

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA DECEMBER 19, 2003 (Third Friday of This Month)

* CITY HALL COUNCIL CHAMBERS

809 CENTER STREET

SANTA CRUZ, CALIFORNIA

9:00 a.m. - Noon

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

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
 - a. Bill Friedland RE: Metro Drivers
 - b. Linda Meltzer RE: Community Bridges Services
 - c. **Bonnie Morr, UTU** RE: **UTU Website**
 - d. **David Tomberlin** RE: **Highway 17 Express**
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF NOVEMBER 14 AND NOVEMBER 21, 2003
Minutes: Attached
MINUTES OF NOVEMBER 21ST ARE INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS
Report: Attached
- 5-3. ACCEPT AND FILE NOVEMBER 2003 RIDERSHIP REPORT
Report: Attached
PAGE 1 OF THE RIDERSHIP REPORT WILL BE DISTRIBUTED AT THE DECEMBER 19, 2003 BOARD MEETING
- 5-4. CONSIDERATION OF TORT CLAIMS: None
Claims: None

* Please note: Location of Meeting Place

- 5-5. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF DECEMBER 18, 2003 AND THE MINUTES OF THE NOVEMBER 20, 2003 MEETING
Agenda/Minutes: **DOCUMENTATION IS INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET**
- 5-6. ACCEPT AND FILE MINUTES OF THE MUG COMMITTEE MEETING OF NOVEMBER 19, 2003
Minutes: Attached
- 5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR OCTOBER 2003, AND APPROVAL OF BUDGET TRANSFERS
Staff Report: Attached
- 5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR SEPTEMBER 2003
Staff Report: Attached
- 5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR OCTOBER 2003
Staff Report: Attached
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE
Staff Report: **DOCUMENTATION IS INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET**
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT
Staff Report: Attached
- 5-12. ACCEPT AND FILE NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION REGARDING THE FOLLOWING CLAIM ON THE DATE INDICATED:
SETTLEMENT WITH NEIL BAILEY ON AUGUST 8, 2003
Staff Report: Attached
- 5-13. CONSIDERATION OF ACCEPTANCE OF FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR YEAR ENDING JUNE 30, 2003
Staff Report: Attached
(Moved to Consent Agenda at the December 12, 2003 Board Meeting. Staff report retained original numbering as Item #8)

- 5-14. CONSIDERATION OF PRESENTATION OF LEGAL ANALYSIS AND TRENDS REGARDING THE AMERICANS WITH DISABILITIES ACT PARATRANSIT REQUIREMENTS FOR LOCAL TRANSIT AGENCIES
Staff Report: **SLIDES OF THE POWER POINT PRESENTATION GIVEN AT THE DECEMBER 12, 2003 BOARD MEETING ARE INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET**
(Moved to Consent Agenda at the December 12, 2003 Board Meeting. Slides retained original numbering as Item #13)
- 5-15. CONSIDERATION OF JOINT ADVERTISING PROGRAM WITH MONTEREY-SALINAS TRANSIT
Staff Report: Attached
(Moved to Consent Agenda at the December 12, 2003 Board Meeting. Staff report retained original numbering as Item #18)

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS
Presented by: Chairperson Reilly
Staff Report: Attached
7. CONSIDERATION OF ADOPTION OF RESOLUTION AMENDING FY 03-04 BUDGET
Presented by: Elisabeth Ross, Finance Manager
Staff Report: Attached
RESOLUTION REQUIRES A ROLL CALL VOTE
8. **MOVED TO CONSENT AGENDA AS ITEM #5-13**
9. CONSIDERATION OF REQUEST FROM COMMUNITY BRIDGES FOR CO-MINGLING RIDES WITH THEIR OTHER PROGRAMS
Presented by: Mark Dorfman, Assistant General Manager
Staff Report: **DOCUMENTATION IS INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET**
10. CONSIDERATION OF APPROVAL OF 2004 STATE LEGISLATIVE PROGRAM
Presented by: Les White, General Manager
Staff Report: **A REVISED ATTACHMENT "A" IS INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET**
11. CONSIDERATION OF APPROVAL OF 2004 FEDERAL LEGISLATIVE PROGRAM
Presented by: Les White, General Manager
Staff Report: Attached

12. **DELETED – ACTION TAKEN AT THE DECEMBER 12, 2003 BOARD MEETING**
13. **MOVED TO CONSENT AGENDA AS ITEM #5-14**
14. CONSIDERATION OF GRANTING LIFETIME BUS PASS TO TIM FITZMAURICE, FORMER BOARD MEMBER
Presented by: Emily Reilly, Chairperson
Staff Report: **REVISED STAFF REPORT IS INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET**
15. **CONTINUED TO THE JANUARY 23, 2004 BOARD MEETING**
16. CONSIDERATION OF CHANGES IN THE METRO BYLAWS AND OF AN IMPLEMENTATION PLAN RELATING TO THE STRUCTURE AND SUPPORT OF THE METRO ADVISORY COMMITTEE (MAC)
Presented by: Les White, General Manager
Staff Report: **REVISED STAFF REPORT AND A NEW ATTACHMENT “D” ARE INCLUDED IN THE DECEMBER 10, 2003 BOARD PACKET**
RESOLUTION REQUIRES A ROLL CALL VOTE
17. CONSIDERATION OF AWARD OF CONTRACT FOR SECURITY GUARD SERVICES
Presented by: Bryant Baehr, Operations Manager
Staff Report: Attached
18. **MOVED TO CONSENT AGENDA AS ITEM #5-15**
19. CONSIDERATION OF NOMINATION OF DIRECTORS TO SERVE AS BOARD OFFICERS FOR THE YEAR 2004 AND ON THE TRANSPORTATION COMMISSION
Presented by: Les White, General Manager
Staff Report: Attached
20. **DELETED – ACTION TAKEN AT THE DECEMBER 12, 2003 BOARD MEETING**
21. **CONSIDERATION OF A RESOLUTION AUTHORIZING AN APPLICATION TO CALTRANS FOR FY 2004 RURAL OPERATING ASSISTANCE**
Presented by: Mark Dorfman, Assistant General Manager
Staff Report: **DOCUMENTATION IS INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET**
RESOLUTION REQUIRES A ROLL CALL VOTE

22. **PRESENTATION OF RESOLUTION OF APPRECIATION FOR THE SERVICE OF JEFF ALMQUIST AS A MEMBER OF THE BOARD OF DIRECTORS**

Presented by: Emily Reilly, Chairperson

Staff Report: **DOCUMENTATION IS INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET**

RESOLUTION REQUIRES A ROLL CALL VOTE

23. **CONSIDERATION OF AUTHORIZING AN APPLICATION THROUGH AMBAG TO CALTRANS FOR FY 2005 TRANSIT PROFESSIONAL DEVELOPMENT GRANT**

Presented by: Mark Dorfman, Assistant General Manager

Staff Report: **DOCUMENTATION IS INCLUDED IN THE DECEMBER 19, 2003 BOARD PACKET**

ADJOURN

NOTICE TO PUBLIC

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

When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

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

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The City Council Chambers is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Dale Carr 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 METRO regarding special requirements to participate in the Board meeting. A Spanish Language Interpreter will be available during "Oral Communications" and for any other agenda item for which these services are needed. This meeting will be broadcast live by Community Television of Santa Cruz on Channel 26.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003
TO: Board of Directors
FROM: Les White, General Manager
SUBJECT: MATERIAL FOR THE DECEMBER 19, 2003 BOARD MEETING AGENDA

SECTION I: OPEN SESSION:

ADD TO ITEM #2 ORAL AND WRITTEN COMMUNICATION

c. Bonnie Morr, UTU RE: UTU Website
d. David Tomberlin RE: Highway 17 Express
(Add new Written Communication)

CONSENT AGENDA:

ADD TO ITEM #5-1 APPROVE REGULAR BOARD MEETING MINUTES OF NOVEMBER 21, 2003
(Add Minutes of November 21, 2003)

ITEM #5-3 ACCEPT AND FILE NOVEMBER 2003 RIDERSHIP REPORT
(Page One of Ridership Report will be distributed at the December 19, 2003 Board Meeting)

ADD TO ITEM #5-5 ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF DECEMBER 18, 2003 AND THE MINUTES OF THE NOVEMBER 20, 2003 MEETING
(Add Agenda and Minutes)

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

ADD TO ITEM #5-14 CONSIDERATION OF PRESENTATION OF LEGAL ANALYSIS AND TRENDS REGARDING THE AMERICANS WITH DISABILITIES ACT PARATRANSIT REQUIREMENTS FOR LOCAL TRANSIT AGENCIES
(Add Slide Presentation)

REGULAR AGENDA:

ADD TO ITEM #9 CONSIDERATION OF REQUEST FROM COMMUNITY BRIDGES FOR CO-MINGLING RIDES WITH THEIR OTHER PROGRAMS
Add Staff Report)

ADD TO ITEM #10 CONSIDERATION OF APPROVAL OF 2004 STATE LEGISLATIVE PROGRAM
(Insert Revised Attachment "A")

- DELETE ITEM #12** CONSIDERATION OF PROVIDING ADDITIONAL SERVICE FOR SANTA CRUZ FIRST NIGHT ACTIVITIES
(Action was taken at the December 12, 2003 Board Meeting)
- ADD TO ITEM #13** CONSIDERATION OF PRESENTATION OF LEGAL ANALYSIS AND TRENDS REGARDING THE AMERICANS WITH DISABILITIES ACT PARATRANSIT REQUIREMENTS FOR LOCAL TRANSIT AGENCIES
(Add Slide Information from the Presentation of December 12th – This item has been moved to the Consent Agenda but the Slide Presentation information will retain the original numbering of Item #13)
- ADD TO ITEM #14** CONSIDERATION OF GRANTING LIFETIME BUS PASS TO TIM FITZMAURICE, FORMER BOARD MEMBER
(Insert Revised Staff Report)
- DEFERRED ITEM #15** CONSIDERATION OF PROVISION OF SUPPORT SERVICES TO THE METRO ACCESSIBLE SERVICES TRANSIT FORUM (MASTF)
(Item deferred to January 23, 2004 Board Meeting)
- ADD TO ITEM #16** CONSIDERATION OF CHANGES IN THE METRO BYLAWS AND OF AN IMPLEMENTATION PLAN RELATING TO THE STRUCTURE AND SUPPORT OF THE METRO ADVISORY COMMITTEE (MAC)
(Insert Revised Staff Report and Add new Attachment “D”)
- DELETE ITEM #20** CONSIDERATION OF APPROVAL OF CALPERS RESOLUTIONS TO FIX THE DISTRICT’S MEDICAL PREMIUM CONTRIBUTION RATES
(Action was taken at the December 12, 2003 Board Meeting)
- ADD TO ITEM #21** CONSIDERATION OF A RESOLUTION AUTHORIZING AN APPLICATION TO CALTRANS FOR FY 2004 RURAL OPERATING ASSISTANCE
(Add Staff Report)
- ADD TO ITEM #22** PRESENTATION OF RESOLUTION OF APPRECIATION FOR THE SERVICE OF JEFF ALMQUIST AS A MEMBER OF THE BOARD OF DIRECTORS
(Add Resolution)
- ADD TO ITEM #23** CONSIDERATION OF AUTHORIZING AN APPLICATION THROUGH AMBAG TO CALTRANS FOR FY 2005 TRANSIT PROFESSIONAL DEVELOPMENT GRANT
(Add Staff Report)

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA

DECEMBER 12, 2003 (Second Friday of Each Month)

***SCMTD ENCINAL CONFERENCE ROOM**

370 ENCINAL STREET, SUITE 100

SANTA CRUZ, CALIFORNIA

9:00 a.m. – 11:00 a.m.

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

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
 - a. Bill Friedland RE: Metro Drivers
 - b. Linda Meltzer RE: Community Bridges Services
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF NOVEMBER 14 AND NOVEMBER 21, 2003
Minutes: Attached
MINUTES OF NOVEMBER 21ST WILL BE WILL BE PRESENTED FOR CONSIDERATION AT THE DECEMBER 19, 2003 BOARD MEETING
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS
Report: Attached
- 5-3. ACCEPT AND FILE NOVEMBER 2003 RIDERSHIP REPORT
Report: Attached
PAGE 1 OF THE RIDERSHIP REPORT WILL BE PRESENTED FOR CONSIDERATION AT THE DECEMBER 19, 2003 BOARD MEETING
- 5-4. CONSIDERATION OF TORT CLAIMS: None
Claims: None

* Please note: Location of Meeting Place

- 5-5. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF DECEMBER 18, 2003 AND THE MINUTES OF THE NOVEMBER 20, 2003 MEETING
Agenda/Minutes: **DOCUMENTATION WILL BE WILL BE PRESENTED FOR CONSIDERATION AT THE DECEMBER 19, 2003 BOARD MEETING**
- 5-6. ACCEPT AND FILE MINUTES OF THE MUG COMMITTEE MEETING OF NOVEMBER 19, 2003
Minutes: Attached
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Staff Report: Attached
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Staff Report: Attached
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- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT
Staff Report: Attached
- 5-12. ACCEPT AND FILE NOTIFICATION OF ACTIONS TAKEN IN CLOSED SESSION REGARDING THE FOLLOWING CLAIM ON THE DATE INDICATED: SETTLEMENT WITH NEIL BAILEY ON AUGUST 8, 2003
Staff Report: Attached

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS
Presented by: Chairperson Reilly
Staff Report: Attached
THIS PRESENTATION WILL TAKE PLACE AT THE DECEMBER 19, 2002 BOARD MEETING
7. CONSIDERATION OF ADOPTION OF RESOLUTION AMENDING FY 03-04 BUDGET
Presented by: Elisabeth Ross, Finance Manager
Staff Report: Attached

8. CONSIDERATION OF ACCEPTANCE OF FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT FOR YEAR ENDING JUNE 30, 2003
Presented by: Elisabeth Ross, Finance Manager
Staff Report: Attached
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Presented by: Mark Dorfman, Assistant General Manager
Staff Report: **DOCUMENTATION WILL BE PRESENTED FOR CONSIDERATION AT THE DECEMBER 19, 2003 BOARD MEETING**
10. CONSIDERATION OF APPROVAL OF 2004 STATE LEGISLATIVE PROGRAM
Presented by: Les White, General Manager
Staff Report: Attached
A PRESENTATION WILL BE MADE BY JOSH SHAW AT THE DECEMBER 12, 2003 BOARD MEETING
11. CONSIDERATION OF APPROVAL OF 2004 FEDERAL LEGISLATIVE PROGRAM
Presented by: Les White, General Manager
Staff Report: Attached
12. CONSIDERATION OF PROVIDING ADDITIONAL SERVICE FOR SANTA CRUZ FIRST NIGHT ACTIVITIES
Presented by: Bryant Baehr, Operations Manager
Staff Report: Attached
ACTION IS REQUIRED AT THE DECEMBER 12, 2003 BOARD MEETING
13. CONSIDERATION OF PRESENTATION OF LEGAL ANALYSIS AND TRENDS REGARDING THE AMERICANS WITH DISABILITIES ACT PARATRANSIT REQUIREMENTS FOR LOCAL TRANSIT AGENCIES
Presented by: Margaret Gallagher, District Counsel
Staff Report: **AN ORAL PRESENTATION WILL BE MADE BY MARGARET GALLAGHER**
14. CONSIDERATION OF GRANTING LIFETIME BUS PASS TO TIM FITZMAURICE, FORMER BOARD MEMBER
Presented by: Emily Reilly, Chairperson
Staff Report: Attached
15. CONSIDERATION OF PROVISION OF SUPPORT SERVICES TO THE METRO ACCESSIBLE SERVICES TRANSIT FORUM (MASTF)
Presented by: Les White, General Manager
Staff Report: Attached

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Presented by: Les White, General Manager
Staff Report: Attached
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Staff Report: Attached
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Presented by: Mark Dorfman, Assistant General Manager
Staff Report: Attached
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Presented by: Les White, General Manager
Staff Report: Attached
20. CONSIDERATION OF APPROVAL OF CALPERS RESOLUTIONS TO FIX THE DISTRICT'S MEDICAL PREMIUM CONTRIBUTION RATES
Staff Report: Attached
ACTION IS REQUIRED AT THE DECEMBER 12, 2003 BOARD MEETING
21. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
22. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION II: CLOSED SESSION

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Pursuant to Subdivision (a) of Section 54956.9)
 - a. Name of Case: Don Toline v. Santa Cruz Metropolitan Transit District
(Before the Workers' Compensation Appeals Board)

SECTION III: RECONVENE TO OPEN SESSION

23. REPORT OF CLOSED SESSION

ADJOURN

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November 18, 2003

Emily Reilly, Chair
SCMTD
370 Encinal
Suite 100
Santa Cruz, CA 95060

NOV 20 2003

Dear Chair Reilly and Board Members:

I would address this communication to Metro's Manager except I was unable to find any name (or email address) on the Metro Web site, hence this is being directed to you and the Board.

As a regular daily rider on the Metro and campus shuttles, I have had several recent experiences of rushing to catch a bus but the driver pulling away before I can reach the stop and therefore being left behind. I am aware that drivers have schedules to maintain and that dealing with crowds trying to get on buses at rush hours can be upsetting. However, an incident today, generates this letter.

I was waiting for a bus leaving campus from the College Eight-Porter stop (heading west) where a pileup of people at both bus stops (heading east and west) continued to grow. Two campus shuttles pulled up opposite (heading east) and began to fill when a Metro bus (#9801) drew up third in line. Several of us crossed the street to get on the Metro bus. The two shuttles began to pull away and even though several of us ran to catch the Metro bus, it too pulled away at 3:37 p.m. since we had not reached the door before it closed. The length of the two shuttles caused the delay in getting to the Metro bus. The driver had no problem seeing us since we were coming from the front.

Normally, I wouldn't complain about an incident like this but this has been happening with increasing frequency, either to myself or others whom I have seen go through the same experience.

I wonder if drivers could be instructed to honor people rushing to catch the bus and wait when it is obvious that such people are trying to catch the bus.

Sincerely,



Bill Friedland
238 Segre Place
Santa Cruz, CA 95060

Subject: Paracruz/Lift Line services
Date: Mon, 24 Nov 2003 10:45:28 -0800
X-MS-Has-Attach:
X-MS-TNEF-Correlator:
Thread-Topic: Paracruz/Lift Line services
thread-index: AcOyuyBy0phOAI8zSye8SINppzUzmQ==
From: "Linda Meltzer" <LindaM@thresholdent.com>
To: <dcarr@scmttd.com>
X-OriginalArrivalTime: 24 Nov 2003 18:45:28.0578 (UTC) FILETIME=
[216AC620:01C3B2BB]
X-MIME-Autoconverted: from quoted-printable to 8bit by scmsun1 .scmttd.com id
hAOlia728046

Dear Santa Cruz Metro Board of Directors:

I am writing to provide feedback on the services that Community Bridges has provided.

My mother takes Lift Line at \$3.00 per ride and dearly depends on it for transportation. She has for several years and her situation is not going to change. She is elderly, disabled, and can get confused. I deal with them frequently to arrange times as well as to check on pick-ups and drop offs.

The service she, and I, have received have been on the whole excellent. They are usually on-time, and the drivers as well as the telephone operators, are usually very polite and helpful.

We have only had negative experiences a few times, but that was related more to rude individuals employed there rather than the service itself. Unfortunately, the rudeness did affect the service because I was unable to schedule rides and/or my mother was not picked up in a timely manner for a will call. Luckily this is few and far between.

The one item I have a complaint about is that they stop answering the phone at approximately 20 minutes to 5:00, when they officially are to stop taking reservations for the following day. I have been on hold for 20 minutes, only at 5:02 to be told it was too late. This has happened numerous times. I feel that this, as well as other issues, can be resolved by employee training rather than a changing those running the show which must be a very challenging and complex feat to organize.

We are very concerned about the change of services that is being considered by the board, and to what extent actual service might be affected or changed. We felt it was important to provide additional feedback.

Sincerely,

Linda Meltzer
tel (831) 461-6386

Printed for Dale Carr <dcarr@scmttd.com>

Printed for Dale Carr <dcarr@scmttd.com>



December 2, 2003,

Emily Reilly, Chairperson
Santa Cruz Metro Transit District

Dear Ms. Reilly,

We are writing this letter in reference to the November 21, 2003 Transit Board Meeting. At this Board meeting an individual by the name of Paul Marcelin - Sampson commented at Oral Communications about the Riders Union and requested interviews with Board Members. This individual also made an assertion about the United Transportation Union Local 23s' Website and the material it contains.

The United Transportation Union is the Representational Body for all the Operators and Para-Transit employees. We have members who enjoy Political Cartooning, and we have First Amendment Rights and protections. Comments unrelated to transit issues, made at Board Meetings of the Transit District, that reference a specific Union should be directed to that Union.

UTU would like to express to you the inappropriateness of the Board to accept comments not related to the Transit District. Also UTU would like to express its concern to the Transit District that our members deserve some protections and support, as our drivers are regularly subjected to racial and derogatory comments and assaults.

Due to the issues that the Transit District was dealing with, the UTU in cooperation and support removed all Cartoons from its Website over two years ago.

Respectfully,

A handwritten signature in cursive script that reads "Bonnie Morr".

Bonnie Morr, Chairperson
United Transportation Union
Local 23

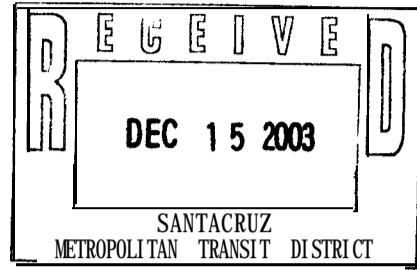
Cc all board members,
Les White, General Manager

Mr. David A. Tomberlin
P.O. Box 7381
Santa Cruz, CA 95061

David Tomberlin
210 Naglee Avenue
Santa Cruz, CA 95060

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060

December 4, 2003



Dear Metro Board:

For almost five years I've been riding the Amtrak bus between Santa Cruz and San Jose (en route to Mountain View) at least once a week. Throughout that time I've wondered what could possibly necessitate routing the Highway 17 Express to Soquel rather than to Santa Cruz, which is the obvious place for it to go. Perhaps there's some reason, I've never heard it. Anyway, now that Amtrak has cut service (to use the word loosely) to downtown, getting back and forth has gone from being inconvenient to being an ordeal. Not only is there no service out of Santa Cruz between 4:30 (before most people get off work) and 7:30 (long after most people get off work), but Amtrak makes no effort to coordinate with Caltrain (with the new Amtrak schedule, I have to wait at the San Jose station almost an hour before the train comes, assuming I take the 7:30 pm Amtrak bus out of San Jose).

I really tried to make public transportation work, but it just doesn't. I'm buying a car.

Sincerely,

David Tomberlin

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

November 14, 2003

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, November 14, 2003 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

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

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Sheryl Ainsworth
Jan Beautz (arrived after roll call)
Michelle Hinkle
Mike Keogh
Emily Reilly
Mike Rotkin
Ex-Officio Wes Scott (arrived after roll call)
Pat Spence

DIRECTORS ABSENT

Dennis Norton
Ana Ventura Phares
Marcela Tavantzis

STAFF PRESENT

Bryant Baehr, Operations Manager
Mark Dorfman, Assistant General Manager
Margaret Gallagher, District Counsel
David Konno, Facilities Maintenance Mgr.

Steve Paulson, Paratransit Administrator
Elisabeth Ross, Finance Manager
Tom Stickel, Fleet Maint. Manager
Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO INDICATED THEY WERE PRESENT

Scott Bugental, Seniors Commission
Bill Carlsberg, Love, Inc.
Gary Klemz, SEIU
Jeff LeBlanc, Rider
Manny Martinez, PSA

Ian McFadden, SEA
Bonnie Morr, UTU
Karena Pushnik, SCCRTC
Nancy Sherrrod, Lift Line
Link Spooner, Lift Line

2. ORAL AND WRITTEN COMMUNICATION

Written:

a. R. Paul Marcelin-Sampson

RE: Marketing of METRO Services

Director Rotkin requested a brief response from staff regarding the costs involved with Mr. Marcelin's suggestions.

Director Spence submitted a memo to the Board, a copy of which is attached to these Minutes, regarding clarifying motions that are made so people with visual and/or hearing impairments would understand exactly what is being voted on by the Board.

A letter was distributed from Bill Carlsberg of Love, Inc. regarding a bus pass request for those people who utilize the Interfaith Satellite Shelter Program, which recently lost its funding. Vice Chairperson Keogh made this letter Item b. under Written Communications and this letter is attached to these Minutes:

b. Bill Carlsberg, Love, Inc. RE: Interfaith Satellite Shelter Program

It was determined by the Board after discussions that with the contribution of \$62,000 by Rolling Revelry, this issue is no longer considered an emergency.

3. LABOR ORGANIZATION COMMUNICATIONS

Ian McFadden introduced himself as the new SEA President.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Page 5-7.a8 was distributed after being inadvertently omitted from the agenda packets. This page is attached to these Minutes.

EX OFFICIO DIRECTOR SCOTT ARRIVED.

CONSENT AGENDA

5-1. APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 10 AND OCTOBER 24, 2003

Director Spence asked that the following changes be made to the Minutes of October 24, 2003:

Page 5-1.11 “Elderly & Disabled Transit Access **Advisory** Committee”
Page 5-1.12 “She stated that MASTF would **should** be on an equal playing field with the Metro Riders Group”

Director Spence also discussed the motion made at the October 24th meeting on the public advisory group. Director Spence submitted notes as to how she would clarify that motion. Les White added that there are some issues he intends to bring back to the Board in December that relate to this item.

DIRECTOR BEAUTZ ARRIVED.

District Council and the Administrative Services Coordinator will review the tape of that meeting to further clarify the motion in the Minutes of the October 24th Board meeting. They will attempt to have the Minutes modified in time for approval at the November 21st Board meeting.

5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS

No questions or comments.

5-3. ACCEPT AND FILE OCTOBER 2003 RIDERSHIP REPORT

PAGE 1 OF THE RIDERSHIP REPORT WILL BE PRESENTED FOR CONSIDERATION AT THE NOVEMBER 14 21, 2003 BOARD MEETING

Vice Chairperson Keogh corrected the agenda in that Page 1 of the Ridership Report would be presented for consideration at the November 21st Board meeting, not the November 14th meeting as stated in error on the agenda.

5-4. CONSIDERATION OF TORT CLAIMS: None

5-5. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF NOVEMBER 20, 2003 AND THE MINUTES OF THE OCTOBER 16, 2003 MEETING

No questions or comments.

5-6. ACCEPT AND FILE AGENDA FOR THE MUG COMMITTEE MEETING OF NOVEMBER 19, 2003 AND THE MINUTES OF THE OCTOBER 15, 2003 MEETING

No questions or comments.

5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2003 AND APPROVAL OF BUDGET TRANSFERS

Director Rotkin asked for information on how staff will fix the \$280,000 revenue shortfall experienced during the first 3 months of FY 03/04. Mr. White responded that staff has been successful in operating under budget and will keep tighter reins on expenditures. He added that anything funded out of capital will be STA only and staff will capitalize costs where feasible. The problem is that the shortfall continues to increase. There were discussions on why the sales tax is increasing but METRO's portion is decreasing. Ms. Ross responded that this is due to the economy.

5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR AUGUST 2003

Steve Paulson reported that the recertification process would be completed by the end of the fiscal year. He added that the number of registrants has decreased by 2/3 due to eliminating duplicate records, people who either died or moved out of the area, and those who have already gone through the recertification process.

5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR SEPTEMBER 2003

Les White informed the Board that he would have a proposal from Caltrans and Amtrak to consolidate the Amtrak connector service and Highway 17 buses and to bring the service down

to Pacific Station. This proposal would cover both the costs of extending service to Pacific Station and for the existing corridor. There will, however, be a fare implication.

ITEMS #11 AND #13 WERE TAKEN OUT OF ORDER AT THIS TIME.

**11. CONSIDERATION OF ENTERING INTO AN INTERIM CONTRACT WITH FIRST ALARM SECURITY OF SANTA CRUZ FOR THE PROVISION OF SECURITY SERVICES FROM NOVEMBER 14, 2003 THROUGH DECEMBER 31, 2002
ACTION IS REQUIRED AT THE NOVEMBER 14, 2003 BOARD MEETING**

Summary:

Bryant Baehr reported that METRO contracted with Paige's Security since September 2000. A fax was received on November 4th advising METRO that Paige's would be shut down, putting 450 people out of jobs. Mr. Baehr had to inform the Paige's staff who were on METRO property and escort them from the property. The General Manager's purchasing authority secured services from First Alarm through the Request for Proposals (RFP) process but cannot extend it through the end of the year. Staff recommended that the Board approve entering into an agreement with First Alarm to provide security services from November 14 through December 31, 2003. Firms will be interviewed in December and staff will return to the Board at its December 19th meeting with status of the interviews.

Discussion:

Director Rotkin asked to be on the interview panel.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Authorize the General Manager to enter into an agreement with First Alarm Services from November 14, 2003 through December 31, 2003 to allow the bidding process to take place and add a Board member to the interview process.

Motion passed with Director Keogh abstaining and Directors Norton, Phares and Tavantzis being absent.

11. ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR NOVEMBER 21, 2003 – WATSONVILLE CITY COUNCIL CHAMBERS, 250 MAIN STREET, WATSONVILLE

An email will be sent to Board members about a shuttle being provided to take them to the Watsonville City Council Chambers for next week's Board meeting.

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

Bryant will bring the current ridership figures to next week's meeting.

5-11. ACCEPT AND FILE METROBASE STATUS REPORT

No questions or comments.

5-12. ACCEPT AND FILE SANTA CRUZ NEEDLE EXCHANGE REPORT FOR TRANSIT CENTERS

No questions or comments.

5-13. ACCEPT AND FILE FOLLOW-UP REPORT ON RECENT PUBLIC INPUT PROCESS

There may be a day-long work session planned to discuss the most cost effective way to handle public outreach. This item will be brought back to the Board when there is sufficient time on the agenda to discuss this.

5-14. CONSIDERATION OF A RESOLUTION AUTHORIZING AN AMENDED TDA CLAIM FOR FY 2004

No questions or comments.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

THIS PRESENTATION WILL TAKE PLACE AT THE NOVEMBER 21, 2003 BOARD MEETING

7. CONSIDERATION OF APPROVAL OF DIRECTING METRO STAFF TO PREPARE A TRANSITION PLAN FOR THE DIRECT OPERATION OF PARACRUZ SERVICE FOR CONSIDERATION BY THE BOARD OF DIRECTORS IN DECEMBER 2003

Summary:

Les White stated that a letter was received on November 6th from Community Bridges indicating that they need an 18% rate increase, retroactive from July 1, 2003, in order to continue providing ADA services. This rate increase equates to \$450,000. Community Bridges also submitted a proposal for co-mingling of trips. Mr. White added that staff would analyze the proposal and make recommendations to the Board in December.

Mr. White also stated that if the ADA service is extracted from Community Bridges, a determination needs to be made as to the impact on the other services provided by Community Bridges. If the other services are negatively impacted, it must be determined whether METRO has the capacity to take on these other services. Mr. White recommended that the Board direct staff to bring a transition plan to the Board in December that is date specific for the conversion of the operation of ParaCruz from contract operation to directly operated service by METRO.

