



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)  
BOARD OF DIRECTORS AGENDA  
REGULAR MEETING  
OCTOBER 23, 2015 – 8:30 AM  
METRO ADMIN 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.”

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**BOARD ROSTER**

Director Ed Bottorff	City of Capitola
Director Dene Bustichi, Chair	City of Scotts Valley
Director Karina Cervantez	City of Watsonville
Director Cynthia Chase	City of Santa Cruz
Director Jimmy Dutra	City of Watsonville
Director Zach Friend	County of Santa Cruz
Director Donald “Norm” Hagen	County of Santa Cruz
Director Don Lane	City of Santa Cruz
Director John Leopold	County of Santa Cruz
Director Bruce McPherson	County of Santa Cruz
Director Mike Rotkin, Vice Chair	County of Santa Cruz
Ex-Officio Director Donna Blitzer	UC Santa Cruz
Alex Clifford	METRO CEO/General Manager
Leslyn K. Syren	METRO District Counsel

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

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

**AMERICANS WITH DISABILITIES ACT**

The Board of Directors meets in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, or to access the

agenda and the agenda packet (including a Spanish language copy of the agenda packet), should contact the Executive Assistant, at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting Santa Cruz METRO regarding special requirements to participate in the Board meeting. For information regarding this agenda or interpretation services, please call Santa Cruz METRO at 831-426-6080.

## **SECTION I: OPEN SESSION**

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

### **1 CALL TO ORDER**

### **2 ROLL CALL**

### **3 ANNOUNCEMENTS**

3-1 Spanish language interpretation will be available during "Oral Communications" and for any other agenda item for which these services are needed.

3-2 Today's meeting is being broadcast by Community Television of Santa Cruz County.

### **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 WRITTEN COMMUNICATIONS FROM MAC**

### **6 LABOR ORGANIZATION COMMUNICATIONS**

### **7 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.

- 8-01 ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF JUNE 2015**  
*Angela Aitken, Finance Manager*
- 8-02 ACCEPT AND FILE MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETINGS OF SEPTEMBER 25 AND OCTOBER 9, 2015**  
*Alex Clifford, CEO/General Manager*
- 8-03 CONSIDERATION OF METROBASE MONTHLY CHANGE ORDERS REPORT**  
*Andy Kreck, Project Manager, Hill International*
- 8-04 CONSIDERATION OF RESOLUTION APPROVING THE FY16 REVISED CAPITAL BUDGET**  
*Angela Aitken, Finance Manager*
- 8-05 CONSIDERATION OF ISSUING A FORMAL INVITATION FOR BIDS FOR PURCHASE AND DELIVERY OF REVENUE AND NON-REVENUE TIRES**  
*Al Pierce, Maintenance Manager*
- 8-06 CONSIDERATION OF A CONTRACT AMENDMENT WITH HANSON BRIDGETT IN AN AMOUNT NOT TO EXCEED \$15,000**  
*Leslyn Syren, District Counsel*

## **REGULAR AGENDA**

- 9 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR FRANK BAUER, FRANK JACINTO, GILLIAN McGLAZE & ROSALIO RAMOS**  
*Chair Dene Bustichi*
- 10 RESOLUTION OF APPRECIATION FOR FRANK BAUER, ISSAC GLENN, ROSALIO RAMOS**  
*Chair Dene Bustichi*
- 11 STATE LEGISLATIVE UPDATE**  
*Josh Shaw, Shaw, Yoder, Antwih, Inc.*
- 12 FEDERAL LEGISLATIVE UPDATE**  
*Chris Giglio, Capital Edge*
- 13 RECEIVE AN UPDATE ON THE COMPREHENSIVE OPERATIONAL ANALYSIS**  
*Tom Hiltner, Acting Planning Manager*

- 14 **ACCEPT AND FILE THE FISCAL YEAR END MONTHLY BUDGET STATUS REPORTS FOR JUNE 30, 2015; AND ADOPTION OF THE SCHEDULE OF RESERVE ACCOUNT BALANCES**  
[Angela Aitken, Finance Manager](#)
- 15 **CONSIDERATION OF THE ADOPTION OF CHAPTER 7 TO TITLE I OF THE SANTA CRUZ METRO ADMINISTRATIVE CODE - RESERVE FUND POLICY**  
[Angela Aitken, Finance Manager](#)
- 16 **CONSIDERATION TO WAIVE \$3.00 FEE FOR SMART CARD FARE MEDIA AND TO AMEND AR-1031, SMART CARD POLICY, TO REFLECT FEE WAIVER**  
[Ciro Aguirre, COO](#)
- 17 **REVISED METROBASE PHASE II (OPERATIONS BUILDING) LIFE OF PROJECT BUDGET AND CAPITAL RESOURCE ALLOCATION PLAN**  
[Alex Clifford, CEO/General Manager](#)
- 18 **CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT EXTENSION WITH HILL INTERNATIONAL, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES, INCREASING THE CONTRACT TOTAL BY \$133,000**  
[Alex Clifford, CEO/General Manager](#)
- 19 **CONSIDERATION OF A RESOLUTION TO ADOPT AN ART AND HISTORY PILOT PROJECT AT SANTA CRUZ METRO BUS STOPS**  
[Director John Leopold](#)
- 20 **CEO TO GIVE ORAL REPORT**  
[Alex Clifford, CEO/General Manager](#)
- 21 **REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**  
[Leslyn Syren, General Counsel](#)
- 22 **ANNOUNCEMENT OF NEXT MEETING: FRIDAY, NOVEMBER 13, 2015 AT 8:30 AM, SANTA CRUZ COUNCIL CHAMBERS, 809 CENTER STREET, SANTA CRUZ**  
[Chair Dene Bustichi](#)
- 23 **RECESS TO CLOSED SESSION**

## **SECTION II: CLOSED SESSION**

- 24 **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**  
(Government Code Section 54956.9(a))  
Name of Case: Rocha vs SCMTD, et. Al  
Santa Cruz Superior Court No. CIS-CV-180550

**25 PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

Title: District Counsel

**SECTION III: RECONVENE TO OPEN SESSION**

**26 REPORT OF CLOSED SESSION ITEMS**

**Leslyn Syren, General Counsel**

**27 ADJOURNMENT**

**Chair Dene Bustichi**

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.scmted.com](http://www.scmted.com) subject to staff's ability to post the document before the meeting.

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**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager  
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL  
DETAIL FOR THE MONTH OF JUNE 2015**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the preliminary approved Check Journal Detail for the month of June 2015.**

**II. SUMMARY**

- This staff report provides the Board with a preliminary approved Check Journal Detail for the month of June 2015.
- The Finance Department is submitting the check journal for Board acceptance and filing.

**III. DISCUSSION/BACKGROUND**

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

All invoices submitted for the month of June 2015 have been processed, checks issued and signed by the Finance Manager.

**IV. FINANCIAL CONSIDERATIONS/IMPACT**

None. The check journal is a presentation of invoices paid in June 2015 for purposes of Board review, agency disclosure, accountability and transparency.

**V. ALTERNATIVES CONSIDERED**

N/A

**VI. ATTACHMENTS**

**Attachment A:** Check Journal Detail for the Month of June 2015

Prepared By: Lorraine Bayer, Accountant II

**VII. APPROVALS:**

Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



# Attachment A

DATE 09/11/15 12:11

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

PAGE 1

DATE: 06/01/15 THRU 06/30/15

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
52809	06/01/15	2,238.63	003151		ABC BUS INC			INVENTORY ORDER	1,200.51	
52810	06/01/15	953.98	003207		ALBION ENVIRONMENTAL INC.			INVENTORY ORDER	1,038.12	
52811	06/01/15	173.89	294		ANDY'S AUTO SUPPLY	0		APR 15 SERVICE	953.98	
52812	06/01/15	87.25	001G		AT&T			INVENTORY ITEMS PC	173.89	
52813	06/01/15	1,460.00	001365		BORTNICK, ROBERT S. & ASSOC.	7		5/7-6/6 REPEATERS	87.25	
52814	06/01/15	1,766.12	001356		BRENCO OPERATING-TEXAS, LP			INVESTIGATIVE SVC	1,460.00	
52815	06/01/15	2,016.00	002109		CITY OF SANTA CRUZ/PARKING			SPARK PLUGS	1,766.12	
52816	06/01/15	74.70	667		CITY OF SCOTTS VALLEY			JUL-DEC15 PARK PERMI	2,016.00	
52817	06/01/15	1,000.71	130		CITY OF WATSONVILLE UTILITIES			11/15-1/15 SEWER SVT	74.70	
								4/13-5/11 FIRE WTC	48.22	
								4/20-5/18 WATER WTC	21.82	
								4/20-5/18 WATER WTC	219.35	
								SOLID WASTE 5/20/15	711.32	
								EXPENSE REIMBURSEMENT	246.92	
52818	06/01/15	246.92	E957		CLIFFORD, ALEX			CUSTODIAL SUPPLIES	62.80	
52819	06/01/15	62.80	075		COAST PAPER & SUPPLY INC.			INVENTORY ORDER PC	822.08	
52820	06/01/15	822.08	002814		CREATIVE BUS SALES, INC.			LMR PROJECT	19,740.96	
52821	06/01/15	40,226.46	002946		DAY WIRELESS SYSTEMS			LMR PROJECT	20,485.50	
								LMR PROJECT	19,740.96	
52822	06/01/15	1,878.95	900		DEPARTMENT OF TOXIC SUBSTANCE			JAN-MAR 425 FRONT	1,878.95	
52823	06/01/15	502.20	432		EXPRESS SERVICES INC.			TEMP W/E 5/3/15	502.20	
52824	06/01/15	3,675.00	002952		FLYERS ENERGY LLC			5/1-5/15 NONREV FUEL	3,675.00	
52825	06/01/15	6,812.22	002954		GCR TIRES & SERVICE	7		TIRES	259.87	
								TIRES PC	159.37	
								TIRES PC	348.75	
								TIRES	1,168.69	
								TIRES	557.16	
								TIRES	501.79	
								TIRES	495.39	
								TIRES	481.56	
								TIRES	222.00	
								TIRES	188.11	
								TIRES	1,176.04	
								TIRES	1,253.49	
52826	06/01/15	8,985.60	001323		GOVDELIVERY, INC.			7/1-6/30/16 YR MAINT	8,985.60	
52827	06/01/15	2,013.65	282		GRAINGER			MASTER PADLOCK	472.93	
								SHOP LIGHTING RPR	1,138.19	
								FLOOR PAINT	402.53	
52828	06/01/15	108.02	166		HOSE SHOP, THE INC			RPR PRESSURE WASHER	63.39	
								SBF HOSE	44.63	
52829	06/01/15	351.00	133		JOBS AVAILABLE			JOB PLACEMENT AD	351.00	
52830	06/01/15	208.19	001233		KIMBALL MIDWEST			NON INVENTORY PARTS	208.19	
52831	06/01/15	2,084.94	216		LABOR READY, INC.			TEMP CUST WTC 5/8/15	2,084.94	
52832	06/01/15	641,847.68	003058		LEWIS C NELSON AND SONS INC			CONST MB THRU 5/25	641,847.68	
52833	06/01/15	164.31	003137		LYON GROUP HOLDINGS LLP			PARTS DIVIDERS	164.31	
52834	06/01/15	716.04	001145		MANAGED HEALTH NETWORK			JUN 15 EAP PREMIUM	716.04	
52835	06/01/15	200.00	002310		MONTERERY BAY SECURITY			MB COPIER SVC	200.00	

# Attachment A

DATE 09/11/15 12:11

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

PAGE 2

DATE: 06/01/15 THRU 06/30/15

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK VENDOR NAME	CHECK VENDOR NUMBER	CHECK AMOUNT	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
52836	06/01/15	4,509.76	001063	NEW FLYER IND. CANADA ULC DBA			65613	INVENTORY ORDER	6.75	
							65614	INVENTORY ORDER	3,702.09	
							65634	INVENTORY ORDER	44.18	
							65635	INVENTORY ORDER	589.54	
							65676	REV VEH PARTS	167.20	
52837	06/01/15	249.68	004	NORTH BAY FORD LINC-MERCURY			65596	RPR VEH #1107 PC	46.44	
							65598	RPR VEH #1120 PC	46.44	
							65617	RPR VEH #715	156.80	
							65592	OFFICE SUPPLIES	226.65	
52838	06/01/15	226.65	043	PALACE ART & OFFICE SUPPLY			65667	PRE-EMPLOYMENT TEST	80.00	
52839	06/01/15	80.00	003097	PHILLIPS-ANDERSON INC			65642	MAY 15 PEST METROMKT	53.50	
52840	06/01/15	621.50	481	PIED PIPER EXTERMINATORS, INC.			65643	MAY 15 PEST WTC REST	75.50	
							65644	MAY 15 PEST CAPELENA	53.50	
							65645	MAY 15 PEST DUBOIS	248.50	
							65646	MAY 15 PEST VERNON	190.50	
52841	06/01/15	2,852.43	187	POLAR RADIATOR SERVICE INC			65616	RADIATOR VEH #2813	2,852.43	
52842	06/01/15	175.35	003020	QUEST DIAGNOSTIC INC.			65683	DOT DRUG TESTING	175.35	
52843	06/01/15	487.19	003215	RICOH USA INC.			65686	LEASE RETURN OPS	487.19	
52844	06/01/15	638.21	135	SANTA CRUZ AUTO PARTS, INC.			65597	RPR VEH #1107 PC	28.97	
							65601	RPR VEH #708	2.35	
							65608	RPR VEH #803	47.16	
							65610	RPR VEH #710	60.56	
							65620	INVENTORY PARTS PC	123.96	
52845	06/01/15	7,934.96	079	SANTA CRUZ MUNICIPAL UTILITIES			65621	RPR VEH #708	375.21	
							65652	4/4-5/5 WATER VERNON	218.23	
							65653	4/4-5/5 WATER GOLF	1,211.55	
							65654	4/4-5/5 BUS STOP REF	861.71	
							65655	4/4-5/5 WAT/SEW PACI	2,285.50	
							65656	4/4-5/5 WATER PAC IS	90.13	
							65657	4/4-5/5 VERNON IRRIG	66.31	
							65658	4/4-5/5 GOLF IRRIGAT	66.31	
							65659	4/4-5/5 WATER DUBOIS	519.29	
							65660	4/4-5/5 WATER 1200B	2,615.93	
							65594	TOOL REPLACEMENT	24.88	
52846	06/01/15	24.88	115	SNAP-ON INDUSTRIAL			65612	INVENTORY ORDER	575.00	
52847	06/01/15	575.00	001976	SPORTWORKS NORTHWEST, INC.			65664	TRAVEL REIMBURSEMENT	41.55	
52848	06/01/15	41.55	E534	SULLIVAN, CHRISTOPHER			65651	6/1-8/31 ALARM 1200B	556.79	
52849	06/01/15	556.79	003037	TYCO INTEGRATED SECURITY			65590	LAUNDRY SERVICE	6.99	
52850	06/01/15	343.75	003152	UNIFIRST CORPORATION			65591	LAUNDRY SERVICE	6.99	
							65618	LAUNDRY SERVICE	213.86	
							65619	LAUNDRY SERVICE	69.01	
							65647	LAUNDRY SERVICE	40.42	
							65663	LAUNDRY SERVICE	6.48	
52851	06/01/15	47.33	007	UNITED PARCEL SERVICE			65603	FREIGHT	47.33	
52852	06/01/15	160.00	003200	UPS STORE #1128			65678	APR15 FINGERPRINTING	160.00	
52853	06/01/15	56.04	434B	VERIZON CALIFORNIA			65674	5/16-6/15 SKY-RIVER	56.04	

# Attachment A

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

PAGE 3

DATE: 06/01/15 THRU 06/30/15

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
52854	06/01/15	434	950.25	VERIZON WIRELESS	0	65677	4/13-5/12 BUS WIFI	950.25	
52855	06/01/15	001165	150.00	VU, THANH DR. MD	7	65599	DMV EXAM	75.00	
52856	06/01/15	001506	3,321.28	WESTERN STATES OIL CO.		65604	DMV EXAM	75.00	
52857	06/03/15	003216	613.75	CALIFORNIA DEPT OF FISH & WILD		65769	FLUID & LUBE	3,321.28	
52858	06/08/15	003151	107.30	LSAA1600-2012-0150R3		65705	LSAA1600-2012-0150R3	613.75	MANUAL
52859	06/08/15	002828	104.50	ABC BUS INC		65793	INVENTORY PARTS	107.30	
52860	06/08/15	001128	1,006.25	ALLIED ELECTRONICS		65737	INVENTORY ORDER	104.50	
52861	06/08/15	001D	5,028.75	ALWAYS TOWING & RECOVERY, INC		65738	TOWING VEH #1004	525.00	
52862	06/08/15	002689	32.36	AT&T		65778	TOWING VEH #1004	481.25	
52863	06/08/15	002363	14.13	B & B SMALL ENGINE CORP		65786	4/19-5/18 CALNET2	5,028.75	
52864	06/08/15	478	874.00	BATTERIES PLUS #314	0	65787	INVENTORY ORDER	32.36	
52865	06/08/15	003211	12,219.52	BEE CLENE INC		65784	BATTERIES	14.13	
52866	06/08/15	909	4,540.02	CAPITOLA PUMP COMPANY INC		65705	MAY15 CARPET CLEANIN	874.00	
52867	06/08/15	001124	51,267.37	CLASSIC GRAPHICS		65749	BUS WASH PUMP MOTOR	12,219.52	
52868	06/08/15	E957	465.83	CLEAN ENERGY		65708	RPR BUS #2233	4,540.02	
52869	06/08/15	075	989.63	CLIFFORD, ALEX		65723	LNG 5/09/15	9,609.21	
52870	06/08/15	003034	2,890.00	COAST PAPER & SUPPLY INC.		65724	LNG 5/12/15	8,972.51	
52871	06/08/15	002814	416.51	COASTAL LANDSCAPING INC. DBA		65725	LNG 5/14/15	8,330.75	
52872	06/08/15	003116	12,114.03	CREATIVE BUS SALES, INC.		65781	LNG 5/16/15	9,512.90	
52873	06/08/15	002946	9,229.28	CUMMINS PACIFIC LLP		65697	MAY 15 SERVICES	14,842.00	
52874	06/08/15	480	2,321.81	CLIFFORD, ALEX		65784	TRAVEL REIMBURSEMENT	465.83	
52875	06/08/15	916	525.00	COAST PAPER & SUPPLY INC.		65697	CUSTOMER SUPPLIES	862.39	
52876	06/08/15	002953	5,337.50	COASTAL LANDSCAPING INC. DBA		65785	CLEANING SUPPLIES	127.24	
52877	06/08/15	432	4,549.80	CREATIVE BUS SALES, INC.		65696	MAY 15 MAINTENANCE	2,890.00	
52878	06/08/15	001172	109.91	EXPRESS SERVICES INC.		65709	INVENTORY PARTS PC	416.51	
				DAY WIRELESS SYSTEMS		65718	CORE CREDIT	-494.50	
				DIESEL MARINE ELECTRIC, INC.		65719	RPR BUS 1005	1,129.10	
				DOCTORS ON DUTY MEDICAL CLINIC		65734	INVENTORY ORDER	2,018.79	
				EPICOR SOFTWARE CORP		65735	INVENTORY ORDER	2,065.34	
				EXPRESS SERVICES INC.		65736	CORE CREDIT	-212.06	
				FERGUSON ENTERPRISES INC. #795		65751	RPR BUS #1203	634.60	
						65755	INVENTORY ORDER	3,640.85	
						65798	RPR VEH #2235	2,725.51	
						65799	INVENTORY ORDER	557.00	
						65800	DIPSTICK	49.40	
						65715	KITE HILL RPR	9,229.28	
						65731	INVENTORY ORDER	2,321.81	
						65712	5/21/15 STATEMENT	525.00	
						65717	HCM UPGRADE	5,337.50	
						65720	TEMP W/E 5/10/15	1,242.00	
						65752	TEMP W/E 5/17/15	1,380.00	
						65770	TEMP W/E 5/24/15	1,296.00	
						65771	TEMP W/E 5/17/15	631.80	
						65694	VALVE FOR BUS WASHER	97.35	
						65695	GASKET BUS WASHER	12.56	

# Attachment A

DATE 09/11/15 12:11

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
CHECK JOURNAL DETAIL BY CHECK NUMBER  
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PAGE 4

DATE: 06/01/15 THRU 06/30/15

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
52879	06/08/15	11,502.60 002952	FLYERS ENERGY LLC	65727	5/1-5/15 FUEL PC	11,502.60			
52880	06/08/15	233.64 001302	GARDA CL WEST, INC.	65775	JUN 15 SERVICES	233.64			
52881	06/08/15	364.56 001189	GARY KENVILLE LOCKSMITH	65692	CYPHER LOCK	80.00			
52882	06/08/15	7,998.55 002954	GCR TIRES & SERVICE	65783	REKEY IT CABINET	284.56			
				65756	TIRES PC	318.75			
				65757	TIRES	862.90			
				65758	TIRES	625.89			
				65759	TIRES PC	313.46			
				65760	TIRES PC	318.75			
				65761	TIRES	501.79			
				65762	FLAT REPAIR	32.94			
				65763	TIRES	472.96			
				65764	TIRES	1,114.32			
				65765	TIRES	2,503.54			
				65766	TIRES	501.79			
				65767	TIRES	431.46			
52883	06/08/15	557.21 647	GENEFARE A DIV OF SPX CORP	65801	INVENTORY ORDER	557.21			
52884	06/08/15	736.03 117	GILLIG LLC	65768	INVENTORY ORDER	736.03			
52885	06/08/15	1,492.84 282	GRAINGER	65795	BATTERIES GLOVES	1,492.84			
52886	06/08/15	223.07 546	GRANITEROCK COMPANY	65693	POTHOLE FIX	223.07			
52887	06/08/15	29.67 166	HOSE SHOP, THE INC	65691	HOSES	14.28			
52888	06/08/15	8,197.39 002979	HUNT & SONS, INC.	65747	TURBO TEST TOOL	15.39			
52889	06/08/15	86.24 036	KELLY-MOORE PAINT CO., INC.	65728	BULK FUEL LUBE	1,437.90			
52890	06/08/15	19.58 001233	KIMBALL MIDWEST	65729	BULK FUEL LUBE	6,759.49			
52891	06/08/15	855.36 216	LABOR READY, INC.	65690	BENCH PAINT WTC	86.24			
52892	06/08/15	208.00 852	LAW OFFICES OF MARIE F. SANG	65710	INVENTORY PARTS PC	19.58			
52893	06/08/15	157.10 003059	MAILFINANCE INC	65782	TEMP W/E 5/22/15	855.36			
52894	06/08/15	2,281.64 001052	MID VALLEY SUPPLY INC.	65772	CL#2001103388 103414	208.00			
52895	06/08/15	5,960.65 001063	NEW FLYER IND. CANADA ULC DBA	65753	5/28-6/27 SERVICES	157.10			
				65701	CLEANING SUPPLIES	2,281.64			
				65703	LAMPS	264.52			
				65739	INVENTORY ORDER	267.16			
				65740	INVENTORY ORDER	26.60			
				65741	INVENTORY ORDER	3,377.66			
				65742	INVENTORY ORDER	36.12			
				65796	INVENTORY ORDER	1,988.59			
52896	06/08/15	356.51 004	NORTH BAY FORD LINC-MERCURY	65702	RPR VEH #1111 PC	35.04			
				65726	RPR VEH #101	43.74			
				65748	RPR VEH #1106 PC	277.73			
52897	06/08/15	12,768.21 009	PACIFIC GAS & ELECTRIC	65593	4/9-4/30 PARACRUZ	836.95			
				65665	5/6-6/4 ENR SVT WTC	-1,746.40			
				65788	4/27-5/26 1200B RIV	2,474.00			
				65789	4/28-5/27 1200B RIV	51.18			
				65790	4/28-5/27 GOLF CLUB	5,895.88			
52898	06/08/15	221.54 043	PALACE ART & OFFICE SUPPLY	65791	4/27-5/26 VERNON	5,256.60			
				65688	OFFICE SUPPLIES	62.04			

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52899	06/08/15	1,058.00 002947			7	65773	OFFICE SUPPLIES	109.26	
52900	06/08/15	714.13 E962		PEDALERS EXPRESS PIERCE, AL		65774	OFFICE SUPPLIES	3.25	
52901	06/08/15	155.00 187		POLAR RADIATOR SERVICE INC		65777	OFFICE SUPPLIES	10.06	
52902	06/08/15	829.33 003215		RICOH USA INC.		65802	OFFICE SUPPLIES	36.93	
52903	06/08/15	95.51 135		SANTA CRUZ AUTO PARTS, INC.		65776	MAY 15 SERVICES	1,058.00	
52904	06/08/15	400.00 001292		SANTA CRUZ RECORDS MNGMT INC		65714	TRAVEL REIMBURSEMENT	714.13	
52905	06/08/15	264.00 957		SECURITY SHORING & STEEL PLT		65704	RPR VEH #9820	155.00	
52906	06/08/15	1,500.00 001277		SJB GLOBALNET, INC.		65721	LEASE RETURN PC	829.33	
52907	06/08/15	343.96 003152		UNIFIRST CORPORATION		65750	INVENTORY ORDER	84.49	
52908	06/08/15	26.82 007		UNITED PARCEL SERVICE		65754	RPR VEH #1105 PC	11.02	
52909	06/08/15	29.37 946		UNITED SITE SERVICES OF CA INC		65779	MAY 15 SHREDDING	400.00	
52910	06/08/15	2,077.70 002829		VALLEY POWER SYSTEMS, INC.		65716	4/24-5/23 MUD PLATE	264.00	
52911	06/08/15	56.04 434B		VERIZON CALIFORNIA		65730	JUN 15 SERVICES	1,500.00	
52912	06/08/15	276.48 001165		VU, THANH DR. MD	7	65698	LAUNDRY SERVICE	40.42	
52913	06/08/15	652.75 002291		WINCHESTER AUTO		65699	LAUNDRY SERVICE	6.48	
52914	06/08/15	93.52 147		ZEE MEDICAL SERVICE CO.		65706	LAUNDRY SERVICE	213.86	
52915	06/15/15	32.22 002861		AMERICAN MESSAGING SVCS, LLC		65707	LAUNDRY SERVICE	69.01	
52916	06/15/15	7,507.01 854		AMERICAN SEATING COMPANY		65711	LAUNDRY SERVICE	14.19	
52917	06/15/15	138.09 294		ANDY'S AUTO SUPPLY	0	65722	FREIGHT	26.82	
52918	06/15/15	467.64 001D		AT&T		65689	5/20-6/16 FENCE RENT	29.37	
52919	06/15/15	4,750.40 003168		BIOMAAS INC		65595	CORE CREDIT	-407.81	
52920	06/15/15	43.50 001112		BRINKS AWARDS & SIGNS		65743	INVENTORY ORDER	31.99	
52921	06/15/15	5,000.00 001324		CAPITALEGE ADVOCACY, INC.		65744	INVENTORY ORDER	36.84	
52922	06/15/15	963.17 002627		CDW GOVERNMENT, INC.		65745	INVENTORY ORDER	44.88	
						65794	INVENTORY ORDER	533.08	
						65797	INVENTORY ORDER	1,837.78	
						65803	5/13-6/12 SKY-OCEAN	56.04	
						65804	DMV EXAM	92.16	
						65805	DMV EXAM	92.16	
						65732	HALOGEN LAMPS	652.75	
						65733	SAFETY SUPPLIES	67.22	
						65792	SAFETY SUPPLIES	26.30	
						65847	JUN 15 PAGERS	32.22	
						65874	FABRIC	7,507.01	
						65869	WASHER FLUID	21.47	
						65870	INVENTORY PARTS PC	4.38	
						65871	INVENTORY PARTS	112.24	
						65861	4/19-5/18CEMENT-OCEA	182.47	
						65862	4/19-5/18SKYLINE-OCE	285.17	
						65894	PRECONSTRUCT SURVEY	4,750.40	
						65880	NAME PLATE	43.50	
						65822	JUN 15 LEGISLATE SVC	5,000.00	
						65897	OFFICE SUPPLIES	553.71	
						65898	OFFICE SUPPLIES	92.29	

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52923	06/15/15	38,982.29	001124	CLEAN ENERGY		65899	OFFICE SUPPLIES	317.17	
						65832	LNG 5/22/15	9,490.59	
						65833	LNG 5/26/15	10,054.29	
						65834	LNG 5/28/15	10,019.81	
						65835	LNG 5/19/15	9,417.60	
52924	06/15/15	200.00	367	COMMUNITY TELEVISION OF		65881	BOD MEETING 5/22/15	200.00	
52925	06/15/15	6,855.47	508	COMPLETE COACH WORKS		65891	MIDLIFE ENG OVERHAUL	6,855.47	
52926	06/15/15	1,061.99	003116	CUMMINS PACIFIC LLP		65843	RPR BUS #1204	1,003.50	
						65844	CREDIT TOW VEH #1204	-307.50	
						65845	CREDIT	-778.30	
						65846	RPR BUS #1206	1,412.90	
						65857	CORE CREDIT	-268.61	
						65895	LMR PROJECT	10,287.88	
52927	06/15/15	10,287.88	002946	DAY WIRELESS SYSTEMS		65882	DMV REIMBURSEMENT	71.00	
52928	06/15/15	71.00	E970	DE LA PENNA, TRACY		65840	TEMP W/E 5/24/15	1,380.00	
52929	06/15/15	2,484.00	432	EXPRESS SERVICES INC.		65896	TEMP W/E 5/31/15	1,104.00	
						65875	MAY 15 DISPATCH	30.00	
52930	06/15/15	21,587.44	002295	FIRST ALARM		65892	MAY 15 SECURITY OPS	10,531.20	
						65893	MAY 15 SECURITY OPS	11,026.24	
52931	06/15/15	2,836.47	002952	FLYERS ENERGY LLC		65848	PROPANE	22.22	
						65868	5/15-5/31NONREV FUEL	2,814.25	
52932	06/15/15	728.99	002954	GCR TIRES & SERVICE	7	65849	TIRES	250.89	
						65850	TIRES	478.10	
52933	06/15/15	15,225.02	001745	HARTFORD LIFE AND ACCIDENT INS		65807	JUN 15 LIFE AD&D	3,871.64	
						65809	JUN 15 LTD	11,353.38	
52934	06/15/15	427.46	E021	HILTNER, THOMAS		65901	PRINT ATP GRANT APP	427.46	
52935	06/15/15	240.00	T280	JOHNSON, TERRI		65863	60 TICKETS @ \$4/EA	240.00	
52936	06/15/15	2,332.57	001233	KIMBALL MIDWEST		65839	NON INV HARDWARE	2,332.57	
52937	06/15/15	280.00	002990	KISMET	7	65816	CPR FIRST AID CLASS	280.00	
						65841	MAY 15 SERVICES	50.00	
52938	06/15/15	50.00	880	LEXISNEXIS INC		65827	DIESEL 5/20/15	19,488.43	
52939	06/15/15	19,488.43	003017	MANSFIELD OIL CO OF GAINSVILLE		65906	*****-***-1598	200.00	
52940	06/15/15	200.00	003061	NEOFUNDS BY NEOPOST DBA		65842	INVENTORY ORDER	175.79	
52941	06/15/15	175.79	001063	NEW FLYER IND. CANADA ULC DBA		65876	4/26-5/25 TVM WIRELE	109.98	
52942	06/15/15	109.98	002721	NEXTEL COMMUNICATIONS/SPRINT		65831	RPR VEH #2404 PC	695.31	
52943	06/15/15	1,121.29	004	NORTH BAY FORD LINC-MERCURY		65854	INVENTORY PARTS PC	425.98	
						65817	TEMP W/E 5/8/15	1,008.00	
52944	06/15/15	5,505.02	003115	OFFICE TEAM		65866	TEMP W/E 5/15/15	806.40	
						65884	TEMP W/E 5/29/15	1,302.00	
						65885	TEMP W/E 5/22/15	1,310.40	
						65886	TEMP W/E 5/15/15	1,078.22	
52945	06/15/15	1,567.42	043	PALACE ART & OFFICE SUPPLY		65811	OFFICE SUPPLIES	349.75	
						65812	OFFICE SUPPLIES	95.45	
						65823	OFFICE SUPPLIES	11.92	
						65824	OFFICE SUPPLIES	42.35	
						65878	OFFICE SUPPLIES	169.35	

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52946	06/15/15					65889	OFFICE SUPPLIES	113.48	
52947	06/15/15					65890	OFFICE SUPPLIES	-15.19	
52948	06/15/15					65900	OFFICE SUPPLIES	-47.83	
52949	06/15/15					65902	OFFICE SUPPLIES	55.04	
						65903	OFFICE SUPPLIES	696.12	
						65904	OFFICE SUPPLIES	96.98	
						65877	7/1-9/30 MAILING C/S	146.82	
52946	06/15/15		146.82	PITNEY BOWES INC.					
52947	06/15/15		44,066.80	PREFERRED BENEFIT					
52948	06/15/15		9,464.30	RICOH USA, INC CA					
52949	06/15/15		1,137.08	RICOH USA, INC. TX					
						65808	JUN 15 DENTAL	44,066.80	
						65855	RICOH COPIER PARACRU	9,464.30	
						65818	5/18-6/17 LEASE OPS	431.34	
						65864	5/18-6/17 LEASE PC	439.30	
						65879	5/26-6/25 LEASE C/S	266.44	
52950	06/15/15		71.00	RUFFIN, CARLOS					
52951	06/15/15		516.96	SALINAS VALLEY FORD SALES INC					
52952	06/15/15		62.67	SANTA CRUZ AUTO PARTS, INC.					
						65883	DMV REIMBURSEMENT	71.00	
						65872	INVENTORY ORDER	516.96	
						65830	GEN SET	24.04	
						65851	GEN SET	38.63	
52953	06/15/15		225.34	SANTA CRUZ MUNICIPAL UTILITIES					
52954	06/15/15		67.95	SANTA CRUZ SENTINEL					
52955	06/15/15		14,480.35	SANTA CRUZ TRANSPORTATION, LLC	0				
52956	06/15/15		460.00	SPORTWORKS NORTHWEST, INC.					
52957	06/15/15		1,457.48	STAPLES CONTRACT & COMM INC					
						65815	4/10-5/11 PARACRUZ	225.34	
						65888	MAY15 15-11 LEGAL AD	67.95	
						65865	MAY 15 TRANSPORT SVC	14,480.35	
						65856	INVENTORY ORDER	460.00	
						65867	OFFICE SUPPLIES	1,441.34	
52958	06/15/15		466.75	THERMO KING OF SALINAS, INC					
52959	06/15/15		623.37	TY CUSTOM DESIGN	0				
52960	06/15/15		368.05	UNIFIRST CORPORATION					
						65905	OFFICE SUPPLIES	16.14	
						65829	AIR FILTERS	466.75	
						65860	SUPERVISOR BADGES	623.37	
						65810	LAUNDRY SERVICE	14.19	
						65813	LAUNDRY SERVICE	6.99	
						65814	LAUNDRY SERVICE	6.99	
						65825	LAUNDRY SERVICES	40.42	
						65826	LAUNDRY SERVICE	6.48	
						65852	LAUNDRY SERVICE	209.78	
						65853	LAUNDRY SERVICE	69.01	
						65887	LAUNDRY SERVICE	14.19	
52961	06/15/15		84.07	UNITED PARCEL SERVICE					
52962	06/15/15		3,905.10	VISION COMMUNICATIONS					
						65828	FREIGHT	84.07	
						65836	JUN 15 MAINT SVC	1,754.50	
52963	06/15/15		10,431.88	VISION SERVICE PLAN					
52964	06/15/15		375.00	VU, THANH DR. MD	7				
						65837	RADIO VEH #1501 1502	450.00	
						65838	FIELD RPR RADIO SYST	1,700.60	
						65806	JUN 15 VISION	10,431.88	
						65819	DMV EXAM	75.00	
						65820	DMV EXAM	75.00	
						65821	DMV EXAM	75.00	
						65858	DMV EXAM	75.00	
						65859	DMV EXAM	75.00	
52965	06/22/15		113.43	ABC BUS INC					
52966	06/22/15		525.00	ALWAYS TOWING & RECOVERY, INC					
52967	06/22/15		314.56	AT&T					
						65965	CREDIT	-158.17	
						65962	RPR BUS #2309	525.00	
						65981	6/6-7/6 REPEATERS	314.56	

