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _____

Title: _____

Date: _____

ATTACHMENT C

LICENSE AND INDEMNITY AGREEMENT FOR SHADOW SERVICE

This LICENSE AND INDEMNITY AGREEMENT (hereinafter "Agreement") is entered into as of September 12, 2014 (the "Effective Date") by and between Santa Cruz Metropolitan Transit District (hereinafter "Licensor") and the Regents of the University of California (hereinafter "Licensee"), on behalf of its Santa Cruz campus. Licensor and Licensee are each referred to individually herein as a "Party" and collectively as the "Parties."

RECITALS:

1. Licensor is a local public transportation agency with administrative offices located at 110 Vernon Street, Santa Cruz, California and has bus stops located at various locations in the City of Santa Cruz, in the County of Santa Cruz, California, as further described in "Exhibit A," which is hereby attached and incorporated (hereinafter collectively "Bus Stops").
2. Licensee desires to utilize Licensor's Bus Stops in order to load/unload bus passengers who are utilizing the Licensee's late-night Night Owl bus service (the "NO Bus").
3. Licensor is willing for Licensee to utilize Licensor's Bus Stops for this purpose, subject to the terms and conditions of this License and Indemnity Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises, covenants, conditions and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Grant of License to Licensee.** Licensor hereby grants Licensee (and their respective officers, managers, employees, contractors and other authorized agents acting under Licensee's authority and within the scope of its consent) permission to utilize at no cost the Bus Stops for the exclusive purpose of loading and unloading passengers utilizing the NO Bus. Licensee's right of use shall be confined to the Bus Stops described in Exhibit A. Licensor further grants permission to Licensee to allow its passengers to enter onto the Bus Stops in order to access them and to wait at the Bus Stops for the NO Bus. Licensor further grants permission to Licensee to maintain and keep the Bus Stop clean and free of trash and debris left by any NO Bus passengers.
2. **Licensee's Satisfaction with Bus Stops.** Licensee has inspected each of the Bus Stops identified in Exhibit A and on a regular and recurring basis will inspect them prior to its use of them to satisfy itself of their condition. Licensee has found the Bus Stops fit for the intended purpose herein and in safe and good working order. Should Licensee become dissatisfied with the safe condition of the Bus Stop(s), Licensee shall immediately inform Licensor of such dissatisfaction and provide Licensor the opportunity to correct the Bus Stop(s) condition prior to any further use. Licensee warrants that its NO Bus operators will not use any Bus Stop identified in Exhibit A that is not in safe and good working order.

ATTACHMENT C

3. **Term and Termination.** It is understood and agreed that this License Agreement shall remain in full force for a five (5) year period, beginning on the “Effective Date” and ending five (5) years thereafter (the “Expiration Date”). This contract may be renewed for two (2) succeeding five-year periods by the parties executing extensions to this contract.
 - A. It is further agreed that if at any time Licensor determines that it is no longer in its best interests to continue to grant this license to Licensee, that it can, upon five (5) days written notice, terminate this license without further notice or liability of any kind.
4. **Permits.** Licensee shall, at its sole cost and expense, obtain all necessary governmental permits and approvals required to operate the NO Bus. Licensees shall comply with all laws, codes, rules, regulations and permits applicable to the use of the Bus Stops for the purposes herein contemplated.
5. **Non-Interference with Licensor’s Operations.** Licensee shall utilize this license and the permission granted herein in such a way that it does not unreasonably disrupt Licensor’s transit operations and shall minimize any inconvenience to Licensor’s customers, passengers, invitees, employees or the public. Licensee shall not use the Bus Stops for parking, stopping or idling any NO Bus for bus schedule purposes (“Holdovers”) and will utilize them only for the purpose of picking up and dropping off passengers. Licensee shall also take every reasonable precaution to prevent and avoid damage to the Bus Stops, their improvements, and any and all persons or property located thereon, arising from Licensee’s use of the Bus Stops or from any other permitted use thereon. Licensee is required to keep the Bus Stops clean and free of debris left by NO Bus passengers. Should Licensee cause damage to the Bus Stop(s) in any way, Licensee shall immediately report such damage to Licensor and, as provided by Paragraph 6 below, shall make arrangements for the repair of same at its sole cost.
6. **Liability and Duty to Pay for Damages and Insurance.** Licensee shall be liable for any and all damages, harm, losses, expenses or injuries to the Bus Stops (including their improvements) or to any person(s) or any other property (collectively “Damages”) caused by Licensee or its agents, employees, invitees or guests, regardless of whether such Damages were caused by negligence or intentional conduct, to the extent required by Paragraph 7. Licensee shall at its sole expense promptly repair or remediate any such Damages to the reasonable satisfaction of Licensor. Licensee, at its sole expense, shall obtain and keep in force during the term of this Agreement a policy of commercial general liability insurance and a program of self-insurance insuring Licensee for Licensee’s use of Licensor’s Bus Stops. Such commercial general liability insurance and program of self-insurance shall be in the amount of not less than \$5 million per occurrence. The limit of such insurance, shall not, however, limit the liability of Licensee hereunder. The provisions of this Paragraph 6 shall survive termination of this Agreement. A certificate of such insurance may be viewed at or downloaded from the following web address:

<http://www.ucop.edu/riskmgmt/faq/documents/generic-certificate-self-ins.pdf>

Licensee will supply, upon request, evidence of commercial general liability insurance.

ATTACHMENT C

Licensor, its directors, officers, employees, agents and volunteers are hereby named as additionally covered parties on Licensee's general liability self-insurance program, as relating to the activities described in this Agreement, provided that such provision shall apply only in proportion to and to the extent of the negligent acts or omissions, of Licensee, its officers, employees, agents, invitees or guests.

7. **Indemnity.** Licensee shall to the fullest extent permitted by law, indemnify and hold harmless Licensor from and against any and all claims, causes of action, demands, losses, judgments, fines, penalties, obligations, liens, and liabilities (including, without limitation, all expenses, attorneys' fees, and costs incurred in investigating or defending against the same) (collectively, "Costs") that are asserted against Licensor (i) relating to or arising out of or as a result of Licensee's herein-permitted use; (ii) that arise out of access to the Bus Stops pursuant to this Agreement by Licensee, its agents, employees, invitees, or guests; (iii) that are due to any violation of law by Licensee, its agents, employees, invitees, or guests in utilizing these "Bus Stops"; or (iv) that are due to breach of any of the provisions of this Agreement by Licensee; but, the foregoing notwithstanding, Licensee's indemnification obligation to Licensor under this Paragraph 7 shall only be in proportion to and to the extent that such Costs are caused by the negligent or intentional acts or omissions of Licensee, its officers, agents, employees, invitees, or guests. The provisions of this Paragraph 7 shall survive termination of this Agreement.
8. **Adverse Litigation Rights.** Licensor shall have the right to control all legal proceedings enumerated in Paragraph 7 asserted against Licensor, including the right to (i) select counsel and/or mediators reasonably satisfactory to Licensor, (ii) approve, in its sole discretion, of any settlements that would require the taking of any action or payment of money on the part of Licensor, and (iii) oversee all other choices associated with such legal proceedings. The provisions of this Paragraph 8 shall survive termination of this Agreement.
9. **Reimbursement for Expenses and Attorney Fees.** Each party shall bear its own costs incurred in the preparation and negotiation of this Agreement. In the event any party shall commence legal proceedings against another party for the purpose of enforcing any provision of this Agreement, or by reason of any breach arising under the provisions hereof, then the prevailing party or parties in such proceedings shall be entitled to reasonable litigation expenses, including attorneys' fees and expert fees, to be determined by the Court.
10. **Assignment, Successor and Assigns.** Licensee may not assign any of its rights under this Agreement, either voluntarily or by operation of law, without Licensor's prior written consent, which shall not be unreasonably withheld. No assignment by Licensee shall release Licensee from any liability under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and assigns, including without limitation subsequent owners of the Bus Stops.
11. **Execution of Agreement.** Each signatory hereto warrants to the other parties hereto its authority to sign on behalf of the party for whom he or she purports to sign.

ATTACHMENT C

12. **Entire Agreement.** This Agreement sets forth the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior discussions, negotiations, understandings or agreements relating thereto.
13. **Time is of the essence.** Time is of the essence in this Agreement.
14. **No Oral Modification.** No alteration or variation of this Agreement shall be valid or binding unless made in writing and signed by the parties hereto.
15. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California.
16. **Venue.** Licensor and Licensees hereby stipulate that the proper venue in which any legal proceeding arising between the parties shall be heard is in Santa Cruz County, California Superior Court.
17. **Notices.** Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person or (b) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

To Licensor:

Alex Clifford
CEO/General Manager
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060-2101

To Licensee:

University of California, Santa Cruz
ATTN: Larry Pageler, TAPS
1156 High Street
Santa Cruz, CA 95064

With a copy to:

University of California, Santa Cruz
ATTN: Real Estate Office
1156 High Street
Santa Cruz, CA 95064

18. **Counterparts; Facsimile Signatures.** This Agreement may be executed in one or more counterparts and delivered by facsimile transmission with original signatures to follow, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

ATTACHMENT C

19. **Property Rights.** The right granted in Paragraph 1 of this Agreement is a mere license only, and does not constitute an easement, right of way, or real property interest in the Property. No legal title or interest in Licensor's Bus Stops is otherwise created or vested in Licensee under this Agreement.
20. **No Third Party Beneficiaries.** This Agreement is solely for the benefit of Licensor and Licensees. Nothing contained in this Agreement shall be deemed to confer on anyone other than Licensor and Licensees the right to enforce the performance of or compliance with of any of the obligations contained herein.
21. **Partial Invalidity.** If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect, and the parties agree to substitute for the invalid or unenforceable provision a valid and enforceable provision that most closely approximates the intent and economic effect of the invalid or unenforceable provision.
22. **Recording.** This License shall not be recorded.
23. **Rule of Construction.** Licensor and Licensees shall both be deemed to have drafted this Agreement, and the rule of construction that a document is to be construed against the drafting party shall not be employed in the construction or interpretation of this Agreement.

This license is entered into as of the effective date set forth above, by and between:

LICENSOR:

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

By: _____

Title: _____

Date: _____

Approved as to Form:

Leslyn K. Syren
District Counsel

ATTACHMENT C

LICENSEE:
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

By: _____

Title: _____

Date: _____

ATTACHMENT C

Exhibit A

Night Owl Bus Stops

REVISED

Stops on the Route 16 and Route 19 that may be used for UCSC Night Owl Service.