DISCUSSION:

Director Rotkin asked for information ahead of time on the driver's rate structure from Lift Line and the cost of bringing this program in house. Director Beutz confirmed that MediCal rides would be look at over the next twelve months to see how it is being affected. Mr. White reiterated that staff has been alerted that if it appears there is an immediate negative impact on the other programs, the Board would be made immediately aware of this.

DIRECTOR ROTKIN LEFT THE MEETING.

Director Keogh asked Mr. White to write a letter to the Regional Transportation Commission (RTC) asking them if Community Bridges' TDA grant has been taken down completely and whether an audit has ever been conducted on where these funds were spent. Karena Pushnik of RTC reported that Community Bridges submits an audit annually with their TDA funds. Director Keogh asked for a copy of the budget from last fiscal year which shows the allocation of funds to the variety of programs that Ms. Pushnik spoke of.

Scott Bugental spoke of the proposal from Clay Kempf to have a community forum on specialized transportation. He added that there is interest from several different agencies to look at the whole system. Director Keogh asked that information be brought to these interested agencies that METRO is the only agency providing this service that has a specific legal liability attached to providing the service. Director Beutz stated that a forum is premature and that she would like a spreadsheet showing the math with all the parameters of the rules. There was discussion of METRO's budget and where the excess funds are spent that are allocated for paratransit. Mr. Dorfman responded that staff over budgets for a worst-case scenario. He further commented that the savings in paratransit in the first three months of the year are being put into balancing METRO's budget, which is the only way to close the gap without cutting service.

There was discussion of Lift Line's layoff of drivers and of the savings of \$320,000 out of the \$450,000 deficit that occurred per Sam Story. This savings plus the request for funds from METRO would give Community Bridges almost \$1 million by the end of the year. Link Spooner stated that they didn't project a \$450,000 shortfall, which was the projected difference in reimbursement rate from MediCal. Mr. Spooner estimated that Community Bridges is losing \$60,000-\$80,000 a month in ADA rides.

VICE CHAIRPERSON KEOGH ADVISED THAT HE WOULD BE ADJOURNING TO CLOSED SESSION AT THIS TIME.

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

Margaret Gallagher reported that John Levering would be present at Closed Session to discuss three of the four Workers' Compensation cases, which are Richard Castro, Sonja McClure and Carrie Weech vs. METRO. Ms. Gallagher will discuss the Don Toline case.

15. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

None

SECTION II: CLOSED SESSION

Vice Chairperson Keogh adjourned to Closed Session at 10:16 a.m. and reconvened to Open Session at 11:21 a.m.

SECTION III: RECONVENE TO OPEN SESSION

16. REPORT OF CLOSED SESSION

Margaret Gallagher had nothing to report at this time.

DUE TO A LOSS OF QUORUM DURING CLOSED SESSION, NO OTHER ITEMS WERE DISCUSSED IN OPEN SESSION.

ADJOURN

There being no further business, Vice Chairperson Keogh adjourned the meeting at 11:21 a.m.

Respectfully submitted.

Dale Carr
Administrative Services Coordinator

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

November 21, 2003

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, November 21, 2003 at the Watsonville City Council Chambers, 250 Main Street, Watsonville, CA

Chairperson Reilly called the meeting to order at 9:10 a.m. and announced that there would be no Closed Session today.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

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

DIRECTORS ABSENT

Sheryl Ainsworth
Ana Ventura Phares

STAFF PRESENT

Bryant Baehr, Operations Manager	Elisabeth Ross, Finance Manager
Mark Dorfman, Assistant General Manager	Robyn Slater, Interim H.R. Manager
Margaret Gallagher, District Counsel	Judy Souza, Base Superintendent
David Konno, Facilities Maintenance Mgr.	Tom Stickel, Fleet Maint. Manager
Steve Paulson, Paratransit Administrator	Les White, General Manager

EMPLOYEES AND MEMBERS OF THE PUBLIC WHO INDICATED THEY WERE PRESENT

Heather Boerner, *Sentinel*
Richard Camperud, Courtesy Cab
Mark Hartunian, Community Bridges Board
Gary Klemz, SEIU
Jeff LeBlanc, Rider
Manny Martinez, PSA
Ian McFadden, SEA
Bonnie Morr, UTU

Will Regan, VMU
Paul Marcelin-Sampson, Metro Riders Union
Link Spooner, Lift Line
Sam Story, Community Bridges
Jim Taylor, UTU
Bob Yount, MASTF
Amy Weiss, Interpreter
Linda Wilshusen, SCCRTC

2. ORAL AND WRITTEN COMMUNICATION

Written:

a. R. Paul Marcelin-Sampson RE: Marketing of METRO Services

Oral:

Bob Yount spoke on behalf of MASTF and read the following Motions from MASTF to the Board:

- 1) MASTF accepts the following MASTF By-Laws amendment that inserts a new subsection into Section 4, Conduct of Meetings:
“f.) Upon receipt of written communication from the Chair of the Board of Directors, or the General Manager, requesting that MASTF consider an issue, such issue will be placed on the agenda of the next meeting of MASTF providing that the request has been received at least 72 hours prior to such meeting.”
- 2) MASTF approves the following MASTF By-Laws amendment that inserts the language bracketed in quotation marks into Section 5, Voting Rights:
Members who have attended one of the two previous MASTF meetings shall be granted MASTF voting rights and have one vote each. “The minimum voting age for a MASTF member is 18 years old”.

He added the MASTF elections were held yesterday for 2004:

MASTF Chair -	Sharon Barbour
Vice Chair -	Robert Yount
Bus Stop Improvement Chair -	Jeff LeBlanc
Bus Services Committee Chair -	Connie Day
Training Procedures Chair -	Lesley Wright
MASTF Representative to ParaCruz -	Ernestina Saldana

Paul Marcelin-Sampson stated that he is looking forward to having eight of the METRO Board meetings held in Watsonville and having meetings held in Spanish. He distributed copies of the 2nd edition of the Metro Riders Union newsletter to the Board along with a copy of the Metro Riders Union Code of Conduct for distributing newsletters at METRO’s transit centers. A copy of these items are attached to the minutes. Mr. Marcelin-Sampson expressed his desire to interview Board members and asked that any interested Directors let him know if they would like to participate in the interview. He pointed out the lead story in the newsletter which concerns a cartoon he found on the UTU’s website. He added that he wants to display these cartoons for the Board when a projector is available. He stated that he hopes UTU will apologize to the bus riders for these cartoons.

Jim Monroe introduced himself as the pending new owner of Santa Cruz Transportation; he is currently in negotiations to purchase this business. He expressed his desire to fully cooperate with METRO in the future and appreciates anything METRO has done to further ADA.

3. LABOR ORGANIZATION COMMUNICATIONS

Nothing to report.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

In addition to the following add-on items, a letter from Community Bridges was distributed to the Board and is attached to these minutes.

SECTION I:
OPEN SESSION:

CONSENT AGENDA:

- ADD TO ITEM #5-1** APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 24, 2003
(Insert Revised Minutes of October 24, 2003)
- ADD TO ITEM #5-3** ACCEPT AND FILE OCTOBER 2003 RIDERSHIP REPORT
(Add Page One of Ridership Report)
- ADD TO ITEM #5-11** ACCEPT AND FILE METROBASE STATUS REPORT
(Add Correct Project Schedule)

REGULAR AGENDA:

- ADD TO ITEM #9** CONSIDERATION OF AWARD OF CONTRACT FOR EMPLOYEE DENTAL INSURANCE COVERAGE
(Add Revised Staff Report)
- DELETE ITEM #11** CONSIDERATION OF ENTERING INTO AN INTERIM CONTRACT WITH FIRST ALARM SECURITY OF SANTA CRUZ FOR THE PROVISION OF SECURITY SERVICES FROM NOVEMBER 14, 2003 THROUGH DECEMBER 31, 2003
(Action was Taken at the November 14, 2003 Board Meeting)
- DELETE ITEM #13** ANNOUNCEMENT: NOTIFICATION OF MEETING LOCATION FOR NOVEMBER 21, 2003 – WATSONVILLE CITY COUNCIL CHAMBERS, 250 MAIN STREET, WATSONVILLE
(Announcement was made at the November 14, 2003 Board Meeting)
- ADD TO ITEM #14** CONSIDERATION OF APPOINTING A MEMBER OF THE BOARD OF DIRECTORS TO SERVE AS THE METRO REPRESENTATIVE TO THE HIGHWAY 1 WIDENING/HOV JOINT POWERS AUTHORITY
(Add Staff Report)
- ADD TO ITEM #15** CONSIDERATION OF CONTRACT RENEWAL FOR PRINTING OF THE *HEADWAYS*
(Add Staff Report)
- ADD TO ITEM #16** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO REQUEST AN ADVANCE PAYMENT OF URBANIZED AREA FORMULA FUNDS IN FY 2004 FROM CALTRANS FOR ONE-TIME CAPITAL FUNDING REQUIREMENTS
(Add Staff Report)

CONSENT AGENDA

5-1. APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 10 AND OCTOBER 24, 2003

Director Spence confirmed that her requested changes have been made to the October 24th minutes. Mr. White added that there was extensive discussion regarding MASTF but that the Board's motion did not officially reflect this. He will bring back a report in December which further clarifies the Board's intentions in order to eliminate any confusion as to what METRO will provide to MASTF. He will also bring back information regarding the Metro Advisory Committee (MAC), such as application forms, timelines, and the interview process.

5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS

5-3. ACCEPT AND FILE OCTOBER 2003 RIDERSHIP REPORT

5-4. CONSIDERATION OF TORT CLAIMS: None

5-5. ACCEPT AND FILE AGENDA FOR THE MASTF COMMITTEE MEETING OF NOVEMBER 20, 2003 AND THE MINUTES OF THE OCTOBER 16, 2003 MEETING

5-6. ACCEPT AND FILE AGENDA FOR THE MUG COMMITTEE MEETING OF NOVEMBER 19, 2003 AND THE MINUTES OF THE OCTOBER 15, 2003 MEETING

Director Hinkle informed the Board that MUG made a motion at its meeting of November 19th to make that the last official meeting of the Metro Users Group in order to allow staff time to devote to other issues. Mr. White added that he would recommend to the Board that the MUG members be recognized for their contributions to the transit community.

5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2003 AND APPROVAL OF BUDGET TRANSFERS

5-8. ACCEPT AND FILE PARACRUZ STATUS REPORT FOR AUGUST 2003

5-9. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR SEPTEMBER 2003

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

5-11. ACCEPT AND FILE METROBASE STATUS REPORT

Director Keogh confirmed that there is no slippage in the MetroBase schedule. Mr. White stated that staff would bring actions to the Board in January when the architectural team will also be present. The Phase II Feasibility Study will also be brought before the Board in January.

5-12. ACCEPT AND FILE SANTA CRUZ NEEDLE EXCHANGE REPORT FOR TRANSIT CENTERS

5-13. ACCEPT AND FILE FOLLOW-UP REPORT ON RECENT PUBLIC INPUT PROCESS

5-14. CONSIDERATION OF A RESOLUTION AUTHORIZING AN AMENDED TDA CLAIM FOR FY 2004

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Approve Consent Agenda with the understanding that the Board, by affirmative vote, is casting a unanimous roll call vote for Item #5-14.

Motion passed unanimously with Directors Ainsworth and Phares being absent.

Margaret Gallagher asked that the Board make the necessary finding to include the following item on this agenda:

CONSIDERATION OF RATIFYING SANTA CRUZ METRO'S JOINING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY JOINT POWERS

AGREEMENT IN ORDER TO OBTAIN ACCESS TO EXCESS WORKERS' COMPENSATION INSURANCE COVERAGE AND APPROVE THE EXCESS WORKERS' COMPENSATION PROGRAM MEMORANDUM OF UNDERSTANDING AND ADOPT THE ATTACHED RESOLUTION WHICH AUTHORIZES WORKERS' COMPENSATION COVERAGE FOR THOSE WHO VOLUNTEER FOR SANTA CRUZ METRO

Ms. Gallagher added that the Board approved the insurance coverage but staff was made aware after the agenda posting that METRO needed to belong to a JPA to access the insurance coverage.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Make the necessary finding that this issue came to the Board's attention after the Brown Act deadline and constitutes an emergency situation.

Motion passed unanimously with Directors Ainsworth and Phares being absent.

This Item will become #16.5 on the agenda.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

The following employees were acknowledged with longevity certificates for their years of service:

FIFTEEN YEARS

Roberto (OJ) Ojeda, Mechanic II
(currently activated through U.S. Reserves)

TWENTY-FIVE YEARS

Patricia Clark, Bus Operator
Shelton Crutch, Transit Supervisor
David Konno, Facilities Maintenance Manager

7. CONSIDERATION OF APPROVAL OF DIRECTING METRO STAFF TO PREPARE A TRANSITION PLAN FOR THE DIRECT OPERATION OF PARACRUZ SERVICE FOR CONSIDERATION BY THE BOARD OF DIRECTORS IN DECEMBER 2003

Summary:

Les White clarified that his intention was to present the transition plan to directly operate ADA service to the Board in December; not to actually begin the direct operation in December 2003. He added that staff's recommendation was in response to communication from Community Bridges to look at the development of a transition plan that would provide for direct operation of this service by METRO. Mr. White received a letter from Community Bridges dated November 19th that clarifies information concerning the 18% increase which was referred to in their letter of November 6th. Mr. White reviewed the current budget shortfalls and increased costs throughout

the district and explained how an 18% increase to Community Bridges would affect METRO. He added that a preliminary analysis shows that it might be possible to utilize one-time capital funds to lower operating costs on a long-term basis in order to operate direct ADA service on a level that is comparative with Community Bridges. Staff's recommendation is that METRO could operate this service at a competitive or lower cost than Community Bridges with the 18% increase. Information on where capital funds would be obtained, start-up time and a transitional plan will be brought back to the Board. Staff's goals in operating this service in-house would be: 1) to provide maximum quality and quantity of service and comply with the law; 2) ensure that staff is not forced to return to the Board to cut fixed route service in order to fund ADA service. Staff also recommends that the Board authorize staff to examine alternatives, including utilization of another private operator. Lastly, Mr. White emphasized that it is important to ensure that there is no ripple affect on the other programs that Community Bridges offers by bringing the ADA service in-house.

Discussion:

Director Rotkin referred to Community Bridges' letter requesting an 18% increase and expressed concern regarding the letter distributed at the meeting stating that the 18% increase is not essential. He asked Mr. White if he has a clear sense that METRO would move to the transition plan; and, does it make sense to stay with Community Bridges now that the 18% increase is not mandatory? Mr. White responded that he feels there is a way to do some co-mingling if he is convinced of cost savings and improvement of service and without negatively impacting ADA requirements then he would support staying with Community Bridges. However, Mr. White has concerns regarding the deployment of the ParaCruz vehicles since METRO prohibits them from being used as taxicabs. He is also concerned with Community Bridges' statement for METRO's willingness to provide financial support when unforeseen circumstances arise.

Mr. White mentioned that there is a national focus on paratransit denials, travel times, call wait times and vehicle deployment. FTA is looking closely at ADA.

DISTRICT COUNSEL GALLAGHER LEFT THE MEETING.

Mr. White stated that there would be a staff report to the Board in December regarding the co-mingling of rides. There was discussion of the cost-of-living adjustment retroactive to July 2003 and the impact to the District. Director Spence asked what criteria would be used to determine if withdrawing ADA service would affect the other programs. Mr. White referred to the November 6th letter from Community Bridges that stated due to METRO's restrictions the funding on an hourly basis is not meeting the cost to provide the service. Therefore, monies from other programs have been moved to subsidize this. However, extraction of the ADA program should relieve the financial burden being placed on the other programs. Director Spence asked for a profit and loss statement showing income received from the other Community Bridges' programs to be used as a comparison to ADA costs.

Sam Story, CEO of Community Bridges, gave a brief background on how the situation evolved to where it is today and why he wrote the letter of November 19th. One concern was taking on seventeen new vehicles in the current climate of declining ADA rides. The contract does not mandate that Community Bridges take on these new vehicles. He discussed the co-mingling

issue and stressed that everything possible should be done to increase capacity of ADA rides while being economical as possible. He added that staffing levels are not consistent with the RFP which was based on the assumption of ride levels. With decreased ADA ridership, staffing levels cannot be maintained. He is concerned that a level of cooperation between METRO, UTU and Community Bridges could not be reached in order to achieve the staffing level suitable for the current ridership. Mr. Story recapped the number of rides completed by taxi sub-contractors in October and November. He added that if the ultimate goal of METRO is to take back the ADA rides, then METRO should do it now as Community Bridges does not want to be merely a place holder. Lastly, Mr. Story stated that the ADA provider should be watchful for an increase in ADA ridership in the spring. If funds are shifted to other areas, this would put the provider in a difficult position.

Director Beautz asked for a report from Margaret Gallagher on her analysis of the latest court cases involving paratransit. Director Beautz added that it would take an amendment to the contract to allow co-mingling to occur.

Director Rotkin stated that if the ADA service remains with Community Bridges, there would need to be clarification in the contract as to staffing levels. Mr. Story suggested that maybe an incremental cost of providing a minimum level of compliance could be looked at. Les White commented on the contract as it guaranteed an 85,000 ridership level and hours associated with this. He added that during contract negotiations Community Bridges asked for the 70% taxicab rides percentage to be removed, for twelve vehicles and for additional vehicles to deliver rides instead of going to taxicabs. The Board directed staff to provide the vehicles and removed this requirement from the mid-contract and carried forward the removal of no 70% sub-contractor allocation requirement at that time.

Mark Hartunian, President and Board Chair of the Community Bridges Board, asked that the Board be mindful of the following issues: 1) Economic challenges since 9/11 and the state's economic problems; 2) ADA service has been provided by Community Bridges for eleven years with no court challenges and providing more rides with fewer employees; 3) Taking on UTU in an attempt to meet the living wage requirements had economic consequences. He added that Community Bridges experienced a \$750,000 budget deficit last year and balanced the budget this year.

Link Spooner, Director of Lift Line, assured the Board that Lift Line is committed to providing services for the elderly and disabled in this community. R. Paul Marcel-Sampson of Metro Riders Union expressed concern about Community Bridges utilizing other program funds to subsidize the ADA program and METRO's ability to meet the legal obligation to the disabled community and preserve as much of the fixed route system. He asked for a full accounting from Community Bridges and from METRO for providing ParaCruz service; when did funds from other programs start being used and what can be done about this.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Direct staff to return in December with a plan for transition to bring ParaCruz service in-house. Present the Board with a clear accounting of both sides of the ledger concerning what changes would be necessary if we didn't bring the service in-house to maintain the

service with Lift Line. Information is needed from Community Bridges by November 26, 2003.

FRIENDLY AMENDMENT TO THE MOTION:

Direct District Counsel to report on the latest paratransit court cases.

DIRECTOR SPENCE LEFT THE ROOM.

Director Tavantzis asked how bringing this service in-house would fit into METRO's current organizational structure. Director Rotkin asked if the same medical premium costs that are now included in the current benefit plan for UTU be given to the paratransit drivers.

THE VOTE WAS DEFERRED UNTIL DIRECTOR SPENCE RETURNED TO THE MEETING.

CHAIRPERSON REILLY STATED THAT ITEMS 8, 9 AND 15 WOULD BE COMBINED, HOWEVER, ITEM #10 WAS TAKEN OUT OF ORDER AT THIS TIME.

10. CONSIDERATION OF RENEGOTIATED CONTRACT WITH THE UNIVERSITY OF CALIFORNIA, SANTA CRUZ

Discussion:

Ex Officio Director Wes Scott stated that METRO and UCSC staff worked for the last several months to develop a new agreement that would address changes in the rates being charge to riders. A mutually agreeable contract was devised and presented to several committees, the university council and student union assembly. The student union assembly asked for more information about the contract and would like to meet with METRO staff. Mark Dorfman replied that he would be willing to meet with the student union representatives. Invitations will be sent to members of the Board to attend as well. Director Scott suggested holding a workshop and Director Reilly stated that she would like to attend this. Staff is requesting that the Board approve the draft contract. Mr. Dorfman stated that staff is working to make this contract retroactive.

ACTION: MOTION: DIRECTOR NORTON SECOND: DIRECTOR KEOGH

Authorize the General Manager to execute a renegotiated contract with UCSC per the draft contract in the agenda packet.

Motion passed with Directors Ainsworth, Keogh, Phares and Spence being absent.

**DIRECTOR SPENCE RETURNED TO THE MEETING.
DIRECTOR KEOGH LEFT THE MEETING.**

ACTION: VOTE FOR ITEM #7:

Motion passed unanimously with Directors Ainsworth, Keogh and Phares being absent.

8. CONSIDERATION OF AMENDING CONTRACT FOR REVENUE AND NON-REVENUE TIRES

Summary:

Tom Stickel reported that this is for a contract extension for another year. There has been an increase in accordance with the CPI.

9. CONSIDERATION OF AWARD OF CONTRACT FOR EMPLOYEE DENTAL INSURANCE COVERAGE

Summary:

The current contract expires in December 2003. Staff received five responses to the Request for Proposals that were sent out. Participants on the interview panel consisted of staff and members of both UTU and SEIU. It was recommended that the contract be awarded to Pacific Care Dental and Vision.

13. CONSIDERATION OF CONTRACT RENEWAL FOR PRINTING OF THE HEADWAYS

Summary:

This is for a contract renewal for the printing of the *Headways* publication and is an extendable contract for an additional year. It was noted that this expense is budgeted under the Customer Service Department.

**DIRECTOR KEOGH RETURNED TO THE MEETING.
DIRECTOR TAVANTZIS LEFT THE MEETING.**

Gary Klemz of SEIU spoke regarding the lack of providers on the list of Pacific Care compared to those offered by Delta Dental, METRO's previous dental carrier. He met with the District to obtain clarification on the current benefits. Mr. Klemz stated that the District made commitments to communicate with the Board and vendor regarding a proactive approach to obtain more providers. In the future, SEIU would like to see criteria that would give a higher number of points to the vendor who has a greater number of providers.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR REILLY

Adopt staff recommendations as follows for Items 8, 9 and 15:

- 8. Authorize the General Manager to execute an amendment to the contract with Dixon and Son, Inc. to extend the term of the contract for one (1) additional year.**
- 9. Authorize the General Manager to execute a contract for employee dental insurance coverage with PacifiCare Dental & Vision Administrators. Request that staff continue to work with the unions to see that METRO**

provides the best possible dental care and make sure concerns are addressed to the main provider.

15. Authorize the General Manager to execute an amendment to the contract with Folger Graphics to extend the term of the contract for one (1) additional year.

Motion passed with Directors Ainsworth, Phares and Tavantzis being absent.

11. DELETED – ACTION TAKEN AT THE NOVEMBER 14, 2003 BOARD MEETING
12. CONSIDERATION OF AUTHORIZATION TO OPERATE THE WATSONVILLE HOLIDAY SHUTTLE

Summary:

Les White received a request to provide a shuttle for the holidays. The City of Watsonville indicated that it has funds available for the operating costs of the shuttle. The City of Santa Cruz is the authorizing authority for the shuttle usage and they have consented to this request. The shuttle would be utilized December 1 – 24, 2003.

ACTION: MOTION: DIRECTOR KEOGH SECOND: DIRECTOR REILLY

Authorize operation of the fare-free Holiday Shuttle for the City of Watsonville.

Motion passed with Directors Ainsworth, Phares and Tavantzis being absent.

13. DELETED – ANNOUNCEMENT WAS MADE AT THE NOVEMBER 14, 2003 BOARD MEETING

ITEM #16.5 WHICH WAS ADDED TO THE AGENDA AS AN EMERGENCY ITEM WAS TAKEN AT THIS TIME.

- 16.5 CONSIDERATION OF RATIFYING SANTA CRUZ METRO'S JOINING THE CALIFORNIA PUBLIC ENTITY INSURANCE AUTHORITY JOINT POWERS AGREEMENT IN ORDER TO OBTAIN ACCESS TO EXCESS WORKERS' COMPENSATION INSURANCE COVERAGE AND APPROVE THE EXCESS WORKERS' COMPENSATION PROGRAM MEMORANDUM OF UNDERSTANDING AND ADOPT THE ATTACHED RESOLUTION WHICH AUTHORIZES WORKERS' COMPENSATION COVERAGE FOR THOSE WHO VOLUNTEER FOR SANTA CRUZ METRO

DIRECTOR TAVANTZIS RETURNED TO THE MEETING.

Summary:

Mark Dorfman asked the Board to ratify METRO joining the JPA and to approve the Workers' Compensation Memorandum of Understanding (MOU). Staff is also asking the Board to adopt the resolution which will allow Workers's Compensation coverage to be extended to volunteers.

ACTION: MOTION: DIRECTOR KEOGH SECOND: DIRECTOR REILLY

Ratify Santa Cruz METRO's joining the California Public Entity Insurance Authority Joint Powers Agreement, which allows METRO access to excess workers' compensation insurance coverage, approve the excess Workers' Compensation Program MOU and adopt the resolution, which authorized workers' compensation coverage to those who volunteer for Santa Cruz METRO.

Motion passed with Directors Ainsworth and Phares being absent.

14. CONSIDERATION OF APPOINTING A MEMBER OF THE BOARD OF DIRECTORS TO SERVE AS THE METRO REPRESENTATIVE TO THE HIGHWAY 1 WIDENING/HOV JOINT POWERS AUTHORITY (JPA)

Summary:

Les White reported that the County of Santa Cruz and Cities of Capitola, Watsonville and Scotts Valley all voted to join the JPA. However, the City of Santa Cruz declined to join. The first organizational meeting will be held on December 5, 2003. METRO currently has an appointee to the working group, however, this appointment expires at the end of December. No appointment has yet been made to the JPA. Staff recommends that an appointment be made to the JPA and authorize said appointee to attend the December 5th organizational meeting.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR NORTON

Appoint Director Tavantzis as representative to the JPA and appoint Director Keogh as the alternate.

Motion passed with Directors Ainsworth and Phares being absent.

16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO REQUEST AN ADVANCE PAYMENT OF URBANIZED AREA FORMULA FUNDS IN FY 2004 FROM CALTRANS FOR ONE-TIME CAPITAL FUNDING REQUIREMENTS

Summary:

Mark Dorfman reported that federal funds are available but the funds would be an advance of future years' monies. Staff proposes that METRO request up to \$350,000 for capital one-time, non-recurring expenditures without affecting the operating budget. Federal allocations would be reduced by an equivalent amount each year for five years. This would afford METRO the flexibility to make a decision on paratransit while acquiring funds now to take this service in-house. Mr. Dorfman added that there would be no interest on these advance funds.

EX OFFICIO DIRECTOR SCOTT LEFT THE MEETING.

Les White added that as a supplemental benefit this would satisfy FTA's need to obligate formula funds now since agencies under 200,000 are unable to draw down from discretion earmark funds.

ACTION: MOTION: DIRECTOR ROTKIN SECOND: DIRECTOR KEOGH

Authorize the General Manager to submit a request to Caltrans for a one-time capital advance of urbanized area formula funds from future years' apportionments.

Motion passed with Directors Ainsworth and Phares being absent.

ADJOURN

There being no further business, Chairperson Reilly adjourned the meeting at 11:41 a.m.

Respectfully submitted.