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52968	06/22/15	966.63 003105	AT&T MOBILITY	65925		4/24-5/23 WIFI BUSES	966.63		
52969	06/22/15	560.00 003168	BIOMAAS INC	65977		BIOLOGIC MONITORING	560.00		
52970	06/22/15	13,080.31 002035	BOWMAN & WILLIAMS INC	65911		FEB 15 SPCC PROJECT	309.06		
				65912		1200B DRIVEWAY RELOC	2,455.00		
				65980		FIRE EGRESS MMF	10,316.25		
52971	06/22/15	6,021.69 001844	BRINKS INCORPORATED	65919		MAY 15 1200B SERVICE	4,095.57		
				65920		MAY 15 1200B SERVICE	1,926.12		
				65985	7	JUL 15 RENT	1,886.30		
				65922		OFFICE SUPPLIES	293.57		
52972	06/22/15	1,886.30 003081	CAPITOLA MALL LLC	65943		LANDFILL	36.80		
52973	06/22/15	293.57 002627	CDW GOVERNMENT, INC.	65943		LANDFILL	36.80		
52974	06/22/15	36.80 001346	CITY OF SANTA CRUZ-FINANCE	65930		CLEANING SUPPLIES	12.59		
52975	06/22/15	12.59 075	COAST PAPER & SUPPLY INC.	65969		TURBO INVENTORY PART	1,156.85		
52976	06/22/15	1,156.85 003116	CUMMINS PACIFIC LLP	65987		MID LIFE REBUILD	760.00		
52977	06/22/15	760.00 002949	DEANE INDUSTRIAL MACHINING	65921		OFFICE SUPPLIES	206.81		
52978	06/22/15	206.81 157	DELL MARKETING L.P.	65950		19 TICKETS @ \$4/EA	76.00		
52979	06/22/15	76.00 T281	EDMONDO, YVONNE	65998		TEMP W/E 6/7/15	1,380.00		
52980	06/22/15	1,380.00 432	EXPRESS SERVICES INC.	65978		FREIGHT	6.91		
52981	06/22/15	83.69 372	FEDERAL EXPRESS	65979		FREIGHT	41.00		
				65996		FREIGHT	35.78		
52982	06/22/15	39,210.06 002295	FIRST ALARM	65909		MAY 15 SECURITY	39,210.06		
52983	06/22/15	1,211.03 002962	FIS	66002		MAY 15 MERCHANT FEE	1,211.03		
52984	06/22/15	10,337.04 002952	FLYERS ENERGY LLC	65989		5/15-5/31 FUEL PC	10,337.04		
52985	06/22/15	3,670.59 002954	GCR TIRES & SERVICE	65960		TIRES PC	315.31		
				65961	7	TIRES	1,246.34		
				65972		TIRES PC	478.10		
				65973		TIRES	259.43		
				65974		TIRES	1,251.78		
				65975		TIRE DISPOSAL FEE	119.63		
52986	06/22/15	17.61 282	GRAINGER	65933		INVENTORY PARTS	17.61		
52987	06/22/15	247.08 001097	GREENWASTE RECOVERY, INC.	65942		MAY 15 TRASH SVTC	247.08		
52988	06/22/15	146.15 166	HOSE SHOP, THE INC	65928		RPR STEAM CLEANER	11.97		
				65971		HOSE SHIELD	134.18		
52989	06/22/15	4,574.57 002117	IULIANO #2 LLC	65915		JUL 15 RENT	4,120.00		
				65916		2015 PROP TAX 2ND PM	454.57		
52990	06/22/15	687.68 036	KELLY-MOORE PAINT CO., INC.	65929		RED CURB PAINT	687.68		
52991	06/22/15	9,735.00 003066	KIM FAMILY ENTERPRISES LLP	65914		JUL15 RENT NNN PARK	9,735.00		
52992	06/22/15	2,779.92 216	LABOR READY, INC.	65945		TEMP CUST WTC 5/15	1,710.72		
				65946		TEMP CUST WTC 5/29	1,069.20		
52993	06/22/15	4,354.06 001052	MID VALLEY SUPPLY INC.	65940		CLEANING SUPPLIES	4,354.06		
52994	06/22/15	2,252.70 001063	NEW FLYER IND. CANADA ULC DBA	65952		INVENTORY ORDER	421.42		
				65986		TOOLING	1,664.08		
				65988		GLASS DOOR	167.20		
52995	06/22/15	1,749.96 004	NORTH BAY FORD LINC-MERCURY	65954		RPR VEH #2404 PC	1,749.96		
52996	06/22/15	5,044.96 003115	OFFICE TEAM	65968		TEMP W/E 6/5/15	1,866.48		
				65991		TEMP W/E 6/5/15	1,026.90		
				65992		TEMP W/E 5/29/15	822.28		

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52997	06/22/15	7,333.53 009		PACIFIC GAS & ELECTRIC		65994	TEMP W/E 5/22/15	1,329.30	
						65927	5/6-6/4 SVTC	61.36	
						65941	5/1-5/31 PACIFIC	3,062.15	
						65944	4/27-5/26 DUBOIS	2,540.37	
						65983	5/6-6/4 ENR SVT WTC	777.39	
						65995	5/11-6/9 PARACRUZ	892.26	
52998	06/22/15	261.16 043		PALACE ART & OFFICE SUPPLY		65910	OFFICE SUPPLIES	5.36	
						65917	OFFICE SUPPLIES	9.78	
						65924	OFFICE SUPPLIES	47.83	
						65947	OFFICE SUPPLIES	56.46	
						65948	OFFICE SUPPLIES	114.64	
						65949	OFFICE SUPPLIES	21.66	
						65939	JUN 15 PEST WTC	5.43	
52999	06/22/15	75.50 481		PIED PIPER EXTERMINATORS, INC.		65976	BENCH WHEEL	75.50	
53000	06/22/15	61.03 002927		PRAXAIR DISTRIBUTION, INC.		65982	SAFETY FACILITIES	44.60	
						65918	BUSINESS CARDS	16.43	
53001	06/22/15	642.72 882		PRINT SHOP SANTA CRUZ	7	65937	BUSINESS CARDS	375.19	
						65934	BUSINESS CARDS	267.53	
53002	06/22/15	424.94 001153		REPUBLIC ELEVATOR COMPANY INC		65936	JUN 15 MAINTENANCE	424.94	
53003	06/22/15	1,599.79 003024		RICOH USA, INC CA		65990	5/15-5/16 MAINT OPS	800.48	
						65923	5/15-5/16 MAINT PC	799.31	
53004	06/22/15	1,005.75 001286		SAFE-CARD ID SERVICES, INC		65932	ID SUPPLIES	1,005.75	
53005	06/22/15	2,312.52 001379		SAFETY-KLEEN INC		65907	SOLVENT PARTS WASHER	2,312.52	
53006	06/22/15	479.74 107A		SAN LORENZO LUMBER & HOME CTR	7	65984	MAY 15 STATEMENT	479.74	
53007	06/22/15	13,580.18 001075		SOQUEL III ASSOCIATES		65959	JUL 15 RENT	13,580.18	
53008	06/22/15	71.83 366		TENNANT COMPANY		65926	RPR FLOOR SCRUBBER	71.83	
53009	06/22/15	349.35 002675		THOMSON REUTERS BARCLAYS WEST		65999	MAY 15 SERVICES	349.35	
53010	06/22/15	6,940.94 057		U.S. BANK		66000	***-***-***-6490	3,184.11	
						66001	***-***-***-3829	3,545.15	
						66001	***-***-***-5056	40.42	
53011	06/22/15	46.90 003152		UNIFIRST CORPORATION		65935	LAUNDRY SERVICE	6.48	
53012	06/22/15	67.11 007		UNITED PARCEL SERVICE		65938	LAUNDRY SERVICE	67.11	
53013	06/22/15	1,453.31 002829		VALLEY POWER SYSTEMS, INC.		65963	FREIGHT	1,158.67	
						65955	INVENTORY ORDER	65.86	
						65956	INVENTORY ORDER	65.86	
53014	06/22/15	1,789.16 221		VEHICLE MAINTENANCE PROG INC	0	65970	INVENTORY ORDER	228.78	
53015	06/22/15	810.84 434		VERIZON WIRELESS		65993	OIL FILTERS	1,789.16	
						65997	5/2-6/1 PUSH 2 TALK	486.03	
						65966	5/2-6/1 PUSH 2 TALK	324.81	
						65913	DMV EXAM	75.00	
53016	06/22/15	75.00 001165		VU, THANH DR. MD	7	65913	JUL 15 RENT	3,500.00	
53017	06/22/15	3,500.00 003074		WAVE CREST DEVELOPMENT INC.		65931	FIRST AID SUPPLIES	138.94	
53018	06/22/15	138.94 147		ZEE MEDICAL SERVICE CO.		65958	INVENTORY ORDER	309.81	
53019	06/22/15	309.81 148		ZEP SALES & SERVICE INC.		66003	APR 15 MB PROJ SVC	177,150.04	
53020	06/23/15	177,150.04 003178		HILL INTERNATIONAL INC.		66019	INVENTORY ORDER	313.28	
53021	06/29/15	1,248.94 003151		ABC BUS INC		66041	INVENTORY ORDER	270.04	
						66061	INVENTORY ORDER	115.11	

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
53022	06/29/15	ADVANCED MECHANICAL SERVICES	475.00	001088	7	66062	INVENTORY ORDER	550.51	
53023	06/29/15	AMERICAN PUBLIC TRANSIT ASSOC.	283.00	497		66047	BACKFLOW VERNON	475.00	
53024	06/29/15	AMERICAN REPROGRAPHICS CO LLC	29.43	003019		66135	JOB PLACEMENT AD	283.00	
53025	06/29/15	ANDY'S AUTO SUPPLY	147.05	294	0	66092	COPIES OF PLAN SHEET	29.43	
53026	06/29/15	AT&T	87.38	001G		66048	INVENTORY PARTS PC	147.05	
53027	06/29/15	ATHENS INSURANCE SERVICE, INC.	8,750.00	001348		66137	6/7-7/6REPEATERS OPS	87.38	
53028	06/29/15	B PLUS U LLP	8,425.67	003129		66132	JUN 15 TPA FEES	8,750.00	
53029	06/29/15	BOWMAN & WILLIAMS INC	5,960.50	002035		66133	MAR 15 WTC EXP	8,400.00	
53030	06/29/15	BROWN ARMSTRONG	3,000.00	616		66131	MAR 15 REIMB EXP WTC	25.67	
53031	06/29/15	CA PUBLIC EMPLOYEES'	765,266.85	502		66012	MAY15 A/C SYS SURVEI	5,960.50	
53032	06/29/15	CAPELLA, KATHLEEN	92.89	M022	0	66056	AUDIT FY16	3,000.00	
53033	06/29/15	CASTILLO, JUAN	71.00	E975		66126	JUL 15 MEDICAL	765,266.85	
53034	06/29/15	CATTO'S GRAPHICS, INC.	2,504.24	001159		66076	JUL 15 RETIREE SUPP	92.89	
53035	06/29/15	CDW GOVERNMENT, INC.	3,187.66	002627		66022	DMV REIMBURSEMENT	71.00	
53036	06/29/15	CITY OF WATSONVILLE UTILITIES	48.22	130		66014	2015 BUS STICKERS	2,504.24	
53037	06/29/15	CLASSIC GRAPHICS	3,533.76	909		66015	OFFICE SUPPLIES	2,285.49	
53038	06/29/15	CLEAN ENERGY	46,690.38	001124		66016	OFFICE SUPPLIES	857.15	
53039	06/29/15	CLEVER DEVICES LTD	250.00	003102		66026	OFFICE SUPPLIES	45.02	
53040	06/29/15	COSTCO	79.67	002063		66043	OFFICE SUPPLIES	45.02	
53041	06/29/15	CREATIVE BUS SALES, INC.	93,516.78	002814		66029	5/11-6/8 WATER WTC	48.22	
53042	06/29/15	CUMMINS PACIFIC LLP	135.17	003116		66030	DECALS VEH #1501	1,766.88	
53043	06/29/15	DAVILA, ANA MARIA	46.44	M039	0	66052	DECALS VEH #1502	1,766.88	
53044	06/29/15	DELL MARKETING L.P.	2,394.00	157		66053	LNG 5/30/15	9,929.58	
53045	06/29/15	DEPARTMENT OF JUSTICE	224.00	002567		66054	LNG 6/9/15	9,919.61	
53046	06/29/15	DEPARTMENT OF TOXIC SUBSTANCE	787.50	900		66055	LNG 6/6/15	8,400.25	
53047	06/29/15	EPICOR SOFTWARE CORP	12,556.25	002953		66032	LNG 6/2/15	9,745.36	
53048	06/29/15	ESPINOZA, AMY	71.00	E977		66033	LNG 6/4/15	8,695.58	
53049	06/29/15	EXPRESS SERVICES INC.	1,311.00	432		66020	REPAIR DR600	250.00	
53050	06/29/15	FELIX, FRANCISCA	71.00	E972		66037	BOD MEET 6/12-6/26	79.67	
53051	06/29/15	FERRIS HOIST & REPAIR, INC.	1,230.00	447		66032	VEHICLE #1502	46,758.39	
53052	06/29/15	FIRST ALARM	10,280.05	002295		66033	VEHICLE #1501	46,758.39	
53053	06/29/15	FLYERS ENERGY LLC	9,475.16	002952		66120	COIL IGNITION	135.17	
53054	06/29/15	GARCIA, JUAN	71.00	E978		66107	JUL 15 RETIREE SUPP	46.44	
53055	06/29/15	GARY KENVILLE LOCKSMITH	372.72	001189		66138	ON SITE SERVICE	2,394.00	
						66107	FINGERPRINTING	224.00	
						66138	2015 EPA ID VQ	787.50	
						66034	HCM UPGRADE	12,556.25	
						66078	DMV REIMBURSEMENT	71.00	
						66108	TEMP W/E 6/14/15	1,311.00	
						66073	DMV REIMBURSEMENT	71.00	
						66099	ANNUAL MAINTENANCE	1,230.00	
						66110	MAY 15 SERVICES HW	3,171.27	
						66111	APR 15 SERVICES HW	3,171.27	
						66112	5/31/13-3/31 ADJ BAL	3,937.51	
						66101	6/1-6/15 FUEL PC	9,475.16	
						66079	DMV REIMBURSEMENT	71.00	
						66044	WTC KIOSK PADLOCK	174.91	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
53056	06/29/15	002954	2,240.11	GCR TIRES & SERVICE	7	66045	RPLC DEADBOLT & KEYS	197.81	
53057	06/29/15	M041	92.89	GOUVEIA, ROBERT	0	66010	TIRES	988.33	
53058	06/29/15	282	2,356.61	GRAINGER		66011	TIRES	1,251.78	
53059	06/29/15	E530	105.09	GUIZAR, LISETH		66121	JUL 15 RETIREE SUPP	92.89	
53060	06/29/15	216	1,897.86	LABOR READY, INC.		66017	OFFICE SUPPLIES	61.13	
53061	06/29/15	003195	150.00	LANDAVERY, CARLOS G.		66018	OFFICE SUPPLIES	5.99	
53062	06/29/15	E976	71.00	LOPEZ, DEANNA		66046	DRAIN SEAL SPILL KIT	1,874.85	
53063	06/29/15	511	1,474.00	LUMINATOR HOLDING LP		66070	OFFICE SUPPLY	414.64	
53064	06/29/15	001145	729.30	MANAGED HEALTH NETWORK		66080	SC 12-14-12	105.09	
53065	06/29/15	003017	16,699.16	MANSFIELD OIL CO OF GAINSVILLE		66097	TEMP W/E 6/12/15	868.75	
53066	06/29/15	001342	80.00	MCW ASSOCIATES, INC.		66100	TEMP W/E 6/5/15	1,029.11	
53067	06/29/15	001052	122.15	MID VALLEY SUPPLY INC.		66040	BOD MEETING 5/22/15	150.00	
53068	06/29/15	001063	4,461.68	NEW FLYER IND. CANADA ULC DBA		66077	DMV REIMBURSEMENT	71.00	
53069	06/29/15	004	1,406.46	NORTH BAY FORD LINC-MERCURY		66021	RPR POWER SUPPLY BRD	350.00	
53070	06/29/15	003115	1,026.90	OFFICE TEAM		66023	RPR BLINKING BLOCK	400.00	
53071	06/29/15	043	400.54	PALACE ART & OFFICE SUPPLY		66024	RPR PROCESOR FLASH	724.00	
53072	06/29/15	M109	46.44	PEREZ, CHERYL		66057	JUL 15 EAP PREMIUM	729.30	
53073	06/29/15	E974	71.00	PEREZ, JULIO		66009	DIESEL 6/8/15	16,699.16	
53074	06/29/15	481	165.00	PIED PIPER EXTERMINATORS, INC.		66007	MAY 15 SERVICES	80.00	
53075	06/29/15	001149	611.50	PREFERRED PLUMBING, INC.		66098	CLEANING SUPPLIES	122.15	
53076	06/29/15	882	326.25	PRINT SHOP SANTA CRUZ		66025	INVENTORY ORDER	268.79	
53077	06/29/15	002195	1,512.60	PROVANTAGE		66064	INVENTORY ORDER	315.93	
						66066	RPR BUS #1204	1,824.75	
						66067	INVENTORY ORDER	713.21	
						66068	INVENTORY ORDER	13.53	
						66083	CREDIT	-1,642.42	
						66127	SHOP TOOLS	832.79	
						66088	RPR VEH #1121 PC	295.89	
						66089	INVENTORY PARTS PC	753.23	
						66090	BRAKE KITS PC	357.34	
						66116	TEMP W/E 6/12/15	1,026.90	
						66031	OFFICE SUPPLIES	-43.48	
						66038	OFFICE SUPPLIES	43.48	
						66071	OFFICE SUPPLIES	48.29	
						66072	OFFICE SUPPLIES	134.70	
						66084	CLEANING SUPPLIES	140.16	
						66085	OFFICE SUPPLIES	77.39	
						66122	JUL 15 RETIREE SUPP	46.44	
						66075	DMV REIMBURSEMENT	71.00	
						66049	JUN15 PEST CAFE LENA	53.50	
						66050	JUN15 PEST METROMKT	53.50	
						66051	JUN 15 PEST BETTYS	58.00	
						66060	RPR SNAKE DRAIN SMC	611.50	
						66065	BUSINESS CARDS	326.25	
						66115	REPLACE AGING UNITS	1,512.60	

# Attachment A

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DATE: 06/01/15 THRU 06/30/15

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
53078	06/29/15	110,027.23 904	RNL/INTERPLAN, INC. A CA CORP	66109	0	PROF SVC THRU 4/30	110,027.23		
53079	06/29/15	92.89 M085	ROSSI, DENISE	66123		JUL 15 RETIREE SUPP	92.89		
53080	06/29/15	46.44 M030	ROWE, RUBY	66124		JUL 15 RETIREE SUPP	46.44		
53081	06/29/15	71.00 E973	RUBIO, ARASELI	66074		DMV REIMBURSEMENT	71.00		
53082	06/29/15	140.50 135	SANTA CRUZ AUTO PARTS, INC.	65953		CREDIT	-8.32		
				66036		RPR VEH #2404 PC	8.32		
				66042		MASKING TAPE	66.75		
				66091		INVENTORY PARTS	73.75		
53083	06/29/15	59,271.07 002917	SANTA CRUZ METRO TRANSIT W/C	66134		6/1-6/15 W/C REPLEN	43,960.74		
53084	06/29/15	2,500.00 002267	SHAW / YODER / ANTIWIH, INC.	66136		5/15-5/31 W/C REPLEN	15,310.33		
53085	06/29/15	459.45 002245	STAPLES CONTRACT & COMM INC	66039		JUN 15 LEGISLATE SVC	2,500.00		
				66096		OFFICE SUPPLIES	176.91		
				66117		OFFICE SUPPLIES	282.54		
53086	06/29/15	608.84 003037	TYCO INTEGRATED SECURITY	66093		7/1-9/30 ALARM SVT	172.47		
				66094		7/1-9/30 ALARM WTC	183.25		
				66095		7/1-9/30 ALARM SMC	253.12		
53087	06/29/15	578.76 003152	UNIFIRST CORPORATION	66028		LAUNDRY SERVICE	209.78		
				66035		LAUNDRY SERVICE	69.01		
				66058		LAUNDRY SERVICE	69.01		
				66059		LAUNDRY SERVICE	209.78		
				66069		LAUNDRY SERVICE	14.19		
				66086		LAUNDRY SERVICE	6.99		
53088	06/29/15	4,970.84 002829	VALLEY POWER SYSTEMS, INC.	66114		MID LIFE 2217	192.66		
				66128		MID LIFE 2217	3,735.88		
				66129		MID LIFE 2217	55.38		
				66130		MID LIFE 2217	986.92		
53089	06/29/15	1,259.48 434	VERIZON WIRELESS	66118	0	5/2-6/1 TELECOMM PC	309.23		
				66119		5/13-6/12 WIFI BUSES	950.25		
53090	06/29/15	460.80 001165	VU, THANH DR. MD	66102	7	NEW HIRE DMV EXAM	92.16		
				66103		NEW HIRE DMV EXAM	92.16		
				66104		NEW HIRE DMV EXAM	92.16		
				66105		NEW HIRE DMV EXAM	92.16		
				66106		NEW HIRE DMV EXAM	92.16		
53091	06/29/15	401.03 002028	WESTCOAST LEGAL SERVICE	66081	7	CV 181444	259.61		
				66082		CV 181444	141.42		
53092	06/29/15	46.44 M088	YAGI, RANDY	66125	0	JUL 15 RETIREE SUPP	46.44		
53093M06/29/15		674.20 001272	CITY OF SANTA CRUZ - PLANNING	66139		PLAN REVISIONS	674.20		MANUAL
53094M06/29/15		400.00 841A	CITY OF WATSONVILLE			4TH OF JULY PARADE	400.00		MANUAL
						ACCOUNTS PAYABLE			
TOTAL		2,696,093.65				TOTAL CHECKS	286	2,696,093.65	



**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Alex Clifford, CEO  
**SUBJECT: ACCEPT AND FILE MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETINGS OF SEPTEMBER 25 AND OCTOBER 9, 2015**

**I. RECOMMENDED ACTION**

**That the Board of Directors Accept and File the Minutes for the Santa Cruz Metropolitan Transit District (METRO) Board of Directors Meetings of September 25 and October 9, 2015**

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) Board of Directors Meetings of September 25 and October 9, 2015
- Each meeting, staff will provide minutes from the previous METRO Board of Directors meeting

**II. DISCUSSION/BACKGROUND**

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

**III. FINANCIAL CONSIDERATIONS/IMPACT**

None

**IV. ALTERNATIVES CONSIDERED**

None

**V. ATTACHMENTS**

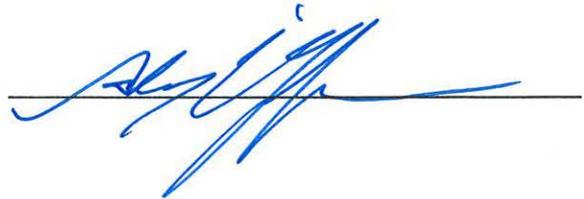
**Attachment A:** Draft minutes for the Board of Directors Meeting of September 25, 2015

**Attachment B:** Draft minutes for the Board of Directors Meeting of October 9, 2015

Prepared by: Gina Pye, Executive Assistant

VI. APPROVALS:

Alex Clifford, CEO/General Manager



# Attachment A



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
REGULAR MEETING  
SEPTEMBER 25, 2015 – 8:30 AM  
WATSONVILLE CITY COUNCIL CHAMBERS  
275 MAIN STREET  
WATSONVILLE, CA**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, September 25, 2015, at the Watsonville City Council Chambers at 275 Main Street, Watsonville, CA.

The Board Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com) and is available for inspection at Santa Cruz METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California.

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## **SECTION I: OPEN SESSION**

**1 CALL TO ORDER at 8:39A** by Chair Bustichi

**2 ROLL CALL:** The following Directors were **present**, representing quorum:

<b>Director Ed Bottorff</b>	<b>City of Capitola</b>
<b>Director Dene Bustichi, Chair</b>	<b>City of Scotts Valley</b>
<b>Director Karina Cervantez</b>	<b>City of Watsonville</b>
<b>Director Cynthia Chase</b>	<b>City of Santa Cruz</b>
<b>Director Jimmy Dutra</b>	<b>City of Watsonville</b>
<b>Director Donald "Norm" Hagen</b>	<b>County of Santa Cruz</b>
<b>Director Don Lane</b>	<b>City of Santa Cruz</b>
<b>Director John Leopold</b>	<b>County of Santa Cruz</b>
<b>Director Bruce McPherson</b>	<b>County of Santa Cruz</b>
<b>Director Mike Rotkin, Vice Chair</b>	<b>County of Santa Cruz</b>

The following Directors were absent:

Director Zach Friend	County of Santa Cruz
Ex-Officio Director Donna Blitzer	UC Santa Cruz

### **STAFF PRESENT:**

Alex Clifford, CEO  
Leslyn Syren, District Counsel

**DRAFT**

**8-02A.1**

# Attachment A

METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Heather Adamson, AMBAG  
Angela Aitken, METRO  
Christine Bakanoff, Self  
Lynne Cordova, Self

Carolyn Derwing, METRO  
Cayla Hill, METRO  
Robyn D. Slater, METRO  
Daniel Zaragoza, METRO

### 3 ANNOUNCEMENTS

Chair Bustichi acknowledged Carlos Landaverry's presence and noted his availability for Spanish Language Interpretation as needed. Carlos introduced himself and announced his services in Spanish.

Chair Bustichi announced Victor will be today's Community Television technician and the City of Watsonville technician is Joseph.

Chair Bustichi announced the following items were distributed to Board members and available for public review at the rear of the room:

- Item 8-10 Attachment A has been REVISED
- Item 8-12 Attachment A has been REVISED
- Item 14 The presentation is now available (Attachment C)
- Item 15 A link to a YouTube video is available <http://youtu.be/QjBFJpc4Fdu>
- Updated Headways for Fall-Spring Service: September 10, 2015 – June 15, 2016
- September 24, 2015 email from Olive Mills

### 4 COMMUNICATIONS TO THE BOARD OF DIRECTORS

Having no written communication to the Board, Chair Bustichi opened the floor to public comment.

Becky Taylor, a downtown Santa Cruz resident, informed the Board of upcoming Commission on Disabilities' (COD) events: 10/7 Santa Cruz Farmers' Market; 10/16 Watsonville Farmers' Market; 10/22 they are collaborating with Dignity Health for a talk and wheelchair dance at the Loudon Nelson Center; and then, 10/28 they will be presenting their kudos awards at the Appleton Grille in Watsonville.

Felipa de Leon, a resident of Watsonville and COD member, added these events are part of COD's 25 year celebration. She distributed the attached flyer to the Board outlining the events. Chair Bustichi asked that flyer be sent to the Board as well.

Christine Bakanoff, a Watsonville resident, spoke about using ParaCruz to attend Twin Lakes Church over the past year. With the recent changes, she is asking the Board to consider an alternate option which would allow her to utilize ParaCruz to attend church. The two blocks she is now required to travel to take the fixed route bus is unsafe and a private taxi is too costly.

Director Hagen asked that April Warnock, Paratransit Superintendent, look into these isolated ParaCruz requests for possible accommodation. Chair Bustichi noted that the Board can't make a recommendation, but he had observed METRO staff taking notes to address this.

# Attachment A

Lynn Cordova wanted to understand why the Scotts Valley Transit Center parking lot is now prohibiting overnight parking. She has used the lot historically and never experienced any problems. She stated that METRO is making public transportation less attractive with this change which is counter productive.

Chair Bustichi noted that commuter buses and neighbors from the newest residential complex have been parking overnight in the lot. They have also discovered 20-30 cars without current registration. However, these two issues should not affect our current METRO riders who use the lot correctly. He asked METRO staff to look into options for METRO riders.

Liseth Guizar, Safety, Security and Risk Manager, thanked the Board and METRO employees for their support at the recent fund raiser. It was nice to see everyone getting together for a good cause. They raised approximately \$3500.

## **5 WRITTEN COMMUNICATIONS FROM MAC**

None.

## **6 LABOR ORGANIZATION COMMUNICATIONS**

Chair Bustichi opened the floor to public comment.

Eduardo Montesino, UTU representative, spoke about the rise in complaints the drivers are receiving related to the raise in fare and ParaCruz service changes; e.g., taking the Highway 17 is more expensive, yet the service is unreliable. ParaCruz reservationists are receiving complaints from their clientele which takes longer to make the reservation. He said these complaints are not being documented.

Vice Chair Rotkin asked that METRO staff work on documenting these complaints.

## **CONSENT AGENDA**

- 8-01 RECOMMENDED ACTION ON TORT CLAIMS
- 8-02 NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION
- 8-03 ACCEPT AND FILE MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS REGULAR MEETING OF AUGUST 28, 2015
- 8-04 ACCEPT AND FILE SANTA CRUZ METRO SYSTEM RIDERSHIP REPORTS FOR THE MONTH OF JULY 2015
- 8-05 ACCEPT AND FILE THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR MAY, JUNE AND JULY 2015
- 8-06 ACCEPT AND FILE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION (SCCRTC) MEETING MINUTES REFLECTING VOTING RESULTS FROM SANTA CRUZ METRO APPOINTEES
- 8-07 ADOPTION OF THE PUBLIC RECORDS REQUEST POLICY TO THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S ADMINISTRATIVE CODE

# Attachment A

Board of Directors Meeting Minutes  
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- 8-08 CONSIDERATION OF ADOPTION OF SANTA CRUZ METRO'S AMENDED ADA POLICY AND COMPLAINT PROCEDURES
- 8-09 CONSIDERATION OF AUTHORIZING THE CEO/GENERAL MANAGER TO EXECUTE AN EXTENSION AMENDMENT FOR THE CONTRACT AGREEMENT WITH MONTEREY-SALINAS TRANSIT FOR ITS USE OF THE WATSONVILLE TRANSIT CENTER
- 8-10 ACCEPT AND FILE THE CURRENT VACANT POSITIONS REPORT  
**At the request of Carolyn Derwing, SEIU-SEA President, Item 8-10 was pulled from Consent and became Item A under the Regular Agenda.**
- 8-11 APPROVE AN OUT OF CLASS ASSIGNMENT TO A POSITION THAT IS NOT BUDGETED IN FY16 AND FY17  
**At the request of Eduardo Montesino, UTU representative, Item 8-11 was pulled from Consent and became Item B under the Regular Agenda.**
- 8-12 CONSIDERATION OF METROBASE MONTHLY CHANGE REPORT

Chair Bustichi opened the floor to public and Board member comment. Hearing no further comments, the Board moved to make a motion.

**ACTION: MOTION TO ACCEPT THE CONSENT AGENDA AS PRESENTED WITH THE MOVE OF ITEMS 8-10 AND 8-11 TO THE REGULAR AGENDA**

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR LANE**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

## REGULAR AGENDA

- A. (Former Item 8-10) ACCEPT AND FILE THE CURRENT VACANT POSITIONS REPORT**  
At the request of Carolyn Derwing, SEIU-SEA President, Item 8-10 was pulled from Consent and became Item A under the Regular Agenda.

Director McPherson recognizes that vacancies are a moving target. CEO Clifford noted that there is a lag between the time the data is received and the time it's reported; e.g., the May data was reported at the August meeting. Finance Manager, Angela Aitken, added that the FY15 information will be presented at the October 23<sup>rd</sup> Board Meeting. At the current time, we appear to have ended FY15 approximately \$3M under budget.

Ms. Derwing agreed that the open positions have saved METRO money and wanted to remind everyone that the work is still being completed, albeit with fewer employees. She added that 10 of the openings are SEIU positions.

Mr. Montesino, UTU representative, voiced concern about the budgeted level of some of the management salaries; e.g., approximately \$100,000 for the Database Administrator, Planning Manager and Assistant Superintendent. The \$350,000 savings obtained by the ParaCruz cuts appear to be going to salaries. He suggested METRO reconsider the open positions in light of the service cuts looming. Do we need these positions?

DRAFT

**8-02A.4**

# Attachment A

Chair Bustichi recognized Mr. Montesino's concerns adding that keeping service on the road requires a balance. METRO has experienced issues with not having the correct management positions in place.

**ACTION: MOTION TO ACCEPT AND FILE THE CURRENT VACANT POSITIONS REPORT AS PRESENTED**

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR LANE**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

**B. (Former Item 8-11) APPROVE AN OUT OF CLASS ASSIGNMENT TO A POSITION THAT IS NOT BUDGETED IN FY16 AND FY17**

At the request of Eduardo Montesino, UTU representative, Item 8-11 was pulled from Consent and became Item B under the Regular Agenda.

In response to Mr. Montesino's question regarding the financial cost of the position, CEO Clifford responded that the Financial Considerations on page 8-11.2 listed the cost of the position in question at \$1,010 per year.

**ACTION: MOTION TO APPROVE AN OUT OF CLASS ASSIGNMENT TO A POSITION THAT IS NOT BUDGETED IN FY16 AND FY17 AS PRESENTED**

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR LEOPOLD**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

**9 RESOLUTION OF APPRECIATION FOR JANIE McDONALD**

In Ms. McDonald's absence, Chair Bustichi presented the Resolution of Appreciation.

**MOTION TO ACCEPT THE RESOLUTION OF APPRECIATION FOR JANIE McDONALD AS PRESENTED**

**MOTION: DIRECTOR ROTKIN**

**SECOND: DIRECTOR CHASE**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

**10 OUTSTANDING SERVICE COMMENDATION FOR PEDRO GARCIA-SUMANO**

Ms. Guizar introduced Mr. Garcia-Sumano and recanted the story of his heroic actions.

Mr. Garcia-Sumano thanked the Board for inviting him and for his 17 years with METRO. He is proud of his actions.

Chair Bustichi thanked Mr. Garcia-Sumano for his quick actions, adding that he and the board are humbled to be here with him.

Director Leopold added that the public see METRO's Bus Operators as the face of the community. He also appreciates all of their work and the difference in the community they make.

# Attachment A

## 11 BOARD AGENDA EFFICIENCIES

Alex Clifford, CEO/General Manager, thanked the Board for the efficiencies to save costs which have already been approved and implemented. He would now like to complete the conversion of some of the more routine board reports from monthly to quarterly (e.g., ParaCruz, Ridership, SCCRTC minutes) given the improved accessibility of the reports, etc.

### **MOTION TO ACCEPT THE BOARD AGENDA EFFICIENCIES AS PRESENTED**

**MOTION: DIRECTOR LEOPOLD**

**SECOND: DIRECTOR HAGEN**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

## 12 ADOPTION OF THE ADVERTISING POLICY TO CHAPTER 6 TO TITLE I OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S ADMINISTRATIVE CODE

Alex Clifford, CEO/General Manager, noted this report represents an effort to continue pursuing additional revenue through advertising. This effort could make a notable difference as METRO doesn't currently actively pursue advertising opportunities. He elaborated on examples provided in the board report, noting that the future of advertising space is changing on the buses themselves.

Director Leopold supports this effort and requested a report be provided after one year as to METRO's return on investment; i.e., its profitability. Given the potential sensitivity of bus advertising, he requested samples of advertising. CEO Clifford responded that METRO is aware of this sensitivity and will be mindful of the public perception and image.

Director Lane echoed Director Leopold's concerns, particularly in light of the unintentional potential to bring back billboards within the City limits.

Director Hagen has concerns related to graffiti on the shelters. CEO Clifford acknowledged that any flat surface is an invitation to graffiti; provisions currently exist to cover any graffiti in a timely manner.

Vice Chair Rotkin reminded the assembly that the City of Santa Cruz was the first to address the US Supreme Court to ban billboards. As a result, METRO went 10 years without any advertising on the buses. It was only when revenue was needed, that this particular ban was lifted. He is concerned that the cities and/or county may resist bus shelter advertising. He asked what the legal restrictions were.

Director Bottorff proposed excluding bus shelters from the proposal but supporting the remainder.

Director Dutra appreciates the good job METRO does with graffiti removal and suggested the advertising be limited to a few bus shelters to reduce the prospective graffiti.

Vice Chair Rotkin proposed approving the policy as presented with the caveat that staff bring back examples of minimal bus shelter advertising.

Director Leopold informed the assembly of his plan to educate and illuminate the public about the Museum of Art and History through the placement of art, media, etc. on some bus shelters. District Counsel Syren cautioned the Board not to confuse Director Leopold's

# Attachment A

proposal with METRO's. Director Leopold's proposal is considered an art program, not an advertising program; it is not available for purchase.

Chair Bustichi noted that various cities and counties have different opinions. He thinks the Scotts Valley Chamber of Commerce would embrace this concept as it may help to address the temporary placards they are now dealing with. He asked that this item be brought up at each City and County jurisdiction for comments and/or restrictions.

Director Cervantez noted Watsonville does have a public arts ordinance. She suggested specific parameters to meet each jurisdiction requirements and, perhaps, an evaluation process before advertisements are set in place.

Director Leopold suggested the Board Members bring this item to their respective City/County Councils to save METRO staff time.

CEO Clifford proposed Director Leopold's October agenda item regarding the Museum of Art and History be separate from bus shelter and advertising restrictions at a future board meeting.

Chair Bustichi opened the floor to public comment.

Mr. Montesino said this could be 'dicey' depending on community demographics. He added the bus on display at the fair didn't have any internal or external advertising.

**MOTION TO APPROVE THE ADOPTION OF THE ADVERTISING POLICY TO CHAPTER 6 TO TITLE I OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT'S ADMINISTRATIVE CODE AS PRESENTED WITH THE EXCEPTION OF THE BUS SHELTERS. METRO TO RETURN WITH EXAMPLES OF BUS SHELTER ADVERTISING AND RESTRICTIONS THEREOF**  
**MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR LANE**  
**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

## **13 AMENDMENTS TO TITLE II OF THE ADMINISTRATIVE CODE – PROCUREMENT POLICY**

Leslyn Syren, District Counsel, explained that this amendment ensures METRO's compliance with state law and how it ties to policies standard throughout the industry.

Vice Chair Rotkin would authorize up to \$50,000 in the interest of efficiency but asked that the Board be informed any time monies are spent between the \$25,000 and \$50,000 range. District Counsel Syren responded that this language has been added to the policy.

Hearing no public comment, the Board moved to make a motion.

**MOTION TO APPROVE AND ACCEPT THE AMENDMENTS TO TITLE II OF THE ADMINISTRATIVE CODE – PROCUREMENT POLICY AS PRESENTED.**  
**MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR McPHERSON**  
**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

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## 14 **CONSIDER A STRATEGY FOR ADDING ELECTRIC BUSES TO THE METRO FLEET**

CEO Clifford stated that electric buses are now considered to be “reliable” within the industry and funding is available which makes this a good time to pursue electric buses.

Tom Hiltner, Acting Planning and Dev. Manager, acknowledged the work by other team members that went into the preparation of this report. He highlighted the following:

- 1) Electric bus technology has evolved to the point wherein range similar to diesel or CNG is feasible;
- 2) Electric buses have demonstrated operating costs savings over CNG buses; and,
- 3) Regulatory funding environment is favorable

Today’s proposed grant funding would provide enough monies for 30 buses. Buses are typically delivered one year after the funds are awarded.