Seq	Route	Stop ID	Description	Side	Dir
1	16	1591R	Laurel\\Center	F	W
2	16	2731R	Laurel\\Blackburn	N	W
3	16	1630R	Mission\\Laurel	F	S
4	16	1226R	Bay\\Mission	F	W
5	16	1227R	Bay\\King	F	W
6	16	1228R	Bay\\Escalona	N	N
7	16	1230R	Bay\\Iowa	F	N
8	16	1232R	Bay\\Meder	M	N
9	16	2328R	Empire Grade\\Arboretum	M	S
10	16	2739R	Empire Grade\\Tosca Terrace	F	S
11	16	1510R	High\\Western Dr	F	E
12	16	2376R	Bay\\High	F	S
13	16	1231R	Bay\\Nobel	F	S
14	16	2056R	Bay\\King	F	S
15	16	1625R	Mission\\Bay/Trescony	F	N
16	16	1629R	Mission\\Laurel	N	N
17	16	1590R	Laurel\\Blackburn	F	E
18	16	2572R	Laurel\\Chestnut	F	E
19	16	1592R	Laurel\\Washington/Center	N	E
20	19	2697R	Pacific\\Center	N	S
21	19	2592R	Pacific\\Viaduct	N	S
22	19	2582R	Bay\\West Cliff	F	W
23	19	2583R	Bay\\Laguna	N	W
24	19	2584R	Bay\\National	F	W
25	19	1220R	Bay\\Garfield Park Village	M	W
26	19	2291R	Bay\\California	F	W
27	19	1223R	Bay\\Seaside	F	W
28	19	2588R	Bay\\Mission	N	W
29	19	2375R	High\\Barn Theater (UCSC)	F	W
30	19	2374R	High\\Western Dr	N	W
31	19	1385R	Empire Grade\\Arboretum (Water Tank)	M	N
32	19	1225R	Bay\\Mission	F	E
33	19	1224R	Bay\\Seaside	F	E
34	19	1222R	Bay\\Redwood	N	E
35	19	1219R	Bay\\Garfield Park Village	M	E
36	19	2585R	Bay\\National	N	E
37	19	2586R	Bay\\Laguna	N	E
38	19	2587R	Bay\\West Cliff	N	E
39	19	2593R	Pacific\\Second	N	N

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: September 12, 2014
TO: Board of Directors
FROM: Carolyn Derwing, Schedule Analyst/Acting Planner
SUBJECT: CONSIDERATION OF A RESOLUTION TO SET A PUBLIC HEARING TO DISCUSS POSSIBLE OPTIONS FOR THE ROUTE 6

I. RECOMMENDED ACTION

That the Board of Directors adopt a Resolution to set a public hearing on October 24, 2014, to discuss possible options for the Route 6.

II. SUMMARY OF ISSUES

- Service to the area of Frederick Street and Gault Street by the Route 6 was discontinued in 2002. Service to the same area by the Route 65 was discontinued in 2004.
- In 2013, residents of the La Posada Retirement Community petitioned Santa Cruz Metro to reinstate bus service to the Frederick and Gault area.
- On June 28, 2013, the Board approved the reinstatement of the Route 6 on a one year trial basis.
- METRO was able to acquire funding for this one year trial from the Santa Cruz County Regional Transportation Commission (SCCRTC).
- The new Route 6 began operating on September 12, 2013 with the start of the Fall Bid.
- As of September 2014, the Route 6 will have been in operation for one year.
- Staff recommends that the Board hold a public hearing to discuss possible options for the Route 6 moving forward.

III. DISCUSSION/BACKGROUND

Prior to 2002, the Route 6 provided hourly service between the hours of 6:50am and 6:50pm. At that time, the Route 6 departed the Santa Cruz Metro Center and served Broadway, Seabright, the Twin Lakes area and then Frederick and Gault before returning to the Santa Cruz Metro Center. This rendition of the Route 6 averaged 8.3 passengers per trip and the service was discontinued in 2002 due to low ridership and because most of the area along the Route 6 was covered by other service such as the Routes 12, 65 and 68.

In 2004 the Route 65, which had been providing service to the La Posada area, was also cut. The Route 65 operated from approximately 6:40am to 6:40pm and provided hourly service in both the inbound and outbound direction between the Santa Cruz Metro Center

and the Capitola Mall. At the time the Route 65 was cut, it was averaging 10.9 passengers per trip. The Route 65 was cut due to lower ridership and the availability of other routes that serviced similar areas such as the Routes 66, 68 and 69 at a time when funding was an issue.

In 2013, Santa Cruz METRO received a petition from the residents of the La Posada Retirement Community requesting the reinstatement of transit service in the Frederick and Gault area of Santa Cruz. La Posada is located at 609 Frederick Street, approximately one block from Soquel Avenue. In April of 2013, Santa Cruz METRO staff met with over 20 residents of La Posada to discuss the challenges that they experienced accessing the bus stops along Soquel. The residents expressed many concerns including poor sidewalk conditions and the short length of time given by the traffic light at Soquel and Frederick to allow pedestrians to cross Soquel Avenue. A lack of a safe path of travel was the primary reason why La Posada residents were requesting the return of METRO bus service directly to the Frederick and Gault area.

On June 28, 2013, the METRO Board voted to reinstate the Route 6 on a one year trial basis. At that time, a minimum threshold of eight riders per trip was set. The Board also directed staff to continue to pursue other options including capital improvements along the Frederick Street corridor. This one year trial was later funded by the Santa Cruz County Regional Transportation Commission.

On July 23, 2014, a group composed of METRO employees, City of Santa Cruz employees, the Mayor of Santa Cruz and residents of La Posada met to conduct an on-site examination of the physical obstacles that exist between La Posada and the bus stops along Soquel Avenue. As of this date, several of the issues have been mitigated by the City. The City is still following up on the timing of the pedestrian crossing at Soquel and Frederick.

It is now one year since the METRO began the “one-year trial” with the Route 6. Over the past twelve months the Route 6 has been averaging 1.9 – 3.1 passengers per trip. METRO staff is recommending that the Board hold a public hearing on October 24, 2014, to discuss possible options for the Route 6, and service to the Frederick and Gault area, going forward.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Costs of advertising a Public Hearing – approximately \$900.

V. ALTERNATIVES CONSIDERED

- Take no action.

VI. ATTACHMENTS

- Resolution to set a public hearing on October 24, 2014 to discuss possible options for the Route 6.

Prepared By: Carolyn Derwing, Schedule Analyst/Acting Planner

Date Prepared: September 3, 2014

APPROVED:



Leslyn Syren, District Counsel



Alex Clifford, CEO

Attachment A

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

Resolution No. 14-09-01

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted: _____

SET A PUBLIC HEARING ON OCTOBER 24, 2014 TO DISCUSS POSSIBLE OPTIONS FOR THE ROUTE 6.

WHEREAS, A PUBLIC HEARING WAS HELD ON June 28, 2013, to consider possible service options to the La Posada Retirement Community;

WHEREAS, the Santa Cruz Board of Directors approved the reinstatement of the Route 6 on a one-year trial basis;

WHEREAS, the Santa Cruz Board of Directors directed METRO staff to continue to pursue other options;

WHEREAS, one year has past since the beginning of the trial service on the Route 6;

WHEREAS, the Route 6 minimum performance criteria was established as ridership of eight passengers per trip;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, that it hereby sets a public hearing on October 24, 2014, to discuss possible options for the Route 6.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on September 12, 2014 by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

Attachment A

DENE BUSTICHI
Board Chair

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

LESLYN SYREN
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: September 12, 2014

TO: Board of Directors

FROM: Erron Alvey, Purchasing Manager

SUBJECT: CONSIDERATION OF AWARD OF CONTRACT WITH HILL INTERNATIONAL, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES IN AN AMOUNT NOT TO EXCEED \$1,500,000

I. RECOMMENDED ACTION

Authorize the CEO to execute a contract with Hill International, Inc. for Project Management Consultant Services in an amount not to exceed \$1,500,000.

II. SUMMARY OF ISSUES

- Santa Cruz METRO has a need for Project Management Consultant Services to ensure the successful completion of the Judy K. Souza Operations Facility due to the complex issues that have arisen during the Project.
- A formal request for proposals was conducted to solicit proposals from qualified firms.
- Three firms submitted proposals for Santa Cruz METRO's review.
- A three-member evaluation team comprised of Santa Cruz METRO staff reviewed and evaluated the proposals, and is recommending an award to Hill International, Inc.

III. DISCUSSION

Santa Cruz METRO requires the services of a Project Management Consultant to act as the Owner Representative with the General Contractor, provide technical expertise in resolving complex issues, and support and augment the existing Project Team in order to ensure the timely and successful completion of the new Judy K. Souza Operations Facility (the "Project"). Beyond the current problem resolution required, Santa Cruz METRO anticipates it will require the services of Hill International to maintain Project controls throughout the remainder of the Project until closeout is completed.

On August 1, 2014, Santa Cruz METRO advertised and distributed a Request for Proposals (RFP No. 15-04) to seventeen (17) project management firms specializing in construction. On August 15, 2014, proposals were received and opened from three (3) firms. A list of these firms is provided in Attachment A. A three-member evaluation team comprised of Frank Cheng, Project Manager and IT Manager, Alex Clifford, CEO, and Leslyn Syren, District Counsel evaluated the

proposals, met with all three proposers for oral interviews/Q&A, and is recommending an award to Hill International, Inc. for these services.

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

Criteria	Points
Demonstrated understanding of the Scope of Services	30
Approach to performing these types of services	25
Qualifications and relevant experience of key personnel	25
References	20
Total Points Possible	100

As this was a qualifications-based procurement, price was excluded as an evaluation factor. Price negotiations were conducted after the most qualified offeror was selected. The evaluation team is recommending that the Board of Directors authorize the CEO to execute a fourteen-month contract on behalf of Santa Cruz METRO with Hill International, Inc. for Project Management Consultant Services in an amount not to exceed \$1,500,000. Consultant will provide all services meeting all Santa Cruz METRO's specifications and requirements of the contract. The CEO has designated Frank Cheng, Project Manager and IT Manager, to serve as the Contract Administrator and ensure contract compliance.

IV. ALTERNATIVES

- Do not award a contract. This option is not recommended by staff due to the need to add a breadth of project management expertise.