Dale Carr
Administrative Services Coordinator

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 11/01/03 THRU 11/30/03

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
99	11/05/03	200.00	SGUZA, JUDY		84238	EMP INCENTIVE/OPS	200.00	MANUAL
99	11/07/03	7,533.40	DESTIN THOMAS COMMUNICATIONS		84230	MOTOROLA REPEATER	7,533.40	
99	11/07/03	10,000.00	DRIVER ALLIANT INSURANCE		84231	WC BROKER SVCS	10,000.00	
99	11/07/03	9,719.50	VISION SERVICE PLAN		84232	NOV VISION INSURANCE	9,719.50	
99	11/07/03	88,533.24	DEVCO OIL		84233	OCT FUEL	88,533.24	
99	11/07/03	197,330.91	COMMUNITY BRIDGES		84234	SEP ADA PARATRANSIT	197,330.91	
99	11/07/03	31,861.45	DELTA DENTAL PLAN		84235	NOV DENTAL	31,861.45	
99	11/07/03	3,703.94	I.M.P.A.C. GOVERNMENT SERVICES		84236	4035019201231022	3,703.94	
99	11/07/03	56,680.00	CSAC EXCESS INSURANCE AUTHORITY		84237	EXCESS WORK COMP INS	56,680.00	
99	11/14/03	9,129.70	TRANSIT RESOURCE CENTER		84239	PT INSPECT - FINAL	9,129.70	
99	11/14/03	8,500.00	J. KAEUPER AND COMPANY		84240	MB APPRAISLS/RVR&SLF	8,500.00	
100	11/14/03	9,736.43	NEW FLYER INDUSTRIES LIMITED		84241	QTY 38 MIRRORS 6489	6,489.26	
					84242	REV VEH PARTS 449	448.80	
					84243	REV VEH PARTS 2798	2,798.37	
101	11/14/03	76.44	CAPITOL CLUTCH & BRAKE, INC.		84244	REV VEH PARTS	76.44	
102	11/14/03	131.55	LEXISNEXIS MATTHEW BENDER		84245	EMP LAW DSKBK REL#15	131.55	
103	11/14/03	183.63	WASTE MANAGEMENT OF SC CO		84246	OCT MT HERMON/KINGS	41.60	
					84247	OCT KINGS VILLAGE	142.03	
104	11/14/03	1,178.30	CITY OF SANTA CRUZ		84248	03/04 STRM/FLD WATER	1,178.30	
105	11/14/03	1,320.00	SANTA CRUZ MEDICAL CLINIC		84249	SEP MEDICAL EXAMS	1,320.00	
106	11/14/03	18,157.64	UNUM		84250	NOV LTD INSURANCE	18,157.64	
107	11/14/03	555.69	MOHAWK MFG. & SUPPLY CO.		84251	REV VEH PARTS 231	231.49	
					84252	REV VEH PARTS 324	324.20	
108	11/14/03	1,006.79	THERMO KING OF SALINAS, INC		84253	REV VEH PARTS/SUPPLY	1,006.79	
109	11/14/03	10.00	SANTA CRUZ COUNTY LAW LIBRARY		84254	COPIES/LEGAL	10.00	
110	11/14/03	96.48	WESTCOAST LEGAL SERVICE		84255	PROF/TECH SVCS	96.48	
111	11/14/03	68.00	SOIL CONTROL		84256	WATER TEST SAMPLE 2	68.00	
112	11/14/03	21,627.85	TRANSIT CARE, INC.		84257	QTY 29 WINDOW ASMBLY	21,627.85	
113	11/14/03	1,723.14	AMERICAN SUPPLY COMPANY		84258	CLEANING SUPPLIES	1,723.14	
114	11/14/03	10,423.14	CALIFORNIA SERVICE EMPLOYEES		84259	NOV MEDICAL	10,423.14	
115	11/14/03	3,750.00	CHANEY, CAROLYN & ASSOC., INC.		84260	NOV LEGISLATIVE SVCS	3,750.00	
116	11/14/03	433.02	SCOTT'S VALLEY WATER DISTRICT		84261	8/8-10/14 KINGS VLG	28.50	
					84262	8/8-10/14 KINGS VLG	404.52	
117	11/14/03	696,339.04	EL DORADO BUS SALES, INC.		84263	QTY 17 PT VANS	696,339.04	
118	11/14/03	263.54	CDW GOVERNMENT, INC.		84264	LANTRONIX PRINT SRVR	263.54	
119	11/14/03	169.31	NEXTEL COMMUNICATIONS		84265	9/26-10/25 PHONES	169.31	
120	11/14/03	253.80	IBS CAPITAL		84266	11/22-12/23 CANNON	253.80	
121	11/14/03	649.01	SANTA CRUZ AUTO TECH, INC		84267	BUT REPAIR/#001	649.01	
122	11/14/03	355.16	UNITED PARCEL SERVICE		84268	SEP/OCT FREIGHT OUT	355.16	
124	11/14/03	12,858.78	PACIFIC GAS & ELECTRIC		84269	9/27-10/24 SAKATA	9.61	
					84270	9/27-10/24 SAKATA	9.93	
					84271	9/30-10/28 RODRIGUEZ	1,414.48	
					84272	9/30-10/28 RODRIGUEZ	26.41	
					84273	9/30-10/28 BEACH	124.44	
					84274	10/2-10/29 HARVEY	46.75	
					84275	10/1-10/29 GOLF	207.19	
					84276	10/1-10/29 GOLF	2,092.60	
					84277	10/1-10/29 RIVER	2,259.69	
					84278	10/2-10/29 111 DUE	924.87	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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LINE #	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TRANS. TYPE	TRANSACTION NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
					84279	10/2-10/29 111 DUB	382.06	
					84280	10/1-10/29 RIVER	149.01	
					84281	10/2-10/29 370 ENC	3,098.53	
					84282	10/2-10/29 370 ENC	92.34	
					84283	10/7-11/3 PACIFIC	1,340.48	
					84284	10/7-11/3 PACIFIC	559.44	
					84285	10/7-11/3 PACIFIC	140.95	
125	11/14/03	2,379.20	SALINAS VALLEY FORD SALES		84286	REV VEH PARTS	2,379.20	
126	11/14/03	478.15	ADT SECURITY SYSTEMS		84287	TEST SYS/NOV ALARMS	478.15	
127	11/14/03	1,400.11	PACIFIC TRUCK PARTS, INC.		84288	REV VEH PARTS	1,400.11	
128	11/14/03	271.95	KINKO'S INC.		84289	OCT PRINTING	271.95	
129	11/14/03	49.11	LENZ ARTS, INC.		84290	FRAMES/EMP INC	49.11	
130	11/14/03	1,982.59	PALACE ART & OFFICE SUPPLY		84291	OFFICE SUPPLIES	1,982.59	
131	11/14/03	327.49	REGISTER PAJARONIAN		84292	CLASSIFIED AD	327.49	
					84293	CLASSIFIED AD	104.91	
132	11/14/03	52.49	KENVILLE & SONS LOCKSMITH		84294	SEP/OCT LOCKS/KEYS	52.49	
133	11/14/03	588.00	COAST PAPER & SUPPLY INC.		84295	CLEANING SUPPLIES	588.00	
134	11/14/03	13,267.57	SANTA CRUZ MUNICIPAL UTILITY		84296	8/29-10/27 PACIFIC	109.43	
					84297	8/29-10/27 PACIFIC	4,283.18	
					84298	8/29-10/27 GOLF	1,645.92	
					84299	8/29-10/27 370 ENC	161.26	
					84300	8/29-10/27 370 ENC	1,652.80	
					84301	8/29-10/27 RIVER	4,029.38	
					84302	8/29-10/27 111 DUB	1,380.60	
135	11/14/03	494.00	STATE BOARD OF EQUALIZATION		84303	OCT USE TAX PREPAY	494.00	
136	11/14/03	391.00	THYSSENKRUPP ELEVATOR -042		84304	OCT-DEC ELEV SVC	391.00	
137	11/14/03	8,305.30	DIXON & SON TIRE, INC.		84305	OCT REPAIR REV VEH	216.02	
					84306	OCT TIRES/TUBES	8,089.28	
138	11/14/03	140.66	RECOGNITION SERVICES LTD.		84307	EMP INCENTIVE 121	140.66	
139	11/14/03	373.00	CRYSTAL SPRINGS WATER CO.		84308	OCT WATER FLEET	373.00	
140	11/14/03	159.16	SANTA CRUZ SAW WORKS		84309	OCT REPR EQUIP/SAWS	159.16	
141	11/14/03	941.95	GILLIG CORPORATION		84310	REV VEH PARTS	337.50	
					84311	REV VEH PARTS	604.45	
142	11/14/03	2,796.30	SANTA CRUZ AUTO PARTS, INC.		84312	REV VEH PARTS/SUPPLY	2,796.30	
143	11/14/03	324.64	ZEE MEDICAL SERVICE		84313	SAFETY SUPPLIES	324.64	
144	11/14/03	864.65	HOSE SHOP, INC.,THE		84314	REPAIRS/MAINTENANCE	22.52	
					84315	REV VEH PARTS/SUPPLY	842.13	
145	11/14/03	234.34	TOWNSEND'S AUTO PARTS		84316	REV VEH PARTS/SUPPLY	234.34	
146	11/14/03	77.03	CENTRAL WELDER'S SUPPLY, INC.		84317	PARTS & SUPPLIES	77.03	
147	11/14/03	1,067.61	GOLDEN GATE PETROLEUM		84318	OCT FUEL - FLEET	1,067.61	
148	11/14/03	1,739.18	IKON OFFICE SOLUTIONS		84319	MAINT COPIER/METRO	1,739.18	
149	11/14/03	826.39	MISSION PRINTERS		84320	PRINT BUS PASSES	826.39	
150	11/14/03	1,085.49	ANDY'S AUTO SUPPLY		84321	REV VEH PARTS/SUPPLY	1,085.49	
151	11/14/03	153.00	COMMUNITY TELEVISION OF		84322	TV COVERS 10/24 MTS	153.00	
152	11/14/03	4,098.08	STEWART & STEVENSON		84323	REV VEH PARTS	4,098.08	
153	11/14/03	460.46	KEN'S AUTO PARTS, INC.		84324	REV VEH PARTS/SUPPLY	460.46	
154	11/14/03	164.07	VERIZON WIRELESS-PAGERS		84325	NOV PAGERS	164.07	
155	11/14/03	53.65	VERIZON CALIFORNIA		84326	MT BIEWLASKI	53.65	
156	11/14/03	118.80	WEST GROUP PAYMENT CTR		84327	CANSTR LITIG HANDBK	118.80	
157	11/14/03	499.50	UNISOURCE		84328	CLEANING SUPPLIES	499.50	

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SR	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	TRANSACTION COMMENT
587	11/14/03	4,747.53	480 DIESEL MARINE ELECTRIC		84329	REV VEH PARTS	3,328.58	
					84330	REV VEH PARTS	1,144.80	
159	11/14/03	160.00	481 PIED PIPER EXTERMINATORS, INC.		84349	OCT PEST CONTROL	160.00	
160	11/14/03	111.23	511 LUMINATOR		84350	REV VEH PARTS 106	111.23	
161	11/14/03	317.25	531 KATHY'S LIFT TRUCK AND		84331	SQUEL P&R RELAMP	317.25	
162	11/14/03	74.13	546 GRANITE ROCK COMPANY		84332	BASE ROCK/BUS STOPS	74.13	
163	11/14/03	211.61	566 ARROWHEAD MTN SPRING WATER		84333	OCT WATER ADMIN	211.61	
164	11/14/03	4,806.01	679 FIRST TRANSIT, INC.		84334	SEP LAWSUAREPRETION	4,806.01	
165	11/14/03	16,096.00	804 ORTHOPAEDIC HOSPITAL		84335	SEP PROF/TECH SVCS	16,096.00	
166	11/14/03	1,075.00	852 LAW OFFICES OF MARIE F. SANS		84336	WORKERS COMP. CLAIM	1,075.00	
167	11/14/03	44.47	856 ANGI INTERNATIONAL, LLC		84351	RET&AVT-VLVE/BASXT	44.47	
168	11/14/03	3,344.32	909 CLASSIC GRAPHICS		84337	OVT REPAIR REV VEH	3,344.32	
169	11/14/03	259.58	922 ROTHCOY COUNCIL, INC.		84336	PRIV EMPLYR BK 250	259.58	
170	11/14/03	1,827.00	950 PARADISE LANDSCAPE		84339	TREES TRIMMED/WTC	1,200.00	
					84340	OCT MAINTENANCE	627.00	
171	11/14/03	962.50	979 CAMPBELL'S TOWING		84341	TOWING/#8103	962.50	
172	11/14/03	6.99	E002 STICKEL, TOM		84342	EMP INCENTIVE/FLT	6.99	
173	11/14/03	44.00	E025 CRUTCH, SHELTON		84343	DMV/VTT FEES	44.00	
174	11/14/03	34.00	E040 CALDERON, SALVADOR		84344	DMV FEES	34.00	
175	11/14/03	15.43	E280 DUSHEY, RICHARD		84345	OVERTIME MEAL/FLT	15.43	
176	11/14/03	44.00	E514 SAUNDERS, MARK		84346	DMV/VTT FEES	44.00	
177	11/14/03	76.00	R409 MORRISON, JEAN		84347	SETTLEMENT CLAIM	76.00	
178	11/14/03	842.82	R410 FERRIGO'S AUTO BODY, INC.		84348	SETTLEMENT CLAIM	842.82	
179	11/21/03	1,079.99	001 SBC		84352	NOV PHONE LINE/IT	596.16	
					84353	NOV PHONE LINES	86.76	
					84354	NOV PHONE LINES	397.07	
180	11/21/03	15,312.32	001063 NEW FLYER INDUSTRIES LIMITED		84355	REV VEH PARTS 4750	4,749.73	
					84356	REV VEH PARTS 3282	3,281.88	
					84357	REV VEH PARTS 2616	2,616.19	
					84358	REV VEH PARTS 3773	3,772.77	
					84359	REV VEH PARTS 838	838.15	
					84360	REV VEH PARTS 54	53.60	
181	11/21/03	99.90	001112 BR INKS TROPHY SHOPPE		84361	LOCAL MEETING EXP	99.90	
182	11/21/03	1,407.05	001119 MACERICH PARTNERSHIP LP		84362	DEC - CAPITOLA MALL	1,407.05	
183	11/21/03	550.00	001492 EVERGREEN OIL INC.		84363	HAZ WASTE DISPOSAL	550.00	
184	11/21/03	1,217.77	001676 AUTOMOTIVE RESOURCES, INC.		84364	CABLE SET 1188	1,217.77	
185	11/21/03	369.40	001856 BAY COMMUNICATIONS		84365	OVT REPAIR PHONES	369.40	
186	11/21/03	148.53	001936 MCI		84366	OCT LONG-DISTANCE	148.53	
187	11/21/03	2,666.16	001A SBC/MCI		84367	OCT PHONE LINE/IT	92.28	
					84368	OCT PHONE LINE/IT	177.26	
					84369	OCT PHONE LINE/IT	177.26	
					84370	OCT PHONES	2,219.36	
188	11/21/03	789.79	002094 TRANSIT CARE, INC.		84371	RTY 1 WINDOW ASSEMBLY	789.79	
189	11/21/03	30,661.16	002116 HINSHAW, EDWARD & BARBARA		84372	DEC - 120 DUBOIS	6,248.32	
					84373	DEC - 370 ENCINAL	24,412.84	
190	11/21/03	10,676.78	002117 IULIANO, NICK		84374	DEC - 111 DUBOIS	10,676.78	
191	11/21/03	19,969.47	002192 BAY EQUIPMENT & REPAIR		84375	OVT REPAIR/#121	19,969.47	
192	11/21/03	414.81	002214 SSI CORP.		84376	REPAIRS/MAINTENANCE	414.81	
193	11/21/03	248.10	002223 NORTHERN SAFETY CO., INC.		84377	SAFETY SUPPLIES 248	248.10	
194	11/21/03	2,000.00	002352 U.S. POSTAL SERVICE (AMS-TMS)		84378	POSTAGE FOR METER	2,000.00	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
175	11/21/03	664.59	TIFCO INDUSTRIES		84379	PARTS & SUPPLIES	664.59	
176	11/21/03	2,422.21	FREDERICK ELECTRONICS CORP.		84380	DEC - 375 ENCINAL	2,422.21	
177	11/21/03	3,406.44	A & L PRODUCTS INC.		84381	TENT REELOCE/DUBDIS	3,406.44	
198	11/21/03	263.52	NORTH BAY FORD LINC-MERCURY		84382	REV VEH PARTS	41.15	
					84383	OUT REPAIR/#E01	222.37	
199	11/21/03	1,291.90	PACIFIC GAS & ELECTRIC		84384	10/14-11/13 PAUL SWT	972.26	
					84385	10/11-11/7 KINGS VLG	829.76	
					84386	10/11-11/7 KINGS VLG	342.45	
					84387	10/11-11/7 KINGS VLG	20.43	
200	11/21/03	4,843.80	MCI SERVICE PARTS, INC.		84388	REV VEH PARTS	4,843.80	
201	11/21/03	2,967.08	MISSION UNIFORM		84389	OCT UNIFORMS/LAUNDRY	578.12	
					84390	OCT UNIFORMS/LAUNDRY	2,388.96	
202	11/21/03	4.50	ORCHARD SUPPLY HARDWARE		84391	REPAIRS/MAINTENANCE	4.50	
203	11/21/03	972.00	BATTERIES USA, INC.		84392	REV VEH PARTS	972.00	
204	11/21/03	115.00	ROTO-ROOTER SEWER/PLUMBING		84393	OUT REPAIR BLDGS/IMP	115.00	
205	11/21/03	26.00	SANTA CRUZ MUNICIPAL UTILITY		84394	OCT LANDFILL	26.00	
206	11/21/03	2,374.94	JESSICA GROCERY STORE, INC.		84395	DEC CUSTODIAN SVCS	2,374.94	
207	11/21/03	131.84	SNAP-ON TOOLS CORPORATION		84396	EMP TOOL/SMALL TOOL	52.75	
					84397	REPAIR TORQUE WRENCH	79.09	
208	11/21/03	1,536.84	BILLIG CORPORATION		84398	REV VEH PARTS	1,536.84	
209	11/21/03	117.15	SCMTD PETTY CASH - OPS		84399	PETTY CASH /OPS	117.15	
210	11/21/03	97.12	WATSONVILLE CITY WATER DEPT.		84400	10/1-11/1 SAKATA	13.98	
					84401	10/1-11/1 RODRIGUEZ	9.46	
					84402	10/1-11/3 SAKATA	74.28	
211	11/21/03	3,412.87	DAY WIRELESS SYSTEMS		84403	OCT OUT REPAIR EQUIP	3,412.87	
212	11/21/03	311.04	BOSS MANUFACTURING CO.		84404	SAFETY SUPPLIES	311.04	
213	11/21/03	49.61	MYERS TIRE SUPPLY		84405	SMALL TOOLS/FLEET	49.61	
214	11/21/03	249.75	IKON OFFICE SOLUTIONS		84406	11/9-12/7 MAINT/OPS	249.75	
215	11/21/03	2,618.94	JONES COMPANY, THE ED		84407	SAFE DRIVER PANELS	2,618.94	
216	11/21/03	1,736.61	VEHICLE MAINTENANCE PROGRAM		84408	REV VEH PARTS 2102	1,736.61	
217	11/21/03	424.00	DOC'S TOW & STORAGE, INC.		84409	TOWING/#B102	424.00	
218	11/21/03	2,013.88	GRAINGER INC, W.W.		84410	REV VEH PARTS/SUPPLY	2,013.88	
219	11/21/03	41.04	MUNCIE TRANSIT SUPPLY		84411	REV VEH PARTS	41.04	
220	11/21/03	180.00	BEI CORPORATION		84412	SW MAINT(8/1-7/30)	180.00	
221	11/21/03	365.68	FEDERAL EXPRESS		84413	FREIGHT OUT/FLEET	365.68	
222	11/21/03	15,757.39	STEWART & STEVENSON		84414	REV VEH PARTS	1,656.95	
					84415	REV VEH PARTS	258.95	
					84416	REV VEH PARTS	3,504.08	
					84417	REBUILD TRANSMISSION	5,171.27	
					84418	REBUILD TRANSMISSION	5,164.64	
223	11/21/03	195.36	APPLIED GRAPHICS, INC.		84419	BUSINESS CARDS/2200	97.51	
					84420	BUSINESS CARDS/ADMIN	97.85	
224	11/21/03	2,206.03	AMPAC BUILDING MAINTENANCE		84421	OCT CUSTODIAL SVCS	2,206.03	
225	11/21/03	45.00	RUNFOROFFICE.COM		84422	OCT-DECOMPLY REPORT	45.00	
226	11/21/03	3,210.84	DIESEL MARINE ELECTRIC		84423	REV VEH PARTS	3,210.84	
227	11/21/03	300.00	RJSD PIPER EXTERMINATORS, INC		84424	WASPS/DUBDIS	300.00	
228	11/21/03	2,410.00	FAST RESPONSE ON-SITE		84425	PROF/TECH SVCS	2,410.00	
229	11/21/03	226.00	LUMINATOR		84426	REV VEH PARTS 226	226.00	
230	11/21/03	120.53	ARROWHEAD MTN SPRING WATER		84427	OCT WATER PLANG	120.53	
231	11/21/03	40.00	GOVERNMENT FINANCE OFFICERS		84428	PENSION NEWS/FINANCE	40.00	

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
 CHECK JOURNAL DETAIL BY CHECK NUMBER
 ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 11/01/03 THRU 11/30/03

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TRANS. TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
232	11/21/03	521.78	647	GF% BENEFARE	84429	REV VEH PARTS	521.78	
233	11/21/03	5,663.20	664	BAY COUNTIES PITCOCK PETROLEUM	84430	GUEI - FLEET	5,663.20	
234	11/21/03	11,482.22	667	CITY OF SCOTTS VALLEY	84431	ZONE 12 /BLUERONNET	7,589.50	
					84432	ZONE 12/WASTEWATER	3,892.72	
235	11/21/03	900.00	840	BOUCHARD, BRENT	84433	DEC - VERNON LOT	900.00	
236	11/21/03	1,240.80	852	LAW OFFICES OF MARIE F. - Ashland	84434	WORKERS COMP CLAIM	848.90	
					84435	WORKERS COMP CLAIM	42.00	
					84436	WORKERS COMP CLAIM	350.00	
237	11/21/03	4,980.95	909	CLASSIC GRAPHICS	84437	OUT REPAIR REV VEH	4,980.95	
238	11/21/03	296.00	M001	HORTON, JOSEPH	84438	DEC MEDICAL PREMIUM	296.00	
239	11/21/03	296.00	M002	RACKLEY, EARL	84439	DEC MEDICAL PREMIUM	296.00	
239P	11/21/03	-296.00	M002	RACKLEY, EARL	84552	VOID CHECK	-296.00	PRE-PAID
						VOID CHECK		
240	11/21/03	252.00	M003	WYANT, JUDI	84440	DEC MEDICAL PREMIUM	252.00	
241	11/21/03	252.00	M005	ROSS, EMERY	84441	DEC MEDICAL PREMIUM	252.00	
242	11/21/03	655.00	M006	VAN DER ZANDE, ED	84442	DEC MEDICAL PREMIUM	655.00	
243	11/21/03	496.00	M007	BLAIR-ALWARD, GREGORY	84443	DEC MEDICAL PREMIUM	496.00	
244	11/21/03	288.00	M008	CAMPOS, ARVILLA	84444	DEC MEDICAL PREMIUM	288.00	
245	11/21/03	825.00	M009	FREEMAN, MARY	84445	DEC MEDICAL PREMIUM	825.00	
246	11/21/03	288.00	M010	SHORT, SLOAN	84446	DEC MEDICAL PREMIUM	288.00	
247	11/21/03	88.00	M011	LAWSON, LOIS	84447	DEC MEDICAL PREMIUM	88.00	
248	11/21/03	88.00	M012	ROSE, JACK	84448	DEC MEDICAL PREMIUM	88.00	
249	11/21/03	288.00	M013	JAHNKE, EILEEN	84449	DEC MEDICAL PREMIUM	288.00	
250	11/21/03	88.00	M015	HETH, KATHRYN	84450	DEC MEDICAL PREMIUM	88.00	
251	11/21/03	44.00	M016	HICKLIN, DONALD KENT	84451	DEC MEDICAL PREMIUM	44.00	
252	11/21/03	44.00	M017	FORTILLA, EARLENE	84452	DEC MEDICAL PREMIUM	44.00	
253	11/21/03	80.00	M019	WILLIAMS, ROBERT	84453	DEC MEDICAL PREMIUM	80.00	
254	11/21/03	28.00	M021	BAKER, DALE	84454	DEC MEDICAL PREMIUM	28.00	
255	11/21/03	94.86	M022	CAPELLA, KATHLEEN	84455	DEC MEDICAL PREMIUM	94.86	
256M	11/25/03	191.92	510	ASCOM HASLER LEASING	84551	DEC EQUIP RENT	191.92	MANUAL
						DEC EQUIP RENT		
257M	11/25/03	88.00	M002	BACKLIFY EARL	84553	DEC MEDICAL PREMIUM	88.00	MANUAL
						DEC MEDICAL PREMIUM		
		1,459,617.16		COAST COMMERCIAL BANK		TOTAL CHECKS	167	1,459,617.16

Page 1 of the Ridership Report will be distributed at the December 19, 2003 Board Meeting.

BUS OPERATOR LIFT TEST *PULL-OUT*

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

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF NOVEMBER, 2003

BUS #	DATE	DAY	REASON
2232CN	4-Nov	TUESDAY	Ramp floor trim is loose, tripping hazard
8078F	17-Nov	MONDAY	No power to lift
8085F	28-Nov	SUNDAY	Kneel does not want to come back up
8085F	29-Nov	MONDAY	Kneeling switch not working correctly
8090F	10-Nov	MONDAY	Lift had not power
8100F	20-Nov	THURSDAY	Need to use sensor override to lower/raise barrier
TROLLEY	24-Nov	MONDAY	W/C ramp did not deploy all the way to the ground before stopping

F New Flyer
 G Gillig
 C Champion
 LF Low Floor Flyer
 GM GMC
 CG CNG
 CN SR855 & SR854

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

Service Interruption Summary Report
Lift Problems
11/01/2003 to 11/30/03

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

Metro Accessible Services Transit Forum (MASTF)*
(*An official Advisory group to the Metro Board of Directors
and the ADA Paratransit Program)
Thursday December 18, 2003 2:00-4:00 p.m.
The NIAC Building in the Training Center
333 Front Street, Santa Cruz, CA.

“AGENDA”

ELIGIBLE VOTING MEMBERS DURING THIS MEETING:

Sharon Barbour, Ted Chatterton, Connie Day, Shelley Day, Kasandra Fox, Jeff LeBlanc, Thom Onan, Barbie Schaller, David Taylor, Lesley Wright and Bob Yount.

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

- I. Call to Order and Introductions
- II. Approval of the November 20, 2003 MASTF Minutes
- III. Oral Communication and Correspondence

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

- IV. Amendments to this Agenda
- V. Ongoing Business
 - 5.1 MASTF Status as METRO Advisory Body
 - 5.2 METRO ParaCruz (Paratransit) Provider Issues

Note: All other Ongoing Business Agenda Items, New Business MASTF Committee Reports Agenda Items and New Business Other Reports Agenda Items are tabled until the next MASTF meeting on January 15, 2004.

- VI. New Business
 - 6.1 MASTF 2003 Annual Report (Sharon Barbour)
 - 6.2 Presentation of 2003 MASTF Certificates of Appreciation (Sharon Barbour)
 - 6.3 Next Month’s Agenda Items

- VII. Adjournment

Note: This meeting is held at a location that is accessible to persons using wheelchairs. If you have questions, or want additional information about MASTF, please contact John Daugherty by phone at (831) 423-3868 or visit the MASTF web site at either www.mastf.org or www.mastf.com.

METRO ACCESSIBLE SERVICES TRANSIT FORUM (MASTF)*
(* An official Advisory group to the Metro Board of Directors
and the ADA Paratransit Program)

MINUTES

The Metro Accessible Services Transit Forum met for its monthly meeting on November 20, 2003 in the Training Center of the NIAC Building, 333 Front Street, Santa Cruz CA.

MASTF MEMBERS PRESENT: Sharon Barbour, Ted Chatterton, Connie Day, Shelley Day, Kasandra Fox, Jeff LeBlanc, Thom Onan, Barbie Schaller, David Taylor, Lesley Wright and Bob Yount.

METRO STAFF PRESENT:

Bryant Baehr, Operations Department Manager
A. John Daugherty, Accessible Services Coordinator
Bonnie Morr, UTU Local 23 Chair
Jeff North, UTU Representative
Steve Paulson, Paratransit Administrator
Eileen Pavlik, SEIU/SEA Representative

BOARD MEMBERS PRESENT:

None.

*****MASTF MOTIONS RELATED TO THE METRO BOARD OF DIRECTORS**

- 1) MASTF authorizes the Chair to write and send a letter of thanks to the METRO Board for choosing to retain the MASTF/METRO alliance.
- 2) MASTF authorizes the Chair to write and send a letter of thanks to METRO Board and Staff for the posting of No Smoking signs and for instructing security staff to vigorously enforce METRO No Smoking policy.
- 3) MASTF approves the reappointment of Ernestina Saldana as the primary MASTF representative to the METRO ParaCruz Appeals Panel.
- 4) MASTF accepts the following MASTF By-Laws amendment that inserts a new subsection (bracketed in quotation marks) into Section 4, Conduct of Meetings:

“f.) Upon receipt of written communication from the Chair of the Board of Directors, or the General Manager, requesting that MASTF consider an issue, such issue will be placed on the Agenda of the next meeting of MASTF providing that the request has been received at least 72 hours prior to such meeting.”

- 5) MASTF approves the following MASTF By-Laws amendment that inserts the language bracketed in quotation marks into Section 5, Voting Rights:

Members who have attended one of the two previous MASTF meetings shall be granted MASTF voting rights and have one vote each. “The minimum voting age for a MASTF member is 18 years old.” A simple majority of voting members attending a meeting carries a motion before the group...

- 6) MASTF recommends that Metro Advisory Committee (MAC) meetings be held at a time and a place that is easily accessible by bus.

RELEVANT ATTACHMENTS FORWARDED TO THE BOARD: None.

***MASTF MOTIONS RELATED TO METRO MANAGEMENT**

- 1) MASTF authorizes the Chair to write and send a letter of thanks to METRO Board and Staff for the posting of No Smoking signs and for instructing security staff to vigorously enforce METRO No Smoking policy.
- 2) MASTF approves the reappointment of Ernestina Saldana as the primary MASTF representative to the METRO ParaCruz Appeals Panel.
- 3) The MASTF accepts the following MASTF By-Laws amendment that inserts a new subsection (bracketed in quotation marks) into Section 4, Conduct of Meetings:

“f.) Upon receipt of written communication from the Chair of the Board of Directors, or the General Manager, requesting that MASTF consider an issue, such issue will be placed on the Agenda of the next meeting of MASTF providing that the request has been received at least 72 hours prior to such meeting.”

- 4) MASTF recommends that Metro Advisory Committee (MAC) meetings be held at a time and a place that is easily accessible by bus.

I. CALL TO ORDER AND INTRODUCTIONS

Chair Sharon Barbour called the meeting to order at 2:07 p.m.

II. APPROVAL OF THE OCTOBER 16, 2003 MASTF MINUTES

MASTF Motion: To approve the October 16, 2003 MASTF Minutes as submitted.

M/S/PU: Fox, Wright (By affirmative voice vote)

III. ORAL COMMUNICATION AND CORRESPONDENCE

John Daugherty shared that the following correspondence and items of interest had been received since the last MASTF meeting:

- 1) The Agenda for the Santa Cruz County Regional Transportation Commission (SCCRTC) meeting on November 6, 2003.
- 2) An invitation to visit the new office of the Ombudsman/Advocate agency. The opportunity to visit occurred during November 12th. The new office is located at 525 Laurel Street, Room 140, in Santa Cruz.

- 3) The November 2003 edition of the *Central Coast Reporter*, a resource newsletter published by the Association of Monterey Bay Area Governments (AMBAG).
- 4) The Agenda for the Transportation Policy Workshop that took place this morning (November 20, 2003). The Workshop was sponsored by the SCCRTC.

Mr. Daugherty then described 12 items (Attachments A-L) that mentioned MASTF and its status as a METRO advisory body. The items were articles and correspondence taken from the *Santa Cruz Sentinel*, the national newsletter *Transit Access Report* and the METRO Board packets.

Mr. Daugherty placed the 16 items noted above into a folder that was circulated to the group.

Lesley Wright reported on training activities. Highlights included:

- 1) Ms. Wright suggested that the "Wheelchair Securement" Agenda item be postponed until Bryant Baehr is present to discuss it.
- 2) Eight new bus operators will be hired during January. Ms. Wright noted that she would participate in their training.
- 3) Plans to retrofit the securement area straps in some new buses were progressing. Ms. Wright did not know when the retrofit would actually happen.

Jeff LeBlanc asked Ms. Barbour if the recent notice in the newspaper that she was a candidate for a County Supervisor seat was "real." Ms. Barbour responded that the news item had been real, but she did not have the time and money to become a candidate at this time.

IV. AMENDMENTS TO THIS AGENDA

No new amendments to this Agenda were proposed. Ms. Barbour noted that she might rearrange Agenda items if there is a need to do so.

V. ONGOING BUSINESS

5.1 MASTF Status as METRO Advisory Body

Ms. Barbour noted that she wanted to cover several topics under this Agenda item. First, she shared that she would like permission from MASTF to send several thank you letters she had prepared.

In response to questions from Ted Chatterton, Ms. Barbour explained that the METRO Board had decided to retain the MASTF/METRO alliance. She noted that last month the METRO Board had approved the new Metro Advisory Committee (MAC) and also approved retaining MASTF as an official advisory body in "in a somewhat reduced state." By next March METRO staff would not take Minutes or tape record meetings. The number of METRO staff attending MASTF meetings could change to one person.

The following Motions emerged during discussion of the topic of Thank You letters:

MASTF Motions: The Chair is authorized to send letters of thanks for support to:

- 1) The METRO Board of Directors for choosing to retain the MASTF/METRO alliance.
M/S/C: Fox, LeBlanc (By show of hands: 6 votes in favor, no votes opposed and 2 abstentions)**
- 2) METRO Board Director Mike Rotkin, who proposed the amendment to the Board Motion which preserved MASTF's status as an official advisory body.
M/S/C: Schaller, LeBlanc (By show of hands: 6 votes in favor, no votes opposed and 1 abstention)**
- 3) The Elderly and Disabled Transportation Advisory Committee (E&D TAC): Your support and Motion to the METRO Board was of great value to us.
M/S/C: LeBlanc, Wright (By show of hands: 5 votes in favor, no votes opposed and 2 abstentions)**
- 4) The Central Coast Center for Independent Living (CCCIL): We are very appreciative.
M/S/C: LeBlanc, Schaller (By show of hands: 6 votes in favor, no votes opposed and 1 abstention)**

Ms. Barbour also offered thanks to Bob Yount, Mr. LeBlanc, Ms. Wright, Brad Neily, Connie Day, Shelley Day, Ernestina Saldana and Kasandra Fox. She noted that these persons had gone to meet with and speak to METRO Board members. "This was invaluable," she stated, "This really, really made a difference." She concluded by sharing, "Thank you all", to those present.