Vice Chair Rotkin asked if there would be any savings if METRO were to ‘bundle’ their purchases with those of another district. CEO Clifford responded that the FTA has been discouraging this lately; however, we may have some luck in a joint partnership with other agencies. In fact, METRO has asked VTA to purchase 6 buses and 2 chargers; the chargers to be installed at Diridon and Pacific Station.

Director Leopold favors electric technology; in fact, he owns two electric family cars. He asked for clarification regarding the installation costs. Mr. Hiltner responded that the route structure would be analyzed before any specific chargers would be ordered and/or installed.

At CEO Clifford’s request, COO Aguirre responded to Director Leopold’s concerns regarding the comparison between METRO and Stanford’s experience, citing the difference in topography. Mr. Aguirre provided the Board with the initial results of the road test comparisons between the BYD and Proterra buses.

Director Leopold was also interested in the maintenance costs and training for METRO staff, particularly in light of the high voltage safety aspect. COO Aguirre responded that the training is typically included with the purchase of the bus. The electric buses have few fewer components to maintain.

The cost of electricity was discussed. Director Leopold suggested METRO check with the County regarding their recently installed battery system to support their fleet of cars. CEO Clifford added that some properties have been successful in negotiating a special rate and there are rumbles in the legislature supporting lower rates for this purpose.

Director Leopold expressed concern about possible public perception of taking on additional infrastructure costs while maintaining the level of service needed by the community.

COO Aguirre responded that METRO has 29 diesel buses which are beyond their useful life today and we would like to retire them. Additionally, some of the CNG gas tanks are reaching the replacement stage; their typical useful life is 12-15 years. CEO Clifford noted METRO is working to locate grant funds to fund these replacement costs.

# Attachment A

Vice Chair Rotkin suggested METRO investigate a grant which could fund solar panels over the new Operations building parking lot. He added he supports the proposal given the replacement obligations as well as the environmental arguments and availability of grant funding.

Director Chase asked if the type of charging system determines the bus manufacturer. Mr. Hiltner answered it initially did to some extent. However, recently there has been some blending of options with the different manufacturers.

Chair Bustichi thanked the team for the presentation. He supports alternative fuels throughout the fleet. He also requested that the Operators and Maintenance personnel talk with their peers at other agencies and ride on similar buses to get a sense of the various buses' capabilities.

**MOTION TO APPROVE AND ACCEPT THE STRATEGY FOR ADDING ELECTRIC BUSES TO THE METRO FLEET AS PRESENTED WITH A REQUEST FROM VICE CHAIR ROTKIN THAT STAFF CONSIDER THE COMMENTS AND RECOMMENDATIONS PRESENTED.**

**MOTION: DIRECTOR McPHERSON**

**SECOND: DIRECTOR ROTKIN**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

## **15 ACCEPT THE WATSONVILLE TRANSIT CENTER CONCEPTUAL DESIGN FINAL REPORT**

Erich Friedrich, Sr. Transportation Planner, presented the YouTube showing the WTC conceptual design. The video is available at this site: <http://youtu.be/QjBFJpc4FdU>

Mr. Friedrich noted that the next steps include a discussion with the City of Watsonville regarding additional parking, EIR report funding, etc.

Director Dutra announced that the City of Watsonville has applied to include Rodriguez Street in the revitalization proposal and is looking forward to working with METRO to obtain grant funding.

**MOTION TO ACCEPT THE WATSONVILLE TRANSIT CENTER CONCEPTUAL DESIGN FINAL REPORT AS PRESENTED**

**MOTION: DIRECTOR DUTRA**

**SECOND: DIRECTOR HAGEN**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

*Director Cervantez departed at 10:49A*

## **16 CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT AMENDMENT WITH TRANSPORTATION MANAGEMENT & DESIGN, INC. FOR COMPREHENSIVE OPERATIONAL ANALYSIS (COA) TO INCREASE THE CONTRACT TOTAL BY \$66,964 FOR LINE-BY-LINE DATA COLLECTION AND ANALYSIS**

Vice Chair Rotkin understood that the City of Santa Cruz had commissioned a trolley study. Erich agreed and added that their study had been similar to that designed by METRO which would make an additional study "moot" and the City does operate a downtown trolley; this meant there was no need for "trolley" duplication by METRO. This presented an opportunity

# Attachment A

to redirect funds with the understanding that the focus of the funds remains the same but on a larger scale; METRO focuses on Santa Cruz County versus the City concentrating on the downtown area.

Based on the near duplication of a trolley study and the COA, Director Leopold asked if additional duplications exist. Mr. Friedrich clarified that no actual work had ever been undertaken on the original planned study, due to a number of factors, one being the looming structural deficit. District Counsel Syren added that the term “trolley study” clarified the difference between a downtown circular study and a “trolley specific” study. Comprehensive route survey data is needed to make an informed decision addressing service gaps. The grant money that was previously for the Downtown Circulator would now be repurposed for the COA for a more detailed analysis.

Mr. Friedrich outlined the methodology METRO utilizes to meet our survey requirements and obtain necessary survey data.

**MOTION AUTHORIZING THE CEO TO EXECUTE A CONTRACT AMENDMENT WITH TRANSPORTATION MANAGEMENT & DESIGN, INC. FOR COMPREHENSIVE OPERATIONAL ANALYSIS TO INCREASE THE CONTRACT TOTAL BY \$66,964 FOR LINE-BY-LINE DATA COLLECTION AND ANALYSIS MOTION AS PRESENTED**

**DIRECTOR ROTKIN**

**SECOND: DIRECTOR LEOPOLD**

**MOTION PASSED WITH 10 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Hagen, Lane, Leopold, McPherson and Rotkin). Director Friend was absent.**

## **17 DISCUSSION: SANTA CRUZ COUNTY SALES TAX MEASURE**

Vice Chair Rotkin introduced this item noting he had requested it be added to the agenda to address how the press had inadequately reported the straw vote conducted at the SCCRTC's retreat. The Santa Cruz Sentinel had reported that the amount of sales tax revenue dedicated to METRO had been reduced from 15% to 14%. This raises the concern to ensure that METRO concentrate on preserving the original 15%, if not more, of sales tax revenue.

The Highway 1 widening revenue need was not broken out within the 5 “buckets” so that the amount dedicated to highway congestion or traffic management programs wasn't clear.

Vice Chair Rotkin noted that the Regional Transportation Plan predicted a transportation need of \$5B. The poll indicated that there is some support for the transit district. Two to three years ago George Dondero provided information which indicated it would take more than 25 years to get an HOV lane. Congestion relief measures in the 3 areas identified are more realistic in the near term.

***Director Dutra departed at 11:00.***

Director Bottorff believes the RTC has not made a final decision; i.e., the numbers presented are premature, not conclusive.

Director Leopold believes there was consensus that we should move forward with a sales tax measure and that further work is required to achieve support and final numbers.

# Attachment A

Director Lane reminded the assembly that the numbers presented do not represent diminished support to METRO, but simply a reflection of percentages.

CEO Clifford clarified that the Board remains in support of the HOV lanes and that the Board is requesting METRO pursue more than the proposed 14% share of the sales tax measure to fund Fixed Route and ParaCruz services.

Vice Chair Rotkin asked that METRO make certain the results of the sales tax measure are evident to the public.

Director Leopold noted that RTC had a failed ballot measure 11 years ago; however, the County had greater than 60% support for a tax measure to improve roads. Regardless of what the final numbers are, there will not be enough funds to fully support each of the five "buckets". Matching funds will be required.

Ms. Aitken presented some financial facts: The ParaCruz budget, not including maintenance, is approximately \$5M. If METRO were to receive revenue based on a 1/8 cent sales tax, it would equate to approximately \$4.6M which corresponds to the cost of ParaCruz or the current deficit.

Chair Bustichi emphasized that the Board has an obligation to advocate for as many dollars as possible. The Board agreed that 14% is not adequate for METRO's needs.

## 18 CEO TO GIVE ORAL REPORT

CEO Clifford provided a brief update on various topics:

- Shared METRO's 15 year Clean Ocean Business Award with the assembly and expressed kudos to the Fleet and Facilities Maintenance Departments.
- Requested the Board Members submit bios to post to the METRO website.
- Federal update: Transportation has been put on the back burner until after the new year.
- State update: Governor Brown has derailed several of the new bills.
- Informed the Board that they may receive calls from customers due to late buses over the past couple of weeks. Please do not hesitate to refer any calls to METRO. We are responding and making the necessary system adjustments. CEO Clifford will respond to Olive Mills' email.

## 19 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Leslyn Syren, General Counsel, announced the items to be discussed in closed session:

1. Conference with Legal Counsel – Anticipated Litigation
2. Conference with Real Property Negotiators
3. Conference with Labor Negotiators

Chair Bustichi opened the floor to public comment.

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Pamela Davis, NIAC President and owner of building to be discussed, noted the NIAC Board is anxious to move forward and is prepared to enter into negotiations with METRO as they do have an offer on the parking lot.

Ms. Syren did not anticipate a report after the Closed Session.

**20 ANNOUNCEMENT OF NEXT MEETING/BOARD HIGH IMPACT GOVERNING WORK SESSION: FRIDAY, OCTOBER 9, 2015 AT 8:30 AM, SALVATION ARMY REDWOOD GLEN CAMP AND CONFERENCE CENTER, 3100 BEAN CREEK ROAD, SCOTTS VALLEY**

Chair Dene Bustichi announced the next METRO Board meeting noting that it will be a four hour event with a facilitator to address board related issues. No actions will be taken by the Board at this meeting.

Vice Chair Mike added this session is related to strategic planning, etc. to enable the Board to become more effective.

CEO Clifford thanked the Ad Hoc Committee for their efforts in the preparation of this meeting. Director Bottorff said his experience has been productive and looks forward to the meeting.

The meeting adjourned at 11:28A

***Chair Bustichi departed at 11:30***

Respectfully submitted,

Gina Pye  
Executive Assistant

DRAFT

**8-02A.12**

# Attachment B



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
BOARD OF DIRECTORS MEETING MINUTES  
REGULAR MEETING  
OCTOBER 9, 2015 – 8:30 AM  
SALVATION ARMY REDWOOD GLEN CAMP & CONFERENCE CENTER  
3100 BEAN CREEK ROAD  
SCOTTS VALLEY, CA 95066**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, October 9, 2015, at Salvation Army Redwood Glen Camp & Conference Center, 3100 Bean Creek Road, Scotts Valley, California.

The Board Meeting Agenda Packet can be found online at [www.SCMTD.com](http://www.SCMTD.com) and is available for inspection at Santa Cruz METRO's Administrative offices at 110 Vernon Street, Santa Cruz, California.

This document has been created with accessibility in mind. This document passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to [accessibility@scmttd.com](mailto:accessibility@scmttd.com)

## **SECTION I: OPEN SESSION**

### **1 CALL TO ORDER**

The meeting of the Board of Directors was called to order at 8:44A by Chair Bustichi.

### **2 ROLL CALL: The following Directors were present:**

<b>Director Ed Bottorff</b>	<b>City of Capitola</b>
<b>Director Dene Bustichi, Chair</b>	<b>City of Scotts Valley</b>
<b>Director Karina Cervantez</b>	<b>City of Watsonville</b>
<b>Director Cynthia Chase</b>	<b>City of Santa Cruz</b>
<b>Director Jimmy Dutra</b>	<b>City of Watsonville</b>
<b>Director D. Norm Hagen</b>	<b>County of Santa Cruz</b>
<b>Director Don Lane</b>	<b>City of Santa Cruz</b>
<b>Director John Leopold</b>	<b>County of Santa Cruz</b>
<b>Director Bruce McPherson</b>	<b>County of Santa Cruz</b>
<b>Director Mike Rotkin, Vice Chair</b>	<b>County of Santa Cruz</b>

*Arrived @ 8:55A*

The following Directors were absent:

Ex-Officio Director Donna Blitzer	UC Santa Cruz
Director Zach Friend	County of Santa Cruz

### **STAFF PRESENT:**

Alex Clifford, CEO/General Manager  
Leslyn Syren, General Counsel

# Attachment B

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METRO EMPLOYEES AND MEMBERS OF THE PUBLIC WHO VOLUNTARILY INDICATED THEY WERE PRESENT (IN ALPHABETICAL ORDER) WERE:

Eduardo Montesino, Self

**3 ANNOUNCEMENTS**

None

**4 COMMUNICATIONS TO THE BOARD OF DIRECTORS**

September 26, 2015 letter from Kevin Walter, subject: Retirement. (See attached) CEO Clifford will respond to Mr. Walter and copy the Board on his response.

**5 WRITTEN COMMUNICATIONS FROM MAC**

None

**6 LABOR ORGANIZATION COMMUNICATIONS**

None

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

None

## 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.

**NONE**

## REGULAR AGENDA

**8 HIGH IMPACT GOVERNING WORK SESSION – NO DECISIONS WILL BE MADE AT THIS SESSION ABOUT BUS SERVICE**

Chair Dene Bustichi introduced Doug Eadie, Governance Counsel and facilitator, and reiterated the focus of the meeting was as a working session. No decisions will be made about bus service. Mr. Eadie presented Chair Bustichi with his book, Extraordinary Board Leadership. Discussion and work session followed.

**9 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, OCTOBER 23, 2015 AT 8:30 AM, METRO ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ**

Chair Dene Bustichi announced the next meeting as referenced above.

**10 ADJOURNMENT**

Chair Bustichi adjourned the meeting at 1:45P

Respectfully submitted,  
Gina Pye, Executive Assistant to the CEO

**8-02B.2**

## Attachment B

To: Zach Friend  
From: Kevin Walter (employee # 899 - Retired)  
Date: Sept 26, 2015  
Subject: Retirement

Dear Santa Cruz Board Member Zach Friend,

I would love to thank the Board for the plaque commemorating my recent retirement on July 9, 2015 from the Santa Cruz Metro. The plaque really means a lot to me. I wish I could have been there in person to accept it but was out of the state.

I really loved my job as a bus operator. Many people may think of it as a very stressful job with traffic issues, customer issues, and multi-tasking along with many other responsibilities. Being customer oriented and not easily stressed, I found my job as a bus operator very rewarding and the perfect job for me.

In June 2015, the Board sent the Bus Operators a proposal to forgo an annual 2% cost of living increase along with an offer of \$5000 for any driver who retired before December 31, 2015.

The start date of the offer was not mentioned in the proposal. However, since the previous contract ended on June 30, 2015, it seems logical that the start date of the retirement offer would be the first day of the new contract, July 1, 2015.

Since I was employed with the Metro through July 9, 2015 and voted on the proposal on July 7, I am wondering if I am eligible to receive the offer of \$5000 from the Board?

Thank you for considering my eligibility for this offer.

Sincerely,



Kevin Walter

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**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Andrew Kreck, Project Manager, Hill International  
**SUBJECT: CONSIDERATION OF METROBASE MONTHLY CHANGE ORDERS  
REPORT**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the MetroBase Monthly Change Order Report.**

**II. DISCUSSION/BACKGROUND**

The Santa Cruz Metropolitan Transit District (METRO) has a contract with Lewis C. Nelson and Sons, Inc. for the construction of the Judy K. Souza Operations Building.

Per the Board's request, the Project Manager is to provide a monthly summary of change orders. Since the Report to the Board on August 28, 2015, the Contractor has not signed any contract change orders. Therefore, no change orders have been executed by METRO in the last month. Change orders are continuing to be negotiated, written, and transmitted to the Contractor for direct costs with a deferred determination of time adjustment. The Contractor is requesting time be extended for the transmitted change orders, prior to signing the change orders. The determinations of time extensions are unresolved and are disputed between the parties. Until August 2015, the Contractor had proposed and agreed that Change Orders were to be issued for direct costs and that the determination of time would be deferred. In August 2015 the Contractor notified the Project Manager that the deferment of time was no longer acceptable to him.

**III. FINANCIAL CONSIDERATIONS/IMPACT**

See attached. This listing is the same as the August 28, 2015, and September 25, 2015, listings. Since the last Board Meeting on September 25, 2015, there have been nine (9) change orders issued to Lewis C. Nelson and Sons, Inc.

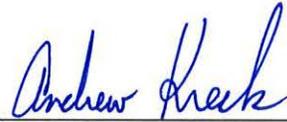
**IV. ATTACHMENTS**

**Attachment A:** Executed Change Orders Table

Prepared by: Andrew Kreck, Project Manager, Hill International

**V. APPROVALS:**

Andrew Kreck, Project Manager



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Approved as to form:  
Leslyn K. Syren, District Counsel



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Approved as to fiscal impact:  
Angela Aitken, Finance Manager



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Alex Clifford, CEO/General Manager



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# Attachment A

## Executed Change Orders

**Contract No. 12-23**

Original Contract Amount:	<b>\$13,572,000.00</b>	Revised Contract Amount:	<b>\$14,440,916.18</b>
Original Contract Time (Days):	<b>668</b>	Revised Contract Time (Days):	<b>779</b>
Total Construction Contingency:	<b>\$1,724,773.00</b>	Contingency Remaining:	<b>\$855,856.82</b>

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
001	5/16/13	Site improvements at 135 Dubois	\$ 200,586.00	-0-	Board/Les White
002	6/4/13	Extend completion date by 49 days	\$ -	49	Board/Les White
003	6/4/13	Additional site improvements at 135 Dubois	\$ 36,369.00	-0-	Les White
004	6/4/13	Demolish concrete sound wall; Provide Pile Driving Notification	\$ 17,297.00	-0-	Les White
005	6/4/13	Demolish CPU planter wall, trees, shrubs, and chain link fencing	\$ 8,905.00	-0-	Les White
006	7/25/13	Expose tops of overdriven piles	\$ 2,324.00	-0-	Les White
007	8/7/13	Cut off prestressed concrete piles 54 ft. long or less	\$ 50,000.00	-0-	Les White
007 S1	4/21/15	Cut off prestressed concrete piles 54 ft. long or less	\$ -	16	Board/Alex Clifford
008	9/26/13	Cut off prestressed concrete piles longer than 54 ft. to achieve correct elevation	\$ 26,000.00	-0-	Les White
009	9/26/13	Provide labor, equipment, and materials to modify pile caps	\$ 18,994.00	-0-	Les White
010	9/15/14	Fire Service Backflow Preventor (FD #17)	\$ 10,621.00	-0-	Alex Clifford
011	2/25/14	Weather & Misc. Delay	\$ -	13	Board/Alex Clifford
012	11/20/14	Differing site condition encountered during parking lot demolition.	\$ 49,777.00	-0-	Alex Clifford
013	11/20/14	Modification of parking deck storm drain piping at grid lines E/1 on ground floor	\$ 1,920.00	-0-	Alex Clifford
014	3/17/15	Add battery backups/delete overhead coils	\$ -	-0-	Alex Clifford
015	12/8/14	Partnering sessions (METRO's one half share of cost)	\$ 10,000.00	-0-	Alex Clifford
016	1/6/15	Furnishing and installing of epoxy-coated rebar dowels	\$ 3,798.68	-0-	Alex Clifford
017	1/14/15	Additional vehicular PCC pavement	\$ 15,182.00	-0-	Alex Clifford

# Attachment A

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
018	6/16/15	Aluminum Brake Metal	\$ 28,280.50	Deferred	Alex Clifford
019	6/26/15	CalTrans Encroachment Permit	\$ 23,523.00	Deferred	Alex Clifford
020	6/16/15	Relocate Firewall - Door Louvers and FSDs	\$ (803.00)	Deferred	Alex Clifford
022	6/16/15	Elevator Penthouse	\$ 23,870.00	Deferred	Alex Clifford
023	5/4/15	Stair Gate	\$ 4,446.00	-0-	Alex Clifford
025	6/16/15	Illuminated Handrail	\$ 21,668.00	Deferred	Alex Clifford
026	6/16/15	Plumbing Changes	\$ 6,740.00	Deferred	Alex Clifford
027	6/8/15	Security Camera Conduits	\$ 55,616.00	Deferred	Alex Clifford
028	6/8/15	Future Car Charging Conduits	\$ 21,399.00	Deferred	Alex Clifford
029	6/16/15	Contaminated Soil Abatement	\$ 32,011.00	Deferred	Alex Clifford
030	6/16/15	HVAC Revisions - Split System	\$ 14,385.00	Deferred	Alex Clifford
031	3/17/15	Pile Redesign	\$ 62,942.00	12	Board/Alex Clifford
032	3/17/15	Pile Cap Redesign	\$ 31,717.00	21	Board/Alex Clifford
033	3/17/15	Additional Sitework	\$ 12,799.00	-0-	Alex Clifford
035	6/16/15	Provide Cut Metal Letters	\$ 19,467.00	Deferred	Alex Clifford
036	4/8/15	Dwarf Wall & 6 Inch Sill Curb	\$ 6,712.00	-0-	Alex Clifford
039.S1	7/10/15	Buy America FRC Panels	\$ -	Deferred	Alex Clifford
040	6/16/15	Added Motor Operated Solar Shades	\$ 20,199.00	Deferred	Alex Clifford
043	6/16/15	PG&E Gas and Electric Substructures	\$ 2,499.00	Deferred	Alex Clifford
047	7/7/15	Concrete Backfill at Waterline in River Street	\$ 28,444.00	Deferred	Alex Clifford
048	6/25/15	Boulder Removal	\$ 632.00	Deferred	Alex Clifford
051	6/16/15	Delete Fixture Type DD at Transformer Enc.	\$ (905.00)	Deferred	Alex Clifford
052	6/16/15	Relocate Fixture Type WE	\$ 352.00	Deferred	Alex Clifford
053	7/6/15	Delete Grout Bed	\$ (2,382.00)	Deferred	Alex Clifford
054	7/10/15	Edge of Slab Revision	\$ 1,297.00	Deferred	Alex Clifford
062	7/30/15	Chain Link Fence on Retaining Wall	\$ 2,234.00	Deferred	Alex Clifford

**Totals:     \$ 868,916.18             111**



**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager  
**SUBJECT: CONSIDERATION OF RESOLUTION APPROVING THE FY16 REVISED CAPITAL BUDGET**

**I. RECOMMENDED ACTION**

**That the Board of Directors adopt a resolution approving the FY16 Revised Capital Budget, as presented in Attachment B**

**II. SUMMARY**

- The Board of Directors adopted the FY16 Capital Budget on June 26, 2015.
- Periodic capital budget revisions may be required due to new grant awards, new projects, changes to the scope of existing projects, spending, and removal of projects that are no longer needed.
- Revisions to an adopted capital budget require Board approval and the adoption of a resolution.

**III. DISCUSSION/BACKGROUND**

The Board of Directors must adopt an Operating and Capital Budget by June 30<sup>th</sup> each year. The Board adopted the FY16 & FY17 Operating and FY16 Capital Budget on June 26, 2015.

This is the first revision to the FY16 Capital Budget since it was adopted.

Staff requests that the Board adopt a resolution (**Attachment A**) to approve the Revised FY16 Capital Budget (**Attachment B**)

A Reconciliation by Project as of October 23, 2015 (**Attachment C**) is provided; this reconciles the (current) FY16 Revised Capital Budget against the (original) Final FY16 Capital Budget adopted on June 26, 2015.

This revision primarily adjusts the capital projects for spending through the end of FY15, and details the list of projects funded with FTA Section 5339 funding (\$956,023) that was presented as a placeholder in June.

#### **IV. FINANCIAL CONSIDERATIONS/IMPACT**

The original FY16 Capital Budget adopted June 26, 2015 totals \$13,248,387.

- Revision 1 – October 23, 2015 - this first revision is a net decrease of \$974,196, for a revised FY16 Capital Budget balance of \$13,248,387.

The Reconciliation by Project as of October 23, 2015 (Attachment C) lists the detail of all changes by project since adoption on June 26, 2015. The year to date change is a net decrease of \$974,196.

#### **V. ALTERNATIVES CONSIDERED**

- There are no recommended alternatives at this time. If the revised budget is not approved, important capital improvements and capital projects would be delayed or cancelled.

#### **VI. ATTACHMENTS**

**Attachment A:** FY16 Revised Capital Budget Resolution

**Attachment B:** FY16 Revised Capital Budget

**Attachment C:** FY16 Revised Capital Budget – Reconciliation by Project as of October 23, 2015

Prepared By: Debbie Kinslow, Assistant Finance Manager

**VII. APPROVALS:**

Angela Aitken, Finance Manager

  
\_\_\_\_\_

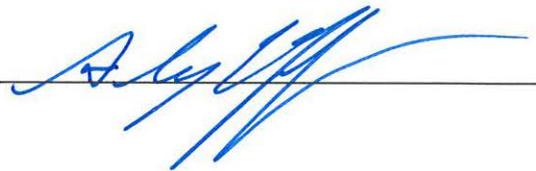
Approved as to form:  
Leslyn K. Syren, District Counsel

  
\_\_\_\_\_

Approved as to fiscal impact:  
Angela Aitken, Finance Manager

  
\_\_\_\_\_

Alex Clifford, CEO/General Manager

  
\_\_\_\_\_

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# Attachment A

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

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

On the Motion of Director \_\_\_\_\_

Duly Seconded by Director \_\_\_\_\_

The following Resolution is adopted:

### A RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING A REVISION TO THE FY16 CAPITAL BUDGET

**WHEREAS**, it is necessary to revise the adopted FY16 Capital Budget of the Santa Cruz Metropolitan Transit District to provide for revisions in the capital budget.

**NOW, THEREFORE, BE IT RESOLVED**, the FY16 Capital Budget is hereby amended per the attached Attachment B.

**PASSED AND ADOPTED** this 23rd day of October 2015, by the following vote:

AYES: Directors -

NOES: Directors -

ABSENT: Directors -

ABSTAIN: Directors -

Approved \_\_\_\_\_

DENE BUSTICHI

Board Chair

**ATTEST** \_\_\_\_\_

ALEX CLIFFORD,  
CEO, General Manager

**APPROVED AS TO FORM:**

\_\_\_\_\_  
LESLYN SYREN

District Counsel

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# Attachment B

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT REVISED FY16 CAPITAL BUDGET AS OF OCTOBER 23, 2015

PROJECT/ACTIVITY	RESTRICTED FEDERAL FUNDS	RESTRICTED - SUIT PROCEEDS	RESTRICTED - PTMISEA (1B)	RESTRICTED - SLPP	RESTRICTED - CAL-OES PROP 1B - TRANSIT SECURITY	RESTRICTED - STIP	RESTRICTED - CAPITAL STA	RESTRICTED - LCTOP (CAP & TRADE)	SALES TAX MATCH - SLPP (BACKFILL W/STA)	OPERATING / CAPITAL RESERVES - CARRYOVER FROM FY15	OPERATING / CAPITAL RESERVES - NEW FOR FY16	TOTAL
<b>Construction Related Projects</b>												
1	\$ -	\$ 635,000	\$ 6,500,000	\$ 1,000,000	\$ 646,033	\$ -	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ 9,781,033
2					\$ 164,882							\$ 164,882
3	\$ 148,452									\$ 37,113		\$ 185,565
4							\$ 37,675			\$ 48,000		\$ 85,675
5	\$ 148,452	\$ 635,000	\$ 6,500,000	\$ 1,000,000	\$ 810,915	\$ -	\$ 37,675	\$ -	\$ 1,000,000	\$ 85,113	\$ -	\$ 10,217,155
<b>IT Projects</b>												
6							\$ 35,000			\$ 90,000		\$ 125,000
7										\$ 35,629		\$ 35,629
8							\$ 5,500			\$ 5,500		\$ 5,500
							\$ 40,500			\$ 125,629		\$ 166,129
<b>Facilities Repair &amp; Improvements</b>												
9										\$ 130,000		\$ 130,000
10	\$ 100,000									\$ 25,000		\$ 125,000
11	\$ 85,632									\$ 21,408		\$ 107,040
12	\$ 60,000									\$ 15,000		\$ 75,000
13	\$ 12,000									\$ 3,000		\$ 15,000
14	\$ 7,638									\$ 1,910		\$ 9,548
15	\$ 6,400									\$ 1,600		\$ 8,000
16	\$ 271,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,065	\$ -	\$ -	\$ 16,934	\$ -	\$ 100,999
							\$ 84,065	\$ -	\$ -	\$ 146,934	\$ -	\$ 570,587
<b>Revenue Vehicle Replacement &amp; Campaigns</b>												
17						\$ 247,950				\$ 86,250		\$ 334,200
18	\$ 189,666									\$ 39,744	\$ 7,672	\$ 237,082
19	\$ 162,539									\$ 40,635	\$ 203,174	\$ 630,000
20	\$ 50,400									\$ 1,250	\$ 12,600	\$ 63,000
21	\$ 402,605	\$ -	\$ -	\$ -	\$ -	\$ 247,950	\$ -	\$ -	\$ -	\$ 127,244	\$ 60,907	\$ 836,706
<b>Non-Revenue Vehicle Replacement</b>												
22	\$ 171,023									\$ 42,756		\$ 213,779
23	\$ 75,318									\$ 18,830		\$ 94,148
24	\$ 46,602									\$ 11,651		\$ 58,253
	\$ 292,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,237	\$ -	\$ 366,180
<b>Fleet &amp; Maint Equipment</b>												
25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Office Equipment</b>												
26	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,700	\$ -	\$ -	\$ -	\$ -	\$ 26,700
							\$ 26,700	\$ -	\$ -	\$ -	\$ -	\$ 26,700
<b>Misc.</b>												
27										\$ 63,735		\$ 63,735
28										\$ 25,000		\$ 25,000
										\$ 88,735	\$ -	\$ 88,735
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$ 1,115,670</b>	<b>\$ 635,000</b>	<b>\$ 6,500,000</b>	<b>\$ 1,000,000</b>	<b>\$ 810,915</b>	<b>\$ 247,950</b>	<b>\$ 188,940</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 646,892</b>	<b>\$ 128,825</b>	<b>\$ 12,274,192</b>

# Attachment B

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**REVISED FY16 CAPITAL BUDGET**  
**AS OF OCTOBER 23, 2015**

PROJECT/ACTIVITY	RESTRICTED FEDERAL FUNDS	RESTRICTED - SAKATA/LAW SUIT PROCEEDS	RESTRICTED - PTMISEA (1B)	RESTRICTED - SLPP	RESTRICTED - CAL-OES PROP 1B - TRANSIT SECURITY	RESTRICTED - STIP	RESTRICTED - CAPITAL STA	RESTRICTED LCTOP (CAP & TRADE)	SALES TAX MATCH - SLPP - (BACKFILL W/STA)	OPERATING / CAPITAL RESERVES - CARRYOVER FROM FY15	OPERATING / CAPITAL RESERVES - NEW FOR FY16	TOTAL
<b>CAPITAL PROGRAM FUNDING</b>												
<b>Federal Sources of Funds:</b>												
Federal Grants (FTA)	\$ 1,115,670											\$ 1,115,670
Sakata / Lawsuit Proceeds		\$ 635,000										\$ 635,000
<b>State Sources of Funds:</b>												
PTMISEA (1B)			\$ 6,500,000									\$ 6,500,000
State-Local Partnership Program (SLPP)				\$ 1,000,000								\$ 1,000,000
Cal-OES Prop 1B Transit Security Grant Funds (CTSGP)					\$ 810,915							\$ 810,915
Statewide Transportation Improvement Program (STIP)						\$ 247,950						\$ 247,950
Capital Restricted - State Transit Assistance (STA)							\$ 188,940					\$ 188,940
Sales Tax Match for SLPP - (Backfilled w/STA)									\$ 1,000,000			\$ 1,000,000
<b>Local Sources of Funds:</b>												
Operating / Capital Reserve Fund										\$ 646,892	\$ 128,825	\$ 775,717
<b>TOTAL CAPITAL FUNDING BY FUNDING SOURCE</b>	<b>\$ 1,115,670</b>	<b>\$ 635,000</b>	<b>\$ 6,500,000</b>	<b>\$ 1,000,000</b>	<b>\$ 810,915</b>	<b>\$ 247,950</b>	<b>\$ 188,940</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 646,892</b>	<b>\$ 128,825</b>	<b>\$ 12,274,192</b>
Restricted Funds	\$ 1,115,670	\$ 635,000	\$ 6,500,000	\$ 1,000,000	\$ 810,915	\$ 247,950	\$ 188,940	\$ -	\$ 1,000,000			\$ 11,498,475
Non-Restricted Funds										\$ 646,892	\$ 128,825	\$ 775,717
<b>TOTAL CAPITAL FUNDING</b>	<b>\$ 1,115,670</b>	<b>\$ 635,000</b>	<b>\$ 6,500,000</b>	<b>\$ 1,000,000</b>	<b>\$ 810,915</b>	<b>\$ 247,950</b>	<b>\$ 188,940</b>	<b>\$ -</b>	<b>\$ 1,000,000</b>	<b>\$ 646,892</b>	<b>\$ 128,825</b>	<b>\$ 12,274,192</b>

**FY16 REVISED CAPITAL BUDGET  
RECONCILIATION BY PROJECT  
AS OF OCTOBER 23, 2015-1ST REVISION**

**Attachment C**

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**FY16 FINAL CAPITAL BUDGET ADOPTED JUNE 26, 2015:** **\$ 13,248,387**

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CAPITAL PROJECT	SOURCE	AMOUNT	TOTAL
<b>Reduce:</b> Cal-OES Transit Security Projects	Cal-OES	\$ (373,118)	
<b>Reason:</b> Adjust project balance to account for funds on-hand at the end of FY15 + the next allocation of \$440,505 which should arrive mid-December 2015			
<b>Reduce:</b> Pacific Station/Metro Center - Conceptual Design / MOU w/City of Santa Cruz Project	FTA RESERVES	\$ (151,548) \$ (37,887)	
<b>Reason:</b> Adjust project balance to account for FY15 spending			
<b>Reduce:</b> WTC - Conceptual Design Project	RESERVES	\$ (110,000)	
<b>Reason:</b> Adjust project balance to account for FY15 spending			
<b>Remove:</b> WTC Customer Service Booth Remodel	LCTOP (Cap & Trade)	\$ (82,000)	
<b>Reason:</b> Low Carbon Transit Operations Program (Cap & Trade) grant was not awarded			
<b>Reduce:</b> Adjust Fire Egress Project	STA	\$ (12,325)	
<b>Reason:</b> Adjust project balance to account for FY15 spending			
<b>Reduce:</b> HR Software Upgrade Project	STA RESERVES	\$ (10,000) \$ (4,371)	
<b>Reason:</b> Adjust project balance to account for spending at the end of FY15; remove \$10K of STA funds added for travel, as travel was included in the original project proposal			
<b>Add:</b> Maintstar Advanced Query Module	STA	\$ 5,500	
<b>Reason:</b> Purchase advanced query module for Fleet & Facilities Maintstar software; good return on investment, as it will improve productivity			

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**FY16 REVISED CAPITAL BUDGET  
RECONCILIATION BY PROJECT  
AS OF OCTOBER 23, 2015-1ST REVISION**

**Attachment C**

CAPITAL PROJECT	SOURCE	AMOUNT	TOTAL
<b>Reduce:</b> Bus Stop Improvements	RESERVES	\$ (14,227)	
<b>Reason:</b> Adjust project balance to account for FY15 spending			
<b>Remove:</b> WTC Renovations & Repairs	STA RESERVES	\$ (7,000) \$ (30,000)	
<b>Reason:</b> Project scope reduced; completed in FY15			
<b>Reduce:</b> Paracruz Van Replacement	STIP	\$ (97,050)	
<b>Reason:</b> 2 Paracruz Vans purchased in FY15 using STIP funds only - no local match - adjust project balance for spending; local match will be used for the remaining vehicles			
<b>Reduce:</b> State of Good Repair #2 - Tooling, Diagnostic Equipment	RESERVES	\$ (33,750)	
<b>Reason:</b> Adjust project balance to account for FY15 spending			
<b>Reduce:</b> Office Furniture / Ergonomic & Distressed Furniture	STA	\$ (15,300)	
<b>Reason:</b> Adjust project balance to account for FY15 spending			
<b>Remove:</b> WTC Police Substation - Workstation	RESERVES	\$ (1,120)	
<b>Reason:</b> Workstation was purchased against the Office Furniture / Ergonomic & Distressed Furniture project			
	Cal-OES	\$ (373,118)	
	FTA	\$ (151,548)	
	LCTOP	\$ (82,000)	
	STA	\$ (39,125)	
	STIP	\$ (97,050)	
	RESERVES	\$ (231,355)	
<b>TOTAL CAPITAL BUDGET REVISIONS 10/23/15:</b>			<b>\$ (974,196)</b>
<b>FY16 REVISED CAPITAL BUDGET AS OF OCTOBER 23, 2015:</b>			<b>\$ 12,274,191</b>



**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Al Pierce, Maintenance Manager  
**SUBJECT: CONSIDERATION OF ISSUING A FORMAL INVITATION FOR BIDS  
FOR PURCHASE AND DELIVERY OF REVENUE AND NON-REVENUE  
TIRES**

**I. RECOMMENDED ACTION**

**That the Board of Directors authorize the Purchasing Manager to issue a formal Invitation for Bids for Purchase and Delivery of Revenue and Non-Revenue Tires.**

**II. SUMMARY**

- The Santa Cruz Metropolitan Transit District (METRO) has a need for tires for both revenue and non-revenue vehicles.
- The contract currently in place for the purchase and delivery of revenue and non-revenue tires will expire on May 12, 2016, and by the terms of the contract can no longer be renewed.

**III. DISCUSSION/BACKGROUND**

METRO has a need for tires for both revenue and non-revenue vehicles. The contract currently in place for these services is with Bridgestone Americas Tire Operations, LLC d/b/a GCR Tires & Service, and is due to expire on May 12, 2016. This contract has been in effect since May 13, 2011, and all options to extend have been exercised.

Staff is recommending the issuance of a formal Invitation for Bids for Purchase and Delivery of Revenue and Non-Revenue Tires, which is anticipated to result in a contract with a 3 year base term and one 2-year option to extend, for a total of 5 years.