V. FINANCIAL CONSIDERATIONS

Funds to support the contract are included in the MetroBase FY15 capital budget. Funding elements for the project budget include PTMISEA, State/Local Partnership funds, federal funds, and sales tax. The CEO will return to the Board with a revised project funding schedule.

VI. ATTACHMENTS

Attachment A: List of Responding Firms
Attachment B: Contract with Hill International, Inc.

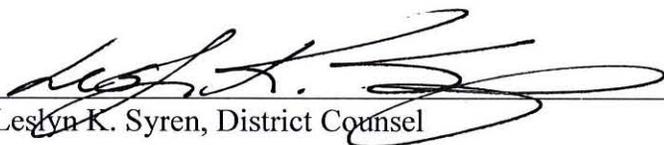
Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Purchasing Office of Santa Cruz METRO.

Prepared By: Erron Alvey, Purchasing Manager
Date Prepared: August 28, 2014

APPROVED:



Frank Cheng, Project Manager and IT Manager



Leslyn K. Syren, District Counsel



Alex Clifford, CEO/General Manager

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Attachment A



Responding Firms for RFP No. 15-04

Project Management Consultant Services

Received August 15, 2014 by 5:00 PM

Bogard Construction, Inc.	Santa Cruz	CA
4LEAF, Inc.	Pleasanton	CA
Hill International, Inc.	San Francisco	CA

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Attachment B

PROFESSIONAL SERVICES CONTRACT FOR PROJECT MANAGEMENT CONSULTANT SERVICES (15-04)

THIS CONTRACT is made effective on September 15, 2014 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (“Santa Cruz METRO”), a political subdivision of the State of California, and HILL INTERNATIONAL, INC. (“Consultant”).

1. RECITALS

1.01 Santa Cruz METRO’s Primary Objective

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

1.02 Santa Cruz METRO’s Need for Project Management Consultant Services

Santa Cruz METRO has the need for Project Management Consultant Services. In order to obtain these services, Santa Cruz METRO issued a Request for Proposals, dated August 1, 2014, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit A.

1.03 Consultant’s Proposal

Consultant is a firm/individual qualified to provide Project Management Consultant Services and whose principal place of business is One Sansome Street, Suite 2940, San Francisco, California 94104. Pursuant to the Request for Proposals issued by Santa Cruz METRO, Consultant submitted a proposal for Project Management Consultant Services, which is attached hereto and incorporated herein by reference as Exhibit B

1.04 Selection of Consultant and Intent of Contract

On August 25, 2014, Santa Cruz METRO selected Consultant as the offeror whose proposal was most advantageous to Santa Cruz METRO to provide the Project Management Consultant Services described herein. This Contract is intended to fix the provisions of these services.

1.05 On September 5, 2014, Santa Cruz METRO and Consultant completed negotiations on the General Conditions to the Contract and Consultant’s Rate Schedule. These final negotiated and agreed upon terms and conditions are attached hereto as Exhibit C.

Santa Cruz METRO and Consultant agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

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

Attachment B

A. Exhibit A

Santa Cruz METRO's "Request for Proposals" dated August 1, 2014, including Addendum No. 1 dated August 11, 2014.

B. Exhibit B (Consultant's Proposal)

Consultant's Proposal to Santa Cruz METRO for Project Management Consultant Services, signed by Consultant and dated August 15, 2014.

C. Exhibit C

The final negotiated and agreed upon terms and conditions dated September 5, 2014, which include the General Conditions to the Contract and Consultant's Rate Schedule.

2.02 Conflicts

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

2.03 Recitals

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

3. **DEFINITIONS**

3.01 General

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

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

3.01.02 CONSULTANT - The Consultant selected by Santa Cruz METRO for this project in accordance with the Request for Proposals issued August 1, 2014.

3.01.03 CONSULTANT'S STAFF - Employees of Consultant.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Consultant whose proposal was accepted under the terms and conditions of the Request for Proposals issued August 1, 2014.

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

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

Attachment B

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed **fourteen (14) months** and shall commence upon the execution of the Contract by Santa Cruz METRO.

Upon satisfactory performance of services, Santa Cruz METRO may extend this agreement beyond the initial term when mutually agreed to in writing by the parties.

5. ORDERING

Any services to be furnished under this Contract shall be ordered by issuance of task orders. The procedure shall be as follows:

Santa Cruz METRO shall submit a Request for a Task Order Proposal to the Consultant. The Proposal submitted by the Consultant will be evaluated by the Project Manager and the Contract Officer to ensure it conforms to the terms and conditions of the original Contract and that it meets the requested needs. The Contract Officer shall then prepare a Task Order Authorization and process it for execution within the following delegated authority:

The CEO is authorized to bind Santa Cruz METRO to Task Orders up to \$50,000 each on this Board of Directors-approved Professional Services Contract, provided that the sum of all such Task Orders shall not exceed the following percentages of the original Contract amount: ten percent (10%) of the first Million Dollars, plus eight percent (8%) of the next Nine Million Dollars, plus six percent (6%) of the balance.

Notwithstanding the foregoing, the CEO shall have authority to issue Task Order Authorizations in such sums as may reasonably be necessary if the CEO determines a Task Order Authorization is required to:

1. Prevent interruption of the Project that would result in a substantial increase in cost to Santa Cruz METRO; or
2. Protect the Project, or equipment or materials to be used in the Project, human safety, or the environment at or near the site of the Project from substantial and immediate danger or injury; or
3. Protect the Project, or equipment or materials to be used in the Project, or human safety or the environment at or near the site of the Project where damage or injury has occurred from further or additional damage or injury or deterioration caused by man, nature or other source.

The CEO shall report such action to Santa Cruz METRO's Board of Directors as soon as reasonably possible, but in any event within no more than thirty (30) days after the action is taken.

All task orders are subject to the terms and conditions of this Contract. In the event of conflict between a task order and this Contract, the Contract shall control.

6. COMPENSATION

6.01 Terms of Payment

Santa Cruz METRO shall compensate Consultant in an amount not to exceed the amounts/rates agreed upon by Santa Cruz METRO. Santa Cruz METRO shall reasonably determine whether work has been

Attachment B

successfully performed for purposes of payment. Compensation shall be made within thirty (30) days of Santa Cruz METRO's written approval of Consultant's written invoice for said work. Consultant understands and agrees that if they exceed the \$1,500,000 maximum amount payable under this Contract, they do so at their own risk.

6.02 Invoices

Consultant shall submit invoices with a purchase order number and a task order number, both provided by Santa Cruz METRO, on a monthly basis. Consultant's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract.

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

7. NOTICES

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

Santa Cruz METRO

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060

Attention: Alex Clifford, CEO

CONSULTANT

Hill International, Inc.
One Sansome Street, Suite 2940
San Francisco, CA 94104

Attention: Anthony Marraro
anthonymarraro@hillintl.com
(415) 757-2385

8. AUTHORITY

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

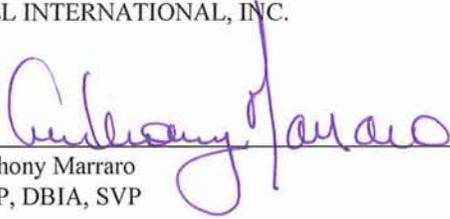
Attachment B

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Alex Clifford
CEO/General Manager

Consultant –
HILL INTERNATIONAL, INC.

By  _____
Anthony Marraro
PMP, DBIA, SVP

Approved as to Form:

Leslyn Syren
District Counsel

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STRUCTURAL DEFICIT WORKSHOP

II of VIII

Define the Challenges: Part II of II

Santa Cruz METRO Board of Directors

September 12, 2014

Alex Clifford, CEO

Overview of Today's Presentation

◦ **Recap Slides from August 8, 2014 BOD Meeting**

- Definition of a Structural Deficit
- Estimated Sales Tax Loss (FY08 – FY14)
- Major Budget Drivers
- Traditional Recurring Operating Revenue Components
- Total Expenses % Change vs. CPI % Change (FY07 – FY14)
- Capital Eligible Funds (Used to Backfill the Structural Deficit)
- Estimated Operating Reserves as of: 06/30/16
- SAFETEA-LU to MAP-21 (Moving Ahead for Progress in the 21st Century Act)

◦ **Follow-up Slides from August 8, 2014 BOD Meeting**

- Employee Seniority:
 - Total Organization
 - By Labor Group
 - Additional Employee Seniority Information
- Capital Eligible Funds: Sales Tax – 2%, 5%, 7%, 8.5% increase scenarios
- Grant Awards (By Source) FY07-FY14
- Grant Awards Batting Average

◦ **New Slides for August 12, 2014 BOD Meeting**

- PEPRA
- MAP - 21
- STA

◦ **Follow-up Slides – Future Presentations**

- Expense % Change:
 - Personnel, Non-Personnel vs. CPI
 - Mgmt, PC, FR, SEIU (Personnel), Non-Personnel vs. CPI
- Farebox Recovery Ratio Comparison to Peers (coming in October 2014)

Define the Challenges: Part I of II:

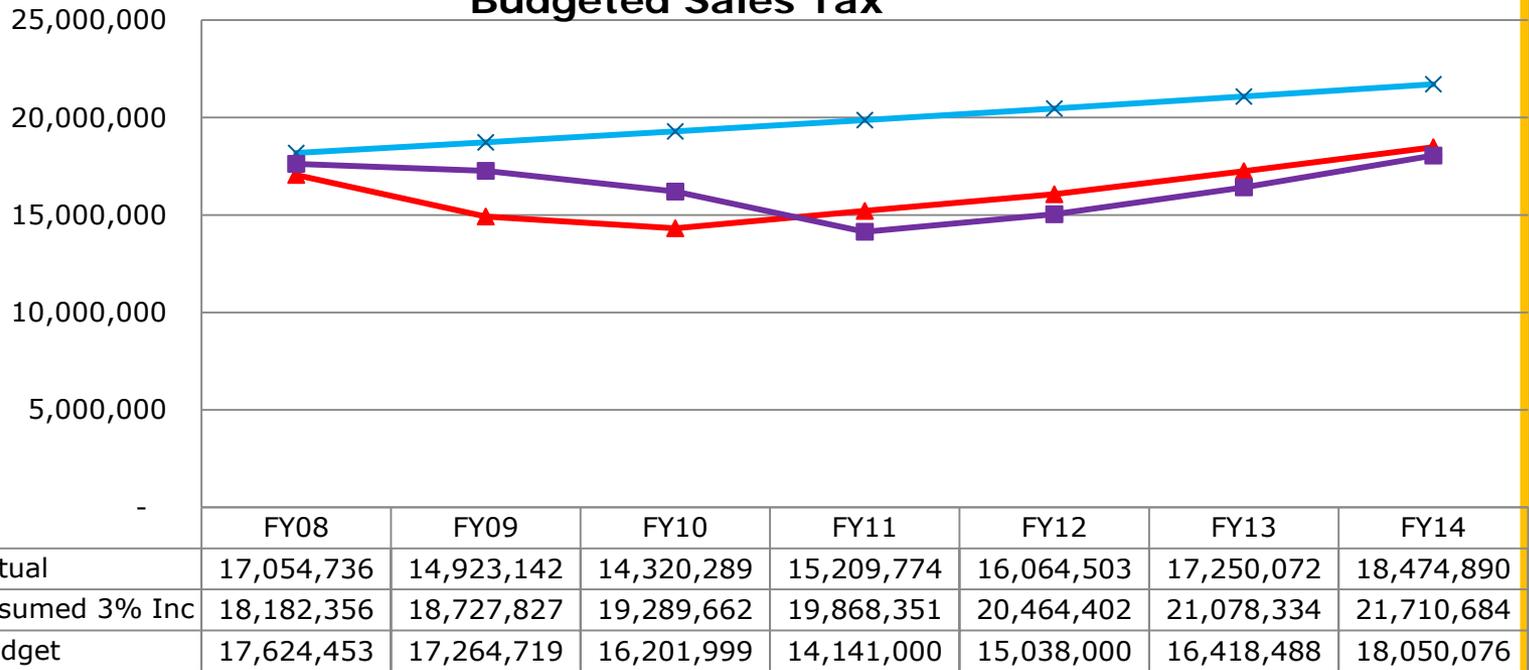
- Recap Slides from August 8, 2014 BOD Meeting

Definition of a Structural Deficit:

-Recurring Expenses Exceed Recurring Revenues

Estimated Sales Tax Loss (FY08 - FY14)

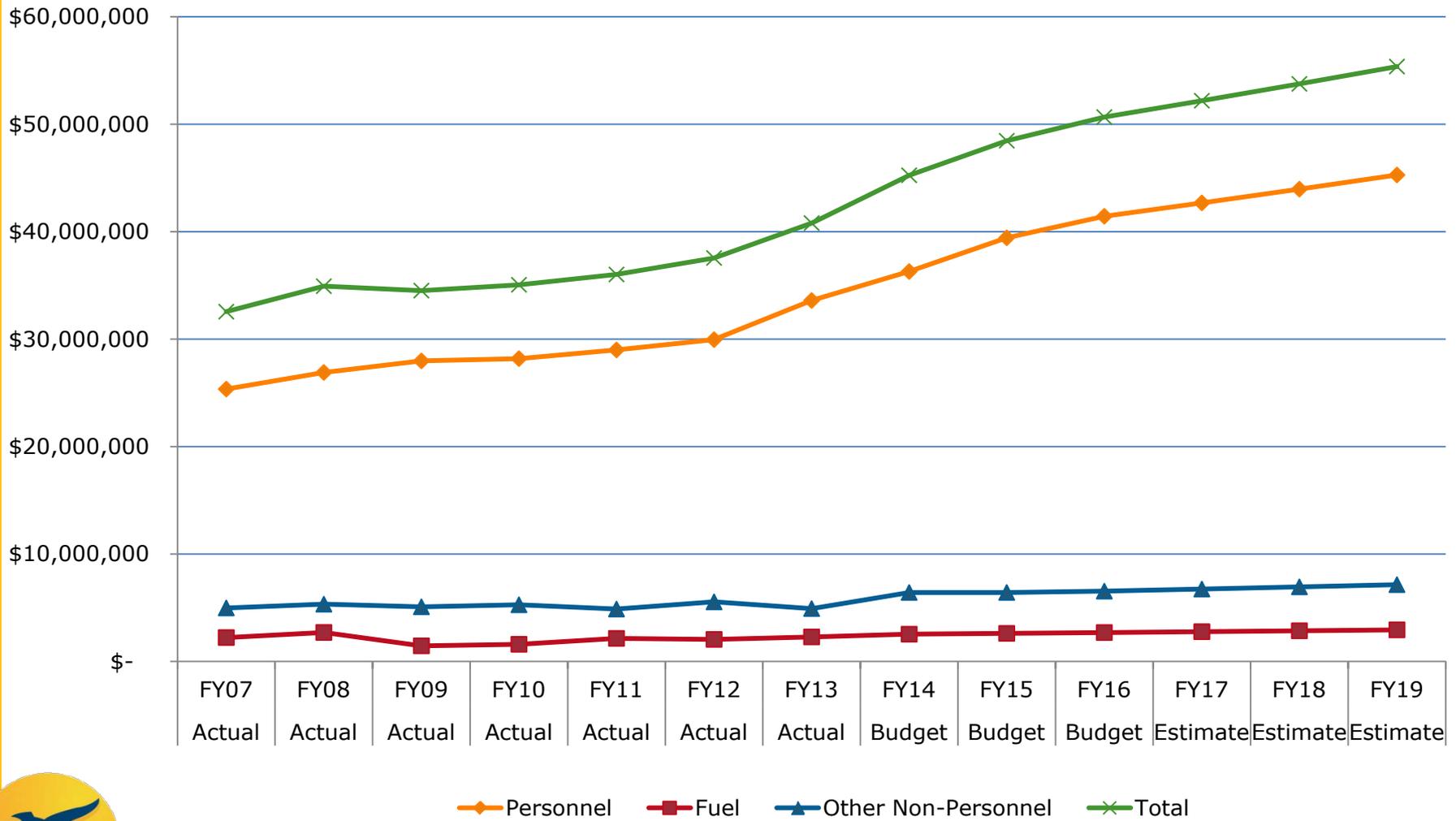
Actual Sales Tax Received vs. Assumed 3% Increase with added Budgeted Sales Tax