Mr. LeBlanc commended Ms. Barbour for "her tremendous effort in this regard." He also noted that interested persons could "pass the hat" for donations to offset the costs incurred by Ms. Barbour to start up the MASTF web site.

Note: The completed thank you letters will be included in the January MASTF meeting packet.

The second topic discussed under this Agenda item was liaison activity between METRO Board Directors and MASTF members. Two examples:

Ms. Barbour suggested that people consider "adopting a Director." Sign up sheets were circulated to the group.

The third topic discussed was the loss of secretarial support for MASTF that would happen next year. Ms. Barbour noted that a possible volunteer that had responded to a request for help posted at the volunteer match web site was not present today. She asked those present to think about possible volunteers. Mr. Daugherty noted that he was "happy to share information" and he would be "working to make the transition work." Mr. LeBlanc suggested that CCCIL might provide a volunteer.

Thom Onan brought up another topic to the group. He asked people to consider why the relationship between MASTF and METRO is changing. Mr. Onan encouraged people to "look very closely at how we function" compared to the proposal Les White had presented. Specifically, he supported review of a quorum requirement for MASTF.

This suggestion prompted further discussion. For example, Mr. LeBlanc noted: “The real issue is the number of MASTF people participating.” Ms. Barbour noted that proposals for changes to MASTF’s structure could be discussed during another item on the Agenda today.

Ms. Barbour introduced the last two topics under this Agenda item. She shared that MASTF needs to work on and place on future Agendas the discussion items “bridge building” and “membership growth.”

5.2 Status of METRO No Smoking Policy (Bryant Baehr, Kasandra Fox and Bob Yount)

Mr. Baehr joined the meeting during discussion of this Agenda item. He reported that “No Smoking” signs have been posted at Metro Centers and painted onto pavement. He also shared that Pages Security was no longer a viable security agency for METRO and that the Board would be considering actions to take at its next meeting.

The following Motion to the METRO Board and Staff emerged from discussion:

MASTF Motion: MASTF authorizes the Chair to write and send a letter of thanks to METRO Board and Staff for the posting of No Smoking signs and for instructing security staff to vigorously enforce METRO No Smoking policy.

M/S/C: Fox, Yount (By show of hands: 8 votes in favor, 1 vote opposed and 1 abstention)

Mr. Yount also offered a “progress report” under this Agenda item. He noted that he had seen no smoking occur during a recent visit to the Santa Cruz Metro Center. He also shared excerpts from a draft No Smoking Policy he wrote for METRO.

Discussion of the excerpts followed the progress report of Mr. Yount. Three examples: Mr. Baehr noted that he appreciated the work by Mr. Yount. He shared that further action on the draft would not be taken until next year, due to work on Paratransit issues. Ms. Barbour suggested that this Agenda item be tabled until January or February.

VI. NEW BUSINESS

6.1 Election of MASTF Executive Committee Officers for December 2003-November 2004 (John Daugherty)

Ms. Barbour introduced this topic and then stated: “People, I feel a little awkward saying this, but if you have any thoughts about lawsuits, please do not be an Executive member at this time. O.K., And perhaps that is inappropriate for me to say, but given our recent difficulties, if you have thoughts toward lawsuits, it’s probably best if you are not concurrently an Executive member... That may have been inappropriate to say, but I said it anyway.”

Mr. Daugherty read aloud the job description for all six Executive Committee Officer positions. After each job description was read aloud, he opened the floor for nominations for candidates to serve on the Executive Committee from December 2003 – November 2004.

One nomination was made, seconded and accepted (N/S/A) for five out of six positions. **By acclamation, the MASTF Executive Committee members for December 2003 through November 2004 are:**

Chair: Sharon Barbour
N/S/A: LeBlanc, C. Day

Vice Chair: Bob Yount
N/S/A: Wright, LeBlanc

Bus Stop Improvement Committee Chair: Jeff LeBlanc
N/S/A: Wright, Schaller

Bus Services Committee Chair: Connie Day
N/S/A: Wright, Yount

Training and Procedures Committee Chair: Lesley Wright
N/S/A: Fox, Yount

There were no nominees for the position of **Paratransit Services Committee Chair**. Ms. Barbour stated: "I would suggest that we hold this open for a couple of months. And that we work very hard at membership recruitment so that we can find ourselves a Paratransit Chair."

Ms. Barbour recommended that people look at and review the MASTF By-Laws to find parts that need changing due to MASTF's current state.

6.2 Announcement of Honorees for 2003 MASTF Certificates of Appreciation (Sharon Barbour)

Ms. Barbour announced that the MASTF Executive Committee had reviewed nominations and selected five persons to receive Certificates of Appreciation from MASTF

The five honorees for MASTF 2003 Certificates of Appreciation are:

Bob Allen	Bus Operator
Edward A. Infante	Magistrate Judge
Ruth Jones	Bus Operator
Carol Moore	Bus Operator
Mike Rotkin	METRO Board Director/Member

Note: Certificates will be bestowed during the MASTF meeting on December 18, 2003.

Ms. Barbour borrowed a hat from Mr. LeBlanc. She noted that MASTF did not have a budget. She noted that persons could (but are not required) to contribute to offset holiday celebration expenses for the next MASTF meeting.

6.3 Vote on Proposed MASTF By-Laws Amendment: Automatic Placement of METRO Board and Staff Requested Items on MASTF Agenda

Ms. Barbour introduced this topic and read aloud the proposed amendment.

The following Motion emerged from discussion:

MASTF Motion: MASTF accepts the following MASTF By-Laws amendment that inserts a new subsection (bracketed in quotation marks) into Section 4, Conduct of Meetings:

“f.) Upon receipt of written communication from the Chair of the Board of Directors, or the General Manager, requesting that MASTF consider an issue, such issue will be placed on the Agenda of the next meeting of MASTF providing that the request has been received at least 72 hours prior to such meeting.”

M/S/C: Fox, C. Day (By show of hands: 9 votes in favor, no votes opposed and 1 abstention)

6.4 Vote on Proposed MASTF By-Laws Amendment: Eligible Voting Members Must Be At Least 18 Years Old

Ms. Barbour read aloud the proposed amendment.

The following Motion emerged from discussion:

MASTF Motion: MASTF approves the following MASTF By-Laws amendment that inserts the language bracketed in quotation marks into Section 5, Voting Rights:

Members who have attended one of the two previous MASTF meetings shall be granted MASTF voting rights and have one vote each. “The minimum voting age for a MASTF member is 18 years old.” A simple majority of voting members attending a meeting carries a motion before the group...

M/S/C: Schaller, Fox (By show of hands: 9 votes in favor, no votes opposed and 1 abstention)

6.5 Selection of Primary MASTF Representative on METRO ParaCruz Appeals Panel (Sharon Barbour)

The following Motion to the METRO Board and Staff was approved:

MASTF Motion: MASTF approves the reappointment of Ernestina Saldana as the primary MASTF representative to the METRO ParaCruz Appeals Panel.

M/S/C: Wright, Taylor (8 votes in favor, no votes opposed and 1 abstention)

6.6 Wheelchair Securement (Bryant Baehr and Lesley Wright)

Mr. Baehr asked that this Agenda item be postponed. Ms. Barbour suggested that the Agenda item be placed on the January MASTF meeting Agenda.

6.7 Discussion of Consideration of Proposed MASTF By-Laws Amendments Regarding Membership and Voting Rights

This Agenda item was discussed after the "METRO ParaCruz (Paratransit) Provider Issues" Agenda item.

Mr. LeBlanc suggested that two possible MASTF By-Laws amendments be placed on future MASTF Agendas for discussion. First, he suggested that people consider extending the voting eligibility requirements for November MASTF elections (being present at one of the two previous meetings and being present at three of the previous twelve meetings) to cover eligibility for voting on Motions and "all voting issues".

The second area for possible MASTF By-Laws amendment was the definition of MASTF membership. The current membership criteria were discussed. No specific proposal was presented.

During discussion of this Agenda item, Mr. LeBlanc noted that MASTF voting criteria had been a concern of "every Board member we spoke with." Ms. Barbour suggested that the two topics of concern be tabled until the February MASTF meeting.

Soon after discussion on this topic concluded, the following Motion was approved:

MASTF Motion: To extend the meeting time 15 minutes.

M/S/PU: C. Day, Taylor (By affirmative voice vote)

6.8 Bus Access to Metro Advisory Committee (MAC) Meetings

Ms. Barbour introduced this issue. The following Motion to the METRO Board and Staff was approved:

MASTF Motion: MASTF recommends that Metro Advisory Committee (MAC) meetings be held at a time and a place that is easily accessible by bus.

M/S/C: LeBlanc, C. Day (By show of hands: 6 votes in favor, no votes opposed and one abstention)

6.9 METRO ParaCruz (Paratransit) Provider Issues

Ms. Barbour moved this Agenda item so that it followed the "Wheelchair Securement" Agenda item.

Mr. Baehr reported that Community Bridges had requested a rate adjustment of about \$450,000 to their contract with METRO to provide METRO ParaCruz (Paratransit) services. As a result of that request, the METRO Board would review a proposal tomorrow to consider a transition plan to bring METRO ParaCruz in house rather than contracting out the service.

Mr. Baehr also noted that Community Bridges had recently laid off 10 drivers and returned three vehicles to METRO.

Mr. LeBlanc made a Motion after the report from Mr. Baehr. Ms. Fox seconded the Motion:

MASTF Motion: MASTF supports the proposal to bring Paratransit services in house.

While the Motion was being made, and after it was seconded, there was discussion of the issue. Highlights of discussion included:

- 1) Mr. LeBlanc recalled past problems with taxi companies providing Paratransit service. He discussed concern about the “potential or extant degradation in the quality of Paratransit service.”
- 2) Mr. Onan noted his appreciation of the need for “efficient, cost effective Paratransit.” He shared that Community Bridges provides other Paratransit services (besides METRO ParaCruz) that serve seniors and other community members. He discussed concern that shifting METRO ParaCruz would “eliminate funding that helps Community Bridges function.”
- 3) Mr. LeBlanc chose to table (withdraw) the following Motion:

MASTF Motion: MASTF supports the proposal to bring Paratransit services in house.

M/S/W: LeBlanc, Fox

- 4) Mr. LeBlanc requested that the Chair invite a representative from Community Bridges to the next MASTF meeting. After checking the time line with Mr. Baehr, Ms. Barbour noted that this Agenda item would be on the December MASTF meeting Agenda.

Note: After the meeting Ms. Wright and other MASTF members requested that “A Historical Review and a Call to Action” on Specialized Transportation written by Clay Kempf (Attachment M) be included in the December MASTF packet.

The Agenda item, “Discussion of Consideration of Proposed MASTF By-Laws Amendments Regarding Membership and Voting Rights”, was discussed after the conclusion of this Agenda item.

MASTF COMMITTEE REPORTS

6.10 Training and Procedures Committee Report (Lesley Wright)

This Agenda items was discussed during the “Oral Communication and Correspondence” Agenda item.

6.11 Bus Service Committee Report (Connie Day)

a) Metro Users Group (MUG) Report

Mr. Baehr reported that the Metro Users Group’s last meeting was yesterday. Ms. Barbour noted that the new Metro Advisory Committee (MAC) would convene in several months.

b) Service Planning and Review Report

Mr. Baehr reported:

- 1) Two service changes would take effect at the start of the Winter Bid on December 12th. The first change noted was a routing change for the Route 33 and Route 34 buses. The bus routes would change to run from Felton Faire to the Junior High School first.
- 2) The second noted change was a time change (from 4:50 to 4:55) for a Highway 17 Express bus departing 7th and San Fernando in San Jose.
- 3) In response to a question from Mr. LeBlanc, Mr. Baehr also reported that he expected delivery of new Highway 17 Express buses by tomorrow.
- 4) In response to a comment from Ms. Barbour, Mr. Baehr noted that the MASTF web site would be listed in the next edition of *Headways* appearing next June.

c) “Stop Requested “ Feature of Talking Bus

Ms. Day noted that this item could be taken off the Agenda.

6.12 Bus Stop Improvement Committee Report

Mr. Yount reported on this Agenda item. Highlights included:

- 1) Flashing signs would be installed at some bus stops.
- 2) New bike racks are planned for the Santa Cruz Metro Center.
- 3) Improvement is planned for the bus stop in the dirt at 30th Avenue and Brommer Street.
- 4) Mr. LeBlanc noted that the “old reflective signs” on older buses were not as readable as new bus signage. Discussion of this topic concluded when Ms. Barbour suggested that the issue be placed on the January or February MASTF meeting Agenda.

6.13 Paratransit Services Committee Report (Kasandra Fox)

Ms. Fox reported that issues have been well covered at this meeting.

6.14 Elderly and Disabled Transportation Advisory Committee (E&D TAC) Report

Mr. Yount reported that discussion of the definitions of “Medi Cal” trips and “medically necessary” trips was part of the last E&D TAC meeting. Steve Paulson shared that the funding for transportation other than METRO funded METRO ParaCruz trips was discussed. Ms. Barbour recalled that E&D TAC had supported MASTF’s status as an advisory body at a previous meeting.

OTHER REPORTS

6.15 Paratransit Update

a) Paratransit Update (April Axton)

There was no report on this Agenda item.

b) CCCIL Transportation Advocacy (Thom Onan)

Mr. Onan reported: “CCCIL has been receiving many more calls from concerned riders who are facing recertification... There is a lot of panic... We have been receiving calls asking for information, not to resolve a problem. Just helping them understand what’s going on.”

6.16 UTU Report (Jeff North)

There was no report on this Agenda item.

6.17 SEIU/SEA Report (Eileen Pavlik)

Eileen Pavlik reported that the METRO Salaried Employees Association (SEA) Chapter of the SEIU had recently elected the following officers:

President: Ian McFadden
Vice President: Jenna Glasky
Secretary and Treasurer: Olivia Diaz

Ms. Barbour shared that a bus operator had told her that some bus operators felt “some unhappiness” with MASTF. She asked Ms. Pavlik to convey to bus operators that they could bring their concerns to MASTF. Ms. Pavlik clarified that Jeff North was the appropriate contact person with bus operators. Ms. Pavlik noted she would pass the message along.

6.18 Next Month’s Agenda Items

Mr. Daugherty noted: Presentation of Certificates of Appreciation and METRO ParaCruz (Paratransit) Provider issues.

Ms. Barbour noted: Her presentation of an annual report.

VII. ADJOURNMENT

The meeting was adjourned at 4:22 p.m.
M/S/PU: Fox, Taylor (by affirmative voice vote)

Respectfully submitted by: A. John Daugherty, Accessible Services Coordinator

NOTE: NEXT REGULAR MASTF MEETING IS: Thursday December 18, 2003 from 2:00-4:00 p.m., in the Training Center of the NIAC Building, 333 Front Street, Santa Cruz, CA.

NOTE: NEXT S.C.M.T.D. BOARD OF DIRECTORS MEETING IS: Friday December 12, 2003 at 9:00 a.m. in the S.C.M.T.D. Administrative Offices, 370 Encinal Street, Santa Cruz, CA.

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**NOTE: THE FOLLOWING S.C.M.T.D. BOARD OF DIRECTORS MEETING IS: Friday
December 19, 2003 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.**

Santa Cruz Metropolitan Transit District

Minutes-METRO Users Group

November 19, 2003

The METRO Users Group met at 2:10 p.m., Wednesday, October 15, 2003, in the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz.

MEMBERS PRESENT

Michelle Hinkle, Chair, Board Member
Virginia Kirby, Transit User
Matthew Melzer, Transit User
Stuart Rosenstein, Transit User
Barbie Schaller, Seniors Commission

SCMTD STAFF PRESENT

Bryant Baehr, Operations Manager

VISITORS PRESENT

Jim Taylor, Vice Chair, UTU Local 23

MUG MOTIONS TO METRO BOARD OF DIRECTORS

ACTION: MOTION: Virginia Kirby SECOND: Matthew Melzer
THIS IS MUG'S FINAL MEETING (NOVEMBER 19, 2003)
Motion passed unanimously

MUG MOTIONS TO METRO MANAGEMENT

None

1. CALL TO ORDER AND INTRODUCTION

Chair Michelle Hinkle called the meeting to order at 3:00 p.m.

2. ORAL AND WRITTEN COMMUNICATIONS AND ANNOUNCEMENTS

Chair Michelle Hinkle announced that a sheet of paper would be passed around today for MUG members to write their names and contact information if they are interested in being appointed to the new Metro Advisory Committee. There was discussion about whether MUG would continue to meet after today's meeting.

3. ADDITIONS AND DELETIONS TO THE AGENDA

None

4. CONSENT AGENDA

Receive and Accept:

- a) Minutes of October MUG Meeting
- b) Monthly Attendance Report
- c) Minutes of October Board of Directors Meeting
- d) September Ridership Report

ACTION: MOTION: Matthew Melzer
APPROVE CONSENT AGENDA
Motion passed unanimously

SECOND: Barbie Schaller

5. ON-GOING ITEMS

5a) Review of Current Board Agenda Items

Bryant Baehr reported that the District's ParaCruz provider, Community Bridges, was seeking an additional \$450,000.00 from METRO. The Board will be deciding this Friday whether to direct Staff to develop a transition plan to provide Paratransit service in house.

5b) Review of Headways Redesign Issues

Bryant reported that the next Headways would come out June 3, 2004. Stuart was concerned about MUG's current suggestions and ideas being forwarded to the new METRO Advisory Committee. Bryant replied that he could implement many of MUG's suggestions himself, including making the website more visible on the front cover.

5c) Service & Planning Update

Bryant reported that 2 small changes were being made in December: Route 33/34 would begin to make its stops in a different sequence in order to get students to school on time; and to make a better connection from the light rail in San Jose, the Hwy 17 southbound 4:45 p.m. trip would be pushed ahead 5 minutes to depart at 4:50 p.m. Bryant also reported that the Watsonville Shopper Shuttle would begin to run on December 1, 2003.

5d) Bus Procurement

Bryant reported that the first of the eleven (11) new Highway 17 buses will arrive tomorrow and then 1 or 2 per week would arrive. Bryant also reported that it was hopeful that by May 2004, Hwy 17 AMTRAK service would come to the METRO Center.

5e) Marketing

Bryant reported that although he had started contacting other agencies to find out what kind of effective marketing they were doing, he had been directed to drop everything and focus on the Paratransit service.

Going back to the previous item, Virginia asked if the new Hwy 17 buses would be replacements or additional. Bryant replied that they are replacements and that the old buses would be sold for approximately \$2,000.00 each through a broker the District contracts with. Stuart suggested listing the buses on Ebay to get a better price. Bryant said he would look into that.

MUG then watched several past METRO television commercials and agreed that the material was dated and not currently useful. Virginia and Barbie suggested that Staff go to senior centers to teach people how to ride the bus.

6. UPDATES

6a) MetroBase

Bryant reported that RNL Design is working on the design phase and the priority is to get the fueling station operational by 2005 to meet CARB requirements.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003
TO: Board of Directors
FROM: Elisabeth Ross, Finance Manager
SUBJECT: MONTHLY BUDGET STATUS REPORT FOR OCTOBER 2003, AND APPROVAL OF BUDGET TRANSFERS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors approve the budget transfers for the period of November 1 – 30, 2003.

II. SUMMARY OF ISSUES

- Operating revenue for the year to date totals \$11,222,635 or \$497,411 under the amount of revenue expected to be received during the first four months of the fiscal year, based on the final budget.
- Total operating expenses for the year to date, in the amount of \$9,487,970, are at 29.0% of the final budget.
- A total of \$114,189 has been expended through October 31st for the FY 03-04 Capital Improvement Program.

III. DISCUSSION

An analysis of the District's budget status is prepared monthly in order to apprise the Board of Directors of the District's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue and expense report represents the status of the District's FY 03-04 budget as of October 31, 2003. The fiscal year is 33.3% elapsed.

A. Operating Revenues

Revenues are \$497,411 under the amount projected to be received for the period. Special transit fares are \$183,257 below budget projections because UCSC was not billed for October service pending finalization of the new service agreement. Sales tax revenue is \$308,838 under budget due to lower receipts in the April-June sales period than projected, and lower advance payments for the July-September sales period. Variances are explained in the notes following the report.

B. Operating Expenses

Operating expenses for the year to date total \$9,487,970 or 29.0% of the final budget, with 33.3% of the year elapsed. Variances are explained in the notes following the report.

December 19, 2003

Board of Directors

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C. Capital Improvement Program

For the year to date, a total of \$114,189 has been expended on the Capital Improvement Program. The largest expenditure was for work on MetroBase in the amount of \$69,393.

IV. FINANCIAL CONSIDERATIONS

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

V. ATTACHMENTS

Attachment A: Revenue and Expense Report for October 2003, and Budget Transfers

**MONTHLY REVENUE AND EXPENSE REPORT
OPERATING REVENUE - OCTOBER 2003**

Operating Revenue	FY 03-04 Budgeted for Month	FY 03-04 Actual for Month	FY 03-04 Budgeted YTD	FY 02-03 Actual YTD	FY 03-04 Actual YTD	YTD Variance from Budgeted	
Passenger Fares	\$ 333,461	\$ 358,480	\$ 1,272,798	\$ 1,055,598	\$ 1,358,429	\$ 85,631	
Paratransit Fares	\$ 33,345	\$ 24,912	\$ 97,677	\$ 59,044	\$ 75,116	\$ (22,561)	
Special Transit Fares	\$ 233,058	\$ 61,246	\$ 465,438	\$ 473,110	\$ 282,181	\$ (183,257)	
Highway 17 Revenue	\$ 94,509	\$ 62,114	\$ 329,749	\$ 271,534	\$ 226,086	\$ (103,663)	
<i>Subtotal Passenger Rev</i>	\$ 694,373	\$ 506,752	\$ 2,165,662	\$ 1,859,286	\$ 1,941,812	\$ (223,850)	See Note 1
Advertising Income - OBIE	\$ -	\$ -	\$ -	\$ 60,000	\$ -	\$ -	
Advertising Income - Dist	\$ -	\$ -	\$ -	\$ -	\$ 17,509	\$ 17,509	See Note 2
Commissions	\$ 767	\$ 785	\$ 3,067	\$ 3,625	\$ 2,588	\$ (479)	
Rent Income	\$ 12,744	\$ 11,929	\$ 51,333	\$ 50,785	\$ 48,011	\$ (3,322)	See Note 3
Interest - General Fund	\$ 24,460	\$ 24,965	\$ 97,544	\$ 164,075	\$ 100,071	\$ 2,527	
Non-Transportation Rev	\$ 175	\$ 235	\$ 700	\$ 833	\$ 739	\$ 39	
Sales Tax Income	\$ 1,140,000	\$ 1,110,000	\$ 5,202,382	\$ 4,885,446	\$ 4,893,544	\$ (308,838)	See Note 4
TDA Funds	\$ -	\$ -	\$ 1,348,222	\$ 1,374,472	\$ 1,348,222	\$ -	
FTA Op Asst - Sec 5307	\$ -	\$ -	\$ 2,804,435	\$ -	\$ 2,804,435	\$ -	
FTA Op Asst - Sec 5311	\$ -	\$ -	\$ 46,701	\$ 46,701	\$ 65,704	\$ 19,003	See Note 5
FY 02-03 Carryover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Insurance Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer - Proj Mgr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Operating Revenue	\$ 1,872,519	\$ 1,654,666	\$ 11,720,046	\$ 8,445,223	\$ 11,222,635	\$ (497,411)	

**MONTHLY REVENUE AND EXPENSE REPORT
OPERATING EXPENSE SUMMARY - OCTOBER 2003**

	FY 03-04 Final Budget	FY 03-04 Revised Budget	FY 02-03 Expended YTD	FY 03-04 Expended YTD	Percent Expended of Budget	
PERSONNEL ACCOUNTS						
Administration	\$ 891,383	\$ 891,383	\$ 191,476	\$ 253,275	28.4%	
Finance	\$ 522,456	\$ 522,456	\$ 163,414	\$ 167,228	32.0%	
Customer Service	\$ 519,934	\$ 519,934	\$ 209,744	\$ 153,767	29.6%	
Human Resources	\$ 327,189	\$ 327,189	\$ 94,728	\$ 110,547	33.8%	See Note 6
Information Technology	\$ 413,963	\$ 413,963	\$ 128,408	\$ 143,604	34.7%	See Note 7
District Counsel	\$ 358,878	\$ 358,878	\$ 100,663	\$ 107,111	29.8%	
Risk Management	\$ -	\$ -	\$ -	\$ -	0.0%	
Facilities Maintenance	\$ 1,029,512	\$ 1,029,512	\$ 308,290	\$ 318,379	30.9%	
Paratransit Program	\$ 229,377	\$ 229,377	\$ 60,020	\$ 68,531	29.9%	
Operations	\$ 1,908,172	\$ 1,908,172	\$ 597,977	\$ 613,656	32.2%	
Bus Operators	\$ 12,044,316	\$ 12,044,316	\$ 4,002,601	\$ 3,903,568	32.4%	
Fleet Maintenance	\$ 4,120,660	\$ 4,120,660	\$ 1,167,977	\$ 1,191,316	28.9%	
Retired Employees/COBRA	\$ 833,989	\$ 833,989	\$ 244,665	\$ 295,269	35.4%	See Note 8
Total Personnel	\$ 23,199,828	\$ 23,199,828	\$ 7,269,964	\$ 7,326,251	31.6%	
NON-PERSONNEL ACCOUNTS						
Administration	\$ 585,535	\$ 585,535	\$ 182,734	\$ 167,367	28.6%	
Finance	\$ 950,128	\$ 950,128	\$ 422,760	\$ 280,263	29.5%	
Customer Service	\$ 114,080	\$ 114,080	\$ 41,201	\$ 40,415	35.4%	See Note 9
Human Resources	\$ 59,322	\$ 59,322	\$ 4,284	\$ 5,012	8.4%	
Information Technology	\$ 103,670	\$ 103,670	\$ 18,260	\$ 22,973	22.2%	
District Counsel	\$ 21,735	\$ 21,735	\$ 4,927	\$ 3,973	18.3%	
Risk Management	\$ 206,350	\$ 206,350	\$ 68,822	\$ 39,583	19.2%	
Facilities Maintenance	\$ 476,840	\$ 476,840	\$ 105,789	\$ 101,166	21.2%	
Paratransit Program	\$ 3,506,306	\$ 3,506,306	\$ 732,073	\$ 655,634	18.7%	See Note 10
Operations	\$ 534,490	\$ 534,490	\$ 116,052	\$ 116,474	21.8%	
Bus Operators	\$ 7,400	\$ 7,400	\$ 178	\$ -	0.0%	
Fleet Maintenance	\$ 2,953,059	\$ 2,953,059	\$ 695,240	\$ 726,496	24.6%	
Op Prog/SCCIC	\$ 1,257	\$ 1,257	\$ 53	\$ 10	0.8%	
Prepaid Expense	\$ -	\$ -	\$ (214,037)	\$ 2,354	0.0%	
Total Non-Personnel	\$ 9,520,172	\$ 9,520,172	\$ 2,178,336	\$ 2,161,719	22.7%	
Subtotal Operating Expense	\$ 32,720,000	\$ 32,720,000	\$ 9,448,300	\$ 9,487,970	29.0%	
Grant Funded Studies/Programs	\$ -	\$ -		\$ -	0.0%	
Transfer to/from Cap Program	\$ -	\$ -		\$ -	0.0%	
Pass Through Programs	\$ -	\$ -		\$ -	0.0%	
Total Operating Expense	\$ 32,720,000	\$ 32,720,000	\$ 9,448,300	\$ 9,487,970	29.0%	
YTD Operating Revenue Over YTD Expense				\$ 1,734,665		

**CONSOLIDATED OPERATING EXPENSE
OCTOBER 2003**

	FY 03-04 Final Budget	FY 03-04 Revised Budget	FY 02-03 Expended YTD	FY 03-04 Expended YTD	% Exp YTD of Budget	
LABOR						
Operators Wages	\$ 6,363,193	\$ 6,363,193	\$ 1,907,509	\$ 1,941,032	30.5%	
Operators Overtime	\$ 927,591	\$ 927,591	\$ 320,059	\$ 353,197	38.1%	See Note 11
Other Salaries & Wages	\$ 6,390,190	\$ 6,340,190	\$ 1,768,686	\$ 1,814,447	28.6%	
Other Overtime	\$ 139,709	\$ 189,709	\$ 68,577	\$ 86,663	45.7%	See Note 12
	\$ 13,820,683	\$ 13,820,683	\$ 4,064,831	\$ 4,195,340	30.4%	
FRINGE BENEFITS						
Medicare/Soc Sec	\$ 148,453	\$ 148,453	\$ 43,182	\$ 47,074	31.7%	
PERS Retirement	\$ 1,164,898	\$ 1,164,898	\$ 288,074	\$ 341,407	29.3%	
Medical Insurance	\$ 2,667,738	\$ 2,667,738	\$ 852,389	\$ 1,004,463	37.7%	See Note 13
Dental Plan	\$ 455,704	\$ 455,704	\$ 137,494	\$ 127,446	28.0%	
Vision Insurance	\$ 123,307	\$ 123,307	\$ 49,291	\$ 38,368	31.1%	
Life Insurance	\$ 60,472	\$ 60,472	\$ 21,655	\$ 17,332	28.7%	
State Disability Ins	\$ 196,085	\$ 196,085	\$ 35,624	\$ 44,086	22.5%	
Long Term Disability Ins	\$ 221,054	\$ 221,054	\$ 182,742	\$ 65,169	29.5%	
Unemployment Insurance	\$ 46,893	\$ 46,893	\$ 164	\$ 291	0.6%	
Workers Comp	\$ 1,666,634	\$ 1,666,634	\$ 593,243	\$ 589,243	35.4%	See Note 14
Absence w/ Pay	\$ 2,596,775	\$ 2,596,775	\$ 998,550	\$ 849,195	32.7%	
Other Fringe Benefits	\$ 31,131	\$ 31,131	\$ 2,726	\$ 6,835	22.0%	
	\$ 9,379,144	\$ 9,379,144	\$ 3,205,133	\$ 3,130,910	33.4%	
SERVICES						
Acctng/Admin/Bank Fees	\$ 299,484	\$ 299,484	\$ 82,371	\$ 74,053	24.7%	
Prof/Legis/Legal Services	\$ 490,180	\$ 490,180	\$ 106,856	\$ 82,920	16.9%	
Custodial Services	\$ 89,000	\$ 89,000	\$ 5,920	\$ 25,212	0.0%	
Uniforms & Laundry	\$ 40,500	\$ 40,500	\$ 8,665	\$ 7,798	19.3%	
Security Services	\$ 346,188	\$ 346,188	\$ 66,514	\$ 68,806	19.9%	
Outside Repair - Bldgs/Eqmt	\$ 188,686	\$ 188,686	\$ 49,850	\$ 41,609	22.1%	
Outside Repair - Vehicles	\$ 271,570	\$ 271,570	\$ 91,561	\$ 89,252	32.9%	
Waste Disp/Ads/Other	\$ 109,845	\$ 109,845	\$ 34,273	\$ 13,139	12.0%	
	\$ 1,835,453	\$ 1,835,453	\$ 446,009	\$ 402,786	21.9%	
CONTRACT TRANSPORTATION						
Contract Transportation	\$ 100	\$ 100	\$ -	\$ -	0.0%	
Paratransit Service	\$ 3,289,256	\$ 3,289,256	\$ 681,662	\$ 625,977	19.0%	See Note 10
	\$ 3,289,356	\$ 3,289,356	\$ 681,662	\$ 625,977	19.0%	
MOBILE MATERIALS						
Fuels & Lubricants	\$ 1,486,549	\$ 1,486,549	\$ 351,353	\$ 374,177	25.2%	
Tires & Tubes	\$ 131,000	\$ 131,000	\$ 47,757	\$ 22,098	16.9%	
Other Mobile Supplies	\$ 6,500	\$ 6,500	\$ 552	\$ 1,871	28.8%	
Revenue Vehicle Parts	\$ 515,000	\$ 515,000	\$ 39,319	\$ 104,137	20.2%	
	\$ 2,139,049	\$ 2,139,049	\$ 438,980	\$ 502,284	23.5%	