**IV. FINANCIAL CONSIDERATIONS/IMPACT**

This action will authorize the initiation of a procurement estimated to result in a contract with a value of \$750,000 for an initial 3-year term, and a total value of \$1,250,000 over its anticipated 5-year life. METRO has budgeted \$250,000 per year through the end of FY17 for the resulting contract within the Fleet Maintenance operating budget.

**V. ALTERNATIVES CONSIDERED**

- Staff has considered revising the specifications of the IFB to allow for leasing of tires. For logistical reasons, however, this type of arrangement is not feasible at this time.

**VI. ATTACHMENTS**

**Attachment A:** Authorizing Resolution

Prepared By: Joan Jeffries, Administrative Assistant

**VII. APPROVALS:**

Al Pierce, Maintenance Manager 

Approved as to form:  
Leslyn K. Syren, District Counsel 

Approved as to fiscal impact:  
Angela Aitken, Finance Manager 

Alex Clifford, CEO/General Manager 

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# Attachment A

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

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

### RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING THE PURCHASING MANAGER TO SOLICIT BIDS FOR PURCHASE AND DELIVERY OF REVENUE AND NON-REVENUE TIRES

**WHEREAS**, the Santa Cruz Metropolitan Transit District has a need for purchase and delivery of revenue and non-revenue tires;

#### **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AS FOLLOWS:**

**THAT**, the Purchasing Manager is authorized to issue an Invitation for Bids for the services and/or supplies described above; and

**THAT**, the IFB is approved for release pursuant to the provisions of the Santa Cruz Metropolitan Transit District's Procurement Policy.

**PASSED AND ADOPTED** by the Board of Directors of the Santa Cruz Metropolitan Transit District this 23<sup>rd</sup> day of October, 2015 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Dene Bustichi, Board Chair

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Attest:

Alex Clifford, CEO/General Manager

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# Attachment A

Resolution No. \_\_\_\_\_  
Page 2

Approved as to form:

Leslyn K. Syren, District Counsel

\_\_\_\_\_



**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Leslyn K. Syren, District Counsel  
**SUBJECT: CONSIDERATION OF A CONTRACT AMENDMENT WITH HANSON BRIDGETT IN AN AMOUNT NOT TO EXCEED \$15,000**

**I. RECOMMENDED ACTION**

**That the Board of Directors:**

- 1. Ratify the Execution of a Contract Amendment with Hanson Bridgett, LLP to increase the amount of contract not to exceed \$65,000;**
- 2. Close out both the \$50,000 contract and \$15,000 amendment;**
- 3. Permit the District Counsel to negotiate and execute a new contract with Hanson Bridgett with a contract amount not to exceed \$200,000; and,**
- 4. District Counsel to return to the Board of Directors for approval of the final agreement.**

**II. SUMMARY**

- The law firm of Hanson Bridgett is a recognized leader in providing Legal Services to transit districts throughout the State of California.
- Santa Cruz Metropolitan Transit District (METRO) has solicited the services of Hanson Bridgett to assist District Counsel with several significant legal projects.
- In order to complete the projects currently assigned to the firm and to allow for the referral of additional projects, District Counsel seeks to extend the term and compensation provided to Hanson Bridgett. This Amendment was executed in excess of the CEO's authority; District Counsel seeks to ratify the Contract to pay against invoices incurred under the Amendment.

**III. DISCUSSION/BACKGROUND**

In 2013, the Legal Department surveyed several law firms when it sought assistance to deal with legal issues that arose from the MetroBase project. A limited term contract, not to exceed \$20,000 was entered into with the firm. In 2014, a second contract was entered into that expanded the scope of services and increased the not to exceed amount to \$50,000, an amount within the authorization of the CEO.

Since entering into the contract in August of 2014, the need for additional services from Hanson Bridgett has been necessary. As of July, 2015, the District Counsel has incurred expenses in excess of the original contract. Prior to entering into a new

agreement, District Counsel created a contract amendment in the amount of \$15,000 to pay for additional expenses incurred. District Counsel is now requesting that the Board ratify this contract and allow expenses incurred to be paid against this Amendment to the Contract.

This action, if approved, will result in the close out of both the \$50,000 contract and the \$15,000 amendment.

Hanson-Bridgett provides several necessary support services to the District's Legal Department including providing on-going support for construction projects, procurement, DBE consultation, FTA compliance issues and attorney staff coverage when District Counsel is unavailable. For these reasons, it is requested that the Board of Directors find that it is in the best interests of the District to waive its competitive procurement processes, since competitive bidding procedures would be unavailing under these circumstances and permit the District Counsel to negotiate and execute a new two year contract with Hanson-Bridgett with a contract amount not to exceed \$200,000. The final version of the agreement will be approved by the Board at a subsequent meeting, if the waiver is approved pursuant to Section 1.505 of the Board's Procurement Policy.

#### **IV. FINANCIAL CONSIDERATIONS/IMPACT**

The additional \$15,000 will be absorbed in the existing FY16 Legal Operating Budget and allocated as appropriate to the Metro-Base Capital Budget.

Currently, there is \$150,000 budgeted in the life of project MetroBase Capital budget for the Operations building legal expenses. The Legal Department has budgeted \$100,000 in their FY16 operating budget for outside legal counsel. Legal counsel will be responsible for budgeting future outside legal counsel.

#### **V. ALTERNATIVES CONSIDERED**

Issue an RFP for these Legal Services for FY16 and FY17. We do not believe that this is a good option in that it would take a new firm many hours of work to review this matter in order to provide additional services. We believe that by amending the contract with Hanson Bridgett, and also entering into a new contract we will retain a continuity of excellent legal representation.

#### **VI. ATTACHMENTS**

**Attachment A:** First Amendment to On-Call Services Agreement

Prepared By: Leslyn K. Syren, District Counsel

**VII. APPROVALS:**

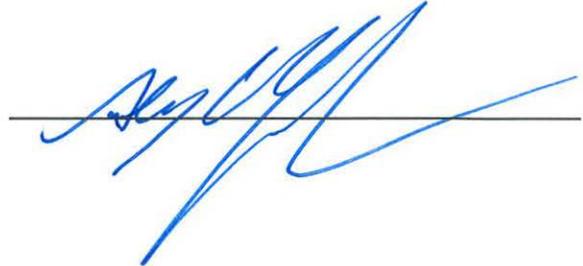
Approved as to form:  
Leslyn K. Syren, District Counsel



Approved as to fiscal impact:  
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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# Attachment A

## FIRST AMENDMENT TO CONTRACT FOR LEGAL SERVICES AS-NEEDED LEGAL SERVICES

This First Amendment to Contract is made and entered into at Santa Cruz, California, as of June <sup>15</sup>, 2015, by and between **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, a public agency ("Santa Cruz METRO"), and **HANSON BRIDGETT LLP** ("ATTORNEY"), who agree as follows:

### 1. RECITALS

On August 1, 2014 Santa Cruz METRO and ATTORNEY executed a "Contract for As-Needed Legal Services" in an amount not to exceed \$50,000.00 annually.

Both Parties wish to amend the Contract to increase the total amount of Consideration payable to ATTORNEY by \$15,000.

### 2. AMENDMENTS

The following paragraphs are amended, replaced and restated as follows:

2. **Total Consideration** is hereby amended to read as follows:

The total consideration payable to ATTORNEY may not exceed the sum of \$65,000.00 annually, including any reimbursable expenses.

This amount is established for Santa Cruz METRO's budgetary purposes and does not constitute a contractual commitment by Santa Cruz METRO to retain ATTORNEY to such an extent, nor a commitment by ATTORNEY to provide all required services within the amount so established. However, ATTORNEY may not provide services that are billable to Santa Cruz METRO in an amount exceeding the amount of the total consideration provided above unless approved in advance by written amendment to this Contract.

### 3. EFFECTIVE DATE

This Amendment is effective as of the day and year first hereinabove appearing.

### 4. NOTICES

All notices and other communications under this Contract must be in writing and will be deemed to have been duly given (i) on the date of delivery, if delivered personally to the party to whom notice is given, or if made by electronic mail or telecopy directed to the party to whom notice is to be given at the email address provided or the telecopy number listed below, or (ii) at the earlier of actual receipt or the second business day following deposit in the United States mail, postage prepaid. Notices and other communications must be directed to the parties at the addresses shown below. A party may change its person designated to receive notice, its email address, telecopy number, or its mailing address from time to time by giving notice to the other party in accordance with the procedures set forth in this Article.

Santa Cruz METRO: Leslyn K. Syren, District Counsel  
Santa Cruz Metropolitan Transit District  
110 Vernon Street  
Santa Cruz, CA 95060  
Phone: (831) 426-6080 - ex1601  
Fax: (831) 469-3658  
Email: lsyren@scmttd.com

# Attachment A

ATTORNEY:

Julie A. Sherman, Esq.  
Hanson Bridgett LLP  
425 Market Street, 26th Floor  
San Francisco CA 94105  
Phone: (415) 995-5185  
Fax: (415) 995-3592  
Email: jsherman@hansonbridgett.com

## 5. ENTIRE AGREEMENT

This Amendment and the Contract dated August 1, 2014, including all exhibits and attachment, embodies the entire agreement of the parties in relation to the scope of services herein described, and no other understanding whether verbal, written or otherwise exists between the parties.

Executed as of the day first above stated.

**HANSON BRIDGETT, LLP**

By:   
\_\_\_\_\_  
STEVEN D. MILLER  
Partner

**SANTA CRUZ METROPOLITAN  
TRANSIT DISTRICT**

By:   
\_\_\_\_\_  
ALEX CLIFFORD  
CEO/General Manager  
*For Alex Clifford, CEO*

Approved as to Content and Legal Form:

By:   
\_\_\_\_\_  
LESLYN K. SYREN  
District Counsel



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

To

## FRANK H. BAUER

### SAFETY AND TRAINING COORDINATOR

FOR THE COMPLETION OF **35** YEARS OF SERVICE  
BETWEEN 1980 AND 2015.

GIVEN THIS 23<sup>RD</sup> DAY OF OCTOBER 2015.

  
\_\_\_\_\_  
CHAIR, BOARD OF DIRECTORS

  
\_\_\_\_\_  
CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

To

**FRANK Q. JACINTO**  
**BUS OPERATOR**

FOR THE COMPLETION OF **30 YEARS OF SERVICE**  
**BETWEEN 1985 AND 2015.**

**GIVEN THIS 23<sup>RD</sup> DAY OF OCTOBER 2015.**

  
\_\_\_\_\_  
CHAIR, BOARD OF DIRECTORS

  
\_\_\_\_\_  
CEO/GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

To

**GILLIAN S. MCGLAZE**  
TRANSIT SUPERVISOR

FOR THE COMPLETION OF **30** YEARS OF SERVICE  
BETWEEN 1985 AND 2015.

GIVEN THIS 23<sup>RD</sup> DAY OF OCTOBER 2015.

  
\_\_\_\_\_  
CHAIR, BOARD OF DIRECTORS

  
\_\_\_\_\_  
CEO / GENERAL MANAGER



THE BOARD OF DIRECTORS PROUDLY PRESENTS THIS

# CERTIFICATE OF APPRECIATION

To

**ROSALIO L. RAMOS**  
**BUS OPERATOR**

FOR THE COMPLETION OF **30** YEARS OF SERVICE  
BETWEEN 1985 AND 2015.

GIVEN THIS 23<sup>RD</sup> DAY OF OCTOBER 2015.

CHAIR, BOARD OF DIRECTORS

CEO/GENERAL MANAGER

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

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

**RESOLUTION OF APPRECIATION FOR THE SERVICES OF FRANK BAUER AS  
SAFETY AND TRAINING COORDINATOR FOR THE SANTA CRUZ  
METROPOLITAN TRANSIT DISTRICT**

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

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

**WHEREAS**, METRO, requiring an employee with expertise and dedication appointed Frank Bauer to serve in the position of Safety and Training Coordinator, and

**WHEREAS**, Frank Bauer served as a member of the Operations Department of METRO for the time period of October 7, 1980 to October 7, 2015, and

**WHEREAS**, Frank Bauer provided METRO with dedicated service and commitment during the time of employment, and

**WHEREAS**, Frank Bauer served METRO with distinction, and

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

**WHEREAS**, during the time of Frank Bauer's service, METRO expanded service, improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

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

**NOW, THEREFORE, BE IT RESOLVED**, that upon his retirement as Safety and Training Coordinator, the Board of Directors of METRO does hereby commend Frank Bauer for his efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

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

**PASSED AND ADOPTED** this 23rd Day of October, 2015 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Dene Bustichi, Chair

---

Attest:

Alex Clifford, CEO/General Manager

---

Approved as to form:

Leslyn K. Syren, District Counsel

---

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

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

## **RESOLUTION OF APPRECIATION FOR THE SERVICES OF ISSAC GLENN AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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

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

**WHEREAS**, METRO, requiring an employee with expertise and dedication appointed Issac Glenn to serve in the position of Bus Operator, and

**WHEREAS**, Issac Glenn served as a member of the Operations Department of METRO for the time period of July 16, 1984 to October 7, 2015, and

**WHEREAS**, Issac Glenn provided METRO with dedicated service and commitment during the time of employment, and

**WHEREAS**, Issac Glenn served METRO with distinction, and

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

**WHEREAS**, during the time of Issac Glenn's service, METRO expanded service, improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

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

**NOW, THEREFORE, BE IT RESOLVED**, that upon his retirement as Bus Operator, the Board of Directors of METRO does hereby commend Issac Glenn for efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

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

**PASSED AND ADOPTED** this 23rd Day of October, 2015 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Dene Bustichi, Chair

---

Attest:

Alex Clifford, CEO/General Manager

---

Approved as to form:

Leslyn K. Syren, District Counsel

---

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

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

## **RESOLUTION OF APPRECIATION FOR THE SERVICES OF ROSALIO RAMOS AS BUS OPERATOR FOR THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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

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

**WHEREAS**, METRO, requiring an employee with expertise and dedication appointed Rosalio Ramos to serve in the position of Bus Operator, and

**WHEREAS**, Rosalio Ramos served as a member of the Operations Department of METRO for the time period of October 7, 1985 to October 8, 2015, and

**WHEREAS**, Rosalio Ramos provided METRO with dedicated service and commitment during the time of employment, and

**WHEREAS**, Rosalio Ramos served METRO with distinction, and

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

**WHEREAS**, during the time of Rosalio Ramos' service, METRO expanded service, improved existing and built new operating facilities, converted the fleet to a CNG propulsion system, developed accessible bus stops, improved ridership, responded to adverse economic conditions, assumed direct operational responsibility for the Highway 17 Express service and the Amtrak Connector service, and assumed direct operational responsibility for the ParaCruz service, and

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

**NOW, THEREFORE, BE IT RESOLVED**, that upon his retirement as Bus Operator, the Board of Directors of METRO does hereby commend Rosalio Ramos for her efforts in advancing public transit service in Santa Cruz County and expresses sincere appreciation on behalf of itself, the METRO staff and all of the residents of Santa Cruz County.

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

**PASSED AND ADOPTED** this 23rd Day of October, 2015 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Dene Bustichi, Chair

---

Attest:

Alex Clifford, CEO/General Manager

---

Approved as to form:

Leslyn K. Syren, District Counsel

---



SHAW/YODER/ANTWIH,<sup>INC.</sup>

*Legislative Advocacy  
Association Management*

# State Legislative Session Year-End Report

## Santa Cruz Metropolitan Transit District Board of Directors Meeting

Friday, October 23, 2015

Joshua W. Shaw

Partner

# 2015-16 Regular Legislative Session

Year-End Summary

# ACA 4 (Frazier) Local Government Transportation Projects: Special Taxes: Voter Approval.

## In Senate Appropriations Committee

- As a constitutional amendment, not subject to legislative deadlines
- Would lower the voter-threshold for the imposition of a special tax for transportation purposes from 2/3 to 55 percent

# **SB 9 (Beall) Greenhouse Gas Reduction Fund: Transit and Intercity Rail Capital Program.**

**Signed by Governor Brown [Chapter 710, Statutes of 2015]**

- Amends the TIRCP to:
  - Make explicit that bus operators may apply for funding
  - Add additional project evaluation criteria
  - Allow for the multiyear commitment of funds to a project
  - Require CalSTA to develop a 5-year program of projects
  - Allow project sponsors to apply for Letters of No Prejudice

# AB 1250 (Bloom) Bus Axle Weights.

**Signed By Governor Brown [Chapter 484, Statutes of 2015]**

- Institutes a new, more realistic and statutorily enforceable schedule of new bus axle weights, starting January 1, 2016
- Decreases the maximum allowable bus axle weight over time, to incentivize bus manufacturers and public transit operators to design, manufacture and ultimately put into operation increasingly lighter transit buses
- Converts the measurement of bus axle weights to curb weight from today's "gross" weight standard

# SB 413 (Wieckowski) Transit Violations.

**Signed by Governor Brown [Chapter 765, Statutes of 2015]**

- Allows transit operators to issue violations to minors using an administrative process
- Aligns the definition of a noise violation under the Penal and Public Utilities Codes
- Authorizes transit system to adopt an infraction for failing to yield priority seating to elderly and disabled passengers

# SB 508 (Beall) TDA and STA Requirements.

**Signed by Governor Brown [Chapter 716, Statutes of 2015]**

- Creates more flexible farebox recovery and operating cost criteria under the TDA, by:
  - Deleting the requirement for transit operators to maintain higher farebox recovery ratios based on the 1978-79 fiscal year
  - Creating parity in the list of exclusions from the definition of operating costs for both the farebox recovery ratio and STA program qualifying criteria
- Rationalizes the penalties for non-compliance by eliminating the “pass/fail” nature of the STA program qualifying criteria in favor of a sliding scale
  - New system in effect on July 1, 2016

# Extraordinary Session 1

Special Session on Transportation

# Special Session on Transportation

- Called for by Governor Brown on June 16, convened by the Legislature on June 19
- Highways and streets & roads dominated the conversation early on
- **SBX 1 1 (Beall)** originally served as lone Democratic funding bill
  - Would increase several taxes and fees to generate \$4.3 billion annually in new transportation funding
  - Highways, streets & roads, goods movement projects only
- Several Republican bills introduced to defund various programs and redirect funding to conventional transportation modes

# Transit Enters the Conversation

- **SBX1 7 (Allen) and ABX1 8 (Bloom & Chiu)**
  - Would increase incremental sales tax rate on diesel fuel to 5.25% (from 1.75%)
  - Would generate an additional \$300 million annually for the State Transit Assistance program
- **SBX1 8 (Hill) and ABX1 7 (Nazarian)**
  - Would double Cap and Trade \$s to existing transit programs (LCTOP and TIRCP)
  - Would result in *at least* \$300 million annually

# Transit Enters the Conversation (continued)

- Governor Brown wades into debate with his own proposal, endorsed by Assembly Speaker Atkins
  - Would increase several taxes and fees to generate \$3.5 billion annually in new transportation funding
    - New taxes for highways, streets & roads, and goods movement projects only
  - Would include \$400 million one-time for transit through TIRCP program
  - Would also provide one-time infusion of \$879 million in loan repayments from General Fund

# Conversation Stalls

- Ultimately, Legislature failed to coalesce around proposal that could garner bipartisan support
- Democratic leaders announced that a conference committee would be formed to continue work on funding package well into fall

# What's Next?

- Legislature convened its conference committee, comprised of:
  - Senators Beall (Co-Chair), Allen, Cannella, Gaines, Leyva
  - Assembly Members Gomez (Co-Chair), Burke, Melendez, Mullin, Obernolte
- Informational hearings to be held in Sacramento and Ontario on October 16 and October 21, respectively
- Governor and Democratic leaders continue to pursue 2/3 votes necessary for new revenue



SHAW/YODER/ANTWIH, inc.

*Legislative Advocacy  
Association Management*

# Questions?

Friday, October 23, 2015

**Joshua W. Shaw**

**Partner**

# Signatories to Pro-Transit Letters

## Senators (22)

**Ben Allen (SD-26) - Conferee**

**Jim Beall (SD-15) - Conferee (Co-Chair)**

Marty Block (SD-39)

**Anthony Cannella (SD-12) - Conferee**

Cathleen Galgiani (SD-5)

Loni Hancock (SD-9)

Ed Hernandez (SD-22)

Bob Hertzberg (SD-18)

Jerry Hill (SD-13)

Ben Hueso (SD-40)

Hannah-Beth Jackson (SD-19)

Ricardo Lara (SD-33)

Mark Leno (SD-11)

**Connie Leyva (SD-20) - Conferee**

Carol Liu (SD-25)

Mike McGuire (SD-2)

Tony Mendoza (SD-32)

Holly Mitchell (SD-30)

Richard Pan (SD-6)

Richard Roth (SD-31)

Bob Wiekowski (SD-10)

Lois Wolk (SD-3)

## Assembly Members (29)

Richard Bloom (AD-50)

Susan Bonilla (AD-14)

Rob Bonta (AD-18)

Nora Campos (AD-27)

Ed Chau (AD-49)

David Chiu (AD-17)

Kansen Chu (AD-25)

Tom Daly (AD-69)

Cristina Garcia (AD-58)

Eduardo Garcia (AD-56)

Mike Gipson (AD-64)

Lorena Gonzalez (AD-80)

**Jimmy Gomez (AD-51) - Conferee (Co-Chair)**

Roger Hernandez (AD-48)

Chris Holden (AD-41)

Reginald Jones-Sawyer (AD-59)

Marc Levine (AD-10)

Patty Lopez (AD-39)

Kevin McCarty (AD-7)

**Kevin Mullin (AD-22) - Conferee**

Adrin Nazarian (AD-46)

Patrick O'Donnell (AD-70)

**Anthony Rendon (AD-63) - Speaker-elect**

Sebastian Ridley-Thomas (AD-54)

Miguel Santiago (AD-53)

Mark Stone (AD-29)

Tony Thurmond (AD-15)

Phil Ting (AD-19)

Shirley Weber (AD-79)

Other conference committee members:

**Senator**

Ted Gaines (SD-1)

**Assembly Members**

Autumn Burke (AD- 62)

Melissa Melendez (AD-67)

Jay Obernolte (AD-33)

Transit seeking support from:

**Senators:** de Leon, Glazer, Hall, Monning, Pavley

**Assembly Members:** Alejo, Atkins, Brown, Burke, Calderon, Cooley, Cooper, Dababneh, Dodd, Eggman, Frazier, Gatto, Gordon, Gray, Irwin, Low, Medina, Perea, Quirk, Rodriguez, Salas, Williams, Wood

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**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Thomas Hiltner, Acting Planning Manager  
**SUBJECT: RECEIVE AN UPDATE ON THE COMPREHENSIVE OPERATIONAL ANALYSIS**

## I. RECOMMENDED ACTION

**That the Board of Directors receive an update on the Comprehensive Operational Analysis, METRO *Forward*.**

## II. SUMMARY

- Santa Cruz Metropolitan Transit District (METRO) needs to conduct a Comprehensive Operational Analysis of its service network in order to align service costs with operating revenue.
- The Board contracted with Transportation Management & Design, Inc. (TMD) on 8/14/15 to evaluate METRO's fixed-route service relative to transit demand in the county to reveal operating efficiencies.
- TMD has reviewed local transportation plans, travel demand data and demographics and conducted a first round of public engagement to inform the subsequent analysis of METRO's overall service.
- Staff recommends that the Board receive TMD's presentation (Attachment A) on the initial public engagement and Market Assessment for the comprehensive operational analysis.

## III. DISCUSSION/BACKGROUND

During the past year, METRO identified the systemic causes of a structural deficit resulting from recurring revenue failing to keep pace with recurring expenses. METRO has used its operating and capital reserves year-after-year to balance the operating budget and forecasts the full depletion of the remaining reserves in FY17. Aligning transit service costs with recurring revenue is necessary in order to provide effective, sustainable transit service throughout the county. METRO contracted with Transportation Management & Design, Inc. (TMD) on 8/14/15 to perform a comprehensive analysis of METRO operations.

TMD has completed an initial round of public engagement to inform the public about the project, generate observations of the existing transit service and create an ongoing dialogue among transit users, METRO and residents about public transit service in Santa Cruz County. TMD branded the Comprehensive Operational Analysis as "METRO *Forward*" to assist with project marketing and communication. TMD maintains a METRO *Forward* website

<http://scmetroforward.com>, which is linked to the front page of METRO's website at [www.scmtd.com](http://www.scmtd.com).

TMD and METRO staff conducted "pop-up" sessions at transit centers, farmers markets, Cabrillo College, UCSC, First Friday and Open Streets and gathered a range of comments on transit needs and METRO's service. Today's presentation (Attachment A) will characterize nearly 100 dialogues held with the community members at these events.

In addition to the general public engagement strategy, TMD holds regular Project Management Team meetings and Board Ad-Hoc Committee meetings to inform and guide the analysis and decision-making process. The Project Management Team meets at least monthly to review TMD products, give direction and provide professional input from the local knowledge base: Eduardo Montesino, UTU Local 23 President; Manuel Martinez, SEIU Professional Supervisor Association president; Larry Pageler, Director of Transportation and Parking Services at UCSC; Nathan Luedtke, Transportation Planner at SCCRTC; Carolyn Derwing, Schedule Analyst; and Thomas Hiltner, Acting Planning Manager.

The Board Ad-Hoc Committee is comprised of Ed Bottorff, Cynthia Chase, Jimmy Dutra, Mike Rotkin and METRO staff. The Ad-Hoc Committee held its first meeting on 9/9/15, met again on 10/22/15 and will meet approximately every six weeks throughout the duration of the Comprehensive Operational Analysis.

TMD has substantially completed its market assessment using data from the regional travel demand model, local transportation plans, countywide demographics, land use distributions and travel patterns as the first step toward matching transit service to market demand. Overlaying METRO's route network onto land use and travel activity distributions reveals several significant mismatches between intrinsic market demand for public transit and the supply of transit service which METRO produces. The market assessment indicates particular areas which would benefit from service realignment and identifies regions with transit service exceeding that warranted by the potential transit demand.

The next steps in METRO *Forward* will be to conduct a detailed, line-by-line ridership survey to generate boarding and alighting activity at all bus stops, develop performance standards, create alternative service scenarios, test public reception of a range of options and recommend a preferred implementation strategy to reduce service costs.

Staff recommends that the Board receive TMD's presentation and provide feedback to guide subsequent steps.

## **FINANCIAL CONSIDERATIONS/IMPACT**

METRO's contract with TMD for the comprehensive operational analysis (METRO *Forward*) will cost \$166,951. A Caltrans planning grant will pay 45% of the cost (\$74,749) with METRO paying a 55% local share (\$92,202). The FY16 Operating Budget contains funds for the project.

## **IV. ALTERNATIVES CONSIDERED**

- Discontinue the services of TMD. Staff does not recommend this alternative. METRO does not have the current capability to perform the Comprehensive Operational Assessment in-house.

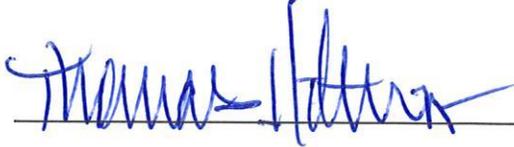
## **V. ATTACHMENTS**

**Attachment A:** TMD Public Engagement & Market Assessment Presentation

Prepared by: Thomas Hiltner, Acting Planning Manager

**VI. APPROVALS:**

Thomas Hiltner, Acting Planning  
Manager



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Approved as to form:  
Leslyn K. Syren, District Counsel



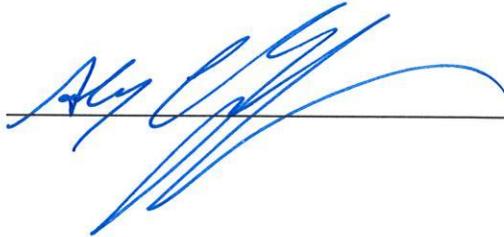
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Approved as to fiscal impact:  
Angela Aitken, Finance Manager



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Alex Clifford, CEO/General Manager



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# COMPREHENSIVE OPERATIONAL ANALYSIS



Attachment A





## Discussion Overview

- Overview of existing conditions:
  - Demographics
  - Population and employment density
  - Development patterns - market typologies, housing locations and types
  - Commute and trip patterns
  - Public outreach
  
- Key findings, issues and opportunities
- Next steps

## Attachment A





# Demographics Overview – Population Density

## Attachment A

Population & Housing Density	Density	
	Population per Sq. Mi.	Housing Units per Sq. Mi.
Davenport	143.9	49.0
Bonny Doon	160.5	73.0
Felton	891.2	416.3
Aptos	978.9	426.7
Soquel	2,097.4	893.2
Scotts Valley	2,520.4	1,003.4
Santa Cruz City	4,705.2	1,830.1
Live Oak	5,291.4	2,074.2
Capitola	6,225.6	3,473.7
Watsonville	7,656.6	2,106.9

Population	2000	2013	% Change
Santa Cruz County	255,602	264,808	3.6%
Santa Cruz City	54,593	61,245	12.2%
Watsonville	44,265	51,544	16.4%
San Lorenzo Valley	28,673	23,629	-17.6%
Scotts Valley	11,385	11,618	2.0%
Soquel	5,081	10,218	101.1%
Capitola	10,033	9,982	-0.5%
Live Oak	6,229	8,454	35.7%
Aptos	9,693	5,763	-40.5%
Felton	1,051	4,185	298.2%
Other Areas	84,896	78,170	-7.9%

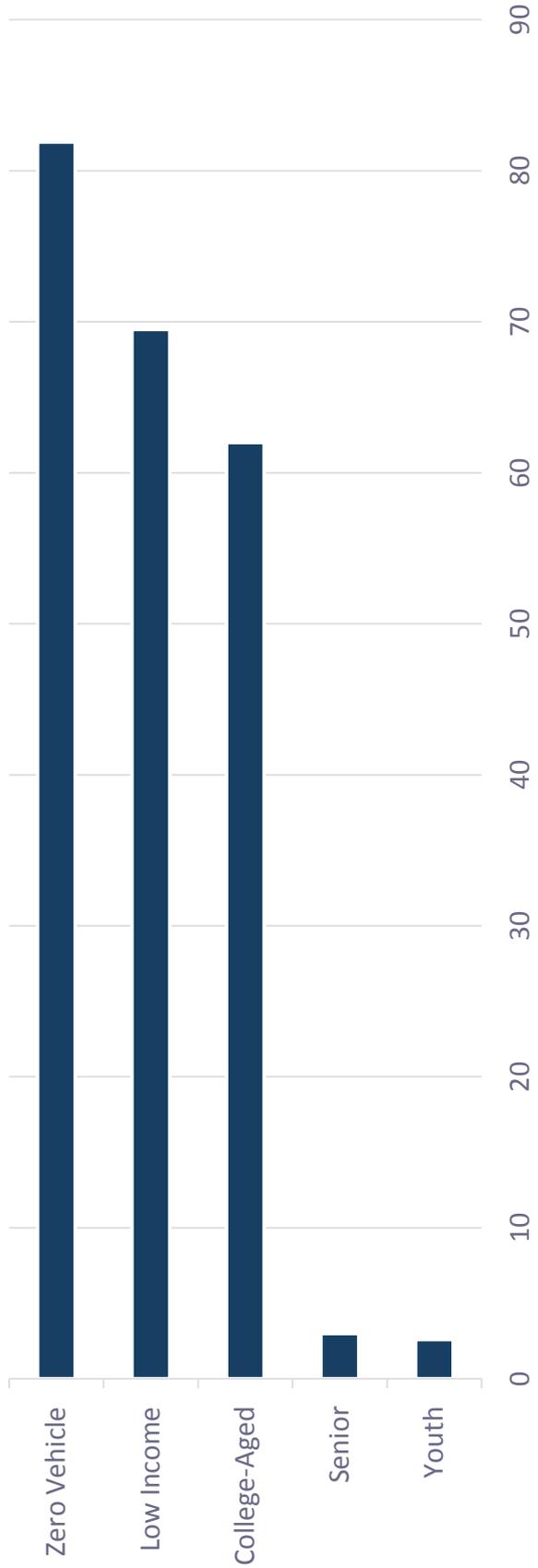


# Demographics Overview – Rider Profile

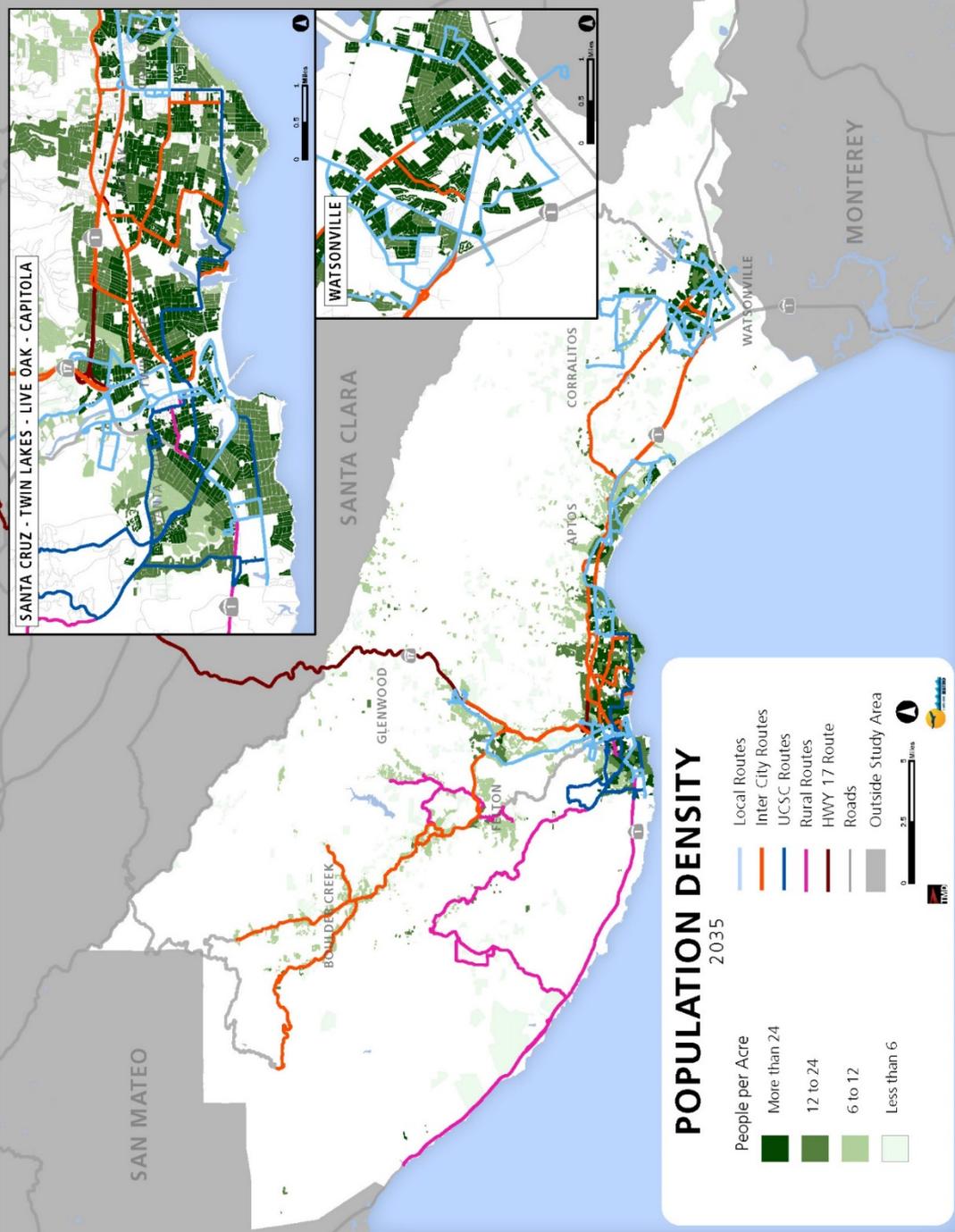


## Attachment A

Rider Profile  
2012 Survey



# Attachment A





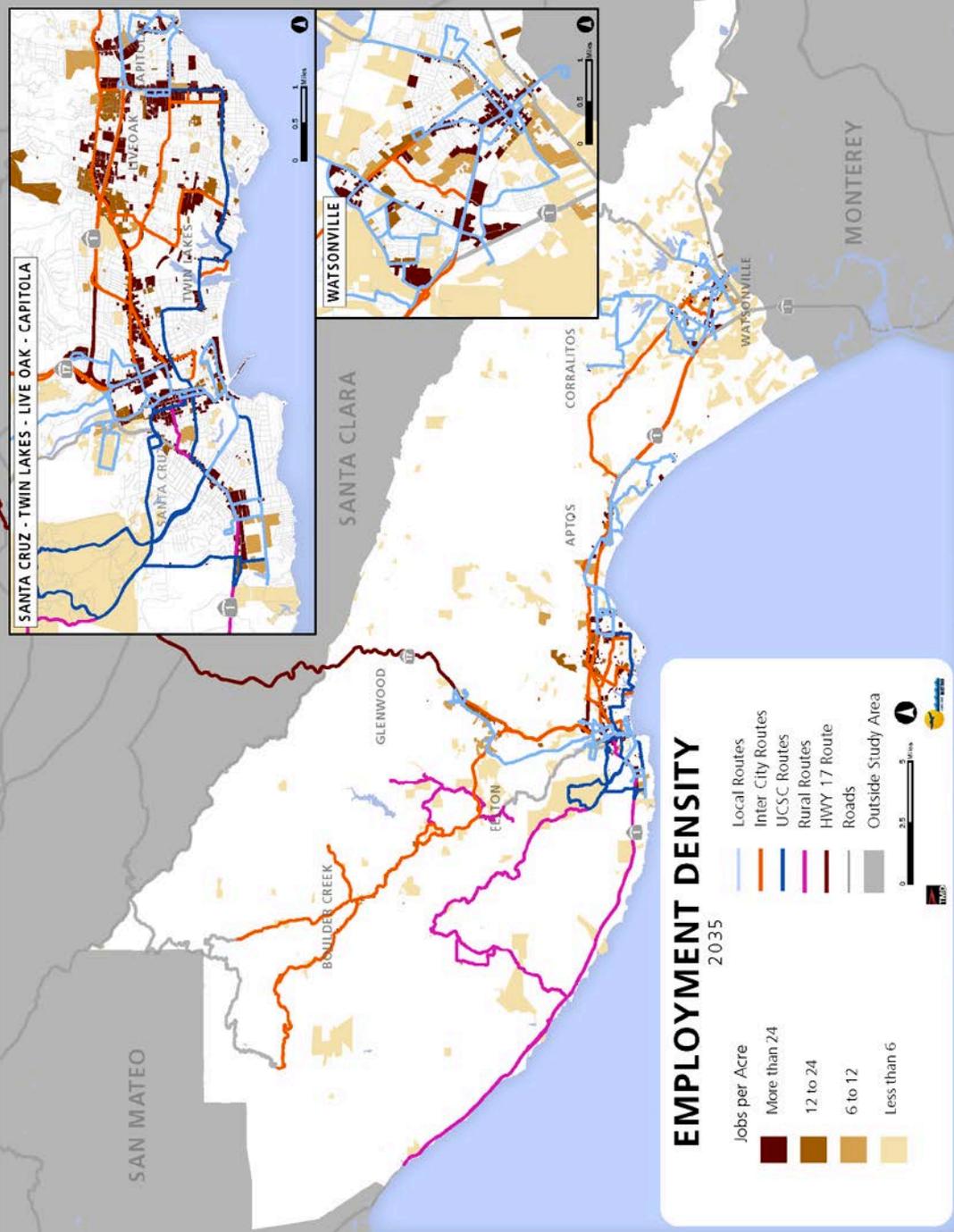
## Demographics Overview – Employment Density