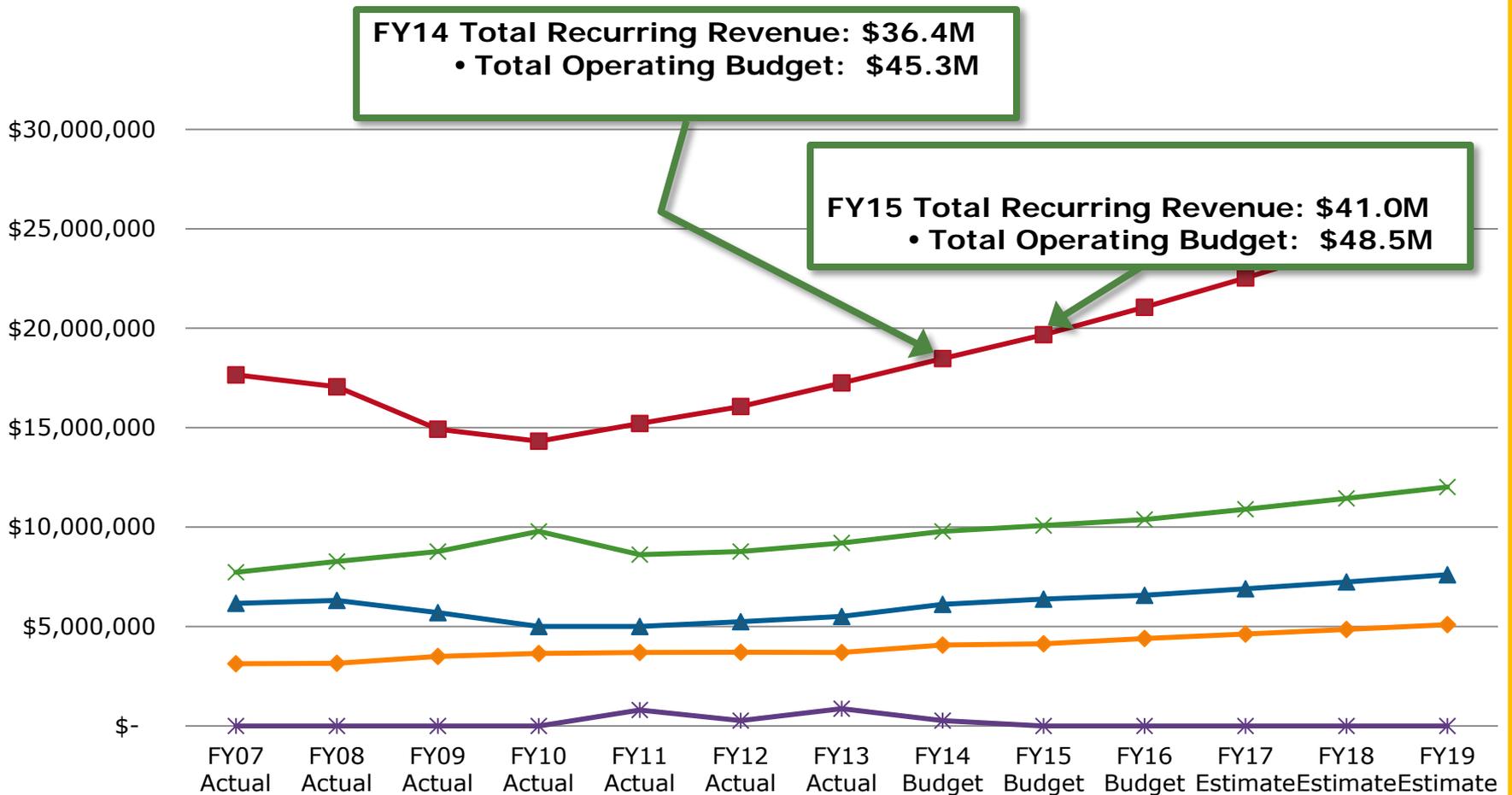
FY08 – FY14 Assumed Total Loss - \$26M

FY08 – FY14 Non-Recurring Revenue Used – \$21.8M
- Reserves, STIC, STA

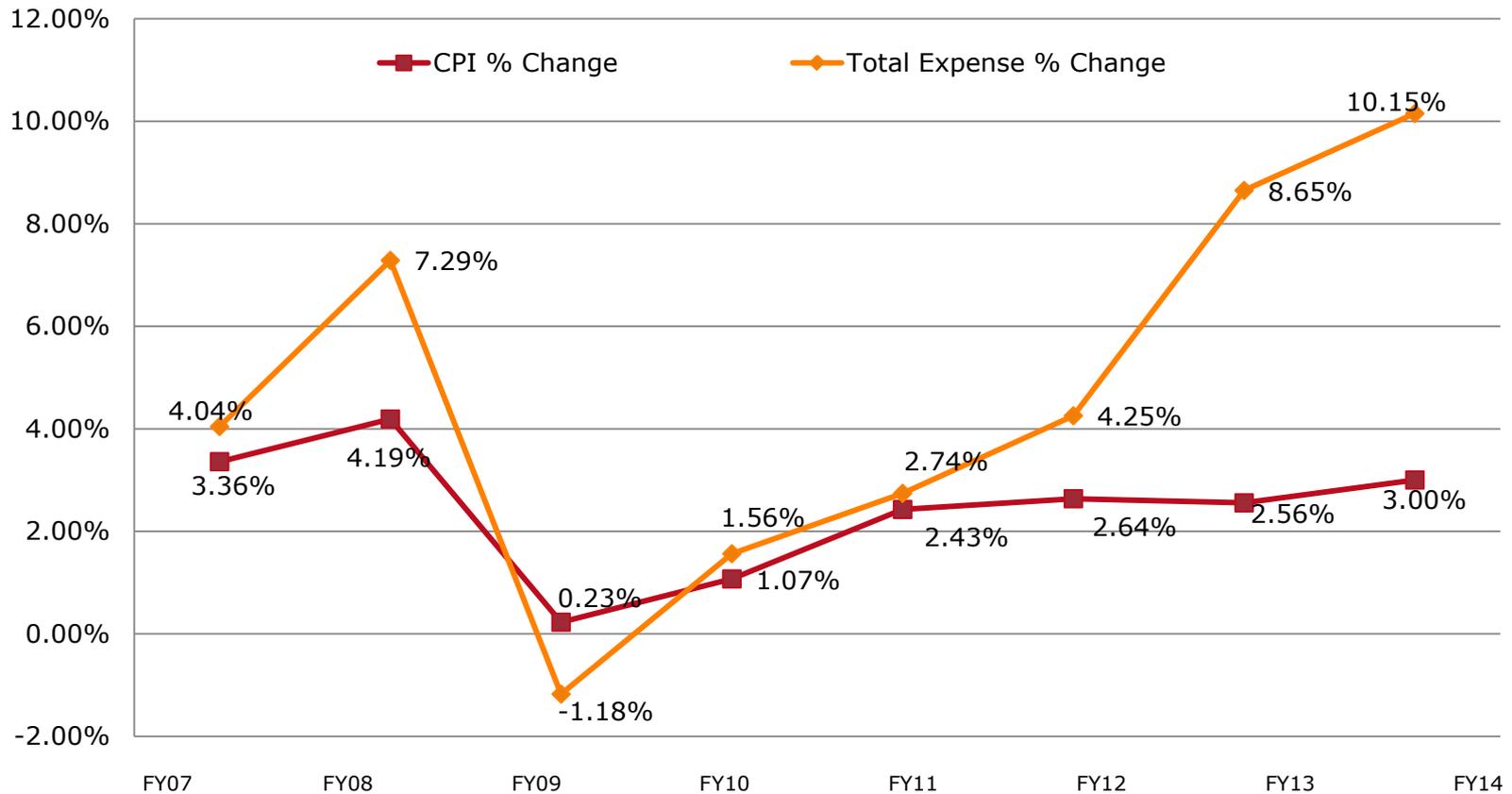
Major Budget Drivers



Traditional Recurring Operating Revenue Components



Total Expenses % Change vs. CPI % Change (FY07 – FY14)

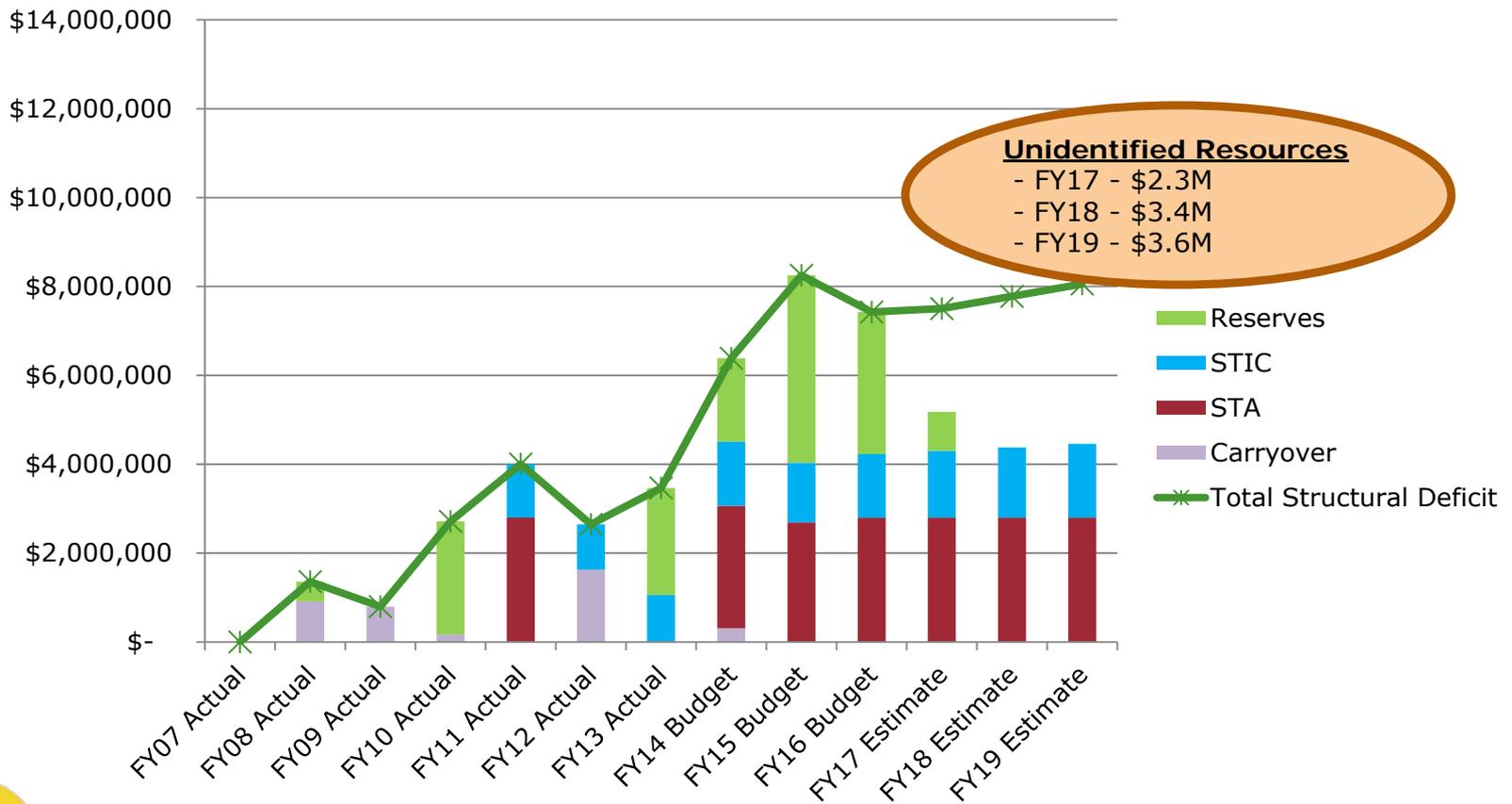


Consumer Price Index Source: Pacific Cities and US City Average

- All Urban Consumers (CPI-U)
- San Francisco-Oakland-San Jose (June of every year)

Capital Eligible Funds

**Used to Backfill the Structural Deficit
(at 7% Sales Tax in FY15 & FY16 Budgeted Year Over Year)**



Estimated Operating Reserves as of 06/30/16

Based on Santa Cruz METRO Board adoption of a 2 year budget (FY15 & FY16)



Target: \$662K



Target: \$3.0M



Target: \$6.1M



Target: \$3.3M



SAFETEA-LU to MAP-21 (Moving Ahead for Progress in the 21st Century Act)

Authorization Extended through May 2015

<u>Program</u>	SAFETEA-LU		CR *	CR *	CR *	----MAP-21----		CR * est.
	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>	<u>FY15</u>
5307 Ops.	\$3.5M	\$3.6M	\$4.9M	\$4.7M	\$4.7M	\$5.5M	\$5.5M	\$5.5M ?
5309 Cap.	\$490K	-	-	\$2.8M	\$5.8M	\$454K	\$458K	\$462K ?
5311 Ops.	\$162k	\$170K	\$157K	\$156K	\$156K	\$208K	\$212K	\$214K ?
Total	\$4.2M	\$3.8M	\$5.1M	\$7.7M	\$10.7M	\$6.2M	\$6.2M	\$6.2M