**CONSOLIDATED OPERATING EXPENSE
OCTOBER 2003**

	FY 03-04 Final Budget	FY 03-04 Revised Budget	FY 02-03 Expended YTD	FY 03-04 Expended YTD	% Exp YTD of Budget	
OTHER MATERIALS						
Postage & Mailing/Freight	\$ 22,367	\$ 22,467	\$ 6,776	\$ 3,765	16.8%	
Printing	\$ 73,275	\$ 72,980	\$ 19,364	\$ 31,159	42.7%	See Note 15
Office/Computer Supplies	\$ 64,250	\$ 64,250	\$ 11,912	\$ 15,871	24.7%	
Safety Supplies	\$ 19,825	\$ 19,825	\$ 2,663	\$ 3,098	15.6%	
Cleaning Supplies	\$ 66,100	\$ 66,100	\$ 13,748	\$ 7,645	11.6%	
Repair/Maint Supplies	\$ 65,000	\$ 64,900	\$ 13,098	\$ 13,872	21.4%	
Parts, Non-Inventory	\$ 50,000	\$ 50,000	\$ 15,046	\$ 6,758	13.5%	
Tools/Tool Allowance	\$ 9,600	\$ 9,600	\$ 2,210	\$ 1,862	19.4%	
Promo/Photo Supplies	\$ 14,400	\$ 14,400	\$ 665	\$ 633	4.4%	
	\$ 384,817	\$ 384,522	\$ 85,480	\$ 84,665	22.0%	
UTILITIES	\$ 323,677	\$ 323,677	\$ 116,395	\$ 77,435	23.9%	
CASUALTY & LIABILITY						
Insurance - Prop/PL & PD	\$ 641,500	\$ 641,500	\$ 124,693	\$ 202,607	31.6%	
Settlement Costs	\$ 100,000	\$ 100,000	\$ 42,290	\$ 30,343	30.3%	
Repairs to Prop	\$ -	\$ -	\$ (8,996)	\$ (4,322)	0.0%	
Prof/Other Services	\$ -	\$ -	\$ 72	\$ -	0.0%	
	\$ 741,500	\$ 741,500	\$ 158,059	\$ 228,629	30.8%	
TAXES	\$ 49,433	\$ 49,433	\$ 6,445	\$ 8,665	17.5%	
MISC EXPENSES						
Dues & Subscriptions	\$ 51,970	\$ 52,265	\$ 34,988	\$ 14,237	27.2%	
Media Advertising	\$ 3,000	\$ 3,000	\$ 129	\$ 40	1.3%	
Employee Incentive Program	\$ 10,381	\$ 10,381	\$ 1,889	\$ 1,443	13.9%	
Training	\$ 28,775	\$ 28,775	\$ 2,584	\$ 4,434	15.4%	
Travel	\$ 35,941	\$ 35,941	\$ 6,927	\$ 7,170	19.9%	
Other Misc Expenses	\$ 18,314	\$ 18,314	\$ 3,486	\$ 6,090	33.3%	
	\$ 148,381	\$ 148,676	\$ 50,003	\$ 33,414	22.5%	
OTHER EXPENSES						
Leases & Rentals	\$ 608,506	\$ 608,506	\$ 195,302	\$ 197,865	32.5%	
	\$ 608,506	\$ 608,506	\$ 195,302	\$ 197,865	32.5%	
Total Operating Expense	\$ 32,720,000	\$ 32,720,000	\$ 9,448,300	\$ 9,487,970	29.0%	

**MONTHLY REVENUE AND EXPENSE REPORT
FY 02-03 CAPITAL IMPROVEMENT PROGRAM**

CAPITAL PROJECTS	Program Budget	Expended in October	YTD Expended
<u>Grant Funded Projects</u>			
MetroBase	\$ 9,306,548	\$ 56,833	\$ 69,393
Urban Bus Replacement	\$ 6,018,365		\$ 14,190
Metro Center Renovation Project	\$ 108,891		\$ 6,788
Spare Parts for New Buses (carryover)	\$ 97,550		
	\$ 15,531,354		
<u>District Funded Projects</u>			
Bus Stop Improvements	\$ 60,000		
IT Projects	\$ 15,000		\$ 1,621
Paratransit Program	\$ 15,000		
Facilities Repairs & Improvements	\$ 65,000		
Radio Repeater	\$ 13,000	\$ 7,560	\$ 7,560
Bus Windows	\$ 29,000		
Non-revenue Vehicle Replacement	\$ 116,000		
Office Equipment	\$ 39,500		\$ 12,640
Storage Container	\$ 1,800		\$ 1,998
Transfer to Operating Budget	\$ 350,000		
	\$ 704,300		
TOTAL CAPITAL PROJECTS	\$ 16,235,654	\$ 64,393	\$ 114,189
<u>CAPITAL FUNDING SOURCES</u>			
	Budget	Received in October	YTD Received
Federal Capital Grants	\$ 8,309,278	\$ 13,303	\$ 13,303
State/Local Capital Grants	\$ 4,844,713	\$ 10,408	\$ 10,408
STA Funding	\$ 821,414	\$ 205,354	\$ 205,354
District Reserves	\$ 2,260,249	\$ -	\$ -
TOTAL CAPITAL FUNDING	\$ 16,235,654	\$ 229,065	\$ 229,065

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO REVENUE AND EXPENSE REPORT**

1. Passenger fares (farebox and pass sales) are \$85,631 or 6.7% over the final budget amount for the year to date. Paratransit fares are \$22,561 under budget for the period as a result of fewer trips than projected, with a corresponding decrease in program expense. Special transit fares (contracts) are \$183,257 or 39% under the budgeted amount. UCSC contract revenue is \$184,616 under budget since no billing was issued for October service pending finalization of the new service agreement. Employer bus pass program revenue is \$3,005 over budget. Highway 17 Express revenue is \$103,663 or 31% under the year to date budgeted amount due to a lower subsidy. So while VTA's payment is reduced, there is a corresponding reduction in District expense. This will be reflected in the upcoming budget revision. Together, all four passenger revenue accounts are under the budgeted amount for the first four months of the fiscal year by a net \$223,850 or 10.3%.
2. Advertising income shows revenue of \$17,509 due to a final payment from OBIE Media that was not budgeted.
3. Rent income is \$3,322 below budget due to the vacant restaurant space at Watsonville Transit Center during this period.
4. Sales tax income is under budget by \$308,838 or 5.9% for the first four months of the fiscal year. As reported last month, for the April – June 2003 sales period, sales tax revenue for the District was down by 4.3% from the same period one year ago, while the budget projected a 3.0% increase for the period.
5. FTA operating assistance for rural areas is over budget by \$19,003 or 41% because the District's allocation was increased over the original estimate.
6. Human Resources personnel expense is at 33.8% of the budget due to payment of administrative fees for the workers' compensation program.
7. Information Technology personnel expense is at 34.7% of the budget due to increased costs resulting from employee insurance coverage changes.
8. Retired employees/COBRA expense is at 35.4% of the budget because November medical premiums were included in the October report.
9. Customer Service non-personnel expense is at 35.4% of the budget due to the semi-annual printing of Headways.
10. Paratransit program expense is only at 18.7% of the budget because the October billing was not submitted by the contractor by the report deadline. If the October billing were included, expenses would be at 25% of the budget.
11. Overtime expense for Bus Operators is at 38.1% of the budget since significant overtime is currently required to cover shifts. A new class of Bus Operator trainees is being created to replace Bus Operators who have retired in the past few months.

12. Overtime expense for non-operators is at 45.7% of the budget due to shift coverage for Transit Supervisors on leave. Total Operations payroll is within budget.
13. Medical insurance expense is at 37.7% of the budget because November premiums were included in the October report.
14. Workers' Compensation expense is at 35.4% of the budget due to the number of claims paid out during October.
15. Printing expense is at 42.7% of the budget due to the semi-annual printing of Headways in the amount of \$13,118.

FY 03-04 BUDGET TRANSFERS
11/1/03-11/30/03

	ACCOUNT #	ACCOUNT TITLE	AMOUNT
TRANSFER # 04-003			
TRANSFER FROM:	504215-3100	Printing	\$ (295)
TRANSFER TO:	509011-3100	Dues & Subscriptions	\$ 295
REASON:	To cover account overrun in the Paratransit Program Department for FY 03-04 expenditures.		

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Steve Paulson, Paratransit Administrator

SUBJECT: METRO PARACRUZ PROGRAM STATUS MONTHLY UPDATE

I. RECOMMENDED ACTION

This report is for information only- no action requested

II. SUMMARY OF ISSUES

- The Board receives monthly reports on the status of the federally mandated ADA complementary paratransit program
- Operating Statistics reported are for the month of September 2003
- Cost reflects hourly rate increased by 4% over previous fiscal year.
- Revenue and subsidy figures reflect impact of fare increase.
- Eligibility/Recertification statistics reported are through November 30, 2003

III. DISCUSSION

Operating Statistics for the Month of September 2003

	This Sept	Last Sept	% Change	FYTD	Last FYTD	% Change
Cost	\$218,129.91	\$228,092.32	-4.37 %	\$625,976.93	\$681,662.43	-8.17 %
Revenue	\$24,009.00*	\$18,672.00	+28.58 %	\$68,763.00*	\$55,696.00	+23.46 %
Subsidy	\$194,120.91	\$209,420.32	-7.31 %	\$555,213.93	\$625,966.43	-10.98 %
Rides performed	8157	9541	-14.51 %	23,446	28,377	-17.38 %
Cost/ Ride	\$26.74	\$23.91	+11.86 %	\$26.70	\$24.02	+11.14 %
Productivity	1.987 rides per hour	2.137 rides per hour	-2.54%	1.9967 rides per hour	2.26 rides per hour	-1.11%

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

Performance Measures

	July	Aug	Sept	FYTD
Rides	7887	7402	8157	23,446
late pick ups (more than 20 minutes)	452	379	537	1368
% late	5.73%	5.12%	6.58%	5.83%
Picked up too early (more than 10 minutes)	252	271	327	850
Total rides not "on time"	704	650	864	2218
% "on time"	91.07%	91.22%	89.41%	90.54%
missed trips	2	5	5	12
Excessively late scheduled (more than 60 minutes)	14	4	15	33
Excessively late will call (more than 100 minutes)	4	3	11	18
total violation w/ \$50 penalty	20	12	31	63
Liquidated damages	\$1,000	\$600	\$1,500	\$3,150

Eligibility Certification/ Recertification

Of the original 10, 052 paper applicants, there are fewer than 1000 persons left to notify for assessment. The recertification project should be completed before the end of the fiscal year.

Number of new applicants assessed since August 1, 2002: 1569. Of those, 1443 have been approved for some level of eligibility.

Number of recertification assessments completed: 1347. Of those, 1291 have been approved for some level of eligibility

IV. FINANCIAL CONSIDERATIONS

none

V. ATTACHMENTS

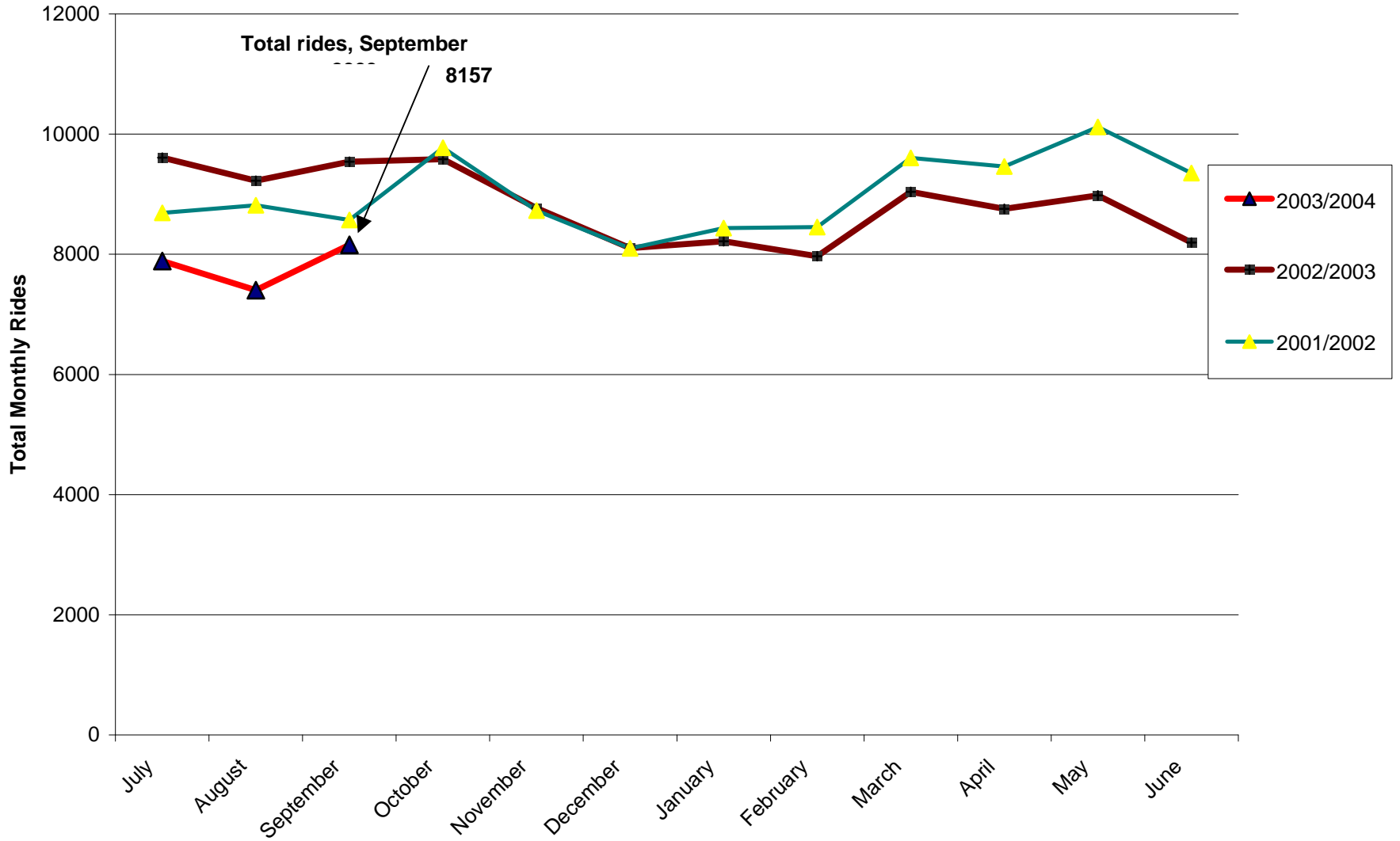
Attachment A: METRO ParaCruz Rides by Month

Attachment B: METRO ParaCruz Cost by Month

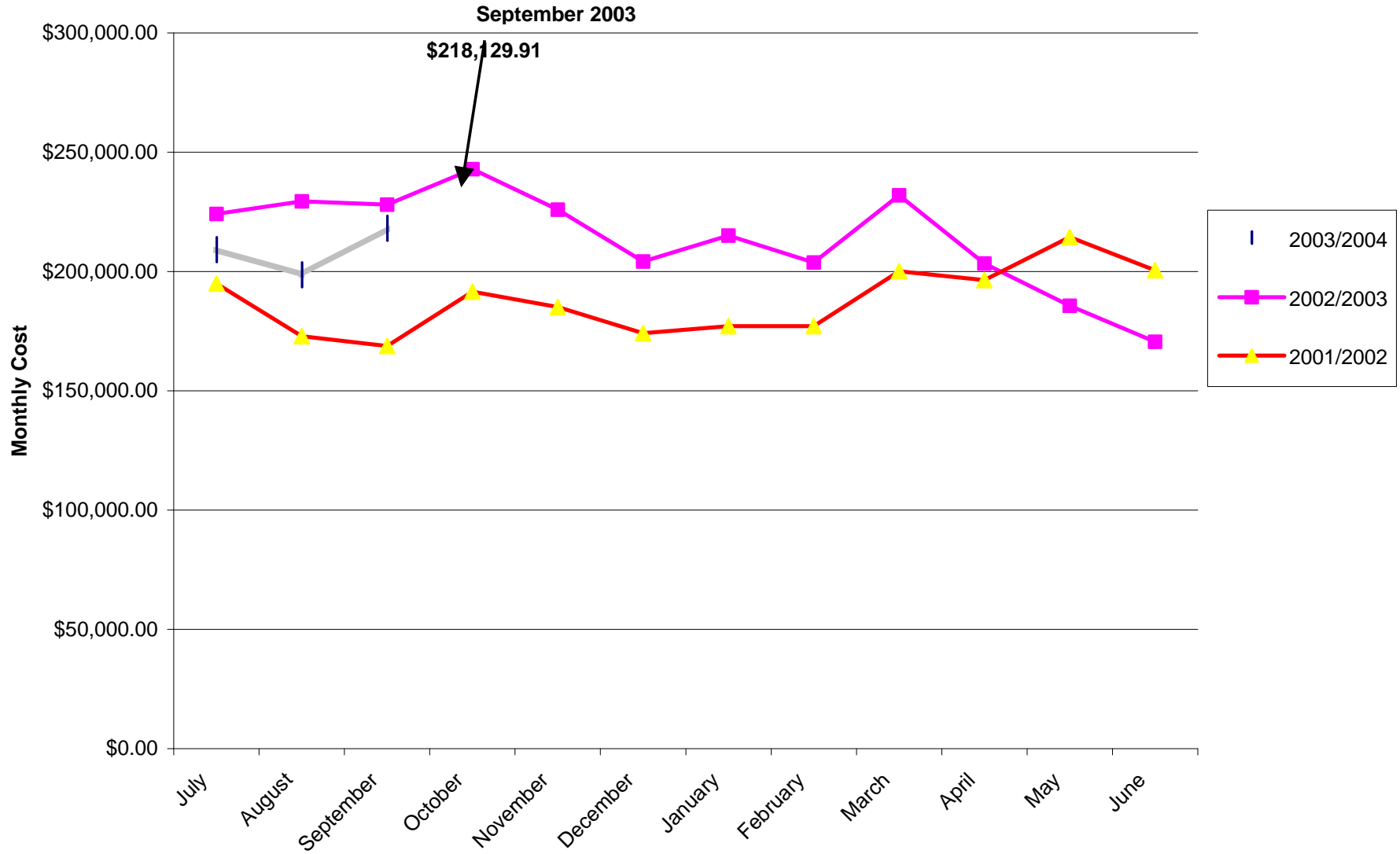
Attachment C: Recertification and New Applicant Eligibility Determinations

Attachment D: METRO ParaCruz Registrants by Month

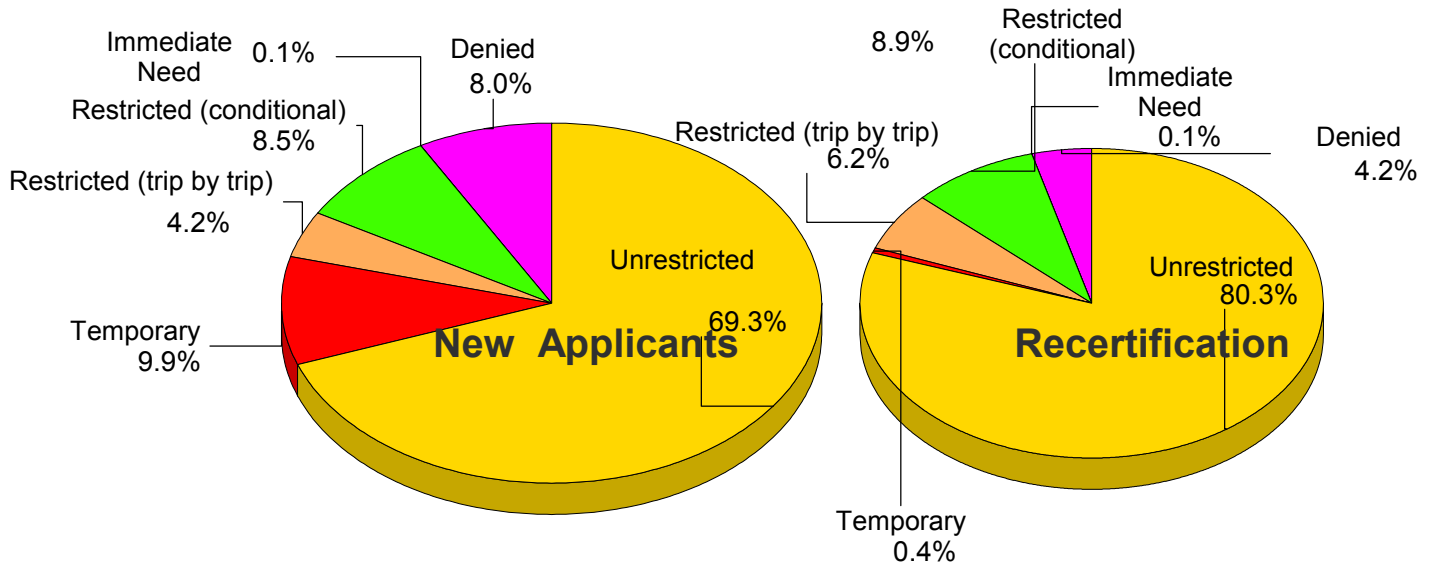
METRO ParaCruz Rides by Month



METRO ParaCruz Cost By Month



METRO ParaCruz Eligibility Determinations - Aug 1 02 through Nov 30 03



New Applicants

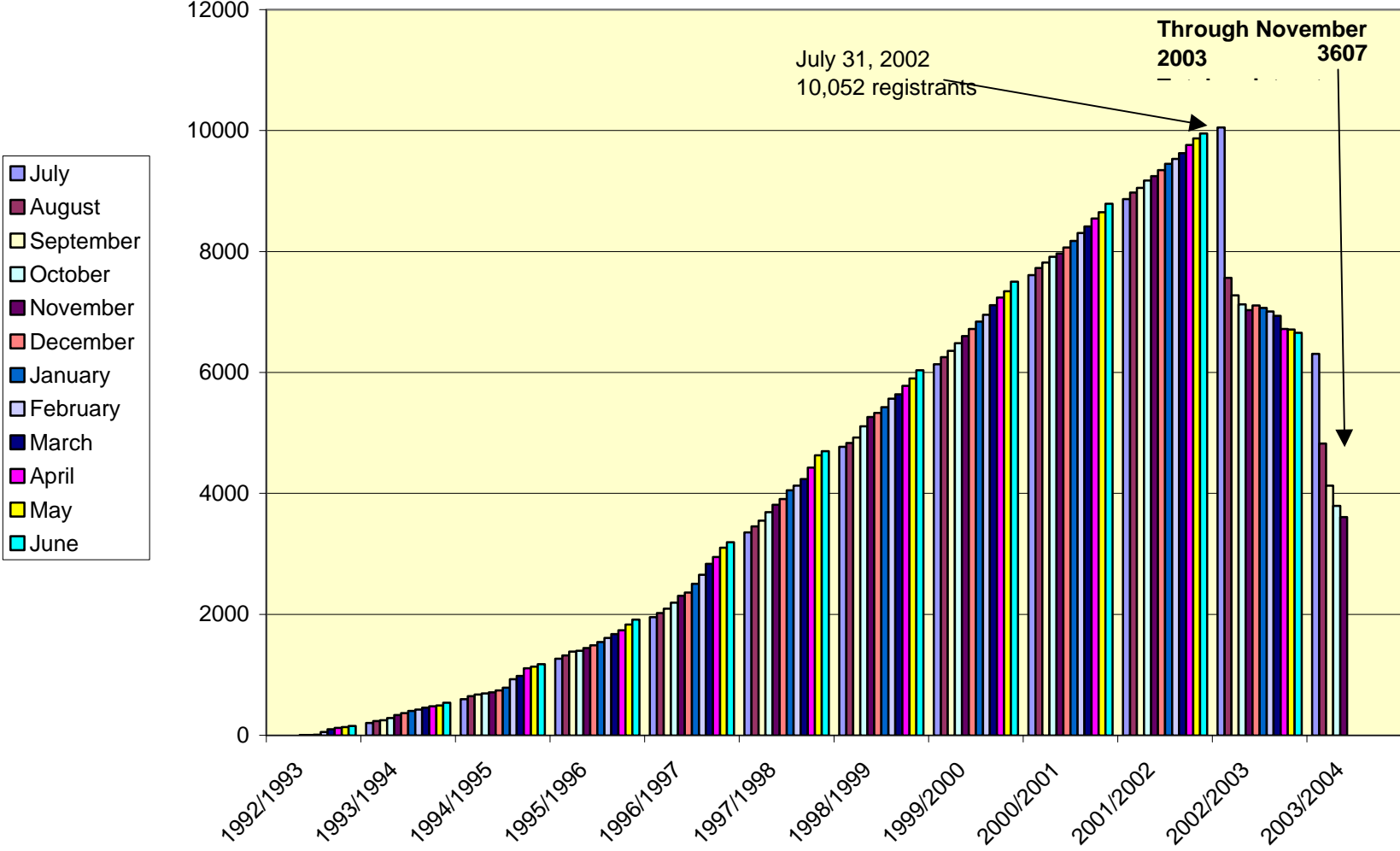
Unrestricted	1088
Temporary	155
Restricted (trip by trip)	66
Restricted (conditional)	133
Immediate Need	1
Denied	126
Group Total:	<u>1569</u>

Recertification

Unrestricted	1081
Temporary	6
Restricted (trip by trip)	83
Restricted (conditional)	120
Immediate Need	1
Denied	56
Group Total:	<u>1347</u>

Grand Total: 2915

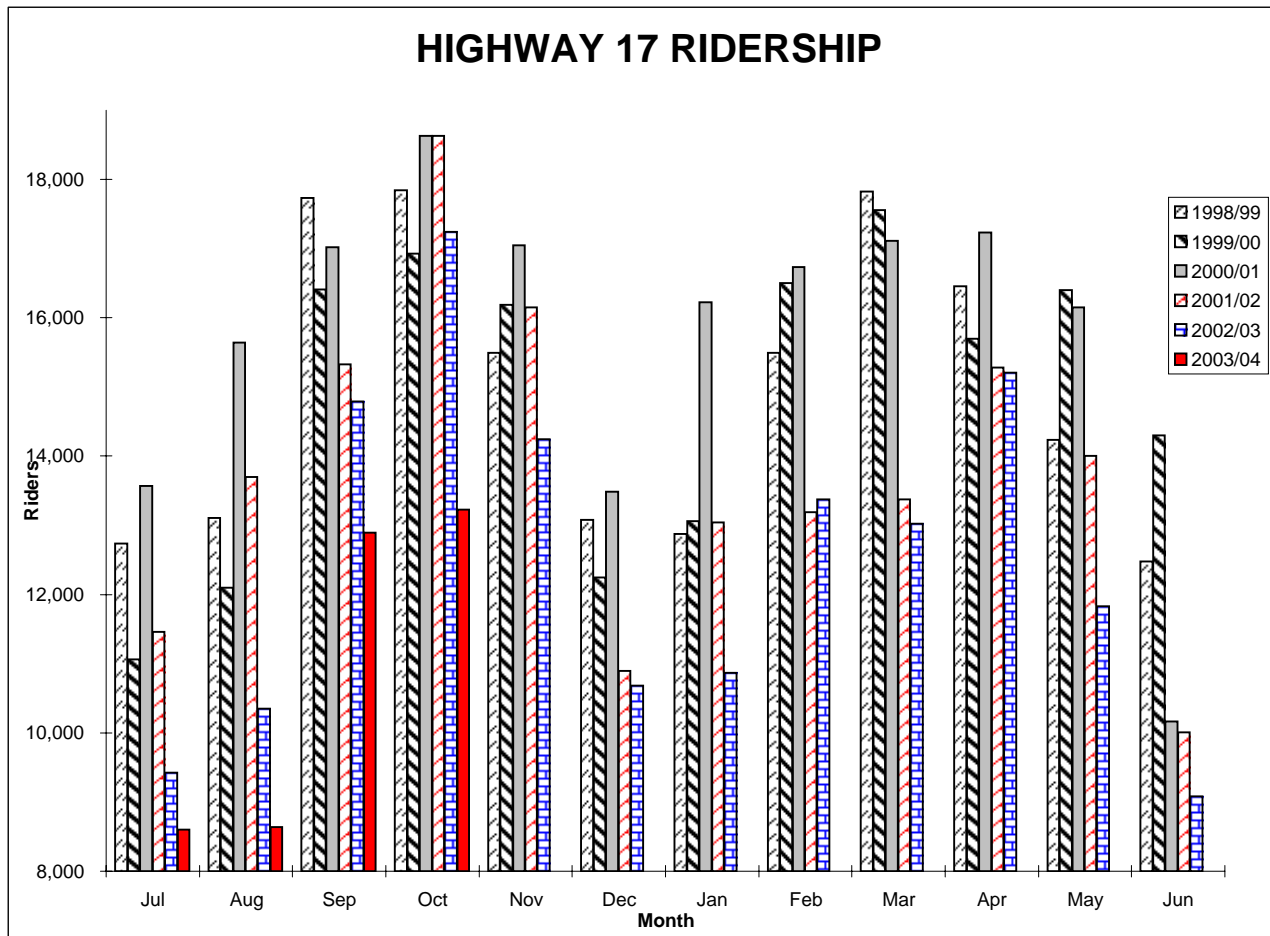
METRO ParaCruz Registrants



Growth by Month Since Inception

HIGHWAY 17 - NOVEMBER 2003

	November			YTD		
	2002/03	2001/02	%	2002/03	2001/02	%
FINANCIAL						
Cost	\$ 89,224	\$ 110,016	(18.9%)	\$ 337,500	\$ 416,146	(18.9%)
Farebox	\$ 32,021	\$ 37,819	(15.3%)	\$ 108,596	\$ 126,101	(13.9%)
Operating Deficit	\$ 54,604	\$ 67,237	(18.8%)	\$ 224,278	\$ 280,513	(20.0%)
Santa Clara Subsidy	\$ 27,302	\$ 33,618	(18.8%)	\$ 112,139	\$ 140,257	(20.0%)
METRO Subsidy	\$ 27,302	\$ 33,618	(18.8%)	\$ 112,139	\$ 140,257	(20.0%)
San Jose State Subsidy	\$ 2,599	\$ 4,960	(47.6%)	\$ 4,626	\$ 9,532	(51.5%)
STATISTICS						
Passengers	13,224	17,245	(23.3%)	43,361	51,813	(16.3%)
Revenue Miles	31,639	37,458	(15.5%)	119,677	141,689	(15.5%)
Revenue Hours	1,289	1,490	(13.5%)	4,876	5,638	(13.5%)
PRODUCTIVITY						
Cost/Passenger	\$ 6.75	\$ 6.38	5.8%	\$ 7.78	\$ 8.03	(3.1%)
Revenue/Passenger	\$ 2.42	\$ 2.19	10.4%	\$ 2.50	\$ 2.43	2.9%
Subsidy/Passenger	\$ 4.33	\$ 4.19	3.3%	\$ 5.28	\$ 5.60	(5.7%)
Passengers/Mile	0.42	0.46	(9.2%)	0.36	0.37	(0.9%)
Passengers/Hour	10.26	11.57	(11.3%)	8.89	9.19	(3.2%)
Recovery Ratio	35.9%	34.4%	4.4%	32.2%	30.3%	6.2%



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003
TO: Board of Directors
FROM: Bryant J. Baehr, Manager of Operations
SUBJECT: UNIVERSITY OF CALIFORNIA - SANTA CRUZ SERVICE UPDATE

I. RECOMMENDED ACTION

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

II. SUMMARY OF ISSUES

- Student billable trips for October 2003 increased by 13.7% versus October 2002. Year to date student billable trips have decreased by (.01%).
- Faculty / staff billable trips for October 2003 increased by 29.5% versus October 2002. Year to date faculty / staff billable trips have increased by 21.4%.
- Revenue received from UCSC for October 2003 was \$** versus \$**.