- Employment focused in core developed areas of the County
- Highest concentrations in Santa Cruz are located in downtown and along Highway 1 (western) and Soquel Drive
- Substantial pockets are also found in Live Oak, Capitola and Watsonville
- Employment growth is anticipated to remain consistent with current patterns, and will concentrate in already developed areas

## Attachment A



# Attachment A





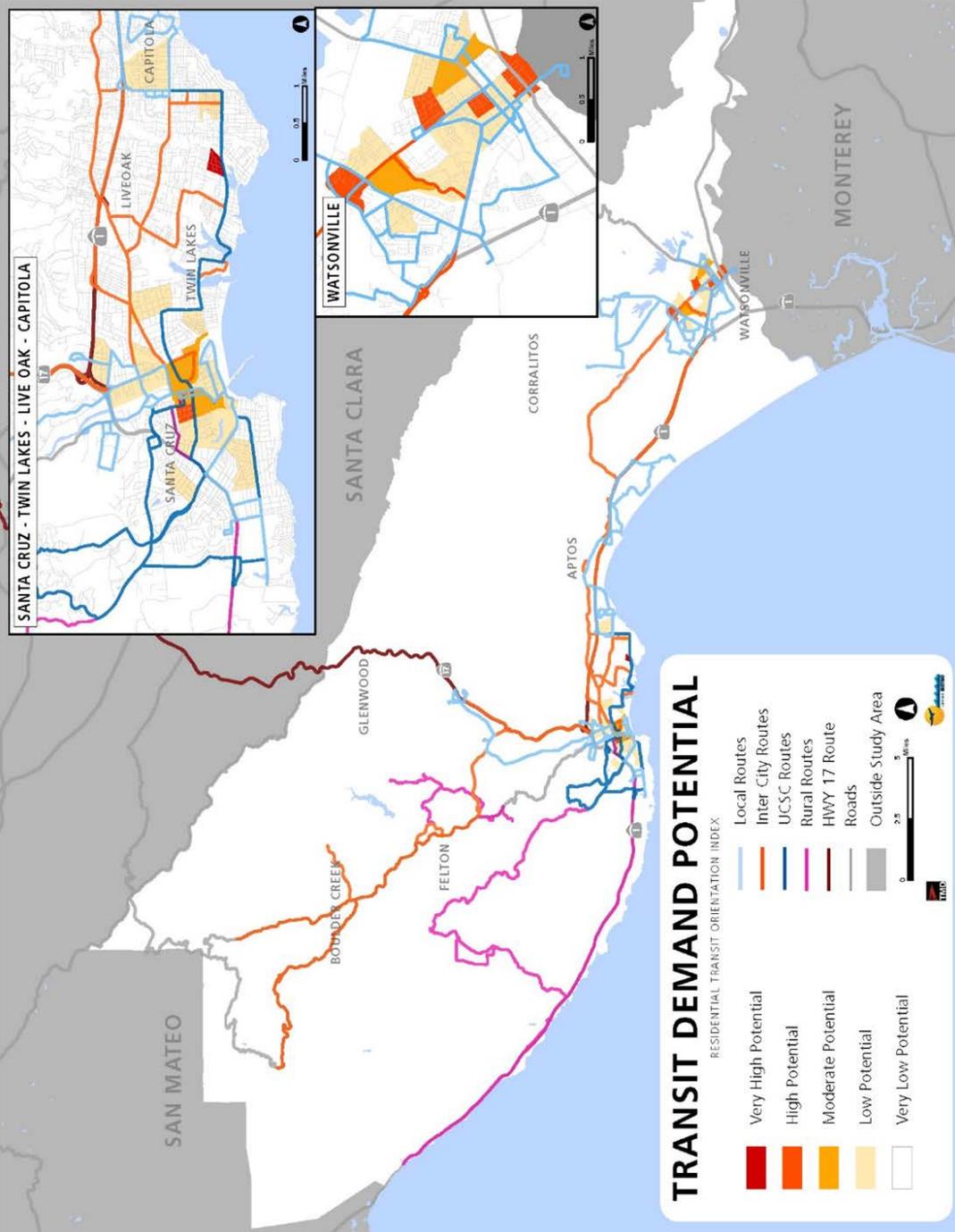
## Residential Transit Orientation Index

- Compiles all of the demographic categories that have a higher propensity for transit use and weights them on a scale of 0 to 3.
- Presents visual context of where transit demand is highest and lowest throughout the study area.
- Most transit demand is located in Santa Cruz, Live Oak and Watsonville, while least demand is located in the outlying rural and suburban areas.

## Attachment A



# Attachment A





## UCSC Market Conditions

- Roughly 17,300 students enrolled, with increases expected in coming years
  - 8,800 students reside on-campus
  - 8,500 students commute from off campus
  - Majority of students in on- and off-campus University housing do not have vehicles
- Largest employer in the area – over 4,000 employees on-campus
  - As facilities expand, so will the number of employees

## Attachment A





# Development Patterns – Market Typologies



Decreasing Transit Demand



Market Typologies	Locations	Implications for Transit
Downtown Core	Downtown Santa Cruz Downtown Watsonville	<ul style="list-style-type: none"> <li>High population &amp; employment densities, combined with close proximity to key destinations, make transit highly effective.</li> <li>Lifestyle transit.</li> </ul>
Core	Live Oak Capitola Santa Cruz Watsonville	<ul style="list-style-type: none"> <li>Attracting ridership depends upon ability to compete with automobile with respect to travel time.</li> <li>Automobile typically more attractive option.</li> </ul>
Suburb	Live Oak Capitola Soquel Aptos Scotts Valley Santa Cruz Watsonville	<ul style="list-style-type: none"> <li>Higher concentrations of car ownership will increase difficulty of generating ridership.</li> <li>Commuter-oriented transit</li> </ul>
Rural	Scotts Valley Ben Lomond Boulder Creek Bonny Doon Davenport	<ul style="list-style-type: none"> <li>Limited market for transit due to low population and employment densities.</li> <li>Dispersed development, topography and lack of pedestrian facilities make transit less attractive.</li> </ul>



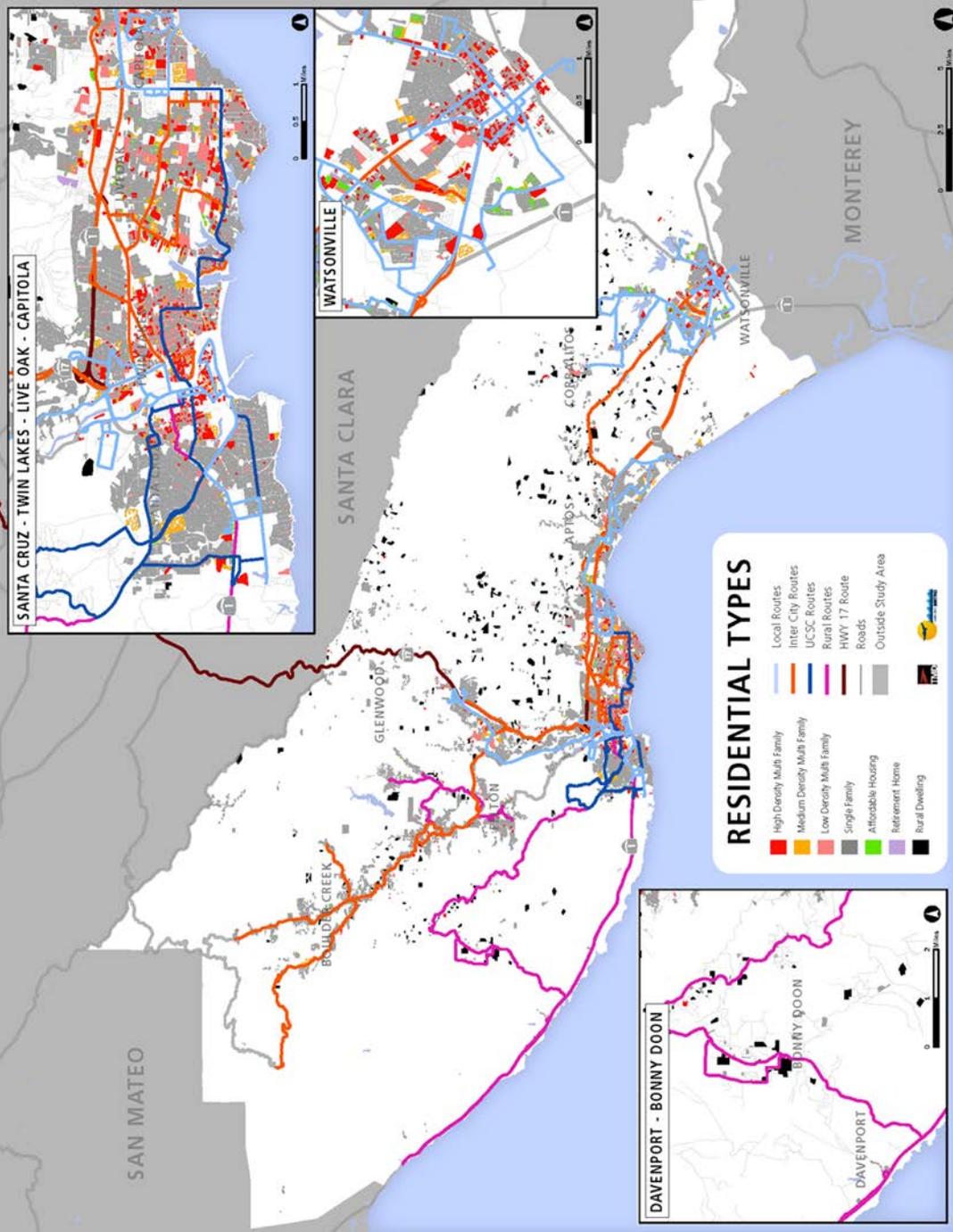
## Development Patterns – Housing

- Vast majority of housing is designated for low density dwellings (single family and rural), a pattern typically not supportive of transit.
- Multifamily housing, including affordable housing, is concentrated primarily in the core areas where there is a higher level of existing transit service, and are generally located with walking distance to transit routes.

## Attachment A



# Attachment A



## Trip Patterns

- Results from 2012 rider survey show that:
  - Majority of origins and destinations are clustered within walking distance of transit stops in Santa Cruz
    - Fewest trip origins and destinations were noted between Aptos and Watsonville
  - Boardings and alightings on existing transit are heaviest in Santa Cruz, specifically downtown, along the Soquel corridor and at UCSC
    - Area with lowest activity for boardings and alightings occurred between Capitola and Watsonville
- Job location data shows most trips occur internally within the County, as well as to the Silicon Valley area

## Attachment A





# Attachment A

## Public Outreach



METRO Center

Watsonville Transit Center

Cabrillo College

Capitola Mall

First Fridays

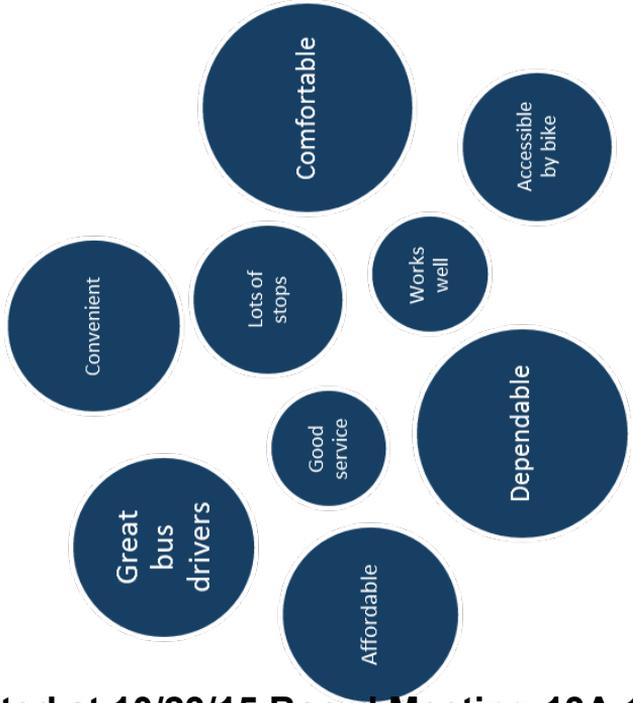
Open Streets

Downtown Farmer's Market



# Public Outreach

## WHAT IS METRO DOING WELL?



## WHAT CAN METRO IMPROVE?

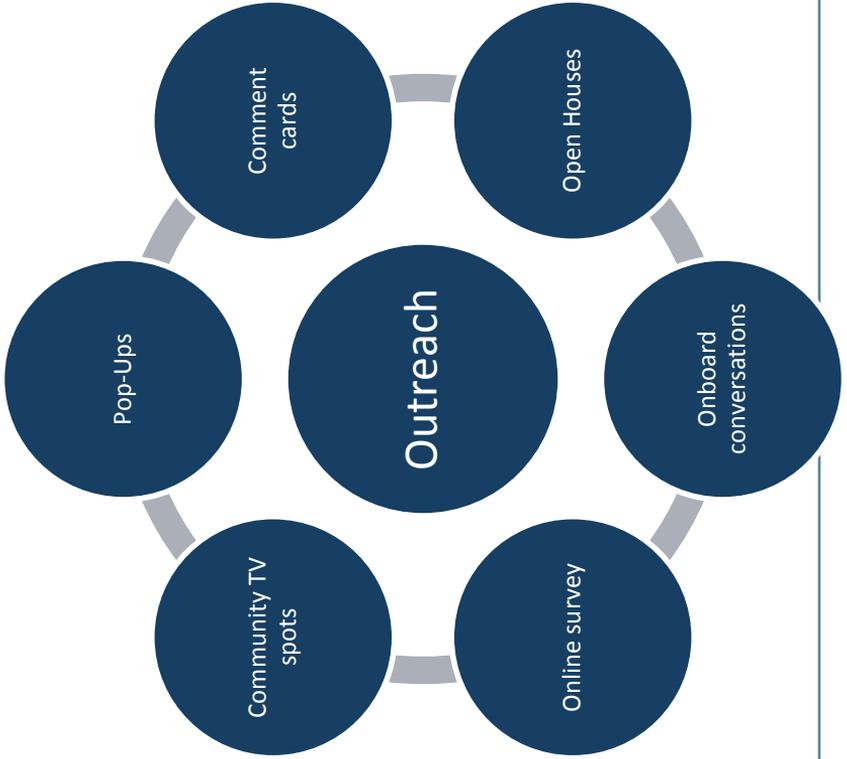


## Attachment A



# Attachment A

## Public Outreach





## Key Findings

### Issue / Finding

- The bulk of the County's future growth is expected to occur in areas currently served by METRO transit.

### Opportunity

- Shift focus from coverage-based service to increased frequency in the more densely populated locations in the County.

## Attachment A





# Key Findings

## Issue / Finding

- Rural areas currently served by METRO transit are the least dense areas that typically are not as likely to be transit supportive.
- Current and projected growth/development patterns show these areas will see little growth.

## Opportunity

- Focus on basic mobility, and explore alternative options outside of fixed-route services.

# Attachment A





## Key Findings

### Issue / Finding

- Traffic congestion on Highway 1 (and other key corridors) presents limitations for both auto and bus travel.
- Little incentive exists for commuters to choose transit over driving.

### Opportunity

- Create transit corridor enhancements and make transit a more attractive option along heavily traveled roadways.

## Attachment A





## Next Steps

- Visioning session with Ad-Hoc Committee to define goals and vision for METRO transit service.
- Conduct a detailed fixed-route service evaluation to better understand existing conditions related to transit operations.
- Tie together the market assessment with service evaluation to begin developing framework and a series of alternative strategies.
- Develop a set of service design guidelines and performance standards.



# Attachment A





**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager  
**SUBJECT: ACCEPT AND FILE THE FISCAL YEAR END MONTHLY BUDGET STATUS REPORTS FOR JUNE 30, 2015; AND ADOPTION OF THE SCHEDULE OF RESERVE ACCOUNT BALANCES**

**I. RECOMMENDED ACTION**

**That the Board of Directors accept and file the fiscal year end monthly budget status reports year to date as of June 30, 2015 and adopt the preliminary schedule of reserve account balances report.**

**II. SUMMARY OF ISSUES**

- The attached preliminary monthly FY15 Operating Revenue and Expense reports (Attachment A), and FY15 Capital Budget spending report (Attachment B) represent the status of the FY15 Operating and Capital Budgets, as of June 30, 2015, the end of the fiscal year. The numbers presented in these reports are preliminary, and could change if there are any accounting adjustments as a result of the final audit due later this calendar year.
- The Preliminary Schedule of Reserve Account Balances (Attachment C) was prepared using the preliminary monthly operating revenue and expense reports, and the preliminary monthly capital budget report.
- The final audited financial statements will be presented to the Board at the conclusion of the audit.
- Staff recommends that the Board of Directors accept and file the attached year-end budget status reports as of fiscal year end June 30, 2015 and adopt the Preliminary Schedule of Reserve Account balances report.

**III. DISCUSSION/BACKGROUND**

An analysis of Santa Cruz METRO's budget status is prepared monthly in order to inform the Board of Directors regarding Santa Cruz METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached revenue and expense reports represent the preliminary status of Santa Cruz METRO's FY15 fiscal year-end budget as of June 30, 2015.

The fiscal year has elapsed **100%**

**A. Operating Revenues**

- **Operating Revenues** reported in **Attachment A** are (\$3,335,962) or -7% under the amount we expected to receive for the fiscal year, based on the final budget adopted by the Board in June 2014. Revenue variances are due to:
  - **Passenger Fares** are (\$281,336) or -3% under budget for the year. Passenger Fares increased by 3% from FY14, which is consistent with the increase in overall ridership, up 3.2% from FY14. The Final FY15 budget predicted a larger increase in Passenger Fares.
  - **Other Revenue** is \$79,639 or 17% over budget for the year, with Advertising and Interest Income as the primary variances.
  - **Sales Tax Revenue** is under budget by (\$911,841) or -5%. The increase in Sales Tax in FY15, 3% up from FY14, is less than expected and it's not consistent with the trend from recent years, which was used to build budget projections.
  - **Sales Tax Revenue – SLPP Backfill for the Metrobase project** is under budget by (\$653,664) or -22% as less sales tax funds were required to be used in the capital budget as the local share / match for the Judy K. Souza Operations Facility. See the corresponding explanation for **STA – Op Assistance - SLPP Backfill** below.
  - **Transp Dev Act (TDA) – Op Assistance** is \$66,905 or 1% over budget for the year due to additional revenue received from RTC.
  - **Federal Op Assistance** is (\$74,349) or -2% under budget for the year due to the elimination of the CalPERS Medicare Part D Subsidy. According to CalPERS, the savings are now built into the annual medical premiums
  - **Other Op Assistance** is \$19,489 or 195% over budget for the year due to funds from the Mainline Routes Runtime Recalibration Project from FY14 received in FY15.

- **STA – Op Assistance** is \$27,526 or 1% over budget. The State Controller’s budget estimate was used, while actual cash receipts came in slightly higher.
- **STA – Op Assistance - SLPP Backfill** is (\$653,664) or -22% under budget. The STA Operating Assistance –SLPP Backfill fund was used to “backfill” the budget gap when sales tax funds were required to be used in the capital budget as the local share / match for the Judy K Souza Operations Facility; project spending was slower than anticipated, due to project delays.
- **Fuel Tax Credit** is \$638,208 or 100% over budget for the year. The credit was not budgeted in FY15 as the fuel tax credit provision of the American Taxpayer Relief Act that provided this revenue expired on 12/31/13, and was not renewed prior to the adoption of the final budget in June 2014. The alternative fuel incentives were retroactively extended by the Tax Increase Prevention Act of 2014, enacted in December 2014.
- **Transfers (to)/from Operating and Capital Reserve Fund** are (\$2,900,202) or -85% under budget due to overall operating expenses coming in lower than budget, which resulted in less funds needed from Operating and Capital Reserve Fund to balance the budget. This item was budgeted at \$3,408,933 in FY15.

**B. Operating Expenses**

Total preliminary operating expenses reported in **Attachment A** are under budget by (\$3,335,962) or -7% for the year. Personnel Expenses, Services, Mobile Materials & Supplies, Utilities, Casualty & Liability, and Miscellaneous (Expenses) all contributed to the variance.

- **Total Personnel Expense** is (\$2,450,446) or -6% under budget due to vacant funded positions, employees on extended leaves, and significantly lower Worker’s Comp Insurance costs for the year.

We budget for full complement and use savings from vacant positions and extended unpaid leaves of absence to balance the budget and eliminate or reduce the use of the Operating and Capital Reserve Fund, when possible.

The average number of vacant funded position for the year is 14, which resulted in budget savings of approximately \$1.5M (calculated using the average fully burdened labor and fringe benefits cost per FTE for the year: \$106K).

Budget savings from Worker's Comp Insurance were \$746K. Significant fluctuations in the Worker's Comp Insurance costs are not unusual. For the past five years, expenses have been fluctuating between \$500K (FY10) and \$1.2M (FY12).

Additional savings were realized due to extended unpaid leaves of absence in different departments.

- **Services** are \$81,697 or 3% over budget due to Temp Help. Temporary Help is normally not budgeted. Temp Help expenses are tied to vacant funded positions and extended leaves and are offset by savings in Personnel Expenses.
- **Mobile Materials & Supplies** are (\$359,213) or -9% under budget with Fuel & Lube Rev. Vehicle as the primary variance:
  - **Fuel & Lube Rev. Veh** - is (\$331,883) or -13% under budget due to lower than anticipated prices of fuel.
- **Utilities** are (\$160,899) or -24% under budget with Telecommunications as the primary variance.
  - **Telecommunications** is (\$105,023) or -44% under budget due to funds for leasing a repeater, budgeted in Operations, but not spent, as well as less than anticipated wireless costs in Fleet Maintenance.
- **Casualty & Liability** is (\$166,744) or -25% under budget; major variances include:
  - **Settlement Costs** is (\$82,791) or -60% under budget.
  - **Repairs to District Property** is (\$67,640) or -100% under budget. This is an unbudgeted line item. Funds listed here represent funds collected from outside parties for repairs to Santa Cruz METRO's property and vehicles.

- **Misc.** is (\$124,048) or -39% under budget primarily due to Employee Training, BOD Travel, and Employee Travel:
  - **Employee Training** is (\$46,454) or -56% under budget.
  - **BOD Travel** is (\$14,955) or -93% under budget due to less than anticipated BOD travel expenses for the year.
  - **Employee Travel** is (\$49,213) or -51% under budget.

### C. Non-Operating Expenses

- Non-Operating Expenses for the year were \$4,797,001. These non-cash accounting entries will be included as part of the annual Audited Financial Statements, although they are not presented in these financial reports. Non-operating expenses are non-cash accounting entries that Santa Cruz METRO is required to record.
  - **Incurring but not Reported (IBNR) Worker's Compensation Losses** – In accordance with Governmental Accounting Standards Board (GASB) Statement #10, the annual accounting entry for the workers' compensation IBNR was \$158,924. GASB Statement #10 requires Santa Cruz METRO to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and estimated unreported worker's compensation claims.
  - **OPEB Cost** – GASB 45 – In accordance with GASB Statement #45 the annual accounting entry for retiree "other post employment benefits" (OPEB) was \$4,670,819. Briefly, benefits include subsidized medical, dental, vision and life insurance coverage for eligible retirees.
  - **Net Pension Liability – GASB 68** - In June 2012, the GASB issued Statement # 68, which revises and establishes new financial reporting requirements for governments that provide their employees with pension benefits. Santa Cruz METRO implemented GASB 68 in FY15 and is now required to recognize a pension liability on the financial statements. The new GASB 68 accounting entries result in a net pension liability on the financial statement in the amount of **\$42,311,756**. The effect of the GASB 68 entry on the income statement is (\$395,789). This is a reporting requirement only and does not affect cash flow. The adoption of GASB 68 has no impact on the calculation of pension contributions.

Santa Cruz METRO continues to fund pensions in the amount of the actuarially determined contributions, as required by State law.

- Annual **Depreciation** of district funded capital assets was \$311,386.
- These non-cash accounting entries are all required and therefore will be incorporated into the annual Audited Financial Statements; they are not included in the reports presented here.

**D. Capital Improvement Program**

Capital expenditures for the FY15 Capital Budget Attachment B total \$9,592,752 or 44% of the amount budgeted for the year. These capital improvement projects were funded with a combination of Federal, State and Local funds. The Operating and Capital Reserve Fund provided funding to the Capital Budget this year in the amount of \$322,335.

Some of the larger Capital Projects include:

- \$8,312,066 was spent on the **MetroBase - Judy K. Souza Operations Facility**
- \$171,036 was spent on the **Land Mobile Radio (LMR)**, and other Cal-OES Transit Security funded projects
- \$472,522 was spent on the **Pacific Station Conceptual Design** project
- \$85,953 was spent on the **State of Good Repair #2** project
- \$75,677 has been spent on the **Watsonville Transit Center Conceptual Design** project
- \$97,050 was spent on the purchase of two (2) **Paracruz Van Replacements**
- Other projects funded include: relief vehicle replacements (3), transit center renovations, bus stop improvements, HR software upgrade, equipment replacements, etc.

Some of the capital projects are multi-year projects and will be carried over to FY16, including:

- MetroBase Judy K. Souza Operations Facility
- Pacific Station Conceptual Design
- Upgrades to the L/CNG Facility

- Paracruz Van Replacements (2)
- Land Mobile Radio (LMR) and other Cal-OES Transit Security funded projects
- Watsonville Transit Center Conceptual Design
- Bus Stop Repairs and Improvements
- HR Software Upgrade
- Ticket Vending Machine Audible Improvements

#### **E. Preliminary Schedule of Reserve Account Balances**

The Preliminary Schedule of Reserves Account Balances is reported on **Attachment C**. A breakdown of each of the reserves as of June 30<sup>th</sup>, 2015 is as follows:

- **Operating and Capital Reserve Fund:** Estimated Balance \$6,047,853; *there is no Board adopted minimum balance for this reserve.* The amount in the Operating / Capital Reserve fund is an estimate and is what remains in the General Fund at the County Treasury after all other reserve balances are deducted. In FY15, \$831,067 was used; \$508,732 was required to balance the Operating Budget, while \$322,335 was used to fund capital projects in the Capital Budget.
- **Operations Sustainability Reserve Fund:** Balance \$2,511,102; *currently funded at 36% of the Board adopted minimum balance.* The purpose of the Operations Sustainability Reserve Fund is to cover revenue shortfalls and respond to unforeseen events (fiscal, natural disaster or emergency.) At fiscal year end, the adopted minimum balance is \$7,045,000; this amount represents two (2) months of the average operating expenses for the most current fiscal year's budget. The Government Finance Officers Association (GFOA) Best Practice recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.
- **Cash Flow Reserve Fund:** Balance \$3,000,000; *currently funded at 100% of the Board adopted minimum balance.* Necessary to maintain adequate "cash flow" or "cash on hand" because operating expense outflows do not equally match revenue inflows, and there can be significant delays in capital grant reimbursements.
- **Carryover:** Balance \$0; *currently no Board adopted minimum balance.*

- **Workers Compensation Reserve Fund:** Balance \$2,124,329; *currently funded at 61% of the Board adopted minimum balance.* The long-term portion of workers compensation liability as of 06/30/15 is \$3,484,177, as per the Actuarial Review of the Self-Insured Santa Cruz Metropolitan Transit District Workers' Compensation Program report dated 05/15/13. In FY15, \$32,748 was moved to this reserve account to make progress towards meeting the Board adopted minimum balance.
- **Liability Insurance Reserve Fund:** Balance \$668,009; *currently funded at 100% of the Board adopted minimum balance.* To minimize volatility effective 06/30/13, the minimum balance in the reserve account is equal to the Self Insured Retention (SIR), \$250,000 plus the 5-year rolling average of outstanding claims at year end, which was \$354,654, as of the end of FY15, for a total minimum balance of \$668,009. The FY14 Balance was \$700,757. In FY15, \$32,748 was moved to the Workers Compensation Reserve Fund to make progress towards meeting the Board adopted minimum balance of \$3,484,177.

The balances provided in the Preliminary Schedule of Reserve Account Balances are preliminary pending completion of the financial audit later this calendar year. If the Schedule of Reserve Account Balances changes significantly following the final audit, it will be brought back to the Board.

Staff recommends that the Board accept and adopt the:

- FY15 Operating Revenue & Expenses Year to Date as of 06/30/15 **(Attachment A)**
- FY15 Capital Budget Report for the month ending 06/30/15 **(Attachment B)**
- FY15 (Preliminary) Schedule of Reserve Account Balances - 06/30/15 (unaudited) **(Attachment C)**
- Year to Date Monthly Financial Report as of June 30, 2015 Presentation **(Attachment D)**

#### IV. FINANCIAL CONSIDERATIONS/IMPACT

The FY15 preliminary operating budget loss was \$4,570,287, compared to the anticipated \$7,442,963. Funds from the following sources were used to bridge the budget gap:

- State Transit Assistance Fund (STA): \$2,717,443
- Small Transit Intensive Cities (STIC): \$1,344,113
- Operating and Capital Reserve Fund: \$508,731

Overall operating expenses came in lower than budget, which resulted in less funds needed from the Reserve funds to balance the budget.

## **V. ALTERNATIVES CONSIDERED**

- There are no alternatives to consider.

## **VI. ATTACHMENTS**

- Attachment A:** FY15 Operating Revenue and Expenses – Year to Date as of 06/30/15
- Attachment B:** FY15 Capital Budget - for the month ending – 06/30/15
- Attachment C:** FY15 Preliminary Schedule of Reserve Account Balances – 06/30/15 (unaudited)
- Attachment D:** Year to Date Monthly Financial Report as of June 30, 2015 Presentation

Prepared By: Debbie Kinslow, Assistant Finance Manager  
Kristina Mihaylova, Sr. Financial Analyst

**VII. APPROVALS:**

Angela Aitken, Finance Manager



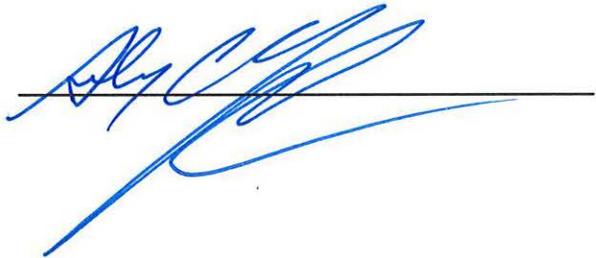
Approved as to form:  
Leslyn K. Syren, District Counsel



Approved as to fiscal impact:  
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager





**FY15**  
**Operating Revenue & Expenses**  
**Year to Date as of June 30, 2015**

	Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	\$ Var	Actual FY14	\$ Var	% Var
<b>Revenue:</b>						
Passenger Fares	\$ 9,796,024	\$ 10,077,360	\$ (281,336)	\$ 9,511,611	\$ 284,412	3%
Other Revenue	\$ 539,167	\$ 459,528	\$ 79,639	\$ 535,484	\$ 3,683	1%
Sales Tax Revenue	\$ 18,763,918	\$ 19,675,758	\$ (911,841)	\$ 18,297,933	\$ 465,985	3%
SLPP Backfill for Metro Base	\$ (2,358,336)	\$ (3,012,000)	\$ 653,664	\$ (2,612,760)	\$ 254,424	-10%
Transp Dev Act (TDA) - Op Asst	\$ 6,444,515	\$ 6,377,610	\$ 66,905	\$ 6,114,316	\$ 330,199	5%
RTC Route 6 One-Time Funding	\$ -	\$ -	\$ -	\$ 130,000	\$ (130,000)	-100%
Federal Op Assistance	\$ 4,346,902	\$ 4,421,251	\$ (74,349)	\$ 4,395,919	\$ (49,017)	-1%
Other Op Assistance/Funding	\$ 29,488	\$ 9,999	\$ 19,489	\$ 7,094	\$ 22,394	316%
STA - Op Assistance	\$ 2,717,443	\$ 2,689,917	\$ 27,526	\$ 2,953,083	\$ (235,640)	-8%
STA - Op Assistance - SLPP Backfill	\$ 2,358,336	\$ 3,012,000	\$ (653,664)	\$ 2,612,761	\$ (254,425)	-10%
STIC - Op Assistance	\$ 1,344,113	\$ 1,344,113	\$ -	\$ 1,443,685	\$ (99,572)	-7%
Fuel Tax Credit	\$ 638,208	\$ -	\$ 638,208	\$ 320,287	\$ 317,921	99%
Carryover from Previous Years	\$ -	\$ -	\$ -	\$ 309,859	\$ (309,859)	-100%
Transfers (to)/ from Reserves	\$ 508,731	\$ 3,408,933	\$ (2,900,202)	\$ 766,984	\$ (258,253)	-34%
<b>Total Revenue</b>	<b>\$ 45,128,509</b>	<b>\$ 48,464,470</b>	<b>\$ (3,335,962)</b>	<b>\$ 44,786,254</b>	<b>\$ 342,254</b>	<b>1%</b>
<b>Expenses:</b>						
Labor	\$ 18,882,626	\$ 19,705,489	\$ (822,863)	\$ 18,682,879	\$ 199,747	1%
Fringe Benefits	\$ 18,097,748	\$ 19,725,331	\$ (1,627,583)	\$ 17,379,353	\$ 718,395	4%
Services	\$ 2,649,090	\$ 2,567,393	\$ 81,697	\$ 2,547,777	\$ 101,313	4%
Mobile Materials & Supplies	\$ 3,481,048	\$ 3,840,261	\$ (359,213)	\$ 3,808,474	\$ (327,427)	-9%
Other Materials & Supplies	\$ 400,505	\$ 469,232	\$ (68,727)	\$ 359,431	\$ 41,074	11%
Utilities	\$ 501,148	\$ 662,046	\$ (160,899)	\$ 481,051	\$ 20,097	4%
Casualty & Liability	\$ 491,907	\$ 658,651	\$ (166,744)	\$ 817,808	\$ (325,901)	-40%
Taxes	\$ 42,698	\$ 51,010	\$ (8,312)	\$ 40,673	\$ 2,024	5%
Purchased Transportation	\$ 170,746	\$ 250,000	\$ (79,254)	\$ 213,032	\$ (42,286)	-20%
Miscellaneous	\$ 195,770	\$ 319,818	\$ (124,048)	\$ 248,528	\$ (52,759)	-21%
Leases & Rentals	\$ 215,224	\$ 215,240	\$ (16)	\$ 207,247	\$ 7,977	4%
<b>Total Expenses</b>	<b>\$ 45,128,509</b>	<b>\$ 48,464,471</b>	<b>\$ (3,335,962)</b>	<b>\$ 44,786,254</b>	<b>\$ 342,254</b>	<b>1%</b>
<b>Operating Income (Loss)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



**FY15**  
**Operating Revenue**  
**Year to Date as of June 30, 2015**

Percent of Year Elapsed - 100%

	Year to Date		YTD Year Over Year Comparison	
	Actual	Budget	\$ Var	% Var
<b>Passenger Fares</b>				
Passenger Fares	\$ 3,759,724	\$ 4,250,459	\$ (490,735)	-12%
Paratransit Fares	\$ 329,050	\$ 323,795	\$ 5,255	2%
Special Transit Fares - Contract	\$ 3,647,730	\$ 3,407,643	\$ 240,087	7%
Highway 17 Fares	\$ 1,547,791	\$ 1,640,203	\$ (92,412)	-6%
Highway 17 Payments	\$ 511,729	\$ 455,260	\$ 56,469	12%
<b>Subtotal Passenger Revenue</b>	<b>\$ 9,796,024</b>	<b>\$ 10,077,360</b>	<b>\$ (281,336)</b>	<b>-3%</b>
			<b>\$ 9,511,611</b>	<b>3%</b>
			<b>\$ 284,412</b>	<b>3%</b>