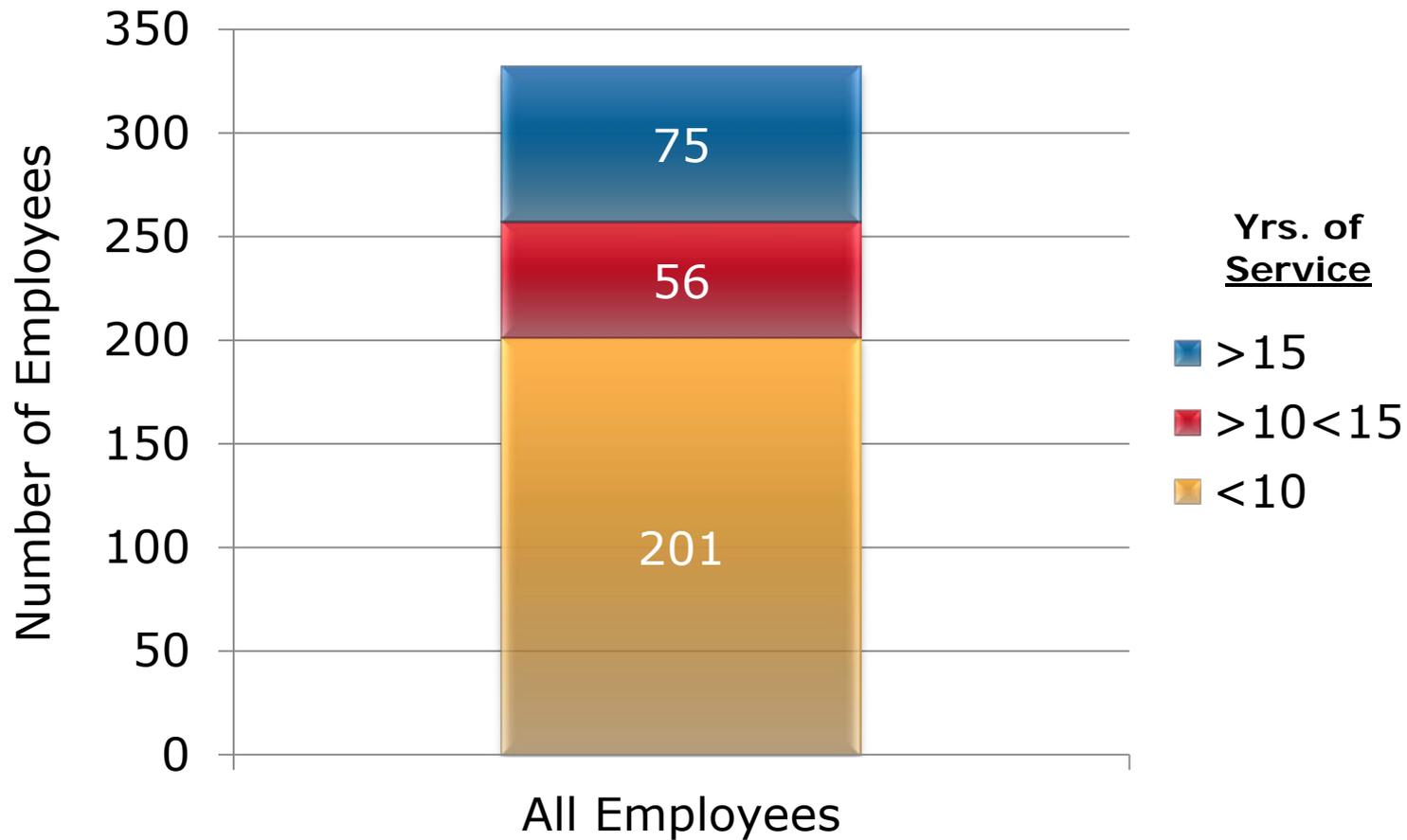
* - CR = Continuing Resolution

Define the Challenges: Part I of II:

- Follow-up Slides from August 8, 2014 BOD Meeting

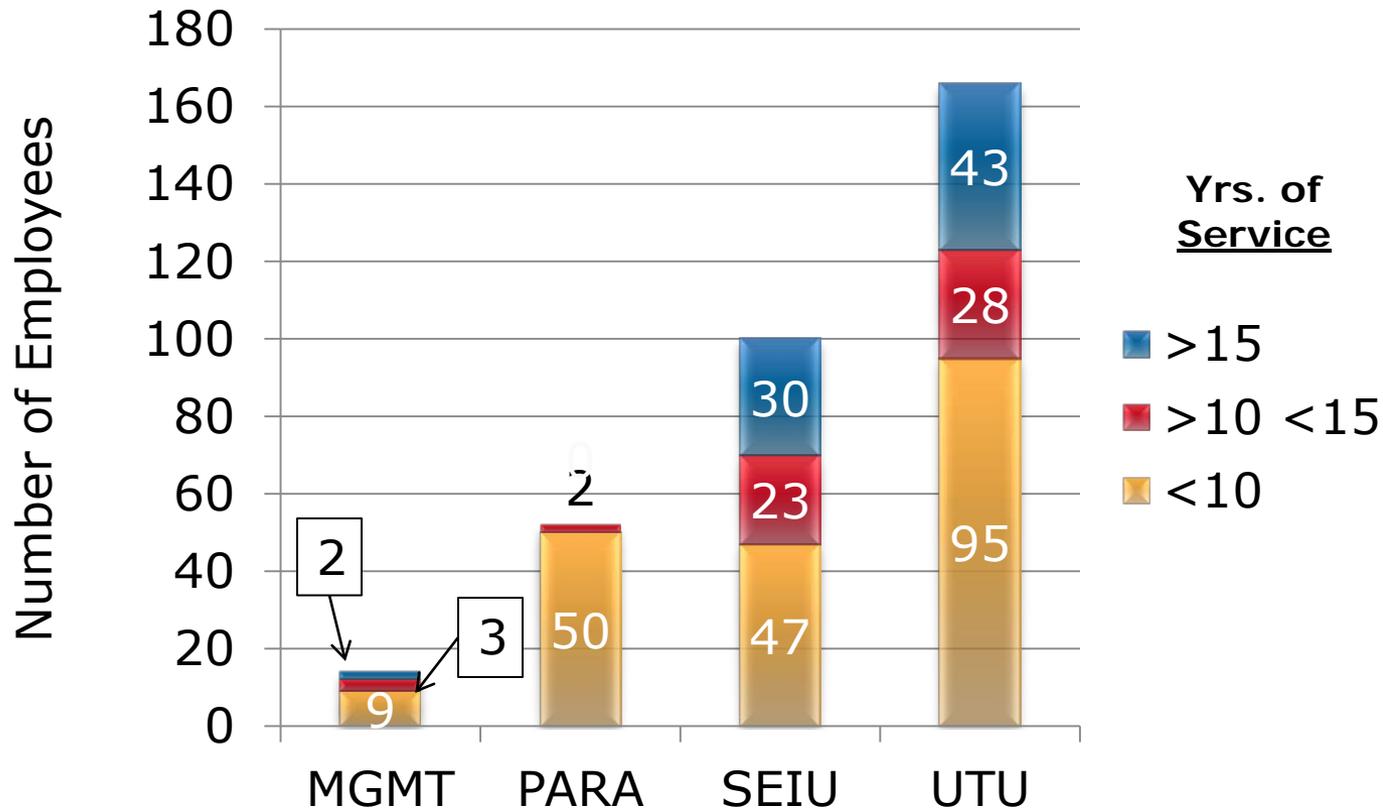
Employee Seniority - Total Organization

As of 9/12/2014



Employee Seniority by Labor Group

As of 9/12/2014



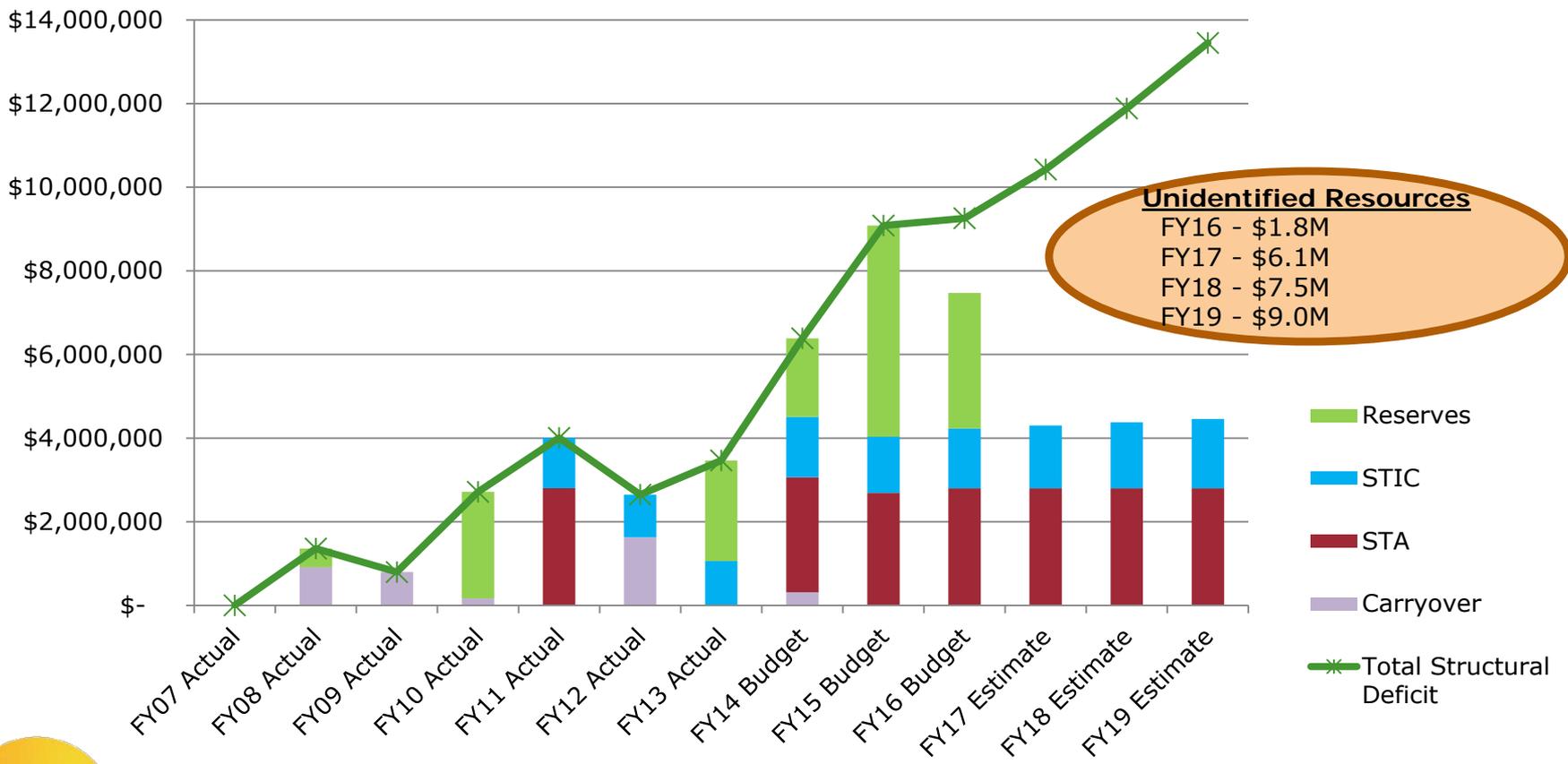
Additional Employee Seniority Information

By the end of December 2014:

- Sixty-nine (69) employees will have over 10 years of service
- Forty (40) employees will have over 15 years of service
- Forty-two (42) employees will have over 20 years of service