	Billable Days	Faculty/Staff Ridership	Student Ridership	Monthly Increase - (Decrease) Student	Monthly Increase - (Decrease) Faculty-Staff
This Year	23	15,321	223,719	13.7%	29.5%
Last Year	23	11,835	196,739		

** Cost calculations are unavailable at this time. The Board of Directors is considering amending the agreement between the Transit District and UCSC retroactive to October 2003.

III. DISCUSSION

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

- Student billable trips for the month of October 2003 were 223,719 vs. 196,739 for October 2002 an increase of 13.7%.
- Faculty / staff billable trips for the month of October 2003 were 15,321 vs. 11,835 for October 2002 an increase of 29.5%.
- Year to date Student billable trips decreased by (.01%) and faculty / staff billable trips increased by 21.4%.

IV. FINANCIAL CONSIDERATIONS

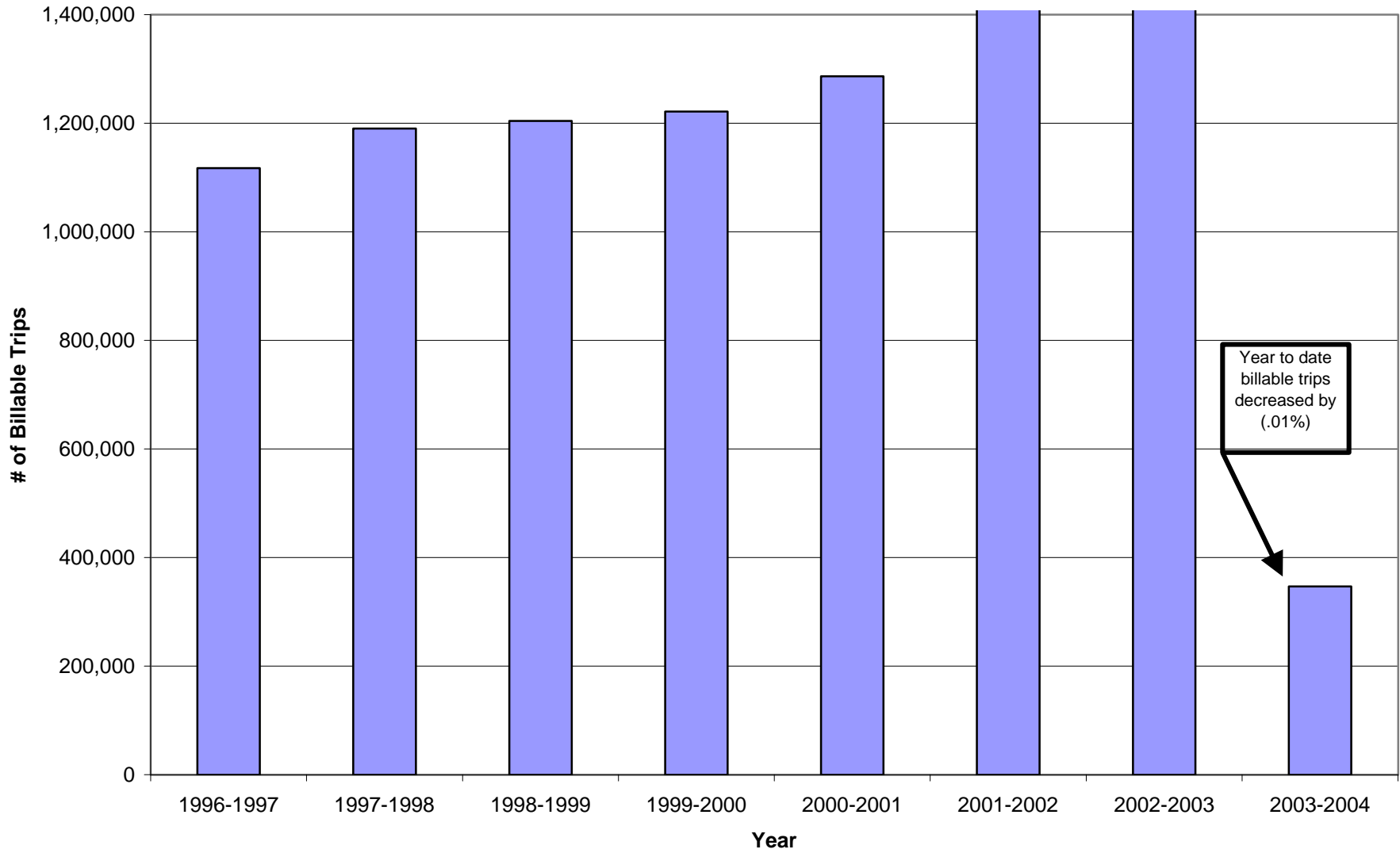
NONE

V. ATTACHMENTS

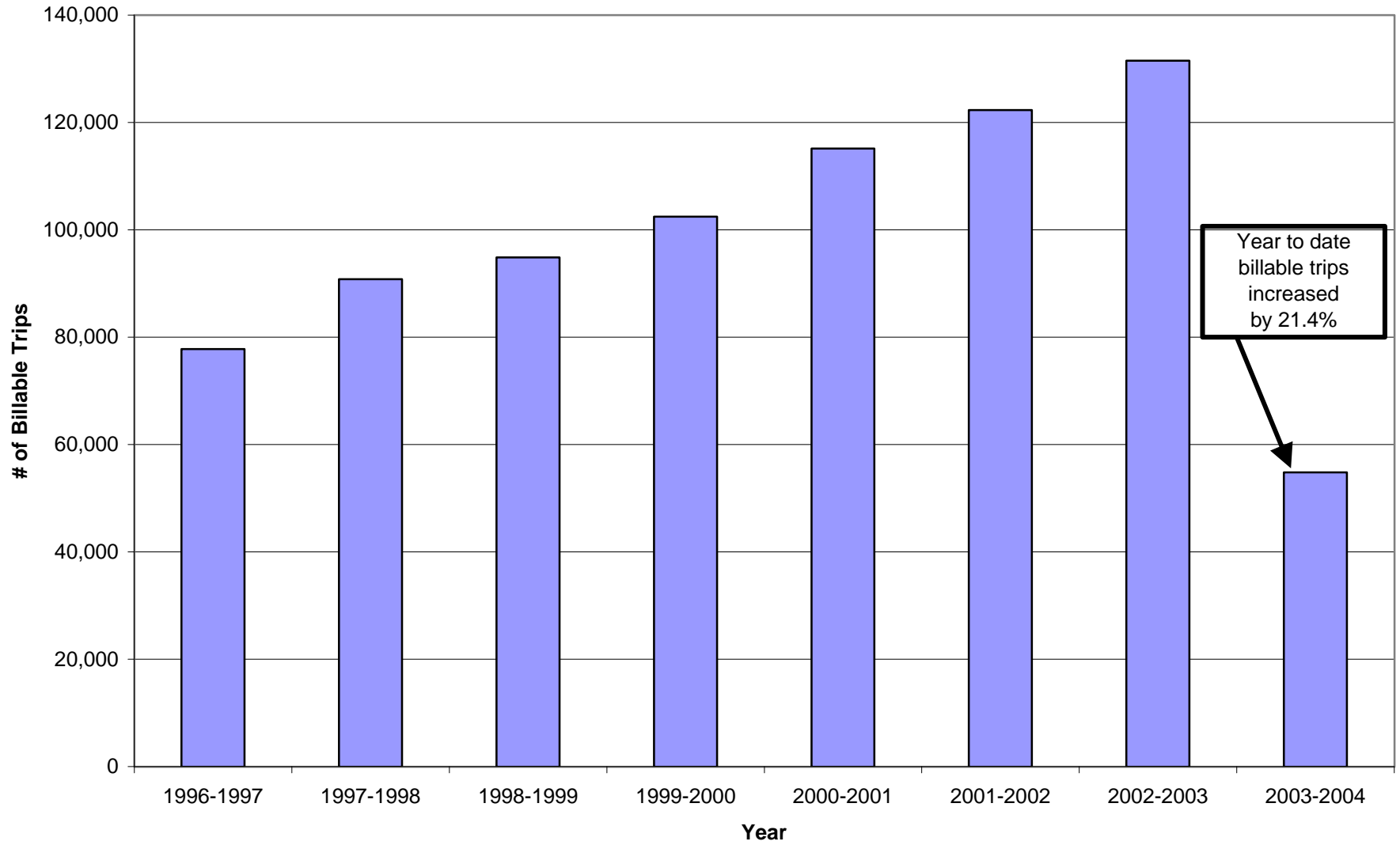
Attachment A: UCSC Student Billable Trips

Attachment B: UCSC Faculty / Staff Billable Trips

UCSC Student Billable Trips



UCSC Faculty / Staff Billable Trips



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: METROBASE PROJECT STATUS REPORT

I. RECOMMENDED ACTION

That the Board of Directors accept the status report on the MetroBase project.

II. SUMMARY OF ISSUES

- The MetroBase Project is currently proceeding in accordance with the schedule attached to this Staff Report, which is the schedule for the RNL Design Contract.
- RNL Design continues to work on the design process with the major activity this month being a Peer Review.
- The City of Santa Cruz is continuing to work on the real estate acquisition and relocation phase of the project.
- The desired Project Manager candidate declined the job offer and we are re-advertising the position.

III. DISCUSSION

The MetroBase Project is proceeding as per the attached timeline (Attachment A). The format of the chart has changed to reflect the timeline and events that are contained in the RNL Design Contract. Using this document will allow the Board to directly track the future progress of the project and the architect's compliance. RNL Design is progressing on schedule at this point in the process.

The major project this month is the Peer Review Process. On December 11th, a full day session will be held with the Architect and the Maintenance Design Consultant and representatives from four (4) transit systems. The purpose of this process is to get input from transit professionals that have built facilities. They will provide a check as to the concepts being designed prior to getting too far along in the design process. These types of reviews provide valuable insight and can provide a fresh look at the plans and either recommend new approaches or call planned approaches into question. The agencies that are providing assistance to Santa Cruz METRO in this process are: Culver City Bus, Norwalk Transit System, SAMTRANS, and VTA.

In the next month, RNL will be providing a final report on the Phase II Study and will be making a presentation to the Board of Directors at the January Meeting. Additionally, they will provide a status update on the design at that time.

The desired candidate for the Project Manager declined the job offer. As a result, the committee that did the interviews felt it was desirable to re-advertise the position.

The City continues to work on the real estate acquisition and relocation aspects of the project. No significant issues have surfaced during this past month.

IV. FINANCIAL CONSIDERATIONS

No actions have taken place during the reporting period that have changed the financial status of the MetroBase project.

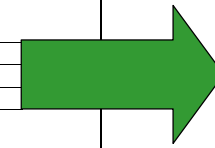
V. ATTACHMENTS

Attachment A: MetroBase Project Schedule

Santa Cruz Metropolitan Transit District
Metro Base



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



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

NOTICE OF ACTION TAKEN IN CLOSED SESSION MEMORANDUM

DATE: December 12, 2003

TO: Board of Directors

FROM: Margaret Gallagher, District Counsel

SUBJECT: Notification Of Actions Taken In Closed Session Regarding The Following Claim
On The Date Indicated: Settlement with Neil Bailey on August 8, 2003

Settlement with Neil Bailey

On August 8, 2003, in closed session you authorized a settlement in the amount of ten thousand dollars (\$10,000.00), for workers' compensation claims filed by Neil Bailey against Santa Cruz Metropolitan Transit District.

The following directors authorized the settlement: Directors Ainsworth, Almquist, Hinkle, Keogh, Ventura-Phares, Reilly, Rotkin and Spence. Directors Beautz, Norton and Tavantzis were absent.

Pursuant to this direction, Mr. Bailey accepted a Compromise and Release in the amount of \$10,000.00 in new monies. This has settled all Mr. Bailey's claims and includes all further benefits, future medical or filing of any new and further claims.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003
TO: Board of Directors
FROM: Robyn Slater, Interim Human Resources Manager
SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors recognize the anniversaries of those District employees named on the attached list and that the Chairperson present them with awards.

II. SUMMARY OF ISSUES

- None.

III. DISCUSSION

Many employees have provided dedicated and valuable years to the Santa Cruz Metropolitan Transit District. In order to recognize these employees, anniversary awards are presented at five-year increments beginning with the tenth year. In an effort to accommodate those employees that are to be recognized, they will be invited to attend the Board meetings to receive their awards.

IV. FINANCIAL CONSIDERATIONS

None.

V. ATTACHMENTS

Attachment A: Employee Recognition List

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EMPLOYEE RECOGNITION

TEN YEAR

None

FIFTEEN YEARS

Craig L. Craig, Mechanic II

TWENTY YEARS

None

TWENTY-FIVE YEARS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003
TO: Board of Directors
FROM: Elisabeth Ross, Finance Manager
SUBJECT: RESOLUTION AMENDING FY 03-04 BUDGET

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors adopt the attached resolution amending the FY 03-04 budget in accordance with Exhibit A.

II. SUMMARY OF ISSUES

- As a result of projected major decreases in operating funding and required adjustments to operating expenses, the operating budget is recommended to be decreased by a net \$665,000 for a new total of 32,055,000.
- The projected operating revenue shortfall is a result of decreases in three revenue sources: interest income, sales tax revenue and Transportation Development Act (TDA) funding.
- The District's interest rate at the County remains low, requiring a decrease in expected interest income by \$10,000.
- The District's sales tax revenue was down 4.3% for the first quarter of the fiscal year. Staff had projected a 3.0% increase for this period. Advance payments for the second quarter are also down, so the District's sales tax revenue projections should be reduced by \$350,000.
- The Santa Cruz County Regional Transportation Commission has reduced the District's Transportation Development Act (TDA) allocation to an amount \$55,165 below the District's budgeted amount, necessitating a reduction in that revenue source.
- Several adjustments for various revenue sources are also necessary, some of which correspond to reductions in expense.
- A number of expense adjustments are required at this time, as delineated in Attachment A. To fund the revenue shortfall, a number of expense reductions have been identified. However, no staffing reductions are proposed.
- Updating the capital improvement program results in a net increase of \$40,370. The revised capital improvement program totals \$16,276,024.

III. DISCUSSION

A. Operating Revenue

The detailed list of changes to the FY 03-04 operating revenues is shown on Attachment A, Exhibit A, following the budget resolution. The revised operating budget totals \$32,055,000.

1. Operating Revenue Shortfall

The projected operating revenue shortfall is primarily a result of decreases in three revenue sources: interest income, sales tax revenue and Transportation Development Act (TDA) funding.

Interest Income

Under State law, the District's investments are handled by the County Treasurer. The funds are pooled to maximize interest income. Staff budgeted interest income at an interest rate of 1.55% in July, and 1.60% in August, September and October, gradually increasing to 1.8% in March. However, the interest rate is still at 1.34% in October. The rate is anticipated to remain low as a result of the current economic conditions, requiring a decrease in expected interest income of \$10,000.

Sales Tax Revenue

The District's sales tax revenue was below budget for the first quarter of the fiscal year or 4.3% below the same period one year ago. Staff had projected a 3.0% increase for this period. In addition, the advance payments by the State for the next quarter are slightly below budget.

To match the District's actual sales tax receipts for the year to date through November, the District's sales tax revenue projections should be reduced. Staff is proposing that sales tax revenue be reduced at this time by \$350,000. The next sales tax report will be available in late December.

TDA Funding

The Santa Cruz County Regional Transportation Commission (SCCRTC) has reduced the District's Transportation Development Act (TDA) allocation to an amount \$55,165 below the District's budgeted amount, necessitating a reduction in that revenue source.

2. Other Revenue Adjustments

The District entered into a new service contract with Cabrillo College after the final budget was adopted in June. Special transit fares for Cabrillo had been zeroed out in the final budget, and \$172,000 was added to farebox revenue for trips by Cabrillo students. The \$172,000 has been moved out of farebox revenue and back into special transit fares in this revision.

December 19, 2003

Board of Directors

Page 3

Since no shuttle service was operated to Big Basin this summer, \$3,055 is being removed from operating revenue along with a corresponding \$3,055 from Bus Operator expense.

Highway 17 Express service hours were reduced last year; however, no corresponding reduction was made in the VTA/SCMTD shared subsidy for the service, which declines if service hours are decreased. Therefore, the subsidy is being reduced at this time by \$217,783, with a corresponding decrease in Bus Operator expense.

Staff is now projecting 103,000 trips for the paratransit program in the current year, a reduction of 17,000 trips from the final budget estimate. This translates into a reduction in fare revenue of \$51,000 at \$3.00 per trip.

Rent income at the Watsonville Transit Center must be reduced by \$12,600 at this time to reflect the vacancy in the former McDonald's restaurant space. Staff had hoped to fill the vacancy immediately, but rent on the space will not be collected until December 2003, and the monthly rent is less than the amount originally budgeted.

Rent paid by the Truck Drivers' Institute for Sakata Lane was increased this year, and staff is now assuming rent will be paid for the full year, instead of for six months, for a \$15,600 increase in this income source.

The District's allocation for FTA Section 5311 operating assistance for rural service was increased this year by \$19,003, so the new amount is reflected in the budget revision. This will assist in meeting the operating revenue shortfall.

B. Operating Expense

I. Required Expense Adjustments

Detailed expense adjustments are listed in Attachment A, Exhibit A. The expense changes required are as follows:

- Bus Operator pay is lower to reflect deletion of the Big Basin shuttle this summer.
- Bus Operator pay is lower to reflect a reduction in hours operated on the Highway 17 Express.
- Medical insurance is increased by \$67,481 to reflect higher premium caps per the SEIU labor agreement as of January 1, 2004, along with recent changes in dependent coverage initiated by employees.
- Dental insurance is increased by \$9,805 to reflect a new contract effective January 1, 2004.
- An audit of the workers' compensation program required by the new contract is estimated to cost \$7,000.

- Security service expense is expected to increase by \$50,000 as a result of a new contract now out to bid.

2. Balancing Actions

A total of \$129,345 in personnel expense reductions has been achieved through staff vacancies from July to December, and \$121,500 in non-personnel expense reductions have been proposed by the department managers. The detailed reductions are listed on Exhibit A.

Contract paratransit services have been reduced by \$327,603 based on program costs for the year to date.

C. Capital Improvement Program

Updating the capital improvement program results in a net increase of \$40,370. The changes consist of adding two carryover projects which were not completed in FY 02-03: Talking Bus and GIRO upgrade for Bus Operator scheduling. Also, \$10,000 from the Bus Stop Improvements project will be used for the China Grade turnout project. Federal funding and District reserves are increased to reflect the carryover projects.

The revised capital improvement program totals \$16,276,024.

IV. FINANCIAL CONSIDERATIONS

Adoption of the resolution with the budget revisions as presented will decrease the total FY 03-04 operating budget by \$665,000, and increase the capital improvement program by \$40,370.

V. ATTACHMENTS

Attachment A: Resolution Authorizing a Revision to the FY 03-04 Budget, followed by a list of specific changes (Exhibit 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 FY 03-04 BUDGET**

WHEREAS, it is necessary to revise the adopted FY 03-04 budget of the Santa Cruz Metropolitan Transit District to provide for changes in operating revenue, operating expense, and the capital improvement program.

NOW, THEREFORE, BE IT RESOLVED, the budget is hereby amended per the attached Exhibit A.

PASSED AND ADOPTED this 19th day of December, 2003, by the following vote:

AYES: Directors -

NOES: Directors -

ABSENT: Directors -

ABSTAIN: Directors -

Approved _____
Chairperson

Attest _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

Margaret Gallagher
District Counsel

**EXHIBIT A
RECOMMENDED BUDGET REVISIONS
FY 03-04
DECEMBER 2003**

	AMOUNT	TOTALS
<u>OPERATING REVENUE</u>		
<u>Revenue Shortfall:</u>		
Decrease interest income to reflect continued low interest rates	\$ (10,000)	
Reduce sales tax revenue to reflect actual year to date	\$ (350,000)	
Reduce TDA allocation to reflect decrease from SCCRTC	<u>\$ (55,165)</u>	
		\$ (415,165)
<u>Revenue Adjustments:</u>		
Reduce passenger fares to reflect new Cabrillo contract	\$ (172,000)	
Increase special transit fares to reflect new Cabrillo contract	\$ 172,000	
Reduce special transit fares to delete Big Basin shuttle	\$ (3,055)	
Adjust Hwy 17 fares subsidy to reflect fewer hours operated	\$ (217,783)	
Reduce paratransit fares to reflect new estimate of 103,000 trips	\$ (51,000)	
Reduce Wats TC rent income	\$ (12,600)	
Increase general rent income	\$ 15,600	
Increase FTA Sec 5311 - rural operating assistance	<u>\$ 19,003</u>	
		<u>\$ (249,835)</u>
TOTAL		\$ (665,000)

**EXHIBIT A
RECOMMENDED BUDGET REVISIONS
FY 03-04
DECEMBER 2003**

	DEPT	ACCOUNT	AMOUNT	TOTALS
<u>OPERATING EXPENSE</u>				
<u>Expense Adjustments from Revenue Reductions:</u>				
Decrease Bus Op pay for Big Basin shuttle	3300	501011	\$ (3,055)	
Decrease Bus Op pay for Hwy 17 Express	3300	501011	<u>\$ (217,783)</u>	
				\$ (220,838)
<u>Required Expense Increases:</u>				
Increase medical insurance to reflect higher caps as of 1/1/04 and coverage changes:				
- Admin	1100	502031	\$ 11,483	
- Finance	1200	502031	\$ 1,063	
- Customer Service	1300	502031	\$ 1,330	
- Human Resources	1400	502031	\$ 570	
- IT	1500	502031	\$ 13,885	
- Counsel	1700	502031	\$ 753	
- Facilities Maintenance	2200	502031	\$ 3,552	
- Paratransit	3100	502031	\$ 495	
- Operations	3200	502031	\$ 1,901	
- Fleet Maintenance	4100	502031	\$ 10,942	
- Retired Employees	9005	502031	<u>\$ 21,507</u>	
			\$ 67,481	
Increase dental insurance to reflect higher premiums as of 1/1/04:				
- Admin	1100	502041	\$ 243	
- Finance	1200	502041	\$ 153	
- Customer Service	1300	502041	\$ 200	
- Human Resources	1400	502041	\$ 107	
- IT	1500	502041	\$ 100	
- Counsel	1700	502041	\$ 161	
- Facilities Maintenance	2200	502041	\$ 505	
- Paratransit	3100	502041	\$ 50	
- Operations	3200	502041	\$ 646	
- Bus Operators	3300	502041	\$ 4,715	
- Fleet Maintenance	4100	502041	\$ 1,641	
- Retired Employees	9005	502041	<u>\$ 1,284</u>	
			\$ 9,805	
Add workers comp audit required by new contract	1400	502081	\$ 7,000	
Increase security services	3200	503171	<u>\$ 50,000</u>	
				\$ 134,286

**EXHIBIT A
RECOMMENDED BUDGET REVISIONS
FY 03-04
DECEMBER 2003**

	DEPT	ACCOUNT	AMOUNT	TOTALS
<u>Expense Reductions to Meet Revenue Shortfall and Expense Increases:</u>				
Decrease other salaries due to vacancies to date:				
- Customer Service	1300	501021	\$ (5,916)	
- Counsel	1700	501021	\$ (8,708)	
- Fleet Maintenance	4100	501021	\$ (100,644)	
			\$ (115,268)	
Decrease CalPERS expense due to vacancies to date:				
- Customer Service	1300	502021	\$ (479)	
- Counsel	1700	502021	\$ (1,557)	
- Operations	3200	502021	\$ (3,900)	
- Fleet Maintenance	4100	502021	\$ (8,141)	
			\$ (14,077)	
Reduce contract paratransit services in Ops based on year to date actual	3100	503406	\$ (327,603)	
Reduce expenses within departments:				
- Reduce sales tax admin fees in Finance	1200	503012	\$ (8,000)	
- Reduce prof/tech services in Customer Service	1300	503031	\$ (8,000)	
- Reduce graphics services in Customer Service	1300	503225	\$ (15,000)	
- Reduce photo supplies in Customer Service	1300	504217	\$ (2,000)	
- Reduce parking permit cost in Customer Service	1300	507021	\$ (1,000)	
- Reduce media advertising in Customer Service	1300	509081	\$ (1,500)	
- Delay security audit in IT	1500	503171	\$ (4,000)	
- Delay employee computer training in IT	1500	509121	\$ (2,000)	
- Reduce tires and tubes expense in Fleet	4100	504021	\$ (10,000)	
- Reduce revenue vehicle parts expense in Fleet	4100	504191	\$ (70,000)	
			\$ (121,500)	
				\$ (578,448)
TOTAL				\$ (665,000)

**EXHIBIT A
RECOMMENDED BUDGET REVISIONS
FY 03-04
DECEMBER 2003**

	DEPT	AMOUNT	TOTALS
<u>CAPITAL FUNDING</u>			
Increase Federal funding for carryover of Talking Bus Project		\$ 7,200	
Increase District reserves for carryover projects		<u>\$ 33,170</u>	
TOTAL			\$ 40,370
<u>CAPITAL PROJECTS</u>			
Add carryover of Talking Bus project to reflect system review and improvements		\$ 9,000	
Reduce Bus Stop Improvements		\$ (10,000)	
Add China Grade turnout project		\$ 10,000	
Add carryover of GIRO IT project		<u>\$ 31,370</u>	
TOTAL			\$ 40,370

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Elisabeth Ross, Finance Manager

SUBJECT: ACCEPTANCE OF FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR FOR YEAR ENDING JUNE 30, 2003

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ending June 30, 2003.

II. SUMMARY OF ISSUES

- The financial statements and report of the independent certified public accountants (Attachment A) present the District's financial position at June 30, 2003, with a comparison to the position at June 30, 2002. The auditors have found that the District's financial statements present fairly the financial position of the District.
- The auditors found the District to be in compliance with the financial reporting requirements for grants and other financial assistance.
- In the schedule of findings and questioned costs, the auditors had no new findings.
- Note 5 in the financial statements shows the District's total available net assets and the amounts designated for various funds.
- Five recommendations are identified in Attachment C which are intended to improve the District's internal control structure.

III. DISCUSSION

The firm of Brown Armstrong has provided an "unqualified" opinion on the District's financial statements based on its audit (page 1 of the document in Attachment A). This type of opinion is the highest level of opinion, and indicates that the financial statements are consistent with generally accepted accounting principles for governments in all material respects.

While the financial statements describe the District's financial position in detail, this year the District is required to include a section called "Management Discussion and Analysis" (pages 3-6) which presents highlights of the financial statements. Also, the required format of the

financial statements is different this year. Brown Armstrong restated the prior year figures to conform to the new format allowing a comparative analysis between 2003 and 2002.

The District's total net assets are \$44,630,623 at June 30, 2003 (page 8), up \$7,381,863 from the prior year. The statements of revenues and expenses (page 9) indicate a net loss in the amount of \$5,380,130 for the year ending June 30, 2003. While operating revenue (fares) and sales tax revenue remained fairly stable, Transportation Development Act (TDA) funding and interest income decreased from the prior year.

The statements of operating expenses (page 24) indicate that the District's total operating expenses increased by \$2,062,164 or 6.5% from the prior year. The largest changes in operating expense are a \$549,354 increase in workers compensation expense (44%), a \$326,046 decrease in vehicle parts (-45%) due to the arrival of new buses, and a \$492,377 increase in casualty and liability costs (178%).

The balance sheets (pages 7-8) provide an overall summary of the District's position. To determine the amount of available net assets for cash flow and funding capital projects for the next five years, staff has worked with the auditors to develop the schedule in Note 5 (Page 13). At June 30, 2003, this schedule shows total available net assets of \$15,687,117, comprised of a cash flow reserve of \$2,600,000, a workers compensation reserve of \$1,320,000, an insurance reserve of \$770,000, an alternative fuel conversion fund of \$462,000, a bus stop improvement reserve of \$400,000 and \$13,350,000 for the District's share of approved capital projects. This leaves a deficit balance of \$3,214,883 in available net assets which means the five year capital improvement program is not fully funded.

In the schedule of findings and questioned costs (pages 32-33), the auditors had no new findings.

Attachment B is a standard letter that the auditors are required to prepare addressing certain topics. The letter defines their responsibilities, significant accounting policies, and significant audit adjustments. In the letter they also reported that they had no disagreements with management or difficulties performing the audit.

Attachment C is a letter from Brown Armstrong, containing five agreed-upon findings to improve the internal control structure. Each recommendation is followed by management's response. Also shown is the status of the three findings from the prior year.

I would like to recognize Marilyn Fenn, Assistant Finance Manager, for her efforts in coordinating this year's audit with the team from Brown Armstrong. It was the third year of the contract with Brown Armstrong and the process went smoothly and quickly. Our supervising auditor at Brown Armstrong told me that our organization is one of the most organized and efficient transit systems that they audit.

IV. FINANCIAL CONSIDERATIONS

There is no fiscal impact from the Board's acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA) payments from the Santa Cruz County Regional Transportation Commission, the final audit must be submitted to the Commission.

V. ATTACHMENTS

Attachment A: Financial Statements and Reports of Independent Certified Public Accountants for the years ending June 30, 2003 and 2002

Attachment B: Letter from Brown Armstrong

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

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

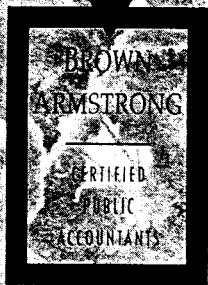
**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2003 AND 2002

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
JUNE 30, 2003 AND 2002

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of June 30, 2003 and 2002, as listed in the table of contents. These basic financial statements are the responsibility of the Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Santa Cruz Metropolitan Transit District, as of June 30, 2003 and 2002, and the results of its operations and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.