<b>Other Revenue</b>				
Commissions	\$ 3,063	\$ 5,765	\$ (2,702)	-47%
Advertising Income	\$ 269,899	\$ 225,000	\$ 44,899	20%
Rent Income - SC Pacific Station	\$ 107,745	\$ 111,375	\$ (3,630)	-3%
Rent Income - Watsonville TC	\$ 51,409	\$ 54,388	\$ (2,979)	-5%
Interest Income	\$ 85,908	\$ 45,000	\$ 40,908	91%
Other Non-Transp Revenue	\$ 21,144	\$ 18,000	\$ 3,144	17%
<b>Subtotal Other Revenue</b>	<b>\$ 539,167</b>	<b>\$ 459,528</b>	<b>\$ 79,639</b>	<b>17%</b>
			<b>\$ 535,484</b>	<b>1%</b>
			<b>\$ 3,683</b>	<b>1%</b>

<b>Sales Tax Revenue</b>	\$ 18,763,918	\$ 19,675,758	\$ (911,841)	-5%
<b>**Less: Matching funds for SLPP Capital Gr:</b>	<b>\$ (2,358,336)</b>	<b>\$ (3,012,000)</b>	<b>\$ 653,664</b>	<b>-22%</b>
<b>Subtotal Sales Tax Revenue</b>	<b>\$ 16,405,582</b>	<b>\$ 16,663,758</b>	<b>\$ (258,177)</b>	<b>-2%</b>
			<b>\$ 15,685,172</b>	<b>5%</b>
			<b>\$ 720,409</b>	<b>5%</b>

<b>Transp Dev Act (TDA) - Op Asst</b>	\$ 6,444,515	\$ 6,377,610	\$ 66,905	1%
RTC Route 6 One-Time Funding	\$ -	\$ -	\$ -	0%
<b>Subtotal TDA Op Assistance</b>	<b>\$ 6,444,515</b>	<b>\$ 6,377,610</b>	<b>\$ 66,905</b>	<b>1%</b>
			<b>\$ 6,244,316</b>	<b>3%</b>
			<b>\$ 200,199</b>	<b>3%</b>
			<b>\$ 330,199</b>	<b>5%</b>
			<b>\$ (130,000)</b>	<b>-100%</b>

<b>Federal Op Assistance</b>				
FTA Sec 5307 - Op Asst	\$ 4,133,984	\$ 4,133,984	\$ -	0%
FTA Sec 5311 - Rural Op Asst	\$ 212,267	\$ 212,267	\$ -	0%
Medicare Subsidy	\$ 651	\$ 75,000	\$ (74,349)	-99%
<b>Subtotal Federal Op Assistance</b>	<b>\$ 4,346,902</b>	<b>\$ 4,421,251</b>	<b>\$ (74,349)</b>	<b>-2%</b>
			<b>\$ 4,395,919</b>	<b>-1%</b>
			<b>\$ (49,017)</b>	<b>-1%</b>



**FY15**  
**Operating Revenue**  
**Year to Date as of June 30, 2015**

Percent of Year Elapsed - 100% YTD Year Over Year Comparison

	Actual	Budget	\$ Var	% Var	FY14	\$ Var	% Var
<b>Other Op Assistance/Funding</b>							
AMBAG Funding	\$ 14,103	\$ 9,999	\$ 4,104	41%	\$ 7,094	\$ 7,009	99%
Other Op Assistance/Funding	\$ 15,385	-	\$ 15,385	100%	-	\$ 15,385	100%
Subtotal Other Op Assistance/Funding	\$ 29,488	\$ 9,999	\$ 19,489	195%	\$ 7,094	\$ 22,394	316%
<b>STA - Op Assistance</b>	\$ 2,717,443	\$ 2,689,917	\$ 27,526	1%	\$ 2,953,083	\$ (235,640)	-8%
<b>STA - Op Assistance - SLPP Backfill</b>	\$ 2,358,336	\$ 3,012,000	\$ (653,664)	-22%	\$ 2,612,761	\$ (254,425)	-10%
<b>STIC -Op Assistance</b>	\$ 1,344,113	\$ 1,344,113	\$ -	0%	\$ 1,443,685	\$ (99,572)	-7%
<b>Fuel Tax Credit</b>	\$ 638,208	-	\$ 638,208	100%	\$ 320,287	\$ 317,921	99%
<b>Carryover from Previous Years</b>	\$ -	\$ -	\$ -	0%	\$ 309,859	\$ (309,859)	-100%
<b>Transfers (to)/from Reserves</b>	\$ 508,731	\$ 3,408,933	\$ (2,900,202)	-85%	\$ 766,984	\$ (258,253)	-34%
<b>Total Revenue</b>	\$ 45,128,509	\$ 48,464,470	\$ (3,335,962)	-7%	\$ 44,786,254	\$ 342,254	1%
<b>Total Operating Expenses</b>	\$ 45,128,509				\$ 44,786,254		
<b>Variance</b>	\$ -				\$ -		



**FY15**  
**Consolidated Operating Expenses**  
**Year to Date as of June 30, 2015**

	Year to Date		YTD Year Over Year Comparison				
	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>FY14</u>	<u>\$ Var</u>	<u>% Var</u>
501011 Bus Operator Pay	\$ 8,947,861	\$ 9,378,429	\$ (430,568)	-5%	\$ 8,915,342	\$ 32,518	0%
501013 Bus Operator Overtime	\$ 2,250,467	\$ 2,105,529	\$ 144,938	7%	\$ 2,051,847	\$ 198,620	10%
501021 Other Salaries	\$ 7,037,245	\$ 7,748,335	\$ (711,090)	-9%	\$ 7,007,828	\$ 29,417	0%
501023 Other Overtime	\$ 647,053	\$ 473,196	\$ 173,857	37%	\$ 707,861	\$ (60,808)	-9%
<b>Total Labor -</b>	<b>\$ 18,882,626</b>	<b>\$ 19,705,489</b>	<b>\$ (822,863)</b>	<b>-4%</b>	<b>\$ 18,682,879</b>	<b>\$ 199,747</b>	<b>1%</b>

**Fringe Benefits**

502011 Medicare/Soc. Sec.	\$ 294,962	\$ 342,773	\$ (47,811)	-14%	\$ 288,038	\$ 6,924	2%
502021 Retirement	\$ 3,903,126	\$ 4,333,973	\$ (430,847)	-10%	\$ 3,541,673	\$ 361,453	10%
502031 Medical Insurance	\$ 8,440,097	\$ 8,475,197	\$ (35,100)	0%	\$ 7,713,956	\$ 726,141	9%
502041 Dental Insurance	\$ 500,595	\$ 537,457	\$ (36,862)	-7%	\$ 525,098	\$ (24,504)	-5%
502045 Vision Insurance	\$ 127,440	\$ 129,499	\$ (2,059)	-2%	\$ 133,500	\$ (6,060)	-5%
502051 Life Insurance	\$ 51,473	\$ 50,443	\$ 1,030	2%	\$ 46,905	\$ 4,568	10%
502060 State Disability	\$ 204,437	\$ 238,575	\$ (34,138)	-14%	\$ 210,959	\$ (6,522)	-3%
502061 Disability Insurance	\$ 132,980	\$ 148,561	\$ (15,581)	-10%	\$ 127,534	\$ 5,446	4%
502071 State Unemp. Ins	\$ 70,203	\$ 84,710	\$ (14,508)	-17%	\$ 81,788	\$ (11,586)	-14%
502081 Worker's Comp Ins	\$ 619,120	\$ 1,364,750	\$ (745,630)	-55%	\$ 888,406	\$ (269,286)	-30%
502083 Worker's Comp IBNR	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
502101 Holiday Pay	\$ 486,215	\$ 643,077	\$ (156,862)	-24%	\$ 473,355	\$ 12,860	3%
502103 Floating Holiday	\$ 108,409	\$ 94,596	\$ 13,813	15%	\$ 101,502	\$ 6,908	7%
502109 Sick Leave	\$ 650,919	\$ 1,031,292	\$ (380,373)	-37%	\$ 737,646	\$ (86,727)	-12%
502111 Annual Leave	\$ 2,233,415	\$ 2,014,457	\$ 218,958	11%	\$ 2,249,067	\$ (15,653)	-1%
502121 Other Paid Absence	\$ 211,632	\$ 150,562	\$ 61,070	41%	\$ 190,522	\$ 21,109	11%
502251 Physical Exams	\$ 8,207	\$ 14,110	\$ (5,903)	-42%	\$ 9,300	\$ (1,093)	-12%
502253 Driver Lic Renewal	\$ 2,790	\$ 4,656	\$ (1,866)	-40%	\$ 3,128	\$ (338)	-11%
502999 Other Fringe Benefits	\$ 51,729	\$ 66,643	\$ (14,915)	-22%	\$ 56,974	\$ (5,245)	-9%
<b>Total Fringe Benefits -</b>	<b>\$ 18,097,748</b>	<b>\$ 19,725,331</b>	<b>\$ (1,627,583)</b>	<b>-8%</b>	<b>\$ 17,379,353</b>	<b>\$ 718,395</b>	<b>4%</b>

**Total Personnel Expenses -**

<b>Total Personnel Expenses -</b>	<b>\$ 36,980,374</b>	<b>\$ 39,430,820</b>	<b>\$ (2,450,446)</b>	<b>-6%</b>	<b>\$ 36,062,232</b>	<b>\$ 918,142</b>	<b>3%</b>
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**FY15**  
**Consolidated Operating Expenses**  
**Year to Date as of June 30, 2015**

**Year to Date**  
**YTD Year Over Year Comparison**

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>FY14</u>	<u>\$ Var</u>	<u>% Var</u>
<b>Services</b>							
503011 Acctg & Audit Fees	\$ 84,494	\$ 82,250	\$ 2,244	3%	\$ 75,011	\$ 9,483	13%
503012 Admin & Bank Fees	\$ 350,240	\$ 347,198	\$ 3,042	1%	\$ 330,343	\$ 19,897	6%
503031 Prof & Tech Fees	\$ 175,725	\$ 229,950	\$ (54,225)	-24%	\$ 209,398	\$ (33,673)	-16%
503032 Legislative Services	\$ 91,963	\$ 105,000	\$ (13,037)	-12%	\$ 91,960	\$ 4	0%
503033 Legal Services	\$ 3,956	\$ 90,000	\$ (86,044)	-96%	\$ 6,600	\$ (2,644)	-40%
503034 Pre-Employ Exams	\$ 6,777	\$ 10,300	\$ (3,523)	-34%	\$ 7,220	\$ (443)	-6%
503041 Temp Help	\$ 388,533	\$ -	\$ 388,533	100%	\$ 247,008	\$ 141,525	57%
503161 Custodial Services	\$ 43,191	\$ 79,510	\$ (36,319)	-46%	\$ 75,944	\$ (32,753)	-43%
503162 Uniform & Laundry	\$ 26,881	\$ 23,450	\$ 3,432	15%	\$ 24,182	\$ 2,699	11%
503171 Security Services	\$ 477,038	\$ 534,550	\$ (57,512)	-11%	\$ 525,581	\$ (48,543)	-9%
503221 Classified/Legal Ads	\$ 13,626	\$ 13,100	\$ 526	4%	\$ 9,066	\$ 4,559	50%
503222 Legal Advertising	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
503225 Graphic Services	\$ -	\$ 5,500	\$ (5,500)	-100%	\$ -	\$ -	0%
503351 Repair - Bldg & Impr	\$ 61,981	\$ 59,740	\$ 2,241	4%	\$ 55,342	\$ 6,639	12%
503352 Repair - Equipment	\$ 536,901	\$ 562,095	\$ (25,194)	-4%	\$ 467,596	\$ 69,305	15%
503353 Repair - Rev Vehicle	\$ 294,917	\$ 364,500	\$ (69,583)	-19%	\$ 378,868	\$ (83,952)	-22%
503354 Repair - Non Rev Vehicle	\$ 34,547	\$ 18,020	\$ 16,527	92%	\$ 14,747	\$ 19,800	134%
503363 Haz Mat Disposal	\$ 58,321	\$ 42,230	\$ 16,091	38%	\$ 28,910	\$ 29,411	102%
<b>Total Services -</b>	<b>\$ 2,649,090</b>	<b>\$ 2,567,393</b>	<b>\$ 81,697</b>	<b>3%</b>	<b>\$ 2,547,777</b>	<b>\$ 101,313</b>	<b>4%</b>

**Mobile Materials & Supplies**

504011 Fuels & Lube Non Rev Veh	\$ 72,693	\$ 90,743	\$ (18,050)	-20%	\$ 84,952	\$ (12,259)	-14%
504012 Fuels & Lube Rev Veh	\$ 2,189,635	\$ 2,521,518	\$ (331,883)	-13%	\$ 2,463,390	\$ (273,756)	-11%
504021 Tires & Tubes	\$ 252,890	\$ 279,000	\$ (26,110)	-9%	\$ 272,023	\$ (19,133)	-7%
504161 Other Mobile Supplies	\$ 17,691	\$ 79,083	\$ (61,393)	-78%	\$ -	\$ 17,691	100%
504191 Rev Vehicle Parts	\$ 948,140	\$ 869,917	\$ 78,223	9%	\$ 988,109	\$ (39,969)	-4%
<b>Total Mobile Materials &amp; Supplies -</b>	<b>\$ 3,481,048</b>	<b>\$ 3,840,261</b>	<b>\$ (359,213)</b>	<b>-9%</b>	<b>\$ 3,808,474</b>	<b>\$ (327,427)</b>	<b>-9%</b>



**FY15**  
**Consolidated Operating Expenses**  
**Year to Date as of June 30, 2015**

	Year to Date			YTD Year Over Year Comparison		
	Actual	Budget	\$ Var	FY14	\$ Var	% Var
<b>Other Materials &amp; Supplies</b>						
504205 Freight Out	\$ 2,610	\$ 413	\$ 2,197	\$ 2,467	\$ 143	6%
504211 Postage & Mailing	\$ 11,301	\$ 14,430	\$ (3,129)	\$ 6,888	\$ 4,414	64%
504214 Promotional Items	\$ 1,126	\$ 1,200	\$ (74)	\$ 197	\$ 928	470%
504215 Printing	\$ 48,157	\$ 83,380	\$ (35,223)	\$ 37,981	\$ 10,176	27%
504217 Photo Supply/Processing	\$ 2,072	\$ 4,600	\$ (2,528)	\$ 3,018	\$ (946)	-31%
504311 Office Supplies	\$ 83,876	\$ 93,670	\$ (9,794)	\$ 56,836	\$ 27,040	48%
504315 Safety Supplies	\$ 24,937	\$ 24,936	\$ 1	\$ 31,934	\$ (6,997)	-22%
504317 Cleaning Supplies	\$ 58,649	\$ 61,900	\$ (3,251)	\$ 53,467	\$ 5,182	10%
504409 Repair/Maint Supplies	\$ 121,056	\$ 126,000	\$ (4,944)	\$ 113,070	\$ 7,986	7%
504417 Tenant Repairs	\$ 2,721	\$ 20,000	\$ (17,279)	\$ 17,868	\$ (15,146)	-85%
504421 Non-Inventory Parts	\$ 36,718	\$ 26,103	\$ 10,615	\$ 30,136	\$ 6,582	22%
504511 Small Tools	\$ 4,969	\$ 9,600	\$ (4,631)	\$ 4,787	\$ 182	4%
504515 Employee Tool Rplcmt	\$ 2,313	\$ 3,000	\$ (687)	\$ 783	\$ 1,530	195%
<b>Total Other Materials &amp; Supplies -</b>	<b>\$ 400,505</b>	<b>\$ 469,232</b>	<b>\$ (68,727)</b>	<b>\$ 359,431</b>	<b>\$ 41,074</b>	<b>11%</b>
<b>Utilities</b>						
505011 Gas & Electric	\$ 253,096	\$ 275,420	\$ (22,324)	\$ 251,121	\$ 1,975	1%
505021 Water & Garbage	\$ 112,834	\$ 146,386	\$ (33,552)	\$ 122,922	\$ (10,088)	-8%
505031 Telecommunications	\$ 135,217	\$ 240,240	\$ (105,023)	\$ 107,008	\$ 28,209	26%
<b>Total Utilities -</b>	<b>\$ 501,148</b>	<b>\$ 662,046</b>	<b>\$ (160,899)</b>	<b>\$ 481,051</b>	<b>\$ 20,097</b>	<b>4%</b>
<b>Casualty &amp; Liability</b>						
506011 Insurance - Property	\$ 52,904	\$ 63,167	\$ (10,263)	\$ 61,615	\$ (8,711)	-14%
506015 Insurance - PL & PD	\$ 451,934	\$ 445,484	\$ 6,450	\$ 452,695	\$ (761)	0%
506021 Insurance - Other	\$ -	\$ 12,500	\$ (12,500)	\$ 61	\$ (61)	-100%
506123 Settlement Costs	\$ 54,709	\$ 137,500	\$ (82,791)	\$ 328,975	\$ (274,266)	-83%
506127 Repairs - Dist Prop	\$ (67,640)	\$ -	\$ (67,640)	\$ (25,538)	\$ (42,101)	165%
<b>Total Casualty &amp; Liability -</b>	<b>\$ 491,907</b>	<b>\$ 658,651</b>	<b>\$ (166,744)</b>	<b>\$ 817,808</b>	<b>\$ (325,901)</b>	<b>-40%</b>
<b>Taxes</b>						
507051 Fuel Tax	\$ 15,488	\$ 14,420	\$ 1,068	\$ 15,630	\$ (142)	-1%
507201 Licenses & permits	\$ 15,412	\$ 18,050	\$ (2,638)	\$ 15,351	\$ 62	0%
507999 Other Taxes	\$ 11,798	\$ 18,540	\$ (6,742)	\$ 9,693	\$ 2,105	22%
<b>Total Taxes -</b>	<b>\$ 42,698</b>	<b>\$ 51,010</b>	<b>\$ (8,312)</b>	<b>\$ 40,673</b>	<b>\$ 2,024</b>	<b>5%</b>



**FY15**  
**Consolidated Operating Expenses**  
**Year to Date as of June 30, 2015**

**Year to Date**  
**YTD Year Over Year Comparison**

	<u>Actual</u>	<u>Budget</u>	<u>\$ Var</u>	<u>% Var</u>	<u>FY14</u>	<u>\$ Var</u>	<u>% Var</u>
<b>Purchased Transportation</b>							
503406 Contr/Paratrans	\$ 170,746	\$ 250,000	\$ (79,254)	-32%	\$ 213,032	\$ (42,286)	-20%
<b>Total Purchased Transportation -</b>	<b>\$ 170,746</b>	<b>\$ 250,000</b>	<b>\$ (79,254)</b>	<b>-32%</b>	<b>\$ 213,032</b>	<b>\$ (42,286)</b>	<b>-20%</b>
<b>Miscellaneous</b>							
509011 Dues & Subscriptions	\$ 66,101	\$ 70,552	\$ (4,451)	-6%	\$ 69,744	\$ (3,643)	-5%
509085 Advertising - Rev Product	\$ 7,804	\$ 16,000	\$ (8,196)	-51%	\$ 4,023	\$ 3,780	94%
509101 Emp Incentive Prog	\$ 11,506	\$ 20,500	\$ (8,994)	-44%	\$ 8,946	\$ 2,559	29%
509121 Employee Training	\$ 36,446	\$ 82,900	\$ (46,454)	-56%	\$ 47,257	\$ (10,811)	-23%
509122 BOD Travel	\$ 1,045	\$ 16,000	\$ (14,955)	-93%	\$ 4,103	\$ (3,058)	-75%
509123 Travel	\$ 46,853	\$ 96,066	\$ (49,213)	-51%	\$ 99,456	\$ (52,603)	-53%
509125 Local Meeting Exp	\$ 6,300	\$ 5,200	\$ 1,100	21%	\$ 5,403	\$ 898	17%
509127 Board Director Fees	\$ 10,900	\$ 12,600	\$ (1,700)	-13%	\$ 8,800	\$ 2,100	24%
509150 Contributions	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
509197 Sales Tax Expense	\$ -	\$ -	\$ -	0%	\$ -	\$ -	0%
509198 Cash Over/Short	\$ 8,814	\$ -	\$ 8,814	100%	\$ 796	\$ 8,018	1007%
<b>Total Misc -</b>	<b>\$ 195,770</b>	<b>\$ 319,818</b>	<b>\$ (124,048)</b>	<b>-39%</b>	<b>\$ 248,528</b>	<b>\$ (52,759)</b>	<b>-21%</b>
<b>Leases &amp; Rentals</b>							
512011 Facility Rentals	\$ 191,844	\$ 189,740	\$ 2,104	1%	\$ 182,652	\$ 9,193	5%
512061 Equipment Rentals	\$ 23,380	\$ 25,500	\$ (2,120)	-8%	\$ 24,595	\$ (1,216)	-5%
<b>Total Leases &amp; Rentals -</b>	<b>\$ 215,224</b>	<b>\$ 215,240</b>	<b>\$ (16)</b>	<b>0%</b>	<b>\$ 207,247</b>	<b>\$ 7,977</b>	<b>4%</b>
<b>Total Non-Personnel Expenses -</b>	<b>\$ 8,148,135</b>	<b>\$ 9,033,651</b>	<b>\$ (885,517)</b>	<b>-10%</b>	<b>\$ 8,724,023</b>	<b>\$ (575,888)</b>	<b>-7%</b>
<b>TOTAL OPERATING EXPENSE -</b>	<b>\$ 45,128,509</b>	<b>\$ 48,464,472</b>	<b>\$ (3,335,962)</b>	<b>-7%</b>	<b>\$ 44,786,254</b>	<b>\$ 342,254</b>	<b>1%</b>

\*\* does not include Depreciation, W/C IBNR adjustments, and GASB OPEB Liability expense

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## FY15 CAPITAL BUDGET For the month ending - June 30, 2015

	<u>YTD Actual</u>	<u>FY15 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<b><u>Grant-Funded Projects</u></b>				
MetroBase Project - Operations Bldg. (STA, SLPP, SAKATA, FY11 PTMISEA)	\$ 8,312,066	\$ 15,759,000	\$ 7,446,934	53%
MetroBase Project - Phase II - Real Estate Acquisition (FY11 PTMISEA, SAKATA)	\$ -	\$ 2,000,000	\$ 2,000,000	0%
Video Surveillance Project - CCTV (STATE-1B)	\$ 10,451	\$ 489,495	\$ 479,044	2%
Land Mobile Radio Project - LMR (STATE-1B)	\$ 160,585	\$ 440,505	\$ 279,920	36%
Pacific Station/MetroCenter - Conceptual Design (FTA, OP/CAP RESERVES)	\$ 472,522	\$ 462,649	\$ (9,873)	102%
Pacific Station/MetroCenter - Conceptual Design/ MOU w/City of SC (FTA, OP/CAP RESERVES)	\$ -	\$ 220,500	\$ 220,500	0%
State of Good Repair #2 - 6 Buses, 42 MDCs (FTA, OP/CAP RESERVES)	\$ 85,953	\$ 231,790	\$ 145,837	37%
Watsonville Transit Center - Conceptual Design (STA, OP/CAP RESERVES)	\$ 75,677	\$ 190,000	\$ 114,323	40%
<b>Subtotal Grant Funded Projects</b>	<b>\$ 9,117,254</b>	<b>\$ 19,793,939</b>	<b>\$ 10,676,685</b>	<b>46%</b>
<b><u>IT Projects</u></b>				
Replacement IT Equipment (Computers, Laptops, Printers, etc) (STA)	\$ 8,933	\$ 10,000	\$ 1,067	89%
HR Software Upgrade (Partial Funding) (STA)	\$ 44,371	\$ 40,000	\$ (4,371)	111%
<b>Subtotal IT Projects</b>	<b>\$ 53,304</b>	<b>\$ 50,000</b>	<b>\$ (3,304)</b>	<b>107%</b>
<b><u>Facilities Repair &amp; Improvements</u></b>				
MetroCenter Repairs (OP/CAP RESERVES, STA)	\$ 25,322	\$ 156,000	\$ 130,678	16%
Upgrade L/CNG Facility (OP/CAP RESERVES)	\$ -	\$ 130,000	\$ 130,000	0%
Fire Egress at 138 Golf Club (STA)	\$ 12,324	\$ 50,000	\$ 37,676	25%
Repaint SVT (STA)	\$ 36,190	\$ 44,300	\$ 8,110	82%
Bus Stop Repairs / Improvements (OP/CAP RESERVES, STA)	\$ 26,502	\$ 127,501	\$ 100,999	21%
WTC Renovations & Repairs (STA)	\$ 2,947	\$ 39,000	\$ 36,053	8%
<b>Subtotal Facilities Repairs &amp; Improvements Projects</b>	<b>\$ 103,285</b>	<b>\$ 546,801</b>	<b>\$ 443,516</b>	<b>19%</b>



**FY15**  
**CAPITAL BUDGET**  
*For the month ending - June 30, 2015*

	YTD Actual	FY15 Budget	Remaining Budget	% Spent YTD
<b><u>Revenue Vehicle Replacement</u></b>				
Paracruz Van (1) & Support Vehicles (12) - (OP/CAP RESERVES, FTA)	\$ -	\$ 567,097	\$ 567,097	0%
Paracruz Van Replacement (4) (OP/CAP RESERVES, STIP)	\$ 97,050	\$ 431,250	\$ 334,200	23%
Mid-Life Bus Engine Overhaul Campaign (OP/CAP RESERVES)	\$ 13,119	\$ 38,000	\$ 24,881	35%
Subtotal Revenue Vehicle Replacements	\$ 110,169	\$ 1,036,347	\$ 926,178	11%
<b><u>Non-Revenue Vehicle Replacement</u></b>				
Replace 3 Relief Vehicles (STA)	\$ 56,430	\$ 66,000	\$ 9,570	86%
Replace Supervisor Vehicles-2 SUVs (STA)	\$ -	\$ 21,000	\$ 21,000	0%
Subtotal Non-Revenue Vehicle Replacements	\$ 56,430	\$ 87,000	\$ 30,570	65%
<b><u>Fleet &amp; Maintenance Equipment</u></b>				
Facility Tooling (Partial funding) (STA)	\$ 3,119	\$ 12,000	\$ 8,881	26%
Capital Eligible Tool Replacements (STA)	\$ 10,000	\$ 10,000	\$ -	100%
Refrigerant Recovery Recycle Recharge Machine (STA)	\$ 6,854	\$ 6,800	\$ (54)	101%
Subtotal Fleet & Maintenance Equipment	\$ 19,973	\$ 28,800	\$ 8,827	69%
<b><u>Office Equipment</u></b>				
Replace two (2) Photocopier/Scanners (STA)	\$ 51,079	\$ 52,000	\$ 921	0%
Office Furniture - Ergonomic & Distressed Furniture (STA)	\$ 15,406	\$ 40,000	\$ 24,594	100%
Furniture Suites for new GM & AGM (STA)	\$ -	\$ 10,000	\$ 10,000	200%
Subtotal Office Equipment	\$ 66,485	\$ 102,000	\$ 35,515	0%
<b><u>Misc</u></b>				
Ticket Vending Machine-SLV (1) (STA, OP/CAP RESERVES)	\$ 62,803	\$ 125,935	\$ 63,132	50%
TVM Audible Improvements - Firmware, Braille Placards, and Key Pads (OP/CAP RESERVES)	\$ -	\$ 25,000	\$ 25,000	0%
Trade Show Kit (STA)	\$ 3,049	\$ 3,000	\$ (49)	102%
Subtotal Misc.	\$ 65,852	\$ 153,935	\$ 88,083	43%
<b>TOTAL CAPITAL PROJECTS</b>	<b>\$ 9,592,752</b>	<b>\$ 21,798,822</b>	<b>\$ 12,206,070</b>	<b>44%</b>



**FY15  
CAPITAL BUDGET**  
*For the month ending - June 30, 2015*

	<u>YTD Actual</u>	<u>FY15 Budget</u>	<u>Remaining Budget</u>	<u>% Spent YTD</u>
<b><u>CAPITAL FUNDING</u></b>				
Federal Capital Grants	\$ 393,307	\$ 1,127,402	\$ 734,095	35%
Other Fed - Sakata / Lawsuit proceeds	\$ 247,979	\$ 1,335,000	\$ 1,087,021	19%
State - PTMISEA (1B)	\$ 3,264,976	\$ 10,400,000	\$ 7,135,024	31%
State - Security Bond Funds (1B)	\$ 253,475	\$ 930,000	\$ 676,525	27%
State Transit Assistance (STA)	\$ 296,958	\$ 565,100	\$ 268,142	53%
State - STIP	\$ 97,050	\$ 345,000	\$ 247,950	28%
State - SLPP	\$ 2,358,336	\$ 3,012,000	\$ 653,664	78%
Sales Tax / STA Match	\$ 2,358,336	\$ 3,012,000	\$ 653,664	78%
Operating / Capital Reserve	\$ 322,335	\$ 1,072,320	\$ 749,985	30%
<b>TOTAL CAPITAL FUNDING</b>	<b>\$ 9,592,752</b>	<b>\$ 21,798,822</b>	<b>\$ 12,206,070</b>	<b>44%</b>

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
PRELIMINARY SCHEDULE OF RESERVE ACCOUNT BALANCES  
FY15-UNAUDITED**

# Attachment C

Fund Title	Explanation and Use:	Balance at 6/30/14	ESTIMATED Additions/ (Withdrawals)	ESTIMATED Balance at 6/30/15	Board Adopted Minimum or Target Level	% Funded	Suggested Guidelines:	Board Adopted Recommendation:
<b>Operating and Capital Reserve Fund</b> (formerly - Operating / Capital Reserves)	Liquid and unrestricted assets that an organization can use to support its operations in the event of an unanticipated loss of revenue or increase in expenses.	\$ 6,878,920	\$ (831,067) <sup>1)</sup>	\$ 6,047,853	N/A	N/A	Any use of Operating / Capital Reserves above CEO executive authority will be brought to the BOD for consideration.	There is no Board Adopted Minimum Balance established; this fund shall not be used to support recurring operating expenditures.
<b>Operations Sustainability Reserve Fund</b> (formerly - Operating Reserves)	Funds set aside to protect the organization's essential services and funding requirements during periods of economic downturn or natural disasters. Target = two month's operating expenses (Payroll and Accounts Payable).	\$ 2,511,102	\$ -	\$ 2,511,102	\$ 7,045,000	36%	GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.	Fund Operations Sustainability Reserve Fund to target level that equals two (2) months of the average operating expenses for the most current fiscal year's budget, to be adjusted annually through the budget process.
<b>Cash Flow Reserve Fund</b> (formerly - Cash Flow Reserves)	Funds set aside to "cash flow" capital and/or operating expenses incurred before receiving reimbursements from various funding sources (Annual FTA 5307 (& STIC), STA, SLPP, etc).	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	100%	Staff will manage flexibility of Cash Flow Reserve Fund, according to project levels and capital needs as they fluctuate from year to year.	Fund Cash Flow Reserve Fund to minimum or target levels; set annually through the budget process.
<b>Carryover</b>	Net excess revenue to be used as per BOD direction.	\$ -	\$ -	\$ -	\$ -	N/A	1.) Move to (replenish) other Reserve accounts 2.) Move to Unfunded Projects / Mandates 3.) Use as revenue in next fiscal year	If carryover exists - distribution options will be reviewed on an annual basis to determine the best use of funds.
<b>Workers Compensation Reserve Fund</b> (formerly - Workers Compensation Reserves)	Funds set aside to finance the (discounted) long term portion of workers' compensation liability, as of the end of the fiscal year.	\$ 2,091,581	\$ 32,748	\$ 2,124,329	\$ 3,484,177	61%	GASB #10 requires Santa Cruz METRO to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported workers' compensation claims.	Fund Workers' Comp Reserves to minimum or target levels; a bi-annual study of potential liability areas and risk shall be the basis for determining minimum reserves.
<b>Liability Insurance Reserve Fund</b> (formerly - Liability Insurance Reserves)	Funds set aside to pay the cost of outstanding liability and physical damage claims.	\$ 700,757	\$ (32,748)	\$ 668,009	\$ 668,009	100%	GASB #10 requires Santa Cruz METRO to accrue a liability on its financial statements for the ultimate cost of claims and expenses associated with all reported and unreported liability and physical damage claims.	Fund Liability Insurance Reserves to minimum or target levels; calculated annually based on the 5-year rolling average of outstanding claims at fiscal year end.
<b>1) Unaudited - Estimated withdrawal in FY15: Operating Budget use ~ \$508,731. Capital Budget use ~ \$322,335; transfer \$32,748 from Liability Ins Reserve</b>		<b>\$ 15,182,359</b>	<b>\$ (831,067)</b>	<b>\$ 14,351,292</b>				

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# **Year to Date Monthly Financial Report as of June 30, 2015**

Santa Cruz METRO Board of Directors

*October 23, 2015*

Angela Aitken, Finance Manager

# FY15 Operating Revenue and Expenses

## For the Month Ending June 30, 2015

100% of Fiscal Year Elapsed

<b>\$ In Thousands</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual vs Budget</b>
<b>Operating Revenue:</b>	\$3,785	\$6,650	(\$2,865)
<b>Operating Expenses:</b>			
Labor	\$1,349	\$1,642	(\$293)
Fringe Benefits	\$1,545	\$1,644	(\$99)
Non-Personnel Expenses	\$777	\$819	(\$42)
<b>Total Operating Expenses:</b>	<b>\$3,671</b>	<b>\$4,104</b>	<b>(\$433)</b>
<b>Operating Budget Under/(Over):</b>			<b>(\$2,432)</b>

14D.2



# FY15 Operating Revenue and Expenses

Year to Date as of June 30, 2015

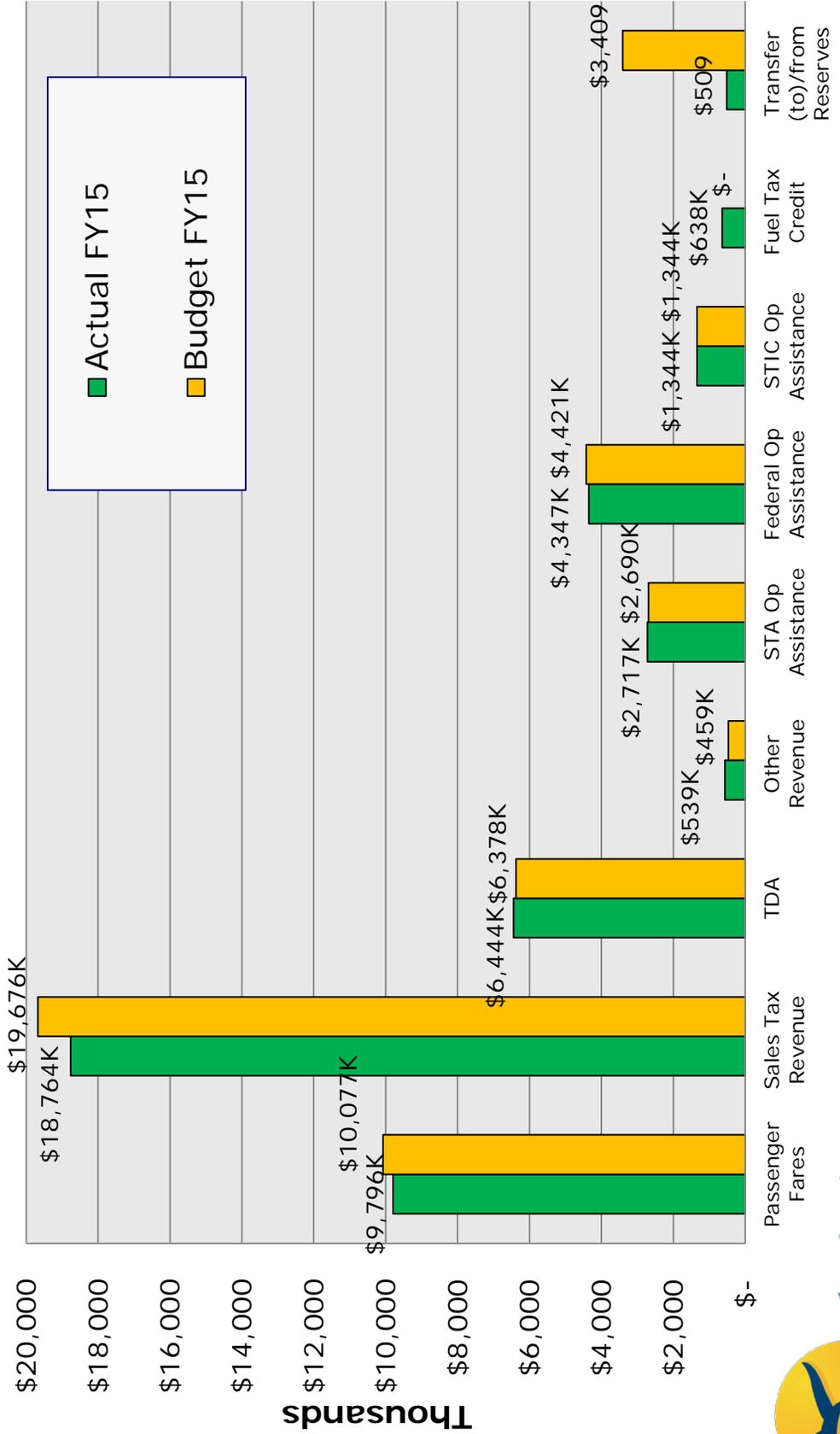
100% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Actual vs Budget
<b>Operating Revenue:</b>	\$45,128	\$48,464	(\$3,336)
<b>Operating Expenses:</b>			
Labor	\$18,883	\$19,705	(\$823)
Fringe Benefits	\$18,098	\$19,725	(\$1,627)
Non-Personnel Expenses	\$8,148	\$9,034	(\$885)
<b>Total Operating Expenses:</b>	\$45,128	\$48,464	(\$3,336)
<b>Operating Budget Under/(Over):</b>			-0-