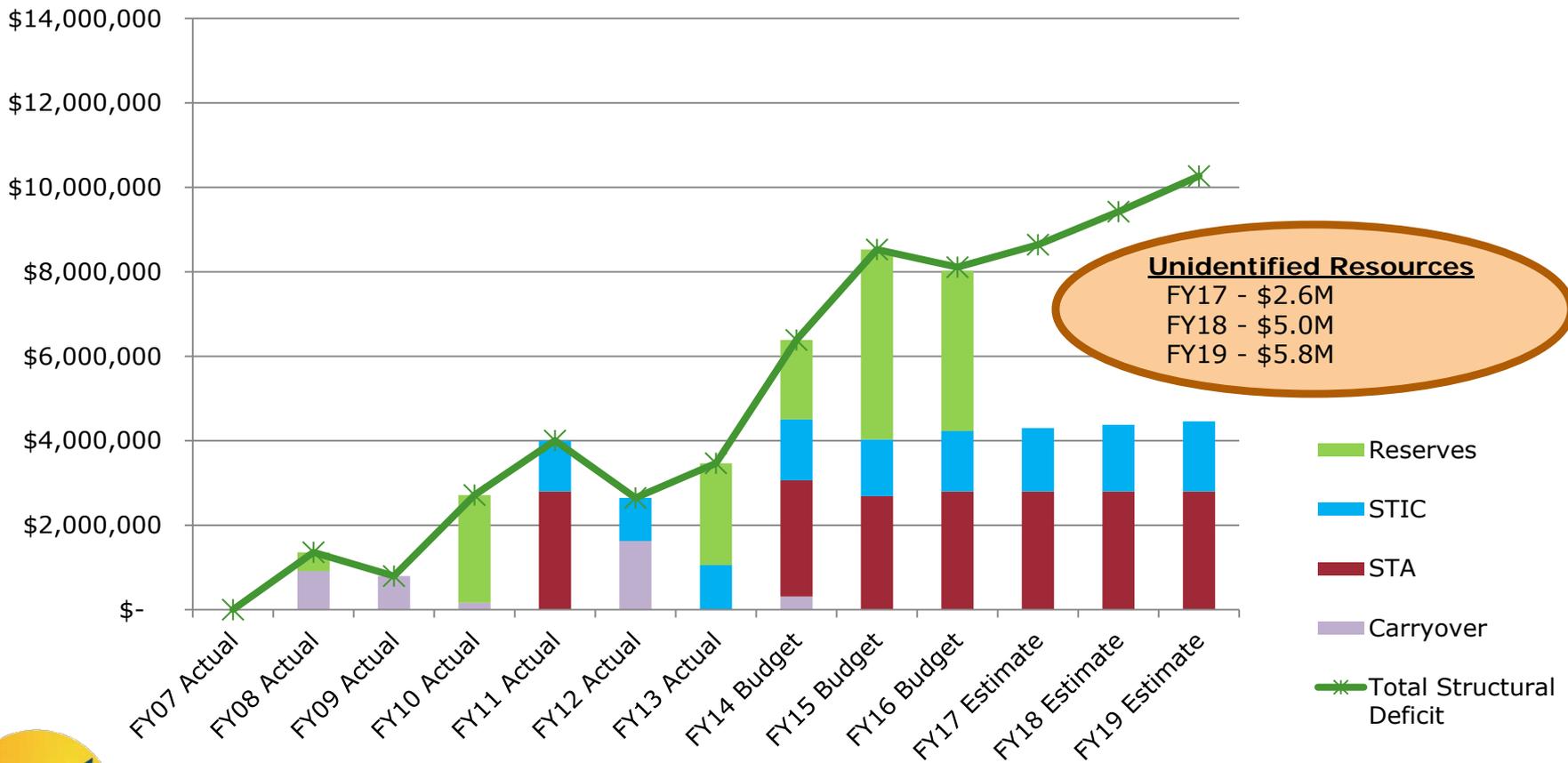
Capital Eligible Funds

Used to Backfill the Structural Deficit
Sales Tax at 2%



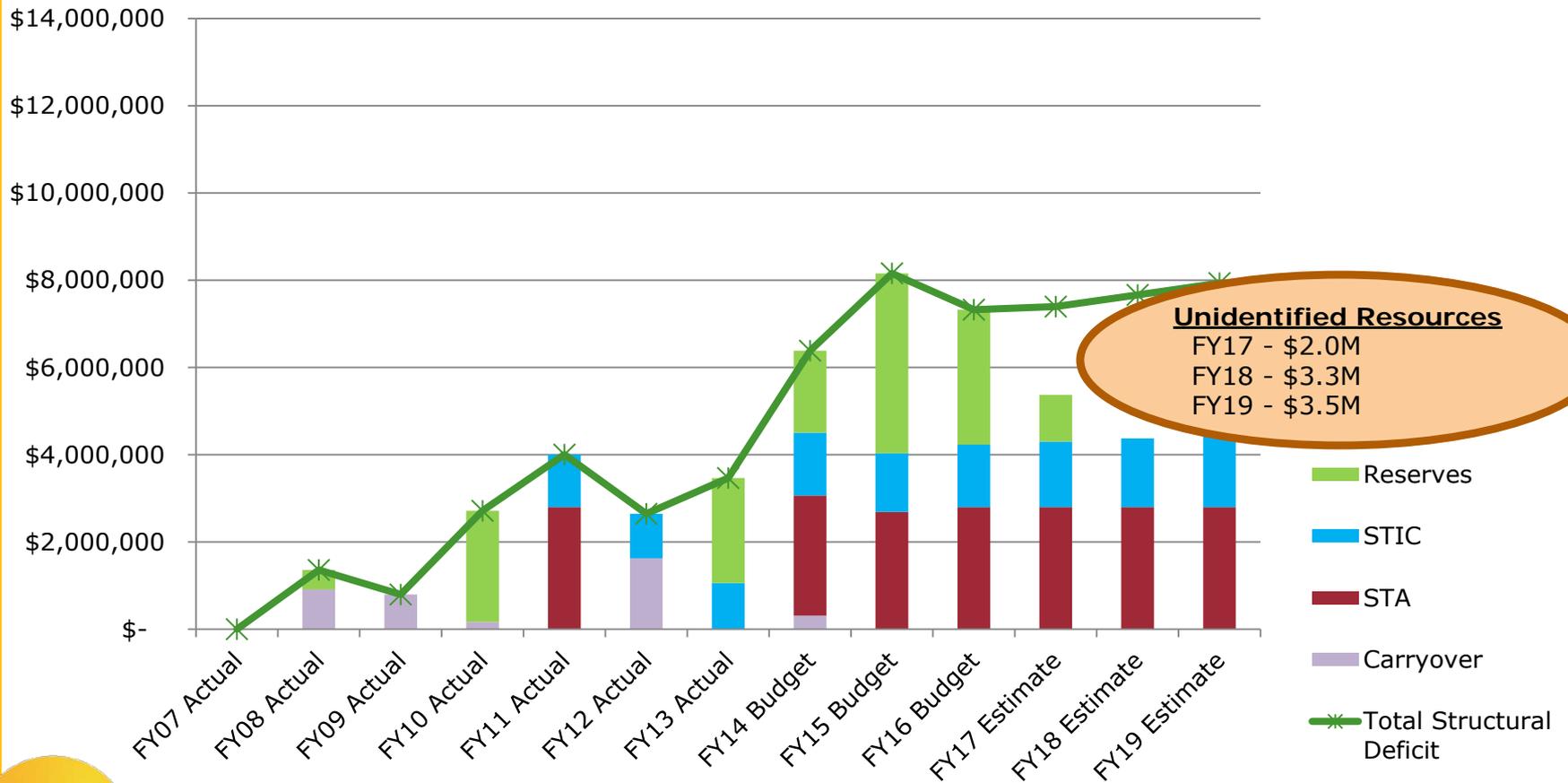
Capital Eligible Funds

Used to Backfill the Structural Deficit
Sales Tax at 5%



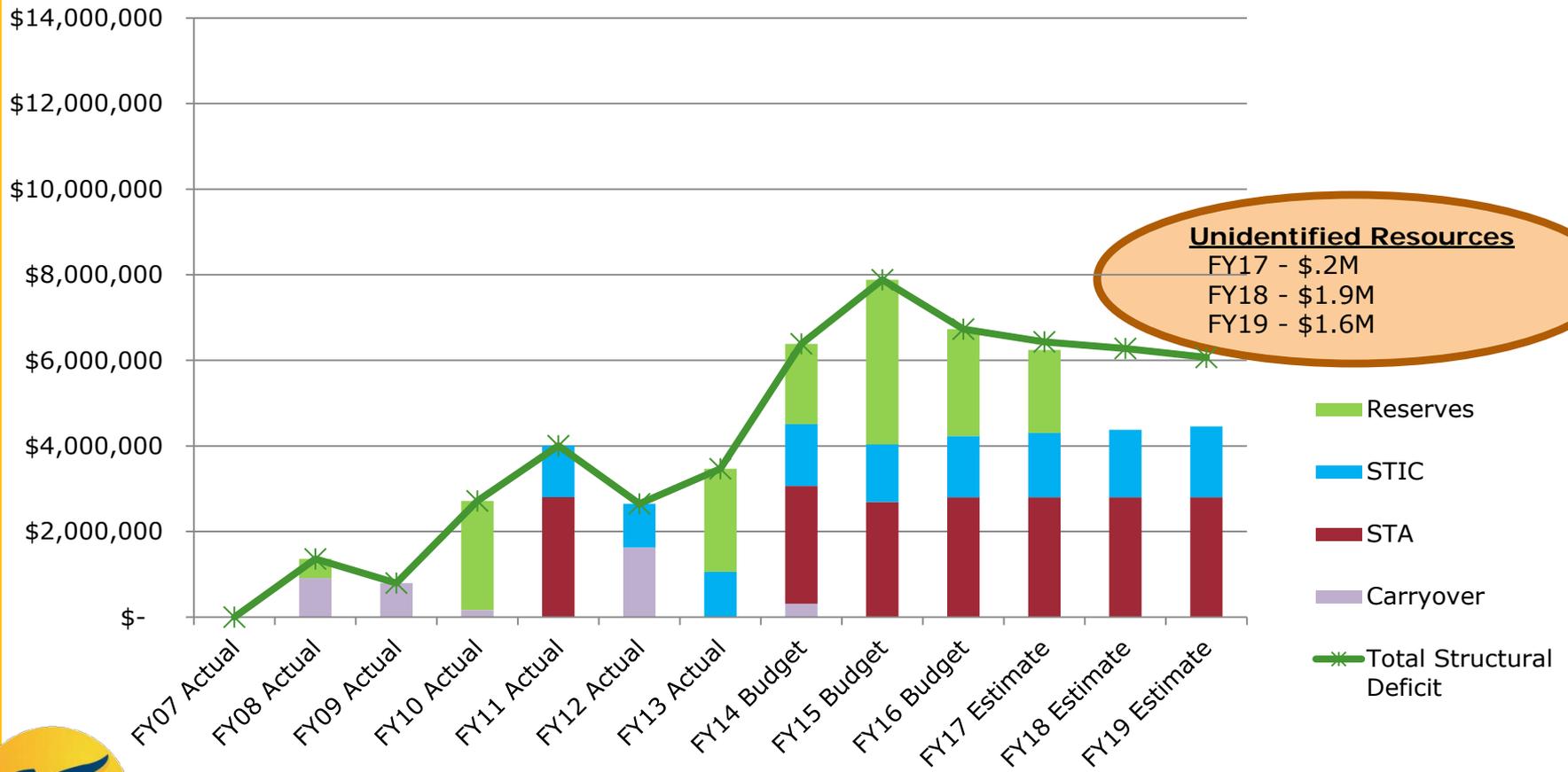
Capital Eligible Funds

Used to Backfill the Structural Deficit
Sales Tax at 7%
 (Currently Budgeted in FY15 & FY16)



Capital Eligible Funds

Used to Backfill the Structural Deficit
Sales Tax at 8.5%

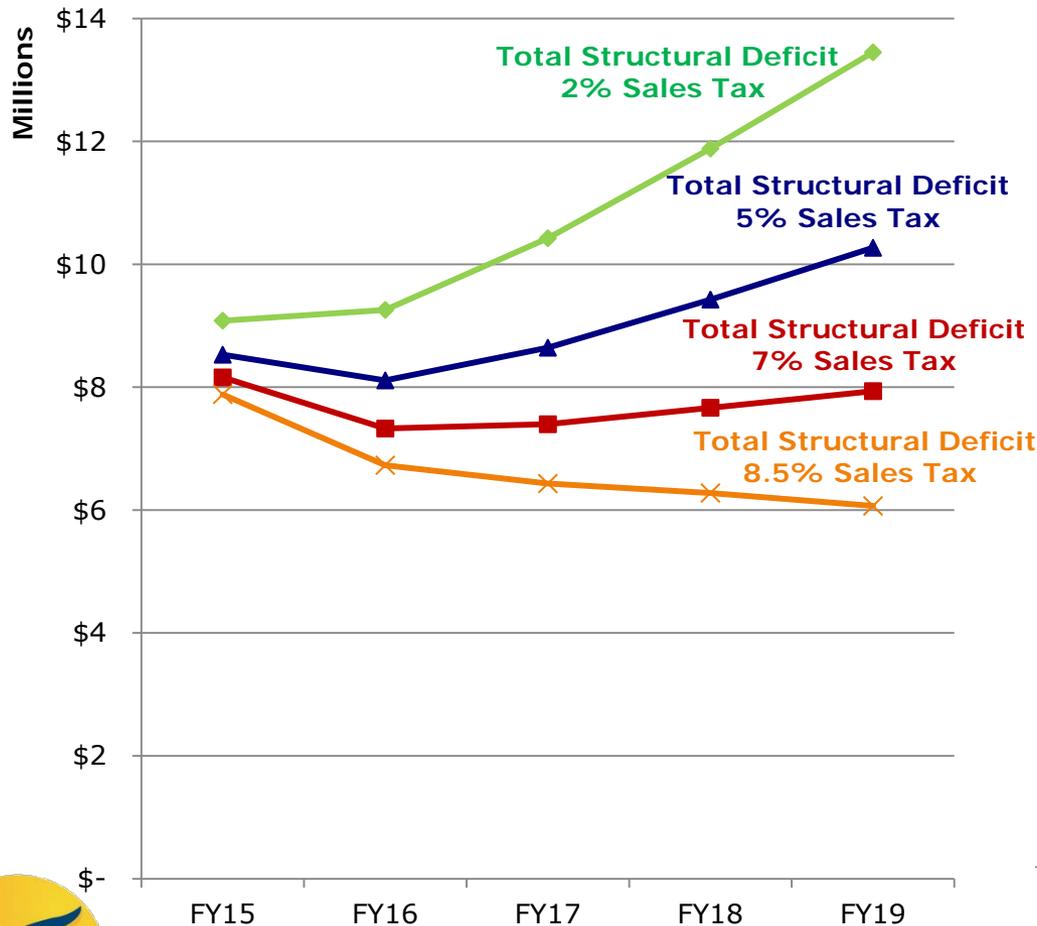


Capital Eligible Funds

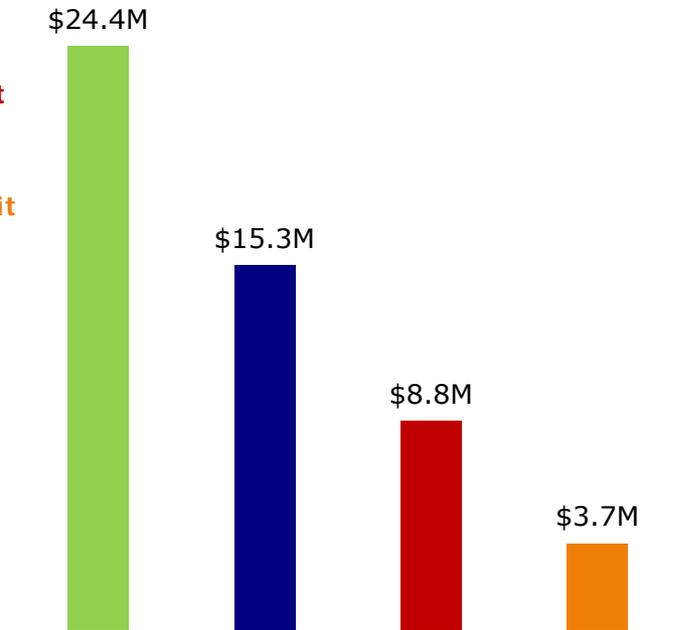
Summary

Total Structural Deficit and Unidentified Resources

Scenarios: Sales Tax: 2%, 5%, 7%, 8.5%



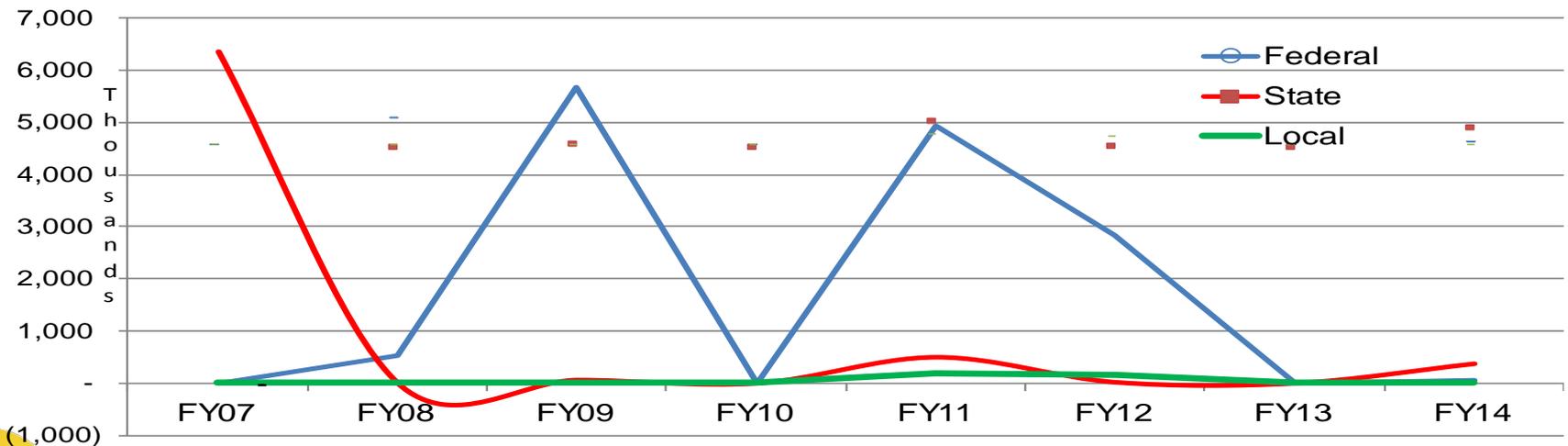
Total Unidentified Resources for FY15-FY19
(Cumulative 5-Year Impact)



Grant Awards

Discretionary Grant Awards (\$000s) by Source FY07 - FY14

	SAFETEA-LU			CR	CR	CR	----MAP-21----	
<u>Program</u>	<u>FY07</u>	<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>FY14</u>
Federal	\$ 1	\$515	\$ 5,714	\$ 0	\$4,930	\$ 2,822	\$ 0	\$ 58
State	6,363	0	62	0	500	20	0	375
Local	37	0	0	0	200	160	0	0
Total	\$6,401	\$515	\$5,777	\$ 0	\$5,630	\$3,002	\$0	\$ 433



Grant Awards Batting Average

- Information coming

Define the Challenges: Part II of II

- What do we do if the PEPRA challenge does not get resolved and the FTA stops sending us money?
- What do we do if MAP-21 is not reauthorized in time and the FTA stops sending 5307 to Santa Cruz METRO?
- What do we do if the STA provision that allows us to use STA for Operating, and that expires in 2016, does not get extended?

What do we do if the PEPRA challenge does not get resolved and the FTA stops sending us money?

- **AB 1783 (Jones-Sawyer)**
 - On the Governor's Desk
- **AB 1783 provides:**
 - A one-year extension of last year's provisions in AB 1222 (Bloom and Dickinson) temporarily exempting employees covered by 13(c) of the Federal Transit Act from PEPRA
 - Litigation continues against the US Dept. of Labor on its interpretation of 13(c) of Federal transit law.
 - Federal court action will not be resolved before the legislature adjourns this year
 - This extension ensures that Federal transit funds will continue to flow into California on January 1, 2015

What do we do if MAP-21 is not reauthorized in time
and the FTA stops sending 5307 to Santa Cruz METRO?

- Extended through May 2015
 - Short Term Extension

What do we do if the STA provision that allows us to use STA for Operating, and that expires in 2016, does not get extended?

- STA revenue reverts to Capital Assistance in 2016
- STA revenue is for Capital projects unless METRO meets efficiency standard for Operating Assistance.
- STA efficiency standards were waived from FY11 through FY15 due to the recession.
- METRO is not projected to meet the efficiency standard in FY16.
- Beyond FY15, METRO will not be able to use ~\$2.7 Million in operating revenue without a legislative extension of the STA efficiency waiver.

Questions