As described in Note 1, the District implemented Governmental Accounting Standard's Board Statement 34, Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments, Statement 36, Recipient Reporting for Certain Shared Nonexchange Revenues (an amendment of GASB Statement 33); Statement 37, Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments, Omnibus; and Statement 38, Certain Financial Statement Note Disclosures.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 13, 2003 on our consideration of the Santa Cruz Metropolitan Transit District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 3 through 6 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Santa Cruz Metropolitan Transit District, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. The accompanying statements of operating expenses by function are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK & KEETER
ACCOUNTANCY CORPORATION



Bakersfield, California
August 13, 2003

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)
JUNE 30, 2003 AND 2002**

Introduction

The following discussion and analysis of the financial performance and activity of the Santa Cruz Metropolitan Transit District (the District) provide an introduction and understanding of the basic financial statements of the District's for the year ended June 30, 2003 with selected comparative information for the year ended June 30, 2002. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

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

The Financial Statements

For the fiscal year ended June 30, 2003, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion & Analysis – for State and Local Governments* as amended by GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus* and GASB Statement No. 38, *Certain Financial Statements Note Disclosures* and has applied those statements on a retroactive basis. GASB Statement No. 34 establishes the accounting and financial reporting standards for state and local governments, including special-purpose governments such as the District. GASB Statement No. 38 modifies, establishes, and rescinds certain financial statement disclosure requirements.

The District's basic financial statements include (1) the *Statements of Net Assets*, (2) the *Statements of Revenues, Expenses and Changes in Fund Net Assets*, and (3) the *Statements of Cash Flows*. The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

Significant Changes to the Financial Statements

The Statement of Net Assets replaces the Balance Sheet. The Statement of Net Assets reports assets, liabilities and the difference as net assets. The entire equity section is combined to report total net assets and is displayed in three components - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The net asset component *invested in capital assets, net of related debt*, consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings attributable to the acquisition, construction or improvements of those assets.

Restricted net assets consist of assets where constraints on their use are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of restricted or invested in capital assets, net of related debt. This net asset component includes net assets that have been designated by management for specific purposes which in the case of the District include assets allocated to fund capital projects, reserves for self-insurance and other liabilities, and reserves for cash flow, which indicate that management does not consider them to be available for general operations (See Note 5).

Statement of Revenues, Expenses and Changes in Fund Net Assets replaces the Statement of Revenues and Expenses. Revenues and expenses are now categorized as either operating or nonoperating based upon the definitions provided by GASB Statements No. 33 and No. 34. Significant recurring sources of the District's revenues, such as capital contributions, are reported as nonoperating revenues.

Statements of Cash Flows is presented using the direct method and includes a reconciliation of operating cash flows to operating income.

Financial Highlights

Statement of Revenues, Expenses and Change in Fund Net Assets

A summary of the District's Statements of Revenues, Expenses and Changes in Fund Net Assets for fiscal years 2003 and 2002 is as follows:

	2003	2002	Increase/(Decrease)	
			Amount	%
Operating revenues	\$ 5,898,305	\$ 5,969,670	\$ (71,365)	(1%)
Operating expenses	(33,673,928)	(31,611,764)	(2,062,164)	7%
Operating loss	(27,775,623)	(25,642,094)	(2,133,529)	9%
Nonoperating revenues (expenses)	22,395,493	22,992,315	(596,822)	(3%)
Capital contributions	12,761,993	1,975,508	10,786,485	546%
Increase (decrease) in net assets	<u>\$ 7,381,863</u>	<u>\$ (674,271)</u>	<u>\$ 8,056,134</u>	1194%

The combined operating and non-operating revenues for fiscal year 2003 and 2002 decreased by approximately \$668,187 and \$1.9 million, respectively. The failure of the economy to recover quickly in 2003 and 2002 had a negative impact on the District's two main sources of operating revenues - passenger revenue and sales tax/TDA as well as on our main source of non-operating revenue - interest income. The decrease in passenger revenues are due to a decline in system ridership; the decreases in sales tax/TDA are due to a decline in consumer spending; and the decreases in interest income are due to a combination of the decline in interest rates during 2003 and 2002 and the reduction in the District's general fund balance (the source of interest income) since reserves were expended for acquisition of capital assets and to cover operating revenue shortfalls.

Selected revenue decreases, change from prior year:

	2003	2002
Passenger revenue	\$ (71,365)	\$ (58,698)
Sales tax/TDA revenue	\$ (734,208)	\$ (1,260,654)
Interest income	\$ (336,879)	\$ (514,069)

Operating expenses, net of depreciation, for fiscal year 2003 were approximately \$29.3 million, a net increase over 2002 of \$210,379 or 1%. The increase results primarily from a \$310,000 net increase in employees' salaries, wages and benefits. The increase in salaries is due to contractual pay increases in 2003 in compliance with the labor agreements.

The depreciation expense increased by \$1.8 million from \$2.5 million in 2002 to \$4.3 million in 2003 due to depreciation on new equipment, vehicles and buses purchased during the year.

An increase or decrease in net assets is an indicator of whether the District's financial health is improving or deteriorating. For the fiscal years ended June 30, 2003 and 2002, the District's net assets changed by \$7.3 million in 2003 and (\$674,271) in 2002, respectively. The increase in 2003 is due to federal, state and local capital contributions for acquisition of assets.

Statement of Net Assets

A comparison of the District's Statements of Net Assets as of June 30, 2003 and 2002 is as follows:

	2003	2002	Increase/(Decrease)	
			Amount	%
Current assets	\$ 23,256,699	\$ 26,229,745	\$ (2,973,046)	(11%)
Noncurrent assets - capital assets, net	30,922,252	20,636,417	10,285,835	50%
Noncurrent assets - restricted	8,025,961	6,860,597	1,165,364	17%
Total assets	\$ 62,204,912	\$ 53,726,759	\$ 8,478,153	16%
Current liabilities	\$ 6,678,488	\$ 6,747,562	\$ (69,074)	(1%)
Noncurrent liabilities	10,895,801	9,730,437	1,165,364	12%
Total liabilities	\$ 17,574,289	\$ 16,477,999	\$ 1,096,290	7%
Net assets:				
Invested in capital assets, net of debt	\$ 30,922,252	\$ 20,636,417	\$ 10,285,835	50%
Unrestricted net assets	13,708,371	16,612,343	(2,903,972)	(17%)
Total net assets	\$ 44,630,623	\$ 37,248,760	\$ 7,381,863	20%

Capital Assets

As of the end of fiscal year 2003, the Districts capital assets, before accumulated depreciation, increased by \$13 million. The major additions during the year included purchases of new revenue vehicles; support vehicles; equipment; construction of a CNG fueling station; and CNG maintenance facility improvements.

Details of the capital assets, net of accumulated depreciation, as of June 30, 2003 and 2002 are as follows:

	2003	2002	Increase/(Decrease)	
			Amount	%
Buildings and improvements	\$ 10,419,320	\$ 10,083,303	\$ 336,017	3%
Transportation Vehicles	32,275,993	20,193,225	12,082,768	60%
Operations Equipment	2,685,368	2,035,645	649,723	32%
Other Equipment	2,574,306	2,544,367	29,939	1%
Other Vehicles	892,920	793,543	99,377	13%
Land	3,763,502	3,763,502		
Construction in progress	83,883	175,648	(91,765)	(52%)
Total	52,695,292	39,589,233	13,106,059	33%
Less Accumulated Depreciation	(21,773,040)	(18,952,816)	(2,820,224)	15%
Net Total	\$ 30,922,252	\$ 20,636,417	\$ 10,285,835	50%

Statement of Cash Flows/Cash Investments

Overall, the total cash and investments held by the District at the end of the year decreased by \$1.37 million from \$28.3 million in 2002 to \$26.9 million in 2003. The decrease in cash and investments is primarily due to the acquisition of capital assets including revenue and support vehicles and facility construction, which required use of District reserves for the District share of the grant-funded projects.

A comparative presentation of the major sources and uses of cash for 2003 and 2002 follows:

	<u>2003</u>	<u>2002</u>
Net cash used in operating activities	\$ (23,340,749)	\$ (23,681,897)
Net cash provided by noncapital financing activities	22,177,595	22,982,698
Net cash used in capital and related financing activities	(751,254)	(1,624,388)
Net cash provided by investing activities	<u>544,669</u>	<u>881,961</u>
Net increase (decrease) in cash and cash equivalents	(1,369,739)	(1,441,626)
Cash and cash equivalents, beginning of year	<u>28,262,303</u>	<u>29,703,929</u>
Cash and cash equivalents, end of year	<u>\$ 26,892,564</u>	<u>\$ 28,262,303</u>

Contacting the District's Financial Management

The District's financial report is designed to provide the District's Board of Directors, management, and public with an overview of the District's finances. For additional information about this report, please contact Elisabeth Ross, Finance Manager, at 370 Encinal Street, Suite 100, Santa Cruz, CA 95060.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF NET ASSETS
JUNE 30, 2003 AND 2002

<u>ASSETS</u>	<u>2003</u>	<u>2002</u>
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 18,866,603	\$ 21,401,706
Sales Tax and Other Receivables	3,499,002	3,927,938
Inventory	814,045	862,599
Prepays	77,049	37,502
Total Current Assets	23,256,699	26,229,745
RESTRICTED ASSETS		
Cash and Cash Equivalents	8,025,961	6,860,597
PROPERTY AND EQUIPMENT		
Building and Improvements	10,419,320	10,083,303
Transportation Vehicles	32,275,993	20,193,225
Operations Equipment	2,685,368	2,035,645
Other Equipment	1,279,607	1,243,396
Other Vehicles	892,920	793,543
Office Equipment	1,294,699	1,300,971
Less Accumulated Depreciation	48,847,907 (21,773,040)	35,650,083 (18,952,816)
	27,074,867	16,697,267
Construction in Progress	83,883	175,648
Land	3,763,502	3,763,502
Total Property and Equipment	30,922,252	20,636,417
TOTAL ASSETS	\$ 62,204,912	\$ 53,726,759

The accompanying notes are an integral part of these financial statements.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF NET ASSETS (Continued)
JUNE 30, 2003 AND 2002

<u>LIABILITIES AND NET ASSETS</u>	2003	2002
CURRENT LIABILITIES		
Accounts Payable and Accrued Liabilities	\$ 879,522	\$ 706,378
Accrued Payroll and Employee Benefits	2,682,972	2,616,256
Other Accrued Liabilities	3,078,408	3,072,181
Security Deposit	15,714	14,514
Deferred Revenue	21,872	338,233
	6,678,488	6,747,562
LIABILITIES PAYABLE FROM RESTRICTED ASSETS		
Deferred Revenue - Settlement Agreement	6,758,106	6,625,124
Deferred Revenue - STA Grant	1,267,855	235,473
LONG-TERM LIABILITIES		
Workers' Compensation Liabilities	2,869,840	2,869,840
	17,574,289	16,477,999
NET ASSETS		
Invested in Capital Assets, Net of Related Debt	30,922,252	20,636,417
Unrestricted Net Assets	13,708,371	16,612,343
	44,630,623	37,248,760
TOTAL LIABILITIES AND NET ASSETS	\$ 62,204,912	\$ 53,726,759

The accompanying notes are an integral part of these financial statements.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

	2003	2002
OPERATING REVENUES		
Passenger Fare	\$ 3,623,650	\$ 3,756,299
Special Transit Fare	2,274,655	2,213,371
Total Operating Revenues	5,898,305	5,969,670
OPERATING EXPENSES		
Wages, Salaries and Employee Benefits	21,026,370	20,716,236
Purchased Transportation Services	2,565,373	2,723,353
Material and Supplies	2,020,621	2,268,603
Other Expenses	3,723,202	3,416,995
Depreciation	4,338,362	2,486,577
Total Operating Expenses	33,673,928	31,611,764
Net Operating Loss	(27,775,623)	(25,642,094)
NON-OPERATING REVENUES (EXPENSES)		
Sales and Use Tax	15,263,828	15,095,441
Transportation Development Act Assistance	5,134,522	6,037,117
Section 915307 Operating Assistance	1,229,934	505,614
Section 18/5307 Operating Assistance	46,701	42,448
Other Federal Assistance	183,609	194,905
Other State Assistance	113,856	
Interest Income	400,059	735,838
Rental Income	144,610	146,123
Other Revenue	139,847	227,950
Gain (Loss) on Sale of Property, Equipment, and Inventory	(261,473)	6,879
Total Non-Operating Revenues and (Expenses)	22,395,493	22,992,315
Net Loss Before Capital Contributions	(5,380,130)	(2,649,779)
CAPITAL CONTRIBUTIONS		
Grants Restricted for Capital Expenditures	12,761,993	1,975,508
NET ASSETS		
Increase (Decrease) in Net Assets	7,381,863	(674,271)
Total Net Assets, Beginning of Year	37,248,760	37,923,031
Total Net Assets, End of Year	\$ 44,630,623	\$ 37,248,760

The accompanying notes are an integral part of these financial statements.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2003 AND 2002**

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts From Customers	\$ 5872,743	\$ 5,841,322
Payments to Employees	(20,959,654)	(20,383,961)
Payments to Suppliers	(8,253,838)	(9,139,258)
	(23,340,749)	(23,681,897)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating Grants Received, including Sales and Use Tax	22,029,773	22,757,981
Other Nonoperating	147,822	224,717
	22,177,595	22,982,698
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds From Sale of Property and Equipment	25,110	6,879
Capital Grants Received	14,001,424	1,237,295
Capital Expenditures	(14,777,788)	(2,868,562)
	(751,254)	(1,624,388)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment and Rental Income Received	544,669	881,961
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,369,739)	(1,441,626)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	28,262,303	29,703,929
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 26,892,564	\$ 28,262,303
RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES		
Operating Loss	\$ (27,908,615)	\$ (25,642,094)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	49338,362	2,486,577
Changes in Assets and Liabilities:		
(Increase) Decrease in Receivables	(25,562)	(128,348)
(increase) Decrease in Inventory	48,554	(128,201)
(Increase) Decrease in Prepaid Expenses	(39,547)	(19,050)
Increase (Decrease) in Accounts Payable	173,143	(582,806)
Increase (Decrease) in Other Liabilities	72,916	332,025
	(23,340,749)	(23,681,897)
Net Cash Used in Operating Activities	\$ (23,340,749)	\$ (23,681,897)

The accompanying notes are an integral part of these financial statements.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003 AND 2002**

NOTE 1 - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Santa Cruz Metropolitan Transit District (the District) was formed February 9, 1969, following a favorable election in conformity with Section 9800 et. seq. of the Public Utilities Code. The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola and the unincorporated areas of Santa Cruz County. The District is governed by a Board of eleven directors, and one Ex-Officio director representing the University of California, Santa Cruz. At June 30, 2003, the directors were as follows:

Chairperson:	Emily Reilly		
Vice Chair:	Mike Keogh		
Members:	Jeff Almquist	Michelle Hinkle	Ana Ventura Phares
	Jan Beautz	Sheryl Ainsworth	Pat Spence
	Mike Rotkin	Dennis Norton	Marcela Tavantzis
Ex-Officio:	Wes Scott		

B. Reporting Entity

The District and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of GASB Statement No. 14, *The financial Reporting Entity*, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. For the years ending June 30, 2003 and 2002, this activity was minimal.

Scope of Public Service:

The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State in July 1986. The Corporation was formed for the sole purpose of providing financial assistance to the District for the construction and acquisition of major capital facilities.

The following are those aspects of the relationship between the District and the Corporation, which satisfy GASB Statement No. 14 criteria.

Accountability:

1. The Corporation's Board of Directors were appointed by the District's Board of Directors.
2. The District is able to impose its will upon the Corporation, based on the following:
 - All major financing arrangements, contracts, and other transactions of the Corporation must have the consent of the District.
 - The District exercises significant influence over operations of the Corporation as it is anticipated that the District will be the sole lessee of all facilities owned by the Corporation. Likewise, it is anticipated that the District's lease payments will be the sole revenue source of the Corporation.
3. The Corporation provides specific financial benefits or imposes specific financial burdens on the District based upon the following:
 - The District has assumed a "moral obligation", and potentially a legal obligation, for any debt incurred by the Corporation.

NOTE 1 - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting and Presentation

The District is accounted for as a Business Type Activity, as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – Management’s Discussion & Analysis – for State and Local Governments* and its financial statements are presented on the accrual basis of accounting. Under this method, revenues are recognized when they are earned, and expenses are recognized when they are incurred.

The District adopted GASB Statement No. 34 as amended by GASB Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments: Omnibus*, as of and for the year ended June 30, 2003, and applied those standards on a retroactive basis. GASB Statement No. 34 establishes standards for external financial reporting for state and local governments and requires that resources be classified for accounting and reporting purposes into three net asset categories; namely, those invested in capital assets, net of related debt, restricted net assets and unrestricted net assets.

The District adopted GASB Statement *No. 38, Certain Financial Statement /Vote Disclosures* for the year ended June 30, 2003, and applied the standard on a retroactive basis. GASB 38 modifies, establishes, and rescinds certain financial statement disclosure requirements.

The following shows the reconciliation of the components of total equity for June 30, 2002, as previously reported to net asset balances for the same period.

Fund Equity	
Contributed Capital:	
Federal Grants	\$ 8,098,484
State Grants	7,125,462
Local Grants	984,995
Other Grants	<u>6,836</u>
Total Contributed Capital	16,215,777
Retained Earnings	<u>21,032,983</u>
	<u>\$ 37,248,760</u>
Fund Net Assets:	
Invested in Capital Assets, Net of Related Debt	\$ 20,636,417
Unrestricted Net Assets	<u>16,612,343</u>
Total Fund Net Assets	<u>\$ 37,248,760</u>

NOTE 1 - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Contributed Capital/Reserved Retained Earnings:

The District receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant have been incurred. Capital grant funds earned, less amortization equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District changed its method of accounting for capital grants from capital contributions to reserved nonoperating revenues. In accordance with GASB No. 33, capital grants are required to be included in the determination of net income resulting in an increase in net revenue of \$12,761,993 and \$1,975,508 for the fiscal years 2003 and 2002, respectively.

Under GASB Statement No. 34, contributed capital and reserved retained earnings are presented in the net asset section as invested in capital assets, net of related debt.

Retained Earnings:

Retained earnings which represented the residual value of operations and capital assets constructed with funds other than grants, were restated to reclassify the capital assets to invested in capital assets, net of related debt and the remaining assets resulting from operations as either restricted or unrestricted net assets.

Proprietary Accounting and Financial Reporting:

As required under GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the District will continue to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements. The District has elected under GASB Statement No. 20 to not apply all FASB Statements and Interpretations issued after November 30, 1989, due to the governmental nature of the District's operations.

Net Assets:

Net assets represent the residual interest in the Districts assets after liabilities are deducted. In accordance with GASB Statement No. 34, the Fund Equity section on the Statement of Net Assets was combined to report total net assets and present it in three broad components: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets invested in capital assets, net of related debt include capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Net assets are restricted when constraints are imposed by third parties or by law through constitutional provisions or enabling legislation. All other net assets are unrestricted.

NOTE 1 - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

The District considers all highly liquid investments with a maturity date within three months of the date acquired to be cash equivalents. The District deposits funds into an external investment pool maintained by the County of Santa Cruz. These deposits are considered cash equivalents. The County of Santa Cruz Pooled Investment Fund is authorized to invest in obligations of the U.S. Treasury agencies and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, banker's acceptances, repurchase agreements, and the State Treasurer's investment pool. Cash and cash equivalents are stated at fair value. For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) to be cash equivalents.

E. Inventory

Inventory is carried at cost. Inventory held by the District consists of spare bus parts that are consumed by the District and are not for resale purposes.

F. Restricted Assets

Certain assets are classified as restricted assets on the Statement of Net Assets because their use is subject to externally imposed stipulations, either by laws or regulations.

The cash resulting from a settlement agreement as described in Note 9, represents proceeds restricted by the Federal Transit Administration. The STA Grant is restricted until authorized expenditures occur. Restricted assets at June 30, are as follows:

	2003	2002
Cash and cash equivalents		
Settlement agreement with contractor	\$ 6,758,106	\$ 6,625,124
STA Grant	1,267,855	235,473
Total Restricted Assets	\$ 8,025,961	\$ 6,860,597

G. Property and Equipment

Property and equipment are recorded at cost. Depreciation for all such assets is computed on a straight-line basis. Estimated useful lives of assets are as follows:

Buildings and structures	20-30 years
Revenue vehicles	12 years
Other vehicles and equipment	3-10 years

Depreciation expense on assets acquired with capital grant funds are transferred to net assets - invested in capital assets, net of related debt after being charged to operations.

Major improvements and betterments to existing facilities and equipment are capitalized. Costs for maintenance and repairs which do not extend the useful life of the applicable assets are charged to expense as incurred. Upon disposition, costs and accumulated depreciation are removed from the accounts and resulting gains or losses are included in operations.

The District has completed and capitalized the Scotts Valley Transit Center in fiscal 1999. The cost of this facility totaled \$4,063,634, which was funded by federal, state and local funds. The Scotts Valley Redevelopment Agency (the Agency), a political subdivision of the state of California, was one of the District's funding sources for this project and has retained an interest in the property. The title to the property is retained by both the District and the Agency as tenants in common with each party holding an individual interest in proportion to each party's financial participation in the project. The Agency's portion of the property is 13.87%. The Agency's portion is not recorded in the District's financial statements.

NOTE 1 - OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fare Operating Revenues

Fare operating revenues are earned as passengers utilize the District's transit services. Deferred revenue includes prepaid rent and a local operating grant.

I. Sales and Use Tax

The District receives a .5% sales and use tax levied on all taxable sales in Santa Cruz County, which is collected and administered by the California State Board of Equalization. Additionally, the District is allocated, through the Santa Cruz County Regional Transportation Commission, a portion of the .25% sales and use tax levied by the Transportation Development Act.

J. Operating Assistance Grants

Operating assistance grants are recognized as revenue in the grant period earned.

K. Self-Insurance

The District is self-insured for the first \$250,000 of general and vehicular liability. For settlements in excess of \$250,000, the District has total coverage up to \$20,000,000 per occurrence. Additionally, the District is self insured up to \$350,000 for workers' compensation claims. The District has recorded a liability for estimated claims to be paid including incurred but not reported claims,

L. Employee Benefits

Vacation and medical leave benefits are accrued when earned and reduced when used. Any paid medical leave accrued beyond 96 hours may, at the employee's option be converted to annual leave and credited to the employee's annual leave schedule or paid in cash, depending on the bargaining unit, at 100% of the earned rate. Employees are paid accrued and unused annual leave at the time of separation from District service.

M. Payroll

The District contracts with the Santa Cruz County Auditor-Controller to provide payroll processing services.

N. Pension Costs

Pension costs are expensed as incurred. These costs equal the actuarially determined annual contribution amount.

O. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

P. Reclassifications

Certain reclassifications have been made to the prior year financial statements to comply with the retroactive application of GASB Statement No. 34.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consists of the following at June 30, 2003:

	2003	2002
Cash on hand	\$ 45,521	\$ 29,464
Demand deposits	328,154	413,269
Deposits in Santa Cruz County Pooled Investment Fund	26,518,889	27,819,570
	<u>\$ 26,892,564</u>	<u>\$ 28,262,303</u>

Cash on Hand and Cash in Banks

Cash is maintained in a financial institution, which provides deposit protection on the bank balance from the Federal Deposit Insurance Corporation. Additionally, the California Government Code requires all financial institutions to maintain an investment pool equal to 110% of all government deposits held by the institution as collateral for such deposits.

Cash is categorized below to give an indication of the level of risk assumed by the District. Category 1 includes cash balances that are insured in the District's name. Category 2 includes cash balances for which the collateral securities are held by the financial institution in the District's name. Category 3 includes uninsured cash balance for which the collateral securities are held by the financial institution but not in the District's name.

Cash on Hand and Cash in Banks

Cash at June 30, 2003 consists of the following:

	Balance per SCMTD	Balance per Bank	Categories		
			1	2	3
Cash in banks	\$ 328,154	\$ 503,684	\$ 100,000	\$ 403,684	\$ -
Cash on hand	45,521				
	<u>\$ 373,675</u>				

Cash at June 30, 2002 consists of the following:

	Balance per SCMTD	Balance per Bank	Categories		
			1	2	3
Cash in banks	\$ 413,269	\$ 698,034	\$ 100,000	\$ 598,034	\$ -
Cash on hand	29,464				
	<u>\$ 442,733</u>				

Investments

At June 30, 2003 and 2002, the District had \$26,518,889 and \$27,819,570, respectively, invested in the Santa Cruz County Pooled Investment Fund. Pooled cash held in the County Investment Fund is considered uncategorized. In accordance with GASB guidelines, the District has marked all investments to their market value.

NOTE 3 - RECEIVABLES

Receivables at June 30, are as follows:

	2003	2002
Federal grants	\$ 96,764	\$ 184,662
State grants	358,360	703,825
Local grants	20,000	33,159
Sales tax revenue	2,504,500	2,428,400
Other	519,378	577,892
	<u>\$ 3,499,002</u>	<u>\$ 3,927,938</u>

NOTE 4 - CHANGES IN CAPITAL ASSETS

Facilities, property and equipment at June 30, are summarized as follows:

June 30, 2003

	Balance July 1, 2002	Additions and Transfers	Retirements and Transfers	Balance June 30, 2003
Non Depreciated Assets				
Land	\$ 3,763,502	\$ -	\$ -	\$ 3,763,502
Construction-in-progress	175,648	83,883	(175,648)	83,883
Total Non Depreciated Assets	3,939,150	83,883	(175,648)	3,847,385
Depreciated Assets				
Building and Improvements	10,083,303	338,433	(2,416)	10,419,320
Revenue Vehicles	20,193,225	13,634,322	(1,551,554)	32,275,993
Operations Equipment	2,035,645	667,194	(17,471)	2,685,368
Other Equipment	1,243,396	36,211		1,279,607
Other Vehicles	793,543	104,836	(5,459)	892,920
Office Equipment	1,300,970	67,530	(73,801)	1,294,699
Total Depreciated Assets	35,650,082	14,848,526	(1,650,701)	48,847,907
Less Accumulated Depreciation	(18,952,815)	(4,338,363)	1,518,138	(21,773,040)
Depreciated Assets Net of Accumulated	16,697,267	10,510,163	(132,563)	27,074,867
Total	<u>\$ 20,636,417</u>	<u>\$ 10,594,046</u>	<u>\$ (308,211)</u>	<u>\$ 30,922,252</u>

NOTE 4 - CHANGES IN CAPITAL ASSETS (Continued)

June 30, 2002

	Balance July 1, 2001	Additions and Transfers	Retirements and Transfers	Balance June 30, 2002
Non Depreciated Assets				
Land	\$ 3,763,502	\$ -	\$ -	\$ 3,763,502
Construction-in-progress	1,018,441	127,314	(970,107)	175,648
Total Non Depreciated Assets	4,781,943	127,314	(970,107)	3,939,150
Depreciated Assets				
Building and Improvements	10,081,614	2,203	(514)	10,083,303
Revenue Vehicles	19,288,954	2,500,995	(1,596,724)	20,193,225
Operations Equipment	1,252,569	908,521	(125,445)	2,035,645
Other Equipment	1,195,528	51,518	(3,650)	1,243,396
Other Vehicles	747,229	58,077	(11,763)	793,543
Office Equipment	1,164,113	142,588	(5,731)	1,300,970
Total Depreciated Assets	33,730,007	3,663,902	(1,743,827)	35,650,082
Less Accumulated Depreciation	(18,206,492)	(2,490,080)	1,743,757	(18,952,815)
Depreciated Assets Net of Accumulated	15,523,515	1,173,822	(70)	16,697,267
T o t a l	\$ 20,305,458	\$ 1,301,136	\$ (970,177)	\$ 20,636,417

NOTE 5 - AVAILABLE NET ASSETS

An analysis of the District's available (undesignated) net assets at June 30, are as follows:

	2003	2002
Current assets	\$ 23,256,699	\$ 26,229,745
Current liabilities	(6,678,488)	(6,747,562)
Working capital	16,578,211	19,482,183
Less:		
Inventory	(814,045)	(862,599)
Prepaid expenses	(77,049)	(37,502)
Total available net assets	15,687,117	18,582,082
Net assets designated for the following:		
Cash flow	(2,600,000)	(2,600,000)
Workers' compensation reserve	(1,320,000)	(1,320,000)
Insurance reserve	(770,000)	(900,000)
Alternative fuel conversion fund	(462,000)	(462,000)
Bus stop improvements reserve	(400,000)	(400,000)
Net assets required to fund transportation improvement programs for the fiscal years 2003-2007	(13,350,000)	(14,385,000)
Available undesignated net assets (deficits)	\$ (3,214,883)	\$ (1,484,918)

NOTE 6 - CAPITAL GRANTS

The District receives grants from the Federal Transit Administration (FTA), which provides financing primarily for the acquisition of rolling stock. The District also receives grants under the State Transportation Development Act and State Toll Bridge revenue programs primarily for the acquisition of rolling stock and support equipment, and purchase of furniture and fixtures.

A summary of federal, state and local grant activity for the years ended June 30, are as follows:

	<u>2003</u>	<u>2002</u>
Federal grants	\$ 8,927,343	\$ 452,554
State grants	3,002,988	1,443,634
Transportation Development Act (local transportation grants)	<u>831,662</u>	<u>79,320</u>
Total Capital Assistance	<u>\$ 12,761,993</u>	<u>\$ 1,975,508</u>

NOTE 7 - COMMITMENTS

The District leases a number of its facilities under operation leases extending through 2006. For the years ended June 30, 2003 and 2002, rental expense relating to the leases was \$567,970 and \$545,054, respectively. The District also leases to others retail space in their transit facilities under noncancelable agreements. Minimum lease payments and receipts for existing operating leases are as follows:

<u>Year Ending June 30</u>	<u>Lease Commitments</u>	<u>Rental Income</u>	<u>Net</u>
2004	\$ 602,889	\$ 125,860	\$ 477,029
2005	658,923	92,876	566,047
2006	405,916	26,214	379,702
2007	46,331	16,555	29,776
2008	64,864	16,886	47,978
Thereafter		4,305	(4,305)
	<u>\$ 1,778,923</u>	<u>\$ 282,696</u>	<u>\$ 1,496,227</u>

NOTE 8 - JOINT VENTURES (Joint Powers Authority)

The District participates in a joint powers authority (JPA), the California Transit Insurance Pool (CalTIP). The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

CalTIP arranges for and provides property and liability insurance for its 25 members. CalTIP is governed by a board that controls the operations of CalTIP, including selection of management and approval of operating budgets, independent of any influence by the member districts. Each member district pays a premium commensurate with the level of coverage requested and shares in surpluses and deficits proportionate to their participation in CalTIP.

NOTE 8 - JOINT VENTURES (Joint Powers Authority) (Continued)

Condensed audited financial information of CalTIP for the year ended April 30, 2002 (most recent information available) is as follows:

Total assets	\$ 11,385,304
Total liabilities	<u>8,102,421</u>
Fund Balance	<u>\$ 3,282,883</u>
Total revenues	\$ 3,574,558
Total expenditures and cumulative effect of accounting change	<u>3,005,535</u>
Net Increase in Fund Balance	<u>\$ 569,023</u>

The District's share of year-end assets, liabilities, or fund balance has not been calculated by CalTIP.

NOTE 9 - WATSONVILLE FLEET MAINTENANCE FACILITY

The District's fleet maintenance facility in Watsonville was damaged in the Loma Prieta earthquake (the earthquake) in October 1989. An engineering study concluded that the demolition of the existing facility and construction of a new facility was the most practical course of action. Therefore, the net book value of the facility was written off the books in a prior year.

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, the District initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,536 in costs) to the District during fiscal year 1996, representing damages less attorney fees. The use of these proceeds, and the interest earned thereon, is restricted by FTA Section 3/5309. Accordingly, the net restricted amount of \$6,758,106 and \$6,625,124 is reflected on the statements of net assets as deferred revenue at June 30, 2003 and 2002, respectively. The District is currently working towards building or purchasing a new facility in Santa Cruz.

NOTE 10 - CONTINGENCIES

The District has received state and federal funds for specific purposes that are subject to review and audit by grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, the District believes that any required reimbursement will not be material.

Additionally, the District is party to various claims and litigation in the normal course of business. In the opinion of management and in-house counsel, any ultimate losses have been adequately provided for in the financial statements.

NOTE 11 - DEFINED BENEFIT PENSION PLAN

Plan Description

The District's defined benefit pension plan, the Miscellaneous Plan for Santa Cruz Metropolitan Transit District (the Plan), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board action. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95614.

Funding Policy

There are 291 active plan members in the Fund as of June 30, 2003, which are required to contribute a percent of their annual covered salary. In lieu of salary increases and for employees who agreed to salary reductions in certain prior years, the District agreed to pay a portion of the employee contribution, based on negotiated formulas. The District is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2003 was 0%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year ended June 30, 2003, the District's annual pension cost of \$645,923 was equal to the District's required and actual contributions. This includes the District's contribution to the employee contribution requirement. The required contribution for fiscal year ended June 30, 2003 was determined as part of the June 30, 2000 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administration expenses); (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.20% for miscellaneous members, and (c) 3.75% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.50%. The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three year period. The Plan's excess assets are being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2003 was 16 years.

Three-Year Trend Information for the Fund

Three-year trend information, with respect to the District's participation in CalPERS is as follows:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2001	\$ 763,788	100%	\$
6/30/2002	\$ 847,843	100%	\$
6/30/2003	\$ 845,923	100%	\$

NOTE 11 - DEFINED BENEFIT PENSION PLAN (Continued)

Annual Pension Cost (Continued)

Required Supplementary Information

Supplementary information is intended to show the progress made towards funding benefit obligations. Required three year supplemental information, available to date, for the District is as follows:

Valuation Date	Entry Age Normal Accrued Liability	Actuarial Value of Assets	Unfunded/ (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	UAAL as a % of Payroll
6/30/1999	\$32,467,163	\$47,476,596	\$(15,009,433)	146.2%	\$10,560,478	(142.128)%
6/30/2000	\$37,219,840	\$53,308,298	\$(16,088,458)	143.2%	\$11,113,415	(144.766)%
6/30/2001	\$44,805,153	\$56,109,004	\$(11,303,851)	125.2%	\$12,209,377	(92.600)%

NOTE 12 - POST-RETIREMENT BENEFITS

The District provides post-retirement benefits to its employees who have completed at least ten years of full-time service with the District, have reached the age of 50 and have retired under the provisions of CalPERS while an employee of the District. The District pays a portion of the premiums for medical insurance for retirees and eligible dependents. The District also provides dental, vision and life insurance plan coverage of retirees and eligible dependents until the retiree attains the age of 65. Bus operators who retired and reached the age of 65 prior to June 30, 1994, will continue to receive dental and vision coverage beyond age 65. Life insurance is not provided to management retirees. The costs of providing these benefits are recognized when paid. The District has recognized approximately \$706,924 and \$445,060 of expense for these benefits for the years ending June 30, 2003 and 2002, respectively.

NOTE 13 - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and provisions of the Government Code of the State of California. The plan, available to all district employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, or unforeseeable emergency. The District employees participate in two such plans, the Great-West Life and Annuity Insurance (Great-West) plan and the other through CalPERS.

At June 30, 2003, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying balance sheet as required under Statement No. 27 of the Governmental Accounting Standards Board, *Accounting Standards for Pensions by State and Local Governmental Employers*.

NOTE 14 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. The District has established limited risk management programs for workers' compensation, and general and vehicular liability, as described in Note 1, as well.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The IBNR for workers' compensation was based on an actuarial study dated August 1, 2001. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. The IBNR amount based on the actuarial study was determined to be \$2,869,840 at June 30, 2003.

NOTE 15 -TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA ADMINISTRATIVE CODE

The District is subject to compliance with the Transportation Development Act provisions, Sections 6634 and 6637 of the California Administrative Code and Sections 99267, 99268.1 and 99314.6 of the Public Utilities Code.

Section 6634

Pursuant to Section 6634, a Transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs, less the required fares, and local support. The District did not receive Transportation Development Act or State Transit Assistance revenues in excess of the prescribed formula amounts.

Section 6637

Pursuant to Section 6637, a claimant must maintain its accounts and records in accordance with the Uniform System of Accounts and Records for Transit Operators adopted by the State Controller. The District did maintain its accounts and records in accordance with the Uniform System of Accounts and Records for Transit Operators.

Sections 99267 and 99268.1

Pursuant to the Transportation Development Act, the District is defined as an older operator and is not required to meet the fare box ratio requirement of the Act. The District has met the 50% expenditure limitation requirement.

SUPPLEMENTARY INFORMATION

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
STATEMENTS OF OPERATING EXPENSES
JUNE 30, 2003 AND 2002**

	2003	2002
Labor		
Operators' salaries and wages	\$ 5,704,261	\$ 5,896,197
Other salaries and wages	5,210,492	5,301,517
Overtime	1,381,383	1,385,182
Fringe Benefits		
Absence with pay	2,622,853	2,671,447
Pension plans	845,923	847,844
Vision, medical, and dental plans	2,929,449	2,691,670
Workers' compensation insurance	1,801,644	1,252,290
Disability insurance	429,813	564,202
Other fringe benefits	100,552	105,888
Services		
Accounting	77,877	71,559
Administrative and banking	207,606	192,100
Professional and technical services	740,702	528,281
Security	299,589	317,588
Outside repairs	434,962	647,979
Other services	164,107	195,375
Materials and Supplies Consumed		
Fuels and lubricants	1,121,221	910,918
Tires and tubes	136,455	160,518
Vehicle parts	400,291	726,337
Other materials and supplies	362,654	470,830
Utilities	300,212	310,484
Casualty and liability costs	769,663	277,286
Taxes and licenses	37,695	37,342
Purchased Transportation Services		
Paratransit	2,565,373	2,723,353
Miscellaneous Expenses	104,829	275,346
Equipment and Facility Lease	585,960	563,654
Depreciation		
Property acquired with operator funds	762,182	552,806
Property acquired by federal, state, or TDA funds	3,576,180	1,933,771
Total Operating Expenses	\$ 33,673,928	\$ 31,611,764

OTHER SCHEDULES AND REPORTS

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003**

Federal Grantor / Program Title	Federal CFDA No.	Grantor's Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Direct Programs:			
Federal Transit Administration (FTA)			
Cluster Defined by the Department of Transportation			
Section 315309 Consolidation			
Preliminary Engineering	20.500*	CA-03-04 13	\$ 183,609
Paratransit Vans	20.500'	CA-03-0505	<u>6,891</u>
			<u>190,500</u>
Section 915307			
MIS Software	20.507'	CA-90-X752	7,948
Buses	20.507*	CA-90-X873	1,627,392
Buses	20.507'	CA-90-X873	700,000
Trolley Bus	20.507'	CA-90-X873	289,786
Buses	20.507'	CA-90-X902	2,130,743
Talking Bus Equipment	20.507'	CA-90-X902	464,649
Farebox Equipment	20.507'	CA-90-X902	43,532
CNG Buses	20.507'	CA-90-X902	572,817
Rebuilt Engines	20.507'	CA-90-Y024	82,330
Buses	20.507'	CA-90-Y024	1,891,554
Buses	20.507'	CA-90-Y024	1,078,000
Paratransit Vans	20.507'	CA-90-Y024	31,702
Operating Assistance	20.507'	CA-90-Y024	<u>1,229,934</u>
			<u>10,150,387</u>
Section 1815311			
Operating Assistance	20.509	649068	<u>46,701</u>
Total Expenditures of Federal Awards			<u>\$ 10,387,588</u>

* Major federal financial assistance program.

See accompanying notes to schedule of federal financial assistance.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 1 - GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Santa Cruz Metropolitan Transit District (the District). Federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agents, is included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards has been prepared on the accrual basis of accounting. Federal capital grant funds are used to purchase property, plant, and equipment. Federal grants receivable are included in capital and operating grants receivable, which also includes receivables from state and local grant sources.



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF BASIC
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS AND THE RULES AND
REGULATIONS OF THE TRANSPORTATION DEVELOPMENT ACT**

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Lynn R. Krausse, CPA, MST
Bradley M. Hankins, CPA
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Connie M. Perez, CPA

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

We have audited the basic financial statements of Santa Cruz Metropolitan Transit District as of and for the year ended June 30, 2003, and have issued our report thereon dated August 13, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Santa Cruz Metropolitan Transit District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Santa Cruz Metropolitan Transit District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Directors, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK & KEETER
ACCOUNTANCY CORPORATION

A handwritten signature in black ink, appearing to be 'G. S. W.', is written below the firm name.

Bakersfield, California
August 13, 2003



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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE
TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Santa Cruz Metropolitan Transit District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2003. Santa Cruz Metropolitan Transit District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on Santa Cruz Metropolitan Transit District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Santa Cruz Metropolitan Transit District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Santa Cruz Metropolitan Transit District's compliance with those requirements.

In our opinion, the Santa Cruz Metropolitan Transit District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2003.

Internal Control Over Compliance

The management of Santa Cruz Metropolitan Transit District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Santa Cruz Metropolitan Transit District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-I 33.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Directors, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK & KEETER
ACCOUNTANCY CORPORATION



Bakersfield, California
August 13, 2003



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**REPORT ON COMPLIANCE WITH THE
TRANSPORTATION DEVELOPMENT ACT**

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

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of and for the year ended June 30, 2003, and have issued our report there on dated August 13, 2003.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government *Auditing* Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the management of the District. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of the Transportation Development Act, including Public Utilities Code Section 99245 as enacted and amended by statute through June 30, 2003, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission as required by Section 6667 of the California Code of Regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicated that, with respect to the items tested, the District complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District had not complied, in all material respects, with those provisions.

This report is intended for the information of management, the Board of Directors, the State Controller's Office, the U.S. Department of Transportation, and officials of applicable grantor agencies. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK & KEETER
ACCOUNTANCY CORPORATION

Bakersfield, California
August 13, 2003

FINDINGS AND QUESTIONED COSTS SECTION

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2003**

I. Summary of Auditor's Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

Material weakness identified? Yes No

Reportable conditions identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weakness identified? Yes No

Reportable conditions identified that are not considered to be material weaknesses? Yes None reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .51 O(a)? Yes No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Clusters</u>
20.500	Federal Transit Administration-Section 3
20.567	Federal Transit Administration-Section 9

Dollar threshold used to distinguish Type A & B programs: \$311,600

Auditee qualified as low risk auditee? Yes No

II. Findings Relating to Financial Statements Required Under GAGAS

None.

III. Federal Award Findings and Questioned Costs

None.

IV. State Award Findings and Questioned Costs

None.

V. A Summary of Prior Audit (all June 30, 2002) Findings and Current Year Status Follows

None.

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

Attachment **B**

We have audited the financial statements of the Santa Cruz Metropolitan Transit District for the year ended June 30, 2003, and have issued our report thereon dated August 13, 2003. Professional standards require that we provide you with the following information related to the conduct of our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to provide reasonable, not absolute, assurance that the basic financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of the Santa Cruz Metropolitan Transit District. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Santa Cruz Metropolitan Transit District are described in Note 1 to the basic financial statements. New accounting policies were adopted related to the Government Accounting Standards Board Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis -for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Note Disclosures* and the application of existing policies was changed during fiscal year 2003. We noted no transactions entered into by the Santa Cruz Metropolitan Transit District during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments. There were no sensitive estimates, except for the accrued claims and judgments payables, affecting the financial statements.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the District that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed no audit adjustments that could, in our judgment, either individually or in the aggregate, have a significant effect on the District's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's general purpose financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition for our retention.

Difficulties Encountered in Performinn the Audit

We are pleased to announce we encountered no difficulties in dealing with management in performing our audit.

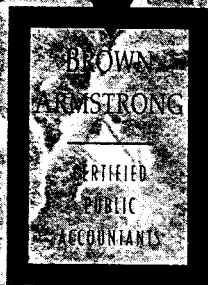
This information is intended solely for the use of the management of the District and the Board of Directors and should not be used for any other purpose.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK & KEETER
ACCOUNTANCY CORPORATION



By: Steven R. Starbuck

Bakersfield, California
August 13, 2003



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**AGREED UPON CONDITIONS DESIGNED TO INCREASE
EFFICIENCY, INTERNAL CONTROLS AND/OR
FINANCIAL REPORTING**

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

Attachment C

We have audited the financial statements of Santa Cruz Metropolitan Transit District (SCMTD) for the year ended June 30, 2003 and have issued our report thereon dated August 13, 2003. In planning and performing our audit of the financial statements of SCMTD, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

As a result of our audit, we noted certain agreed-upon findings. These findings and recommendations, all of which have been discussed with the appropriate members of management, are intended to improve the internal control structure or result in other efficiencies and are summarized as follows:

Current Year Findings and Recommendations

Finding 1

The District should perform a ticket-inventory count semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported. Tickets are kept in a locked cabinet at Metro Center however the possibility of misappropriation is present.

Recommendation

The District should implement control over spoiled tickets and improve ticket-counting procedures to reduce variances in the reconciliation to a tolerable level. The count and reconciliation should be performed at least semi-annually to improve the process.

Management Response

The cabinet containing tickets has been moved to a locked office to control potential unauthorized access. Sales report(s) reconciliations are performed monthly to verify the number of tickets sold as reported by the Customer Service department. A summary of spoiled-tickets is now being prepared which will reduce an unknown variable in the semi-annual ticket-inventory counts; however all reports need to be received in a timely manner to facilitate continued improvement of the process.

Finding 2

The District does not have a strict policy on the type of clothing allowed to be worn in the count room. Employees are allowed to wear shirts and pants with pockets. The wearing of inappropriate clothing in the count room could lead to the possible misappropriation of the District's assets.

Recommendation

The District should establish a policy requiring all employees working in the count room to wear a District Uniform that reduces the risk of misappropriation.

Management Response

The count room has two cameras that record the activity of cash handlers. The tape is on view in the dispatch office. As well, cash handlers are not allowed to handle cash unless there is another person present in the room. When the new Operations building is constructed in about 2006 a temperature-controlled facility will make it feasible for staff and contract labor to wear an appropriate uniform that reduces the risk of misappropriation.

Finding 3

While reviewing the procedures for counting fare box revenues we noted that the District has one individual that participates in, and supervises, the counting of cash, prepares the daily deposit and has access to the daily revenue reports. The lack of separation of duties could lead to the possible misappropriation of fare box revenues.

Recommendation

The District should restrict access to the revenue reports to those individuals that do not participate in the counting of the fare box revenues and preparation of daily deposits.

In addition, the District should have an individual, separate from cash counting and preparation of deposits, reconcile the deposit amounts to the daily revenue reports and investigate any material overages or shortages.

Management Response

Management understands there is a lack of internal control over revenue deposits and will work towards implementing a solution as soon as possible. Currently, the standard, pre-defined, ridership reports generated by the specialized computer software contain revenue information, making it costly to remove that information from viewing by the person who makes deposits.

The Finance department now has access to the Monthly Revenue Reports and reviews the variances monthly. More experience is needed to explain the fluctuation of the variances.

Finding 4

While testing the District's cash receipts in the Operations department we noted that at times revenue per the Monthly Summary report did not agree by a small amount to the amounts on the Revenue Collection Daily Balance Sheets. Differences in the reports could lead to the possible over/under reporting of revenue.

Recommendation

Although the current difference noted was immaterial, a reconciliation should be performed and reviewed monthly by management and any differences should be investigated and corrected.

Management Response

The Daily Balance Sheets will be summarized and agreed to the Monthly Summary to assure the accuracy of the Summary report that is used to record revenue.

Finding 5

While testing the District's cash receipts in the Customer Service department we noted that at times the Cash Receipts log and the Information Booth Shift Change Verification forms did not properly foot. Inaccurate reports could lead to the possible over/under reporting of revenue.

Recommendation

Although the current differences noted were immaterial, management should have another person review the reports other than the person who is responsible for their preparation.

Management Response

During the year a change was implemented to reduce the complexity and variability of the Information Booth Shift Change Verification process. The revenue of each Information Booth staff will be reconciled individually instead of as a daily group. In addition, Accounts Receivables and Cash Receipts from "non-agents" will be accounted for by the Finance Department. Clerical accuracy will be reviewed semi-annually by the Finance department.

Prior Year Findings and Recommendations

Finding 1

The District should perform a ticket-inventory count semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported. The tickets and passes are kept in a locked cabinet at Metro Center but without an accurate count and reconciliation the possibility of misappropriation is present.

Status

Partially implemented. See current year Finding 1.

Finding 2

While testing cash receipts, we noted that District does not have a policy on the type of clothing employees are allowed to wear in the count room. Employees were allowed to wear shirts and pants with pockets, and low cut shoes. The wearing of inappropriate clothing in the count room could lead to the possible misappropriation of the District's assets.

Status

Not implemented. See current year Finding 2.

Finding 3

The District should restrict access to the revenue reports to those individuals that do not participate in the counting of the fare box revenues and preparation of daily deposits. The District should have an individual, separate from cash counting and preparation of deposits, reconcile the deposit amounts to the daily revenue reports and investigate any material overages or shortages

Status

Partially implemented. See current year Finding 3.

This information is intended solely for the use of the Board of Directors and management of Santa Cruz Metropolitan Transit District should not be used for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

BROWN ARMSTRONG PAULDEN
McCOWN STARBUCK & KEETER
ACCOUNTANCY CORPORATION



By: Steven R. Starbuck

Bakersfield, California
August 13, 2003

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Mark J. Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF REQUEST FROM COMMUNITY BRIDGES FOR CO-MINGLING RIDES WITH THEIR OTHER PROGRAMS

I. RECOMMENDED ACTION

That the Board authorize the concept of co-mingling as outlined in this staff report and authorize staff to bring a Contract Amendment for the ADA ParaCruz Service back for consideration.

II. SUMMARY OF ISSUES

- In 2001 The Board of Directors received the results from an audit conducted by MultiSystems of the ADA Paratransit Service operated by Community Bridges.
- As a result of the findings, specifications were developed by MultiSystems that would provide Santa Cruz METRO with a higher level of control over the service operated and remove the possibility for double-billing which had been a problem in the past.
- As a result of recommendations made by citizens who participated in numerous meetings over a two year period of time a decision was made to give the service a distinct identity to the public – ParaCruz.
- Last month, Community Bridges appeared before the Board and clarified a letter they sent to the District that appeared to request \$450,000 in additional funds, as well as requesting consideration of a request for co-mingling rides
- Community Bridges revised their request to ask for the Santa Cruz METRO's cooperation by allowing co-mingling of ADA and non-ADA eligible passengers on the service it provides under contract to the District.
- The initial request for co-mingling would result in additional cost to Santa Cruz METRO, eliminating any incentive for participation.
- Staff has developed a scenario where a co-mingling approach might be feasible, not disadvantage Santa Cruz METRO, and potentially result in cost-savings.
- At no time can the co-mingling of non-ADA eligible passengers result in a degradation of ADA services.

III. DISCUSSION

In 2001, the Board of Directors received the results of an audit report of the ADA Paratransit Service provided by Community Bridges. This was a two-year process that included numerous public meetings with users and other agencies and resulted in findings that caused the Board to revise the overall program, develop a User's Guide for the use of the system, and also to develop specifications that would be used in the next contract for the operation of the ADA Paratransit Service. As part of this process, the service was renamed ParaCruz, and vehicles were purchased that were to be used exclusively for the service.

One of the problems that MultiSystems set out to avoid in the future was the issue of double-billing of rides that was possible under the previous contract as Santa Cruz Metro was charged on a per ride basis. By putting other riders into the vehicle, it was possible to charge more than one program for the same ride, and Santa Cruz METRO's oversight was not able to identify these types of issues. This was necessary, as Community Bridges had double-billed Santa Cruz METRO and other providers for the same rides. A settlement of \$37,000 was reached as a settlement of Santa Cruz METRO's claims.

In November of this year, Santa Cruz METRO received two letters from Community Bridges. One letter was a proposal for multiple funded rides, or co-mingling the riders from different programs on the same vehicle. The second letter requested consideration of a request for a rate adjustment of \$450,000 in order to complete the contract. At the November Board Meeting, Sam Storey appeared and clarified that the service could be operated without a rate increase. He asked the Board for cooperation to include:

- allowing the co-mingling of rides,
- working on the deployment of ParaCruz Vehicles to reduce taxi cost,
- a willingness to provide financial assistance if unforeseen circumstances occur,
- an open discussion of the District's long term plan for ADA service, and
- a commitment to the current contract term.

The purpose of this report is to address the issue of co-mingling. The initial proposal from Community Bridges to request co-mingling was flawed in that it addressed a credit to Santa Cruz METRO for the time spent carrying the riders from other programs, but neglected to account for the additional hours to move the required number of ADA rides. When additional hours are added to account for the service needed, the added cost impact is about a 4.1% increase to Santa Cruz METRO. This is a result of the extra hours required to move the same number of riders. Each hour of service carries a built-in administrative fee. Initially staff was agreeable to the following trip types for co-mingling – trips with the same origin and same destination, and trips where the ADA person is the last person picked up and the first person dropped off. In discussions with Community Bridges, they felt this was a small number of trips and this change would not be beneficial to them.

Staff then initiated an examination of how co-mingling could be accommodated and still remain true to the original concept of the Request for Proposal and comply with the requirements of the Federal Transit Administration. Currently, the ParaCruz Contract utilizes a cost per hour basis for payment. This presents a challenge in the allocation of cost among different programs, as travel times will always vary due to routings and external conditions. By switching to a mileage-based formula, there is more certainty in cost allocation. Shown below is an illustration of how such a conversion could occur and still maintain a direct connection to the original rate in the contract.

A.	Cost Per Hour (initial 85,000 rides)	\$52.30	
B.	Passengers Per Hour	2	
C.	Cost/Trip (Current Calculation)	\$26.15	(A / B)

D.	Average Trip Length	6.1 miles per trip	
E.	Average Speed	12.2 miles per hour	(D x B)
E.	Cost Per Mile	\$4.286	(A / E)

F.	Calculated Cost/Trip (Mileage Calculation)	\$26.15	(E x D)

The above mileage rate would be calculated for all of the cost/hour calculations in the existing contract. The proposal being considered would charge to each agency the mileage for a trip as if taken in a direct manner. If grouped, and the mileage increases as a result of the grouping, the billing rate would not change. Using this method, the trip lengths can easily be verified by using the mileages calculated by the Trapeze software. By switching the billing rate to a mileage based calculation, it will be necessary for Santa Cruz METRO to purchase the same Trapeze Software used by Community Bridges so as to make the auditing process easier. Since both agencies would utilize the same map software, the calculations should be the same. Santa Cruz METRO would also require that the first priority in the grouping of passengers be ADA passengers. Since Community Bridges is confident that there would be savings from a co-mingling option, it is proposed that the average cost shall not exceed the \$26.15 rate for the remainder of this year. The cap on ride cost would increase by the same percentage as is contained in the increase in hourly rate from year 2 to year 3. Further, staff members from Community Bridges and Santa Cruz METRO will work to determine a “profit-sharing” arrangement to allocate savings to both parties.

The second issue that has to be addressed is the utilization of Federal Transit Administration funded equipment for other programs. As more riders from other programs are added to these vehicles, there is a shortening of the useful life for the vehicles and there should be some compensation for the capital costs. Staff is proposing that for each type of vehicle provided by METRO, the local share depreciation be split between Community Bridges and Santa Cruz METRO. Attachment A shows a method of calculation that would be used for all capital equipment provided by Santa Cruz METRO. The benefit to this process is that annually Community Bridges would make a payment for the capital use of each vehicle provided by Santa

Cruz METRO. If Santa Cruz METRO makes a similar payment for its share of the use, and these funds are placed in a Capital Reserve Fund for ParaCruz Replacement vehicles, then the local share would be available at the time the vehicles need to be replaced.

Staff would only recommend this co-mingling approach be used as an experiment or “pilot type” project. Of major concern is the compliance with ADA regulations and standards in the provision of ParaCruz Service. *At any time during this pilot program, should Santa Cruz METRO feel that the ADA ParaCruz Service has degraded and does not meet the federal requirements or the cost to Santa Cruz METRO increases as a result of co-mingling, Santa Cruz METRO shall have the unilateral right to cancel this program with 30 days notice in writing and return to the prior mechanism for delivering service.*

The last portion of the arrangement that needs to be worked out between the parties would be the mechanism to share the savings that would accrue from co-mingling of rides. As of the writing of this staff report, there has been no response from Community Bridges regarding the decision.

IV. FINANCIAL CONSIDERATIONS

The financial impact of this action would be dependant upon the amount of grouped scheduling the Community Bridges is able to undertake through more efficient use of the Trapeze Scheduling System. In addition, a switch to co-mingling would require the District to purchase the Trapeze Scheduling System for auditing purposes, which will be covered through capital funds. Still to be worked out between Santa Cruz METRO and Community Bridges is a sharing of the savings that will accrue from this proposal.

V. ATTACHMENTS

Attachment A: Cost Proposal for Vehicle Usage in Co-Mingling

ATTACHMENT A

COST PROPOSAL FOR VEHICLE USAGE IN CO-MINGLING

CURRENT

	Cost	Federal	Local
Bus	\$ 64,877	\$ 51,902	\$ 12,975
Van	\$ 40,961	\$ 32,769	\$ 8,192

AVERAGE LIFE

Bus	7 years
Van	5 years

Inflation Rate

4%

COST AT REPLACEMENT

	Cost	Federal	Local	Annual
Bus	\$ 79,750	\$ 63,800	\$ 15,950	\$ 2,279
Van	\$ 47,004	\$ 37,603	\$ 9,401	\$ 1,880

EXAMPLE

	ADA Rides	Non ADA Rides	Total Rides
Van	800	400	\$ 1,200
Allocation	67%	33%	100%
Depreciation	\$ 1,253.43	\$ 626.72	\$ 1,880

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDER APPROVAL OF 2004 STATE LEGISLATIVE PROGRAM

I. RECOMMENDED ACTION

That the Board of Directors adopt the proposed METRO 2004 State Legislative Program attached to this Staff Report.

II. SUMMARY OF ISSUES

- Elected officials at the State level continue to actively support the goals established by the METRO Board of Directors when the legislative program is presented to them early in the legislative process.
- The current economic climate will make it difficult to obtain new funds from the California State Legislature as they convene their 2004 session.
- The large projected deficits in the State General Fund will require that transit agencies defend funds previously allocated for capital projects and advocate for full repayment of the loans from the transportation funds.
- In order for METRO to draw down Federal Section 5309 earmarked funds, all Federal Section 5307 formula funds under the Governor's jurisdiction must be programmed. METRO should advocate for agencies to program these funds or transfer them to other transit agencies that are able to program them.
- METRO will continue to incur additional costs to provide the mandated ADA complimentary paratransit service. The state has yet to provide specific funding programs to address this need.
- The expiration of the "Yield to Bus" authority will require new "permissive" legislation in order for METRO to continue using the yield signs on a voluntary basis.
- The reliance of UCSC, Cabrillo College, and some K-12 systems on METRO services makes it important that we advocate for exploration of "cross function" funding opportunities.
- The California Transit Association has adopted a Legislative Agenda for the 2004 Legislative Session that addresses both operational issues and funding needs on a statewide basis.

III. DISCUSSION

The 2004 California State Legislature will convene in January to consider legislative actions for the coming year. The continuing poor condition of the State General Fund will be the focus of much of the attention of the Legislature. In the last Legislative Session transportation funds were “borrowed” to assist in balancing the General Fund. The financial condition of the State will once again put pressure on members of the legislature to divert funds from other programs, including transportation, to balance the General Fund. Currently, METRO receives capital funding from the State Transit Assistance Program (STAP). The level of STAP Funding received by METRO has decreased from \$1,436,436 in 2001/2002 to \$821,201 in 2003/2004. This loss in capital funding negatively affects our ability to implement critical projects including additional Metrobase funds, Pacific Station funding, and routine capital purchases.

While the actions currently being implemented by METRO in the area of ADA recertification have resulted in complementary paratransit costs stabilizing, it is likely that future years will see cost increases. The recent request for additional funds by Community Bridges highlights the continuing funding requirements of the ADA paratransit program. Currently, the State does not have a funding program to assist transit agencies in addressing this need. Staff recommends that METRO advocate for State consideration of the complementary paratransit funding need.

In 2001 METRO, CalTrans, and other transit agencies in the under 200,000 in population urbanized areas were able to collaborate successfully and remove obstacles which could have prevented draw down of Section 5309 earmarked discretionary funds from the Federal Transit Administration. In 2004, it will be necessary for transit agencies in areas under 200,000 in population to ensure that all Section 5307 formula funds are programmed. This is necessary to achieve the ability to continue to draw down discretionary Section 5309 earmarks. This problem became severe for METRO when FTA held up funds necessary to pay for 17 paratransit vans that had been delivered. Where transit agencies have allocated funds that they will not be able to program for projects in a timely manner, Staff recommends METRO advocate for the Governor’s Office to transfer these funds to other transit agencies that are able to program the funds to avoid having these allocations lapse back to the Federal Treasury and to avoid any repetition of FTA funding embargo actions.

In prior years, METRO has explored the possibility of acquiring subpoena authority so that the Office of District Counsel can ensure witness participation. Staff recommends that the 2004 Legislative Program once again address this issue and explore the possibility of initiating legislation which would grant the subpoena authority to METRO.

The implementation of the Urban Bus Rule issued by the California Air Resources Board will require that METRO invest substantial funds in diesel bus conversion to

CNG as well as the installation of a high capacity fueling station. Currently, the State does not have any funding programs address this level of need. Staff recommends that METRO advocate for the establishment of programs which would assist in the implementation of the Urban Bus Rule.

Service provided by METRO is relied upon by UCSC, Cabrillo College, and some of the K-12 school districts in Santa Cruz County. Currently, there is no mechanism or incentive at the State level for coordination of funding for transportation between the education functions and the transportation functions. Staff recommends that METRO advocate for the exploration of “cross function” funding opportunities.

In 1999 the California State Legislature passed AB1812 (Keeley) which established a demonstration program whereby buses re-entering traffic from bus stops were given the “right of way” and motorists were required to yield. The demonstration program was scheduled to expire on December 31, 2002. However, in 2002, the Legislature passed AB 629 (Oropeza) that extended the program for an additional year. In 2003 AB557 (Lowenthal) would have made the yield law permanent and extended the local option authority to all the transit systems in the state. While AB 557 passed the Assembly with some amendments it encountered the fierce opposition of the Chair of the Transportation Committee (Senator Kevin Murray D-Culver City) in the Senate. Senator Murray successfully convinced the Senate Transportation Committee