14D.3



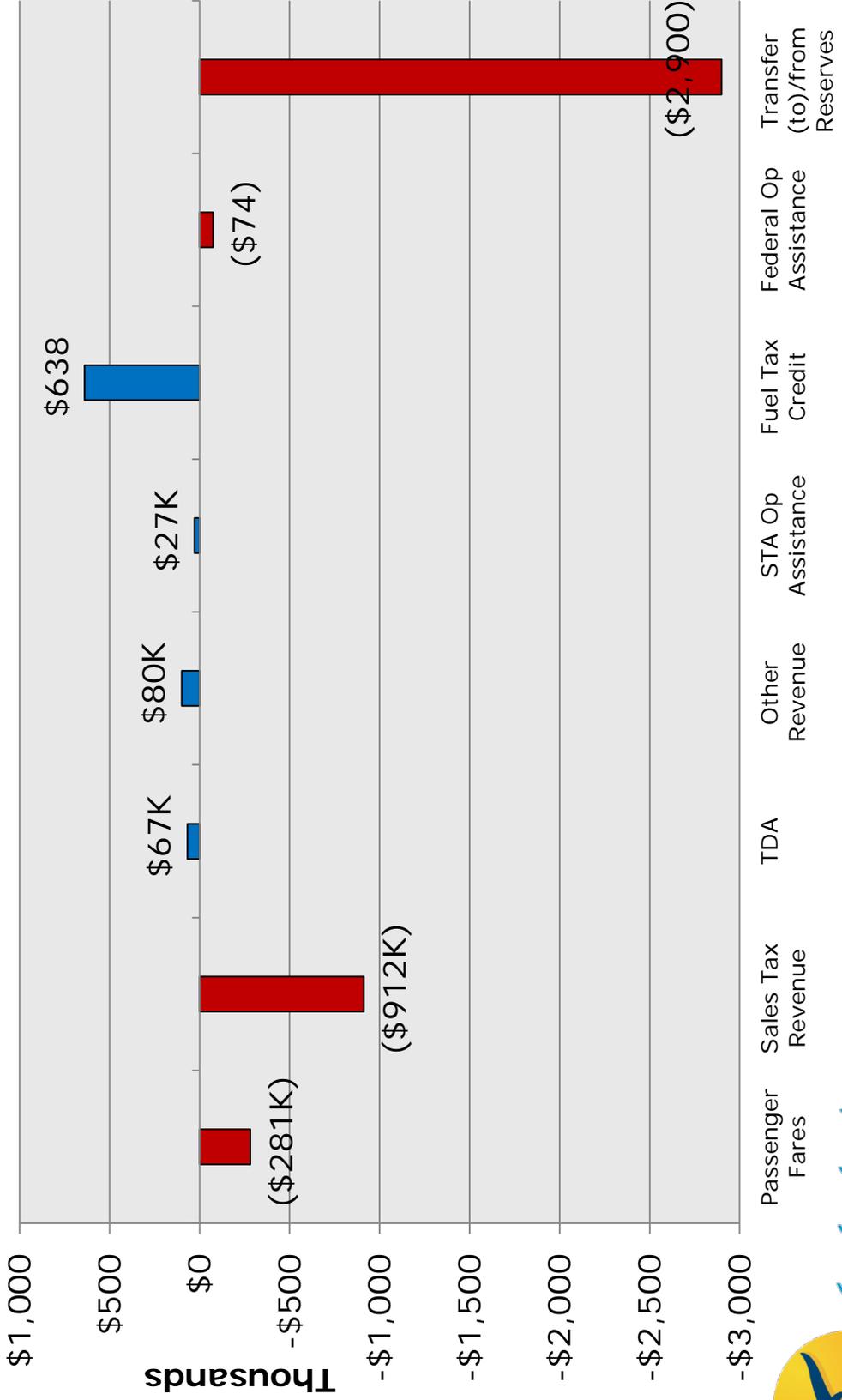
# FY15 Operating Revenue by Major Funding Source Year to Date as of June 30, 2015 100% of Fiscal Year Elapsed



# Favorable/(Unfavorable) Revenue Variance to Budget

Year to Date as of June 30, 2015

100% of Fiscal Year Elapsed



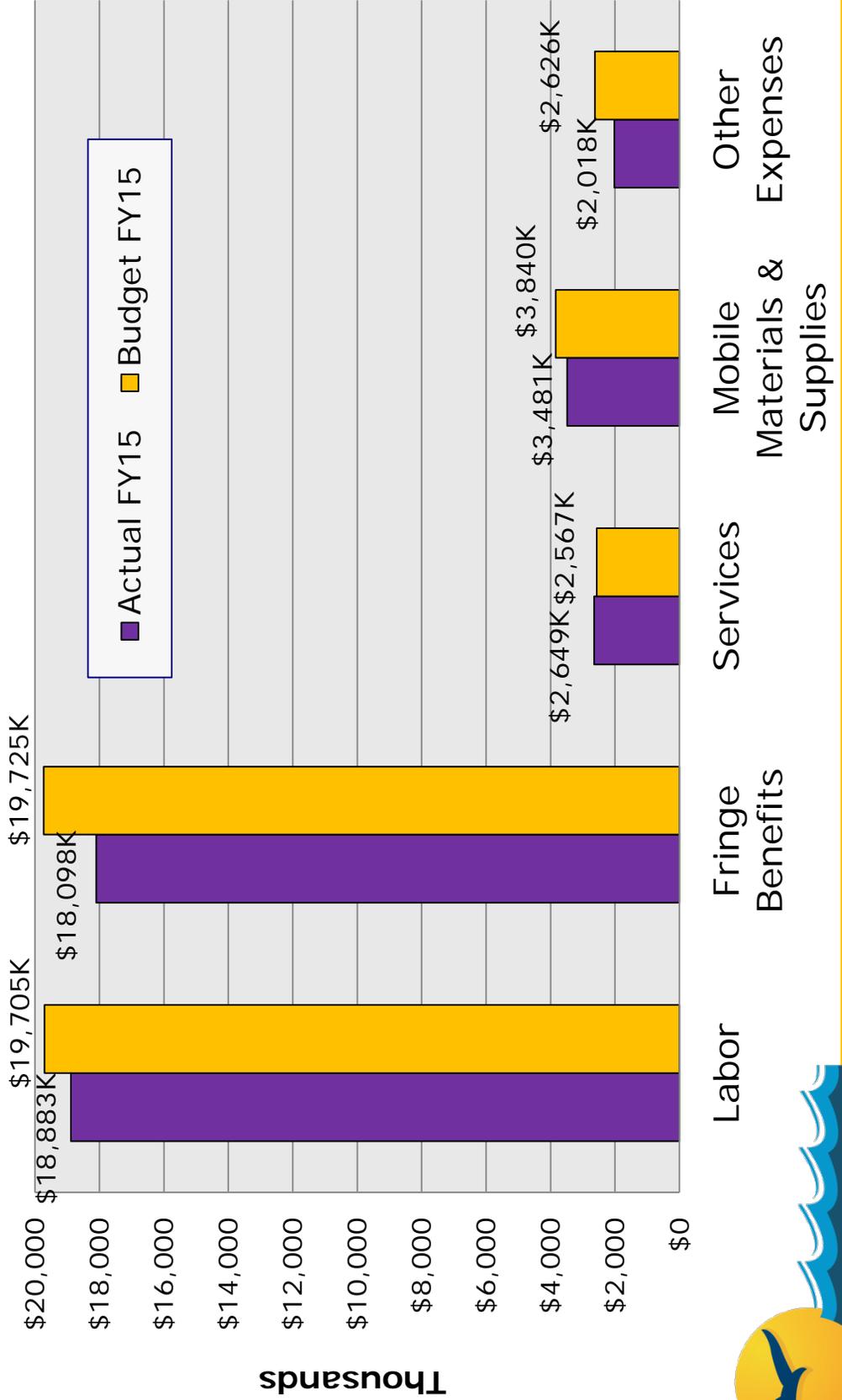
14D.5



# FY15 Operating Expenses by Major Expense Category

## Year to Date as of June 30, 2015

100% of Fiscal Year Elapsed



14D.6

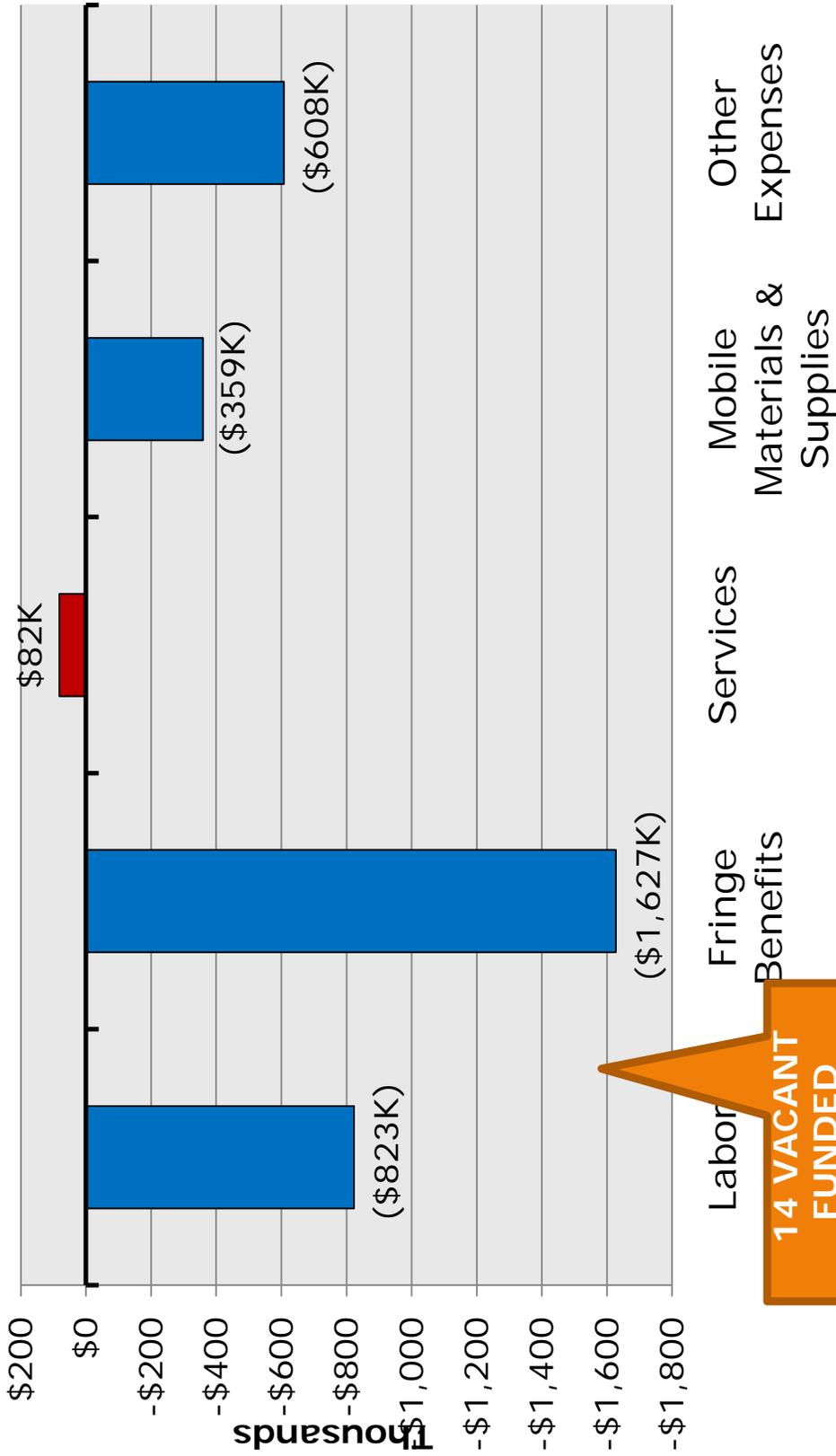


SANTA CRUZ

METRO

(Favorable)/Unfavorable Expense Variance to Budget  
Year to Date as of June 30, 2015

100% of Fiscal Year Elapsed



**14 VACANT FUNDED POSITIONS**  
 (average for the year)

14D.7

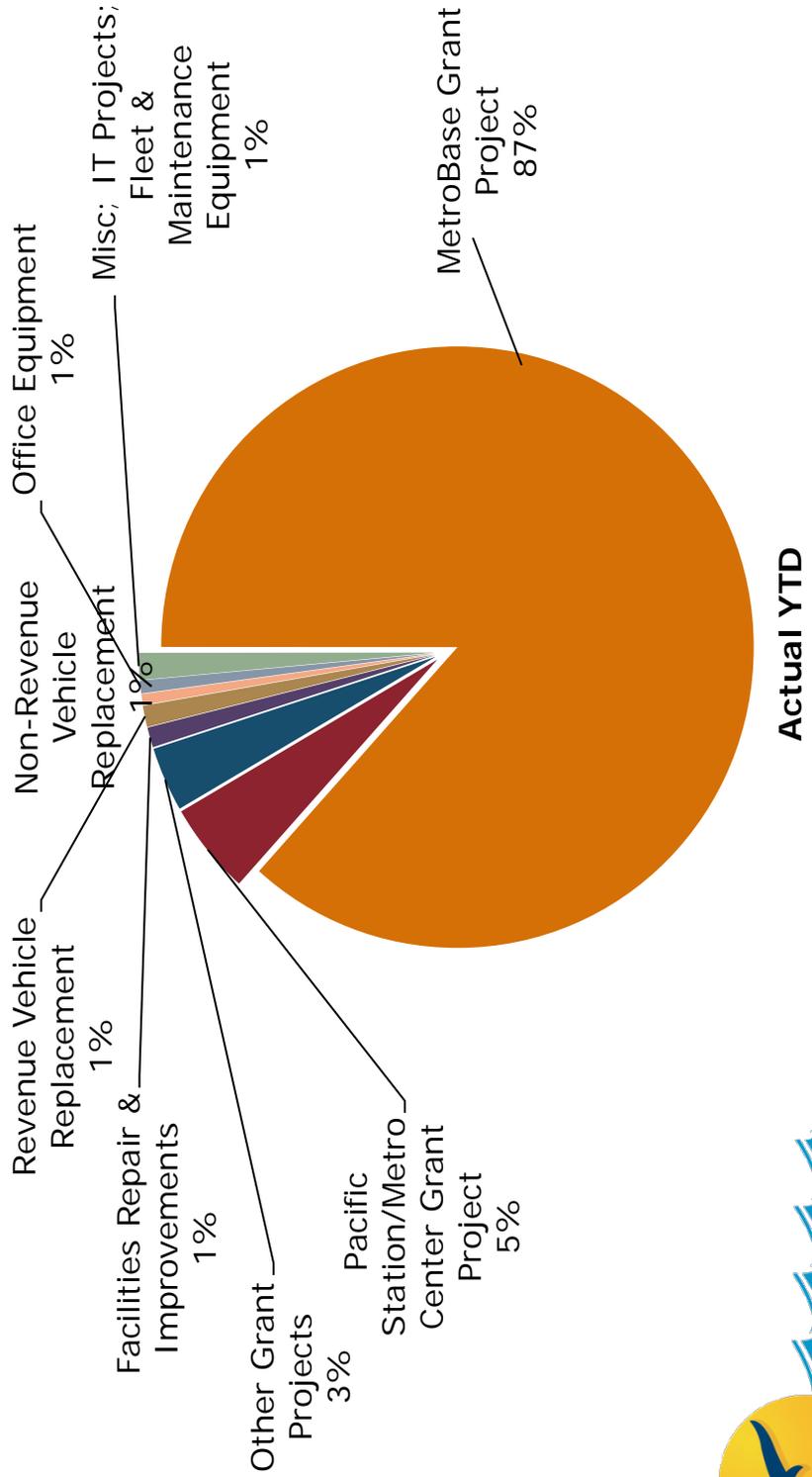


# FY15 Capital Budget

Year to Date as of June 30, 2015

100% of Fiscal Year Elapsed

	Actual YTD	Total FY15 Budget	% Spent YTD
<b>Total Capital Projects:</b>	<b>\$9,592,752</b>	<b>\$21,798,822</b>	<b>44%</b>



# Preliminary Schedule of Reserve Account Balances FY15 (Unaudited)

Fund Title	Balance @ 6/30/14	Estimated Additions/ (Withdrawals)	ESTIMATED Balance @ 6/30/15	% Funded
Operating and Capital Reserve Fund	\$6,878,920	(\$831,067)	\$6,047,853	N/A
Operations Sustainability Reserve Fund	\$2,511,102	\$0	\$2,511,102	36%
Cash Flow Reserve Fund	\$3,000,000	\$0	\$3,000,000	100%
Carryover	\$0	\$0	\$0	N/A
Workers' Compensation Reserve Fund	\$2,091,581	\$32,748	\$2,124,329	61%
Liability Insurance Reserve Fund	\$700,757	(\$32,748)	\$668,009	100%
<b>Total Reserve Balances</b>	<b>\$15,182,359</b>	<b>(\$831,067)</b>	<b>\$14,351,292</b>	

14D.9



**MetroBase Phase II  
Operations Building  
Life of Project  
Budget Adopted August 14, 2015  
Spending as of October 6, 2015**

# MetroBase Phase II - Life of Project Spending as of October 6, 2015

\$ In Thousands	Budget	Actual	Remaining	% Spent
LCN – Prime Construction Contract	\$13,572	\$11,956	\$1,616	88%
Construction Contract Contingency	\$1,725	\$855	\$869	50%
In-House Project Management	\$662	\$591	\$72	89%
Consultant Costs (Hill Int'l., TRC and RNL)	\$5,645	\$4,354	\$1,291	77%
Non-Construction Contingencies	\$62	\$0	\$62	0%
Contracted Professional Services – prior to 9/26/14	\$150	\$150	\$0	100%
Additional Cost and Services (VSWs, Security, Dubois, etc.)	\$3,038	\$1,926	\$1,112	63%
<b>Totals Under/(Over):</b>	<b>\$24,854</b>	<b>\$19,832</b>	<b>\$5,022</b>	<b>80%</b>

14D.11



# Questions

14D.12





**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Angela Aitken, Finance Manager  
**SUBJECT: CONSIDERATION OF THE ADOPTION OF CHAPTER 7 TO TITLE I OF  
THE SANTA CRUZ METRO ADMINISTRATIVE CODE - RESERVE  
FUND POLICY**

## **I. RECOMMENDED ACTION**

**That the Board of Directors adopt a resolution to add Chapter 7 to Title I of the Santa Cruz METRO Administrative Code.**

## **II. SUMMARY**

- During FY15, Santa Cruz METRO Board of Directors (Board) discussed the impending “Fiscal Cliff” and Structural Deficit via numerous workshop presentations to the Board.
- At the November 14, 2014 meeting, the BOD was presented with recommendations on how each reserve “bucket” should be established and funded.
- The Board came to a consensus on these Reserve Funds, and was presented with the individual fund agreements via a presentation to the Board at the January 23, 2015 meeting.
- Direction was also given to create a formal policy on Reserve Funds that would ensure strong fiscal management.
- Santa Cruz METRO has created an Administrative Code to codify policies enacted by the Board of Directors.
- It is requested that the Board adopt the proposed Reserve Fund Policy within the Administrative Code, so that it reflects the current responsibilities and practices of the Finance Department in relation to the use and replenishment of the Reserve Funds.

## **III. DISCUSSION/BACKGROUND**

During FY15, Santa Cruz METRO Board of Directors was presented with, and discussed, the impending “Fiscal Cliff” and Structural Deficit via numerous workshop presentations to the Board. At the November 14, 2014 meeting, the Board was presented with recommendations on how each reserve “bucket” should be established and funded. CEO, Alex Clifford, and Finance Manager, Angela Aitken, talked through the various Reserve “buckets”, how they were each used, guidelines that were in place to follow, the funding status and deficit

status of each “bucket”, industry policy or guidelines, and then presented a recommendation on how and to what level each reserve “bucket” should be funded.

The Board came to a consensus on these Reserve Funds and was presented with the individual fund agreements via a presentation to the Board at the January 23, 2015 meeting. Direction was also given during the November 14, 2014 meeting to create a formal policy on Reserve Funds, with an objective that will establish sound formal fiscal reserve guidelines that will ensure strong fiscal management, guide future agency decisions, maintain the fiscal stability of the organization, and place the agency in a position to better respond to unanticipated fiscal challenges and risk.

The purpose of the Reserve Fund policy for Santa Cruz METRO is to ensure the long-term economic stability of the agency. A key element of prudent financial planning is to ensure there are sufficient reserves to cover current operating and capital cash flows. Additionally, good fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen disruptions in cash flow. Santa Cruz METRO will at all times strive to have sufficient funding available to meet its operating and capital obligations.

Based on an analysis of “best practices” and quantitative standards, this policy strives to maintain a stable and positive financial position for the foreseeable future. Moreover, it provides guidelines to staff in planning and directing the day-to-day financial affairs and in developing recommendations to the Board.

Properly designed guidelines send a positive signal to the community, our customers, our stakeholders, rating agencies, and regulatory agencies that the Board of Directors is committed to the agency’s long-term financial health, stability and viability.

This policy will help provide the agency with unrestricted funds with which to stabilize the agency’s finances and position it to better absorb economic downturns, unforeseen disruptions in cash flow, meet generally accepted financial practices, and fund the local match for state and federal capital grants.

The goal of this policy is to establish adequate Reserve Funds through sound fiscal reserve guiding principles that will guide agency staff when making financial recommendations to the Board. If the agency chooses to borrow funds in the future, a fiscally sound Reserve Fund Policy will contribute to a positive credit rating. A better credit rating results in a lower cost of borrowing.

Reporting of Fund Balances (defined as the excess of assets over liabilities) is guided by complying with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54 defines five separate components of fund balance, each of

which identifies the extent to which Santa Cruz METRO is bound to honor constraints on the specific purposes for which amounts can be spent:

- a. **Nonspendable** fund balance (not in spendable form such as inventories, prepaids, long-term receivables or non-financial assets held for resale).
- b. **Restricted** fund balance (extremely enforceable limitations on use such as debt covenants, grantors, contributors, or laws and regulations of other governments).
- c. **Committed** fund balance (constrained to specific purposes by a formal action of the Board such as an ordinance, resolution or policy).
- d. **Assigned** fund balance (limited to the Board's intent to be used for a specific purpose, but not Restricted or Committed)
- e. **Unassigned** fund balance (residual net resources, either positive or negative, in excess of the other four fund balance components).  
Unassigned amounts are available for any purpose with Board approval.

All of Santa Cruz METRO's reserve funds are classified as committed or unassigned fund balances and will be funded with surplus or "carryover" of unrestricted operating funds.

Adequate Reserve funds are built over time. The goal of maintaining adequate reserves is to ensure that there are appropriate levels of working capital in the Reserve Funds for unanticipated situations such as a sudden increase in expenses, significant one-time unbudgeted expenses, unanticipated loss in funding, economic downturns or uninsured losses, and to ensure continuity of service.

Reserves may also be used for one-time, nonrecurring expenses that will build long-term capacity, such as payment of grant funded expenses prior to being reimbursed by the awarding grant entity, matching dollars for grants, capital and operating expenditures that might not otherwise have a grant funding source or qualify for grant funding.

Santa Cruz METRO's Reserve Funds are as follows:

- **Operations Sustainability Reserve Fund**
  - a. Classified as a committed fund balance
  - b. Sometimes referred to as the "rainy day fund."

- c. Target minimum is equal to two (2) months of average operating expenses for the most current fiscal year's budget
- d. In FY15, the target minimum was \$7M; currently funded at \$2.5M
- e. Should not be used for recurring expenses

- **Cash Flow Reserve Fund**

- a. Classified as a committed fund balance
- b. Target minimum amount will be set annually through the budget process, and is calculated annually based on a review of all current reimbursable grants, a revenue flow analysis, and invoice payments.
- c. In FY15, the Cash Flow Reserve Fund target minimum was \$3M; currently funded at \$3M
- d. Should not be used for recurring expenses

- **Operating and Capital Reserve Fund**

- a. Classified as an unassigned fund balance
- b. Funded by carryover, alternative fuel tax credits, excess sales tax revenue, and other fungible revenues
- c. No target minimum amount to be designated
- d. In FY15, the Operating and Capital Reserve Fund has no target minimum; currently funded at \$6.1M
- e. Should avoid using for recurring expenses

- **Workers' Compensation Reserve Fund**

- a. Classified as a committed fund balance
- b. Target minimum amount will be based on a bi-annual study of potential liability areas and risk
- c. In FY15, the Workers' Compensation Reserve Fund target minimum was \$3.5M; currently funded at \$2.1M
- d. Should not be used for recurring expenses

- **Liability Insurance Reserve Fund**

- a. Classified as a committed fund balance
- b. Target minimum amount will be calculated annually based on the 5-year rolling average of outstanding claims at fiscal year end, and an analysis of other potential risk considerations
- c. In FY15, the Liability Insurance Reserve Fund target minimum was \$668K; currently funded at \$668K
- d. Should not be used for recurring expenses

All Reserve Funds will be recorded in the financial records as Board-Designated reserves, included in the annual fiscal year budget, and broken out by the funds reflected in this policy. Reserve Funds will be funded and available in cash or cash equivalent funds and will be maintained with the general cash accounts of the organization.

The CEO is responsible for assuring that the Reserve funds are maintained and used only as described in this Reserve Fund Policy. The use of Reserve Funds will be reported to the Board annually through the annual fiscal year budget process, including a special notation reflecting any underfunded categories and a proposed recovery schedule.

If the Reserve Fund cannot be replenished by the next annual Fiscal Year Budget, a repayment plan not to exceed three (3) years will be proposed for Board consideration. The Finance Department shall maintain Board-approved policies which may contain provisions that affect the creation, sufficiency, and management of the Reserve Funds.

This Policy will be reviewed every other year, at minimum, by the Finance Department, or sooner if warranted by internal or external events or changes. Modifications to the Reserve Fund Policy will be recommended by the Finance Department to the Board of Directors. By a 2/3 vote of the Board, the Board may amend or revise the Reserve Fund Policy or temporarily waive the provisions of the policy to allow Reserve funds to be used to resolve an emergency funding situation not covered under this policy, or to temporarily bridge an Operating Budget funding gap.

Santa Cruz METRO has created an Administrative Code to codify policies enacted by the Board of Directors. It is requested that the Board adopt the proposed Reserve Fund Policy within the Administrative Code, so that it reflects the current responsibilities and practices of the Finance Department, in relation to the use and replenishment of the Reserve Funds.

#### **IV. FINANCIAL CONSIDERATIONS/IMPACT**

Implementing the Reserve Fund Policy via the Administrative Code, will give guidance on how revenues above reoccurring expenses, will be placed back into the Reserve Funds that have been almost depleted over the past few years.

Maintaining solid reserves for the future, is a key to Santa Cruz METRO producing balanced budgets and being prepared for opportunities of growth, technological advancement in the future, and mitigate financial risk.

#### **V. ALTERNATIVES CONSIDERED**

- Do nothing is an alternative but not recommended, as there are no formal policies in place on how Reserves Funds should be used or replenished.

#### **VI. ATTACHMENTS**

**Attachment A:** Resolution adopting Chapter 7 to Title I of the Santa Cruz METRO Administrative Code

**Exhibit A:** Reserve Fund Policy

**VII. APPROVALS:**

Approved as to form:  
Leslyn K. Syren, District Counsel



Approved as to fiscal impact:  
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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# Attachment A

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

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

### **A RESOLUTION OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT ADOPTING CHAPTER 7 TO TITLE I OF THE SANTA CRUZ METRO ADMINISTRATIVE CODE**

**WHEREAS**, it is in the interest of the Santa Cruz Metropolitan Transit District to adopt a Reserve Fund Policy; and

**WHEREAS**, on November 14, 2014 meeting, the BOD was presented with recommendations on how each reserve “bucket” should be established, and funded; and

**WHEREAS**, the Board came to a consensus on these Reserve Funds, and was presented with the agreements via a presentation to the Board at the January 23, 2015 meeting; and

**WHEREAS**, direction was also given to create a formal policy on Reserves that will ensure strong fiscal management; and

**WHEREAS**, the provisions of the policy reflect that it can be amended, revised, or temporarily waived by a Board vote of two-thirds, for an emergency funding situation or temporary operating budget funding gap,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, that it hereby resolves, determines and orders as follows:

1. That the Reserve Fund policy attached hereto as Exhibit A, and presented to the Board of Directors is hereby adopted.

**PASSED AND ADOPTED** this 23<sup>rd</sup> Day of October, 2015 by the following vote:

**AYES:** Directors -

**NOES:** Directors –

# Attachment A

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

**ABSTAIN:** Directors -

**ABSENT:** Directors -

---

DENE BUSTICHI  
Chairperson

ATTEST:

---

ALEX CLIFFORD  
CEO/General Manager

APPROVED AS TO FORM:

---

LESLYN K. SYREN  
District Counsel

# Exhibit A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

### ADMINISTRATIVE CODE

#### TITLE I – ADMINISTRATION

#### CHAPTER 7

#### RESERVE FUND POLICY

#### Table of Contents:

Article I	General Requirements
Article II	Purpose and Applicability
Article III	Goals
Article IV	Operations Sustainability Reserve Fund
Article V	Cash Flow Reserve Fund
Article VI	Operating and Capital Reserve Fund
Article VII	Workers' Compensation Reserve Fund
Article VIII	Liability Insurance Reserve Fund
Article IX	Funding and Accounting for Reserve Funds
Article X	Reporting, Monitoring and Replenishing of Reserves
Article XI	Administration of Policy
Article XII	Changes/Waivers to the Reserve Fund Policy

---

#### Article 1

#### General Requirements

#### Definitions

- §1.7.101** Reporting of Fund Balances (defined as the excess of assets over liabilities) is guided by complying with Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. GASB 54 defines five separate components of fund balance, each of which identifies the

# Exhibit A

extent to which Santa Cruz METRO is bound to honor constraints on the specific purposes for which amounts can be spent:

The following capitalized words and phrases whenever used in this Chapter shall be construed as defined below:

- §1.7.102** BOARD shall mean the Board of Directors of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO).
- §1.7.103** GENERAL MANAGER shall mean the Chief Executive Officer (CEO) of Santa Cruz METRO appointed by the Board of Directors.
- §1.7.104** SANTA CRUZ METRO shall mean the Santa Cruz Metropolitan Transit District as established and operated under Part 10, Division 10 of the *California Public Utilities Code*.
- §1.7.105** NONSPENDABLE fund balance (not in spendable form such as inventories, prepaids, long-term receivables or non-financial assets held for resale).
- §1.7.106** RESTRICTED fund balance (extremely enforceable limitations on use such as debt covenants, grantors, contributors, or laws and regulations of other governments).
- §1.7.107** COMMITTED fund balance (constrained to specific purposes by a formal action of the Board such as an ordinance, resolution or policy).
- §1.7.108** ASSIGNED fund balance (limited to the Board's intent to be used for a specific purpose, but not Restricted or Committed).
- §1.7.109** UNASSIGNED fund balance (residual net resources, either positive or negative, in excess of the other four fund balance components). Unassigned amounts are available for any purpose with Board approval.

**§1.7.1010 Additional Definitions and Acronyms**

CARRYOVER – End of Fiscal Year favorable variance

FTA - Federal Transit Agency

GASB – Governmental Accounting Standards Board

STA – State Transit Assistance

STIC –Small Transit Intensive Cities Program (FTA)

STRUCTURAL DEFICIT - a fiscal budget situation in which recurring expenses exceed recurring revenues.

UNRESTRICTED FUNDS – funds available for any operating or capital expense use.

# Exhibit A

## Article II

### Purpose and Applicability

- §1.7.201** As a public agency, Santa Cruz METRO shall provide safe, reliable fiscally responsible service to our customers. To that end, a policy to fund and spend reserves is being presented. The purpose of the Reserve Fund Policy is to ensure the long-term economic stability of the agency.
- §1.7.202** This policy will establish formal fiscal reserve guidelines that will ensure strong fiscal management, guide future agency decisions, maintain the fiscal stability of the organization, and place the agency in a position to better respond to unanticipated fiscal challenges and risks as they occur.
- §1.7.203** A key element of prudent financial planning is to ensure there are sufficient reserves to cover current operating and capital cash flows. Additionally, good fiscal responsibility requires anticipating the likelihood of, and preparing for, unforeseen disruptions in cash flow. Santa Cruz METRO will at all times, strive to have sufficient funding available to meet its operating and capital obligations.
- §1.7.204** Based on an analysis of “best practices” and quantitative standards, this policy strives to maintain a stable and positive financial position for the foreseeable future. Moreover, it provides guidelines to staff in planning and directing the day-to-day financial affairs, and in developing the annual two-year budget.
- §1.7.205** Properly designed guidelines send a positive signal to the community, our customers, our stakeholders, rating agencies, and regulatory agencies, that the Board of Directors (Board) is committed to the agency’s long-term financial health, stability and viability.
- §1.7.206** This policy will help provide the agency with unrestricted funds with which to stabilize the agency’s finances, and position it to better absorb economic downturns, unforeseen disruptions in cash flow, meet generally accepted financial practices, and fund the local match for state and federal capital grants.

## Article III

### Goals

- §1.7.301** The goal of this policy is to establish adequate Reserve Funds through sound fiscal reserve guiding principles that will guide agency staff when making financial recommendations to the Board.
- §1.7.302** If the agency chooses to borrow funds in the future, a fiscally sound Reserve Fund Policy will contribute to a positive credit rating. A better credit rating results in a lower cost of borrowing.

# Exhibit A

## Article IV

### Operations Sustainability Reserve Fund

- §1.7.401** The Operations Sustainability Reserve Fund is an unrestricted fund intended to provide an internal source of funds for unanticipated situations such as a sudden increase in expenses, significant one-time unbudgeted expenses, unanticipated loss in funding, economic downturns or uninsured losses. This reserve fund will ensure continuity of service, regardless of disruptions in cash flow, and is considered working capital to be used to fund current non-recurring expenses as needed without borrowing. This fund is sometimes referred to as a “rainy day fund.”
- §1.7.402** The Operations Sustainability Reserve Fund is not intended to replace a permanent loss of funds or fill an ongoing budget gap such as a structural deficit. It is the intention of Santa Cruz METRO that when the Operations Sustainability Reserve Fund is used, they be used on a short-term basis and replenished within a reasonably short period of time (i.e. one fiscal year).
- §1.7.403** **Board Policy** - The Operations Sustainability Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The minimum amount to be designated as Operations Sustainability Reserve will be established in an amount sufficient to cover all operating expenses for a set period of time, measured in months. The minimum Operations Sustainability Reserve Fund shall be equal to two (2) months of the average operating expenses for the most current fiscal year’s budget, and will be adjusted annually through the budget process. The calculation of average monthly operating costs includes, but is not limited to all recurring, operating expenses such as salaries and benefits, overhead, travel and training, and ongoing professional services. Depreciation, in-kind, and other non-cash expenses are not included in the calculation. The Board will attempt to fully fund the Operations Sustainability Reserve Fund within three-years of the adoption of this policy. The Operations Sustainability Reserve Fund shall not be used to support recurring operating expenditures.

## Article V

### Cash Flow Reserve Fund

- §1.7.501** The Cash Flow Reserve Fund is an unrestricted fund intended to provide funds to protect the agency’s ability to meet payroll and pay its bills through the ebbs and flows of revenue flows. Since some grants are awarded on a reimbursable basis, this will also include payment of grant funded expenses prior to being reimbursed by the awarding grant entity.
- §1.7.502** **Board Policy** - The Cash Flow Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund

# Exhibit A

balance. The target minimum amount to be designated as Cash Flow Reserve Fund will be set annually through the budget process, and is calculated annually based on a review of all current reimbursable grants, a revenue flow analysis, and invoice payments. In tight or difficult financial times, a fully funded Operations Sustainability Reserve Fund can double as the Cash Flow Fund. The Board will attempt to fully fund the Cash Flow Reserve Fund within three-years of the adoption of this policy. The Cash Flow Reserve Fund shall not be used to support recurring operating expenditures.

## Article VI

### Operating and Capital Reserve Fund

**§1.7.601** Maintaining the Santa Cruz METRO system in a state-of-good-repair is paramount to the stability and success of Santa Cruz METRO. A system is in a state-of-good-repair when all maintenance is performed at scheduled intervals; all facilities are properly maintained and without deferred maintenance; and all vehicles receive scheduled mid-life overhauls and are replaced when they reach the end of their useful life. The Operating and Capital Reserve Fund is intended to provide match for grants, used for capital and operating expenditures that might not otherwise have a grant funding source or qualify for grant funding and to cover certain unanticipated operating expenses that cannot be capitalized. Use of the Operating and Capital Reserve Fund shall be limited to one-time expenditures and is not intended for recurring commitments.

**§1.7.602** **Board Policy** - The Operating and Capital Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as an unassigned fund balance. There is no target minimum amount to be designated for the Operating and Capital Reserve Fund since its funding source comes from what might generally be considered unanticipated surpluses such as fiscal year budget surplus (carryover) and unrestricted funds such as sales tax, farebox revenues, leases, advertising and fuel tax credit, just to name a few examples. The Operating and Capital Reserve Fund shall not be used to support recurring operating expenditures.

**§1.7.603** The CEO is authorized to exercise the CEO Board authorized authority of up to \$50,000 to allocate these funds for the uses noted in this policy. All uses of this fund in excess of \$50,000 must be approved by the Board.

## Article VII

### Workers' Compensation Reserve Fund

**§1.7.701** The Workers' Compensation Reserve Fund is intended to provide funds to meet expenses associated with Santa Cruz METRO's self-insurance programs, losses that exceed insurance coverage, as well as deductible costs or losses not covered by insurance. The Workers' Compensation Reserve Fund shall be maintained at a level

# Exhibit A

that will adequately indemnify the agency against loss. A bi-annual study of potential liability areas and risk shall be the basis for determining minimum reserves.

- §1.7.702** **Board Policy** - The Workers' Compensation Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The Workers' Compensation Reserve Fund will be calculated bi-annually after an actuarial review has been performed. Annually, the Workers' Compensation Reserve Fund level will be included in the annual fiscal budget process. The Board will attempt to fully fund the Workers' Compensation Reserve Fund within two years of the adoption of this policy. The Workers' Compensation Reserve fund shall not be used to support recurring operating expenditures.

## Article VIII

### Liability Insurance Reserve Fund

- §1.7.801** The Liability Insurance Reserve Fund is intended to provide funds to meet Santa Cruz METRO's self-insurance programs, liability, insurance deductibles, self-insurance minimums, the first layer of a multi-layered insurance program, and to cover exposure where no insurance exists. This Fund is also used when exposure or losses exceed insurance coverage.
- §1.7.802** **Board Policy** - The Liability Insurance Reserve Fund is defined as a designated fund set aside by action of the Board of Directors, and is classified as a committed fund balance. The Liability Insurance Reserve Fund will be calculated annually based on the 5-year rolling average of outstanding claims at fiscal year end, and an analysis of other potential risk considerations. The Liability Insurance Reserve Fund balance will be approved by the Board through the annual fiscal budget process. The Board will attempt to fully fund the Liability Insurance Reserve Fund within the next fiscal year budget following the adoption of this policy. The Liability Insurance Reserve Fund shall not be used to support recurring operating expenditures.

## Article IX

### Funding and Accounting for Reserve Funds

- §1.7.901** All Reserve Funds are funded with surplus or "carryover" of unrestricted operating and capital funds.
- §1.7.902** Reserve Funds will be recorded in the financial records as Board-Designated reserves, included in the annual fiscal year budget, and broken out by the funds reflected in this policy. Reserve Funds will be funded and available in cash or cash equivalent funds. Reserve Funds will be maintained with the general cash accounts of the organization.

# Exhibit A

## Article X

### Reporting, Monitoring and Replenishing of Reserves

- §1.7.1001** The CEO is responsible for assuring that the Reserve funds are maintained and used only as described in this Reserve Fund Policy. The use of Reserve Funds will be reported to the Board annually through the annual fiscal year budget process, including a special notation reflecting any underfunded categories and a proposed recovery schedule.
- §1.7.1002** If the Reserve Fund cannot be replenished by the next annual Fiscal Year Budget, a repayment plan not to exceed three (3) years will be proposed for Board consideration.

## Article XI

### Administration of Policy

- §1.7.1101** The Finance Department shall maintain Board-approved policies, which may contain provisions that affect the creation, sufficiency, and management of the Reserve Funds.
- §1.7.1102** The Finance Department shall review this policy every other year, at a minimum, or sooner if warranted by internal or external events or changes. Modifications to the Reserve Fund Policy will be recommended by the Finance Department to the Board of Directors.

## Article XII

### Changes/Waivers to the Reserve Fund Policy

- §1.7.1201** By a 2/3 vote of the Board, the Board may amend or revise the Reserve Fund Policy or temporarily waive the provisions of the policy to allow Reserve funds to be used to resolve an emergency funding situation not covered under this policy, or to temporarily bridge an Operating Budget funding gap.

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**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Ciro Aguirre, Chief Operations Officer  
**SUBJECT: CONSIDERATION TO WAIVE \$3.00 FEE FOR SMART CARD FARE MEDIA AND TO AMEND AR-1031, SMART CARD POLICY, TO REFLECT FEE WAIVER**

## **I. RECOMMENDED ACTION**

**That the Board of Directors authorize staff to waive the \$3.00 fee for all Smart Cards and allow them to be issued free of charge and to amend the Smart Card Policy to reflect this change.**

## **II. SUMMARY**

- Santa Cruz Metropolitan Transit District (METRO) currently offers two distinct categories of Smart Cards: “Cruz Pass” and “Cruz Cash”.
- METRO currently charges a \$3.00 fee for each Smart Card issued.
- Staff requests that the METRO Board authorize waiving the \$3.00 fee and allow Smart Cards to be issued free of charge.
- If approved, staff will also amend AR-1031, Smart Card Policy, to reflect this waiver.

## **III. DISCUSSION/BACKGROUND**

Metro is currently encountering substantial delays on its Highway 17 commuter service. Much of those delays are related to the recent spike in congestion on Highway 17. Some delays have been identified related to bus dwell time that result from customers paying their fares with cash and coins. Encouraging customers to use METRO’s smart cards will result in faster boarding times and help the bus operator pull-out on-time. Encouraging customers systemwide to migrate to smart cards will help the system function more efficiently and increase the probability of operating the service on-time.

METRO proposes to create a campaign systemwide to encourage customers to migrate to the smart cards. The initial focus area for the campaign will be the Highway 17 commuter service. Waiving the \$3.00 fee METRO currently charges for the smart card will help incentivize customers to use the smart card. Customers will benefit by quicker boarding times, faster fare payment, improved on-time performance and the ease of loading and reloading the smart cards.

In April 2012, the METRO Board of Directors adopted the Smart Card fare media system. Smart Cards are pocket sized, reusable, hard plastic cards with embedded microchips that are very durable and can be encoded and reloaded with cash value to pay for fares and passes. These long lasting reloadable cards make boarding easier and faster since they only require that the card be within proximity of the Farebox reader to pay for the fare.

METRO offers two distinct categories of Smart Cards named “Cruz Pass” and “Cruz Cash”.

Cruz Pass Card – Allows loading of validated period passes such as a Day Pass, 3-Day Pass, 7-Day Pass, 31-Day Pass or a 15 Ride Pass that can be used on either Local METRO Service or the Highway 17 Express Service.

Cruz Cash Card – Allows for a rider to add value to the card in cash increments of \$10, \$20, \$30, and \$50 to be used to purchase rides on both the Local METRO Service and Highway 17 Express Service.

In addition to Smart Cards, METRO offers poly-plastic magnetic swipe cards that are not as durable, cannot be reloaded and are prone to damage if mishandled. METRO staff would like to begin actively promoting migration to Smart Cards and will build a campaign promoting this technology in an attempt to have riders reduce the use of swipe cards and cash. Increasing the use of Smart Cards will offer a level of convenience and boarding efficiency that will help improve on-time performance of our system and will reduce fare media and farebox maintenance costs for METRO.

METRO staff requests that the Board of Directors authorize waiving the \$3 fee and allow Smart Cards to be issued free of charge; additionally, METRO staff will amend AR-1031, Smart Card Policy, to reflect the \$3.00 fee waiver. Online purchases of Smart Cards will still incur a \$1.50 shipping and handling fee. Lanyards, currently included with the purchase of a Smart Card, will be offered separately for a charge of \$3 each.

#### **IV. FINANCIAL CONSIDERATIONS/IMPACT**

At the onset of the Smart Card program in 2012, the cost of a Smart Card was \$1.00 each. A total of 55,000 cards were purchased using grant funding from the American Recovery and Reinvestment Act (ARRA). Approximately 25,000 cards remain of that purchase.

A review of the number of Smart Cards issued in FY15 (July 1, 2014 through June 30, 2015) totaled 347 cards for the year or approximately 29 cards per month. The total amount of fees collected for the year was \$1,041. Taking into consideration the cost of \$1.00 per card, our revenue was a total of \$694 for

FY15. Waiving the \$3.00 fee would result in a net loss of revenue to METRO of approximately \$57.75 per month. However, a portion of this can be offset with the sale of lanyards and a reduction in use of poly-plastic swipe cards.

Loss of revenue could increase if Smart Cards become popular and are issued on a more consistent basis but should be offset with savings from Smart Card's reusable feature, reduction in swipe card fare media use, and reduction in farebox maintenance.

The required funding for fare media, including Smart Cards in the amount of \$18,000, is included in the FY16 current fiscal year Fleet Operating budget within the Revenue Vehicles Parts (504191) account.

## **V. ALTERNATIVES CONSIDERED**

- Deny waiving \$3 fee – This is not recommended as METRO would like to have more riders gradually transition solely to using Smart Card technology for transacting fares. Removing the fee will incentivize and promote Smart Card use. The Smart Cards are convenient, provide a more efficient means to pay, reduce passenger boarding delays, fare media and maintenance costs. Poly-plastic swipe cards, while popular with riders, pose problems when not cared for properly. The swipe cards are not durable and cause boarding delays if the magnetic strip is damaged. They cannot be reloaded, so use is limited to a few transactions before being discarded, and incur higher maintenance costs.

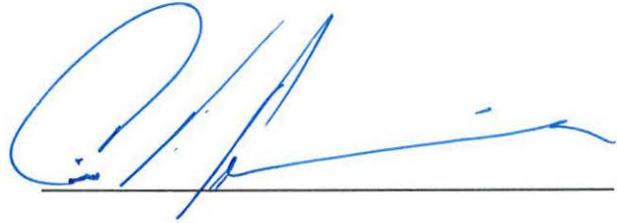
## **VI. ATTACHMENTS**

**Attachment A:** Santa Cruz METRO's Smart Card Policy (AR-1031)

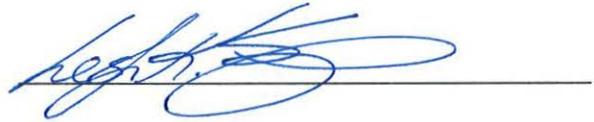
Prepared by:           Ciro Aguirre, COO

**VII. APPROVALS:**

Ciro Aguirre, Chief Operations Officer



Approved as to form:  
Leslyn K. Syren, District Counsel



Approved as to fiscal impact:  
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Regulation Number: AR-1031

Computer Title: smtcard

Effective Date: March 9, 2012

Pages: 4

**TITLE: SMART CARD POLICY**

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### Procedure History

REVISION DATE	SUMMARY OF REVISION	APPROVED
March 09, 2012	New Policy	L.W.
October 23, 2015	Waiver of fee when reloading a Smart Card added to Section 4.01	A.C.

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## I. POLICY

- 1.01 To further its commitment to public service, the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has designed this Regulation to assist Santa Cruz METRO passengers who wish to purchase a Smart Card for use on Santa Cruz METRO's fixed route buses.
- 1.02 This Regulation sets forth the terms and conditions for the purchase, loading, and use of the Smart Card.
- 1.03 Santa Cruz METRO reserves the right to amend this Regulation at any time, including any rights or obligations the customer or Santa Cruz METRO may have. As permitted by applicable law, any change, addition or deletion will become effective at the time Santa Cruz METRO posts the revised Regulation on its website ([www.scmttd.com](http://www.scmttd.com)). Customers are deemed to accept the changes, additions or deletions if (1) the Customer does not notify Santa Cruz METRO to the contrary in writing within 20 days of the date of the posting, or (2) the Customer uses his/her Smart Card (Cruz Pass Card/Cruz Cash Card) after the posting. If the Customer does not accept the changes, additions or deletions, his/her Smart Card will be cancelled and any amounts remaining on their Smart Card will be refunded to the Customer.

## II. APPLICABILITY

- 2.01 This policy is applicable to all Santa Cruz METRO Employees, Passengers, and Customers.

## III. DEFINITIONS

- 3.01 **"Smart Card"** is a paperless transit fare payment system specific to Santa Cruz METRO and similar in size to a credit/debit card with an embedded microchip that when loaded with monetary value, can be used on Santa Cruz METRO's fixed route system, in lieu of using currency. The Smart Card will allow customers to "load" value onto two fare options: Cruz Cash Card or Cruz Pass Card.

# Attachment A

## Policy and Procedures

Page 2

- 3.02 **“Cruz Cash Card”** is a fare payment option that allows a customer to purchase a Smart Card and load it with fare value in \$10 increments up to a maximum of \$50. The Cruz Cash Card is scanned in front of the Smart Card Reader located on the farebox in order to pay for the fare which is deducted from the card electronically.
- 3.03 **“Cruz Pass Card”** is a fare payment option that allows a customer to purchase one of the various Period Passes or Ride Passes offered by Santa Cruz METRO. At the time of purchase the Customer selects a specific type of Period Pass or Ride Pass and pays the appropriate fare. The Cruz Pass Card is then scanned in front of the Smart Card Reader located on the farebox in order to validate the card electronically and deduct the fare.
- 3.04 **“Expiration Date”** The Smart Cards have no expiration date. This means that the Smart Cards will never expire, as long as there is fare value remaining on the card.
- 3.05 **“Period Passes”** are fare payment options based on consecutive days of passenger travel. At the time of purchase, the customer chooses a specific Santa Cruz METRO period pass which meets their travel demands. Santa Cruz METRO offers various options for the Period Pass as follows:
- **Youth and Adult Local: 1, 3, and 7 day passes**
  - **Older Adult/Individual with a disability Local: 1, 3 and 7 day passes**
  - **Highway 17 Express: 1 and 5 day passes**
  - **Adult Local: 31 Day Consecutive Pass**
  - **Older Adult/Individual with a disability: 31 Day Consecutive Pass**
  - **Youth: 31 Day Consecutive Pass**
  - **Highway 17 Express: 31 Day Consecutive Pass**

A 31 Day Consecutive Pass may also be loaded with an additional 31 days of fare value for a maximum of 62 Consecutive days.

- 3.06 **“Ride Pass”** is a fare payment option in which the customer purchases rides to be used at any time; the rides are not restricted by a date range. Santa Cruz METRO offers:
- **Youth and Adult Local: 15 ride Convenient Pass**
  - **Older Adult/Individual with a disability Local: 15 Ride Convenient Pass**

## IV. PROCEDURES TO PURCHASE AND RELOAD A SMART CARD

- 4.01 Customers can purchase a Smart Card (Cruz Cash Card/Cruz Pass Card) at the Santa Cruz METRO Center (Pacific Station) Information Booth for a \$3.00 non-refundable fee and at the Watsonville Transit Center. At the time of purchase, the Customer will select either a Cruz Cash Card or a Cruz Pass Card. A customer can then load the particular card with the desired value up to the maximum amount allowed. **The \$3.00 fee is indefinitely waived and may be reinstated at a future date.**

# Attachment A

## Policy and Procedures

Page 3

- 4.02 Smart Cards may be purchased by mail using the order form provided inside the *Headways* bus schedule.
- 4.03 Generally, it will take seven (7) business days from the date the order is received to process the order. Customers may call Customer Service at (831) 425-8600, regarding any order.
- 4.04 Smart Cards are also available for purchase on Santa Cruz METRO's website **www.scmttd.com**.
- 4.05 Customers cannot register their Smart Cards, and the system has no personal information about the cardholder.
- 4.06 A customer can load a dollar value on the Smart Card by using a credit card, debit card or cash at the following locations:
- Santa Cruz METRO Center (Pacific Station), 920 Pacific Avenue, Santa Cruz, CA 95060 or ticket vending machine (TVM).
  - Watsonville Transit Center, 475 Rodriguez, Watsonville, CA 95076 or ticket vending machine (TVM).
  - Cabrillo College, 6500 Soquel Drive, Aptos, CA 95003 ticket vending machine (TVM)
  - Capitola Mall Transit Center Lane #1 1855 41<sup>st</sup> Avenue, Capitola, CA 95010 ticket vending machine (TVM).

## V. HOW THE SMART CARD SYSTEM WORKS

- 5.01 A customer scans his/her Smart Card (Cruz Cash Card/Cruz Pass Card) in front of the card reader on the farebox. The card reader will display the fare deducted and what amount is left on the Card.
- 5.02 Each customer will be required to have their own Smart Card. Holders of 15 Ride Passes and Cash Cards may deduct rides for accompanying passengers.
- 5.03 If a ride costs more than the remaining value on a Smart Card, Santa Cruz METRO will allow the customer to complete that trip. If a card has no value left, the card must be reloaded with value before boarding the bus or a cash fare must be paid.
- 5.04 Discount Fare Smart Cards are specially encoded to automatically calculate the discounted pass fare each time a qualified customer uses the card. When the card is scanned in front of the card reader, the farebox will then indicate that identification is required upon presentation. Once the identification is presented, the Operator will press the appropriate button acknowledging validity.

## VI. RULES FOR USE OF THE SMART CARD

- 6.01 Unless otherwise required by law or permitted by this regulation, any amount on the Smart Card (Cruz Cash Card/Cruz Pass Card) is nonrefundable and may not be redeemed for cash.

# Attachment A

## Policy and Procedures

Page 4

- 6.02 No interest, dividends or any other earnings on funds deposited to a Smart Card will accrue or be paid or credited to a Customer by Santa Cruz METRO.
- 6.03 The value associated with a Smart Card is not insured by the Federal Deposit Insurance Corporation (FDIC) or by Santa Cruz METRO.
- 6.04 Santa Cruz METRO reserves the right not to accept any Smart Card (Cruz Cash Card/Cruz Pass Card) or otherwise limit use of a Smart Card if Santa Cruz METRO reasonably believes that the use is unauthorized, fraudulent or otherwise unlawful.
- 6.05 A Customer can check the status of his/ her Smart Card by visiting Customer Service, by using a TVM or by using the “read-only” feature on the farebox with assistance from a bus operator.
- 6.07 Customers are responsible for all transactions associated with the Smart Card, including unauthorized transactions.

## **VII. LOST, STOLEN OR DAMAGED SMART CARDS**

- 7.01 Santa Cruz METRO is not responsible for lost, stolen or damaged Smart Cards (Cruz Cash Card/Cruz Pass Card) or the stored value on the card.
- 7.02 If a Smart Card is defective, the Customer must present the Smart Card in person to Customer Service at the Santa Cruz METRO Center (Pacific Station) Information Booth. If the card is inoperable or defective through no fault of the Customer, Santa Cruz METRO will replace the defective card and restore the current remaining balance free of charge. If the card is damaged, however, the customer will be responsible for any fees associated with a replacement card and restoration of the balance onto the new card. The damaged/defective card must be presented when requesting a replacement card.

## **VIII. ADMINISTRATION OF REGULATION**

- 8.01 The Manager of Operations or his/her designee is responsible for the following:
  - a. Ensuring that this regulation is disseminated to all existing fixed route operators, transit supervisors and trainees.
  - b. Ensuring that this regulation is disseminated to all new fixed route operators, transit supervisors and trainees
  - c. Providing guidance, training and assistance to all operators, customer service representatives, and other employees who are responsible for implementing this policy.
- 8.02 Santa Cruz METRO will integrate the Smart Card Policy into its Policies and Procedures.



**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** Alex Clifford, CEO/General Manager  
**SUBJECT: REVISED METROBASE PHASE II (OPERATIONS BUILDING) LIFE OF PROJECT BUDGET AND CAPITAL RESOURCE ALLOCATION PLAN**

## **I. RECOMMENDED ACTION**

**That the Board of Directors approve:**

- A. Adding \$571,272 to the Life of Project, thereby increasing the MetroBase Phase II Operations budget from \$24,853,596 to \$25,424,868; AND**
- B. Revise the Capital Restricted Reserve Account from \$1,012,928 to \$441,656.**

## **II. SUMMARY**

- The Board of Directors established a Life of Project (LOP) for MetroBase Phase II on September 26, 2014 in the amount of \$24,732,549. On May 8, 2015 the Board revised the LOP to \$24,603,596. On August 14, 2015 the Board of Directors revised the LOP to \$24,853,596.
  - Additional adjustments to the LOP are now recommended as follows:
    - Addition of \$38,201 for Other Project Expenses for installation of conduit for IT connectivity between 138 Golf Club and 1200 River Street. This item is in process and the cost is an estimate only. No impact to the overall LOP budget is proposed since this cost is offset by reallocation of the remainder of the funds from the in-house Project Manager and Admin Specialist FY15 budget and leftover funds from the TRC contract.
    - Addition of \$50,000 of Prop 1B California Transit Security Grant Program (CTSGP – Cal OES) funds to the construction contingency budget for the General Contractor’s portion of installation of the radio tower. No impact to the overall LOP budget is proposed since this cost is offset by reallocation of funds from the Land Mobile Radio Tower & Equipment Relocation line item for CAL OES qualified expenses previously allocated to Day Wireless.
    - Addition of \$250,000 to the Construction Contingency Budget. The funds to come from Capital Restricted Reserve.
    - Addition of \$150,000 to the RNL Design, Inc. A&E Contract budget. There are contingency funds in the amount of \$49,605 currently in the budget, the remaining \$100,395 to come from Capital Restricted Reserve funds.

- Addition of \$133,000 to the Hill International, Inc. Project Management Consultant Contract budget. There are contingency funds in the amount of \$12,123 currently in the budget, the remaining \$120,877 to come from Capital Restricted Reserve funds.
- Addition of \$100,000 for remediation of the properties leased for the temporary operating facility on Dubois Street.
- The result of the recommended changes is an increase in Board approved LOP budget from \$24,853,596 to \$25,424,868 and a Capital Restricted Reserve account that decreases from \$1,012,928 to \$441,656.
- The CEO recommends approval of the revised LOP budget and revised Capital Restricted Reserve account balance.

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

#### **Additional Information about the Proposed Revisions/Additions:**

- \$38,201 is proposed to be reallocated to Other Project Expenses to cover other contracts such as installation of the IT conduit, and miscellaneous ongoing expenses through project completion.
- A radio tower atop the Operations Building was not originally included in the project specifications and after a project kick-off meeting with Day Wireless (the antennae provider and installer), it was determined that the General Contractor must perform a portion of the installation work in order to preserve the building and roof warranties. \$50,000 is being added of Proposition 1B for this cost.
- Unanticipated change orders such as adding soundproofing between a bathroom and an office, as wells as a bathroom and kitchen area, waterproofing the electrical room, correcting the layout of the dispatch room from sit to stand; correcting the drainage design of the balcony; adding drainage to the base of the main stairway; restriping the parking lot; adding temporary handrails to the main stairway; and many more have depleted the construction contingency. It is forecasted that an additional \$250,000 will be needed to complete the Project.
- Funding for the RNL and Hill International contracts was projected and planned for through the end of October. Due to the anticipated Project Completion now being pushed to December, additional funds in the amount of \$150,000 and \$133,000, respectively for RNL and Hill International are required to keep the Project Team on the job. Some reductions in contracted staffing have already occurred since the Project is nearing completion. However, some staffing will be necessary throughout the closeout process.

- Santa Cruz Metropolitan Transit District (METRO) is required to remediate the properties leased for the temporary operations facility located on Dubois Street in Santa Cruz. Improvements made to the lots such as fencing, geotextile, ballast rock, and rumble strips will need to be removed and the sites to be returned to the state they were in before METRO took possession. The \$100,000 is an estimated cost at this time.

#### **IV. FINANCIAL CONSIDERATIONS/IMPACT**

The fiscal impact of these actions, as reflected in this Board report, is as follows:

- The Operations Building Project Life of Project (LOP) budget increases from \$24,853,596 to \$25,424,868.
- The Capital Restricted Reserve account balance is decreased from \$1,012,928 to \$441,656.
- \$50,000 in Cal OES funding will shift from the Land Mobile Radio Tower line item allocated to Day Wireless to the construction contingency.

#### **V. ALTERNATIVES CONSIDERED**

- The Board could decline to approve the various proposed revisions. This is not recommended since the Project is near completion and not funding these items could put that at jeopardy.
- The Board could review the various proposals and choose a subset of those to approve.

#### **VI. ATTACHMENTS**

**Attachment A:** MetroBase Phase II (Operations Building) Revised Life of Project Budget as of 10/23/15

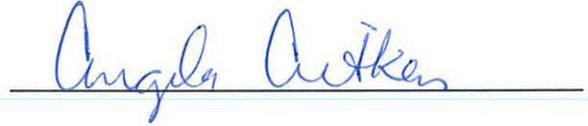
Prepared By: Erron Alvey, Purchasing Manager  
Alex Clifford, CEO/General Manager

**VII. APPROVALS:**

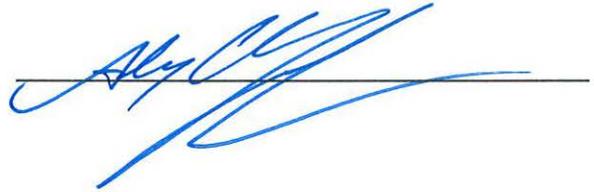
Approved as to form:  
Leslyn K. Syren, District Counsel



Approved as to fiscal impact:  
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



# Attachment A

## Metrobase Phase II (Operations Building) Life of Project Budget

10/23/2015

Construction Contract	8/14/15 Rev Budget	10/23/15 Budget Amend	Resulting Budget
Lewis C. Nelson and Sons Inc. Prime Construction Contract	\$13,572,000.00		\$13,572,000.00
Construction Contract Contingency	\$1,577,844.20	<b>\$250,000.00</b>	<b>\$2,024,773.20</b>
Security cameras conduit (Cal OES funding)	\$56,000.00		
Security fencing (Cal OES funding)	\$45,929.00		
Security gates (Cal OES funding)	\$30,000.00		
Building access control (Cal OES funding)	\$15,000.00		
Radio tower & equipment relocation (Cal OES funding)	\$0.00	<b>\$50,000.00</b>	

SC Metro Project Management	8/14/15 Rev Budget	10/23/15 Budget Amend	Resulting Budget
Project Manager Budget FY13& FY14	\$194,234.00		\$194,234.00
Administrative Specialist Budget FY13& FY14	\$160,438.00		\$160,438.00
PM and Admin Specialist FY15 Applied to Other expenses 10/15	\$307,500.00	<b>(\$29,138.00)</b>	<b>\$278,362.00</b>

Consultant Costs	8/14/15 Rev Budget	10/23/15 Budget Amend	Resulting Budget
#15-04 Hill International, Inc:	\$2,592,382.00	<b>\$120,877.00</b>	<b>\$2,725,382.00</b>
		<b>\$12,123.00</b>	
#12-34 TRC Const Mgmt Applied to Other expenses 10/15	\$1,387,446.00	<b>(\$9,063.00)</b>	\$1,378,383.00
RNL Design Original contract 03-2012	\$1,664,977.00	<b>\$100,395.00</b>	<b>\$1,814,977.00</b>
		<b>\$49,605.00</b>	
Contingency 10% -A&E Applied to RNL Contract 10/15	\$49,605.00	<b>(\$49,605.00)</b>	\$0.00
Contingency 10% - PMC Applied to Hill Contract 10/15	\$12,123.00	<b>(\$12,123.00)</b>	\$0.00
Contracted professional services	\$150,000.00		\$150,000.00

Additional Costs and Services	8/14/15 Rev Budget	10/23/15 Budget Amend	Resulting Budget
4VSW's hired 3/4/13 –through 2015	\$1,000,000.00		\$1,000,000.00
Dubois temporary facility and related ongoing costs	\$1,200,000.00		\$1,200,000.00
Dubois property remediation after move out	\$0.00	<b>\$100,000.00</b>	<b>\$100,000.00</b>
Harvey West Security	\$60,254.00		\$60,254.00
Furniture and cubicles for new facility	\$150,000.00		\$150,000.00
Inside and outside counsel expenses	\$150,000.00		\$150,000.00
Land mobile radio tower & equipment relocation	\$150,000.00	\$150,000.00	<b>\$100,000.00</b>
\$50,000 reallocated to Construction Contingency		<b>(\$50,000.00)</b>	
Security cameras	\$172,000.00		\$172,000.00
Security anti-climb panels for back fencing	\$45,864.00		\$45,864.00
LED light conversion	\$45,000.00		\$45,000.00
Procore software	\$15,000.00		\$15,000.00
Other project expenses	\$50,000.00	<b>\$38,201.00</b>	<b>\$88,201.00</b>

<b>Life of Project Total</b>		<b>10/23/2015</b>	<b>\$25,424,868</b>
		<b>8/14/2015 Budget</b>	<b>\$24,853,596</b>
		<b>Difference</b>	<b>\$571,272</b>

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**DATE:** October 23, 2015

**TO:** Board of Directors

**FROM:** Alex Clifford, CEO/General Manager

**SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT EXTENSION WITH HILL INTERNATIONAL, INC. FOR PROJECT MANAGEMENT CONSULTANT SERVICES, INCREASING THE CONTRACT TOTAL BY \$133,000**

## **I. RECOMMENDED ACTION**

**That the Board of Directors authorize the CEO to execute a second contract amendment with Hill International, Inc. to extend the contract for Project Management Consultant Services through February 14, 2016, increasing the contract total by \$133,000.**

## **II. SUMMARY**

- The Santa Cruz Metropolitan Transit District (METRO) has a contract with Hill International, Inc. for Project Management Consultant Services that is due to expire on November 14, 2015.
- At the time METRO entered into a contract with Hill International, Inc., the Project completion date was estimated to be October 31, 2015 and funding was forecasted through that date.
- Staff recommends extending the contract with Hill International, Inc. by three months, through February 14, 2016, and increasing the contract not-to-exceed amount by \$133,000.

## **III. DISCUSSION/BACKGROUND**

METRO entered into a contract with Hill International, Inc. for Project Management Consultant Services for the new Judy K. Souza Operations Facility (Project) on September 15, 2014. This contract will expire on November 14, 2015. As the result of a number of owner and contractor delays, the Project completion date has been extended.

In order to maintain continuity of services with the Project Management Consultant through Project completion, staff recommends that the Board of Directors authorize the CEO to execute an amendment to the contract with Hill International, Inc. to extend the term by three months to February 14, 2016, and to increase the contract total by \$133,000. During the final phase of this Project, Hill International, Inc. has proposed a staffing plan that will reduce the number of assigned personnel as milestones are reached. Erron Alvey, Purchasing

Manager, will continue to serve as the Contract Administrator and ensure contract compliance.

Hill International Contract Summary

	Date	Amount	Decision
Base Contract	9/15/14	\$1,500,000	Project Management Services
1 <sup>st</sup> Amendment	12/15/14	\$1,092,382	Terminate prior construction management contract and add the services to Hill International
2 <sup>nd</sup> Amendment	TBC	\$133,000	Extend Hill International services by 3 months

**IV. FINANCIAL CONSIDERATIONS/IMPACT**

This contract has a total not to exceed of \$2,592,382. Additional funds in an amount of \$133,000 are requested for approval at this time. The new contract total not to exceed would be \$2,725,382.

Funds to support this contract amendment are included in the MetroBase Phase II Project Budget request to increase the Life of Project Budget, which is also being acted upon by the Board of Directors at this meeting. Funds will come from the previously allocated contingency amount and the Capital Restricted Reserves which currently have a balance of \$1,012,928.

**V. ALTERNATIVES CONSIDERED**

- Do not extend the term of this contract. Staff does not recommend this option, as the continued services of the Project Management Consultant are critical to ensuring the timely and successful completion of the Project.

**VI. ATTACHMENTS**

**Attachment A:** Second Amendment to the Contract with Hill International, Inc.

Prepared By: Joan Jeffries, Administrative Assistant  
Erron Alvey, Purchasing Manager

**VII. APPROVALS:**

Erron Alvey, Purchasing Manager  
and Contract Administrator

A handwritten signature in blue ink, appearing to read "Erron Alvey", written over a horizontal line.

Approved as to form:  
Leslyn K. Syren, District Counsel

A handwritten signature in blue ink, appearing to read "Leslyn K. Syren", written over a horizontal line.

Approved as to fiscal impact:  
Angela Aitken, Finance Manager

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Alex Clifford, CEO/General Manager

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# Attachment A

## SANTA CRUZ METROPOLITAN TRANSIT DISTRICT SECOND AMENDMENT TO CONTRACT NO. 15-04 FOR PROJECT MANAGEMENT CONSULTANT SERVICES

This Second Amendment to Contract No. 15-04 for Project Management Consultant Services is made effective October 26, 2015 between the Santa Cruz Metropolitan Transit District ("Santa Cruz METRO"), a political subdivision of the State of California, and Hill International, Inc. ("Consultant").

### I. RECITALS

- 1.1 Santa Cruz METRO and Consultant entered into a Contract for Project Management Consultant Services ("Contract") on September 15, 2014.
- 1.2 The Contract allows for amendment upon mutual written consent.
- 1.3 Santa Cruz METRO and Consultant desire to amend the Contract to extend the Contract term and to increase the Contract total not-to-exceed amount.

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

### II. TERM

- 2.1 Article 4.01 is replaced in its entirety by the following:

The term of this Contract shall be from September 15, 2014 to February 14, 2016.

Santa Cruz METRO and Consultant may extend the term of this Contract at any time for any reason upon mutual written consent.

### III. COMPENSATION

- 3.1 Article 6.01 is amended to include the following language:

Santa Cruz METRO shall compensate Consultant in an amount not to exceed \$133,000 under the terms of the Second Amendment.

The new Contract total not-to-exceed amount is \$2,725,382. Consultant understands and agrees that if they exceed the \$2,725,382 maximum amount payable under this Contract, they do so at their own risk.

### IV. REMAINING TERMS AND CONDITIONS

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

# Attachment A

## V. AUTHORITY

5.1 Article 8 is amended to include the following language:

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

Signed on \_\_\_\_\_

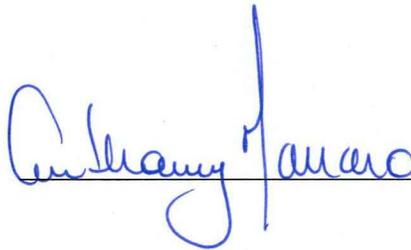
Santa Cruz METRO –  
SANTA CRUZ METROPOLITAN  
TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

\_\_\_\_\_

Consultant –  
HILL INTERNATIONAL, INC.

Anthony Marraro, PMP, DBIA, SVP

 \_\_\_\_\_

Approved as to Form:

Leslyn Syren, District Counsel

 \_\_\_\_\_



**DATE:** October 23, 2015  
**TO:** Board of Directors  
**FROM:** John Leopold, Director  
**SUBJECT: CONSIDERATION OF A RESOLUTION TO ADOPT AN ART AND HISTORY PILOT PROJECT AT SANTA CRUZ METRO BUS STOPS**

**I. RECOMMENDED ACTION**

**That the Board of Directors Approve a Resolution to Authorize an Art and History Pilot Program.**

**II. SUMMARY**

- An opportunity has arisen which would permit the Santa Cruz Metropolitan Transit District (METRO) and the Santa Cruz Museum of Art and History to partner together on a project that would bring together a cultural art and history project to one of METRO's bus stops.
- We are seeking Board approval for a Resolution that would allow the two agencies to accomplish the goal set forth above as a pilot project, with the intent of returning to the Board at a future date with a policy and process for accomplishing this goal at other bus stops throughout the County.

**III. DISCUSSION/BACKGROUND**

An oral report will be provided by Director Leopold during the meeting.

**IV. FINANCIAL CONSIDERATIONS/IMPACT**

There are no direct costs associated with the pilot project as currently proposed.

**V. ALTERNATIVES CONSIDERED**

Will be discussed during presentation of this item.

**VI. ATTACHMENTS**

**Attachment A:** Resolution Authorizing a Cultural Art and History Pilot Program at Select Bus Stops

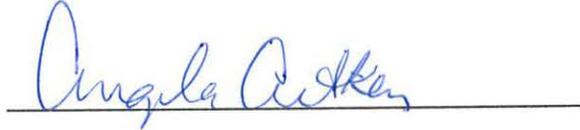
Prepared By: Leslyn Syren, District Counsel

**VII. APPROVALS:**

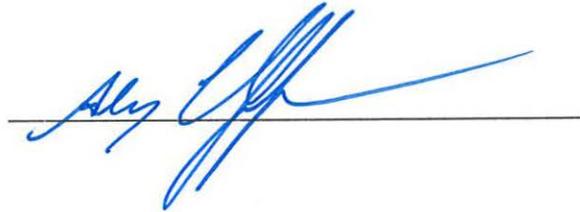
Approved as to form:  
Leslyn K. Syren, District Counsel



Approved as to fiscal impact:  
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



# Attachment A

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

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

### **RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING A PILOT PROGRAM INCORPORATING ART AND CULTURAL HISTORY INTO DESIGNATED BUS STOPS AND SHELTERS**

**WHEREAS**, Santa Cruz Metropolitan Transit District (METRO) has approximately 150 bus stops with shelters; and

**WHEREAS**, the Santa Cruz Art and History Museum proposes to have installed in the shelter one located at Soquel Dr. and Dover Dr, in the unincorporated area of Santa Cruz County with panels depicting the unique history of this location; and

**WHEREAS**, the design related to the bus stop is intended to celebrate historical and cultural events occurring within the service area of METRO; and

**WHEREAS**, it is the intent of the METRO to improve the appearance of its bus stops and shelters; and

**WHEREAS**, the Santa Cruz Art and History Museum has agreed to participate in this pilot program; and

**WHEREAS**, the METRO believes that such an art and history program at its bus shelters will increase and enhance transit riders enjoyment and may contribute to increased ridership; and

**WHEREAS**, the METRO proposes to adopt a more comprehensive policies and procedures to allow for these types of projects at other bus shelters and stops within its jurisdiction.

#### **NOW, THEREFORE, BE IT RESOLVED:**

The Board of Directors has determined that the Santa Cruz Art and History Museum and the METRO may collaborate to initiate a Cultural Art and History Pilot Project at the bus shelter mentioned above. Other bus shelters may be included as additions to the Pilot Project with approval of the Board of Directors.

# Attachment A

Resolution No. \_\_\_\_\_  
Page 2

The CEO/General Manager of the METRO is authorized to execute any and all documents necessary for the accomplishment of this Pilot Project for and on behalf of the METRO to accomplish the Pilot Program contemplated within the Staff Report related to this Resolution and incorporated by reference.

Costs related to this pilot project shall be neutral to METRO, with the exception that employees of METRO may be used to execute certain work associated with the Pilot Project. All artwork shall be deemed on loan from the Santa Cruz Art and History Museum and not the property of METRO.

Further, the District Counsel will return to the Board of Directors with a specific proposal regarding the development of a Policy to incorporate art projects of a similar type at other shelter locations within the METRO service area.

**PASSED AND ADOPTED** this 23<sup>rd</sup> Day of October, 2015 by the following vote:

**AYES:** Directors -

**NOES:** Directors -

**ABSTAIN:** Directors -

**ABSENT:** Directors -

Approved:

Dene Bustichi, Chair

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Attest:

Alex Clifford, CEO/General Manager

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Approved as to form:

Leslyn K. Syren, District Counsel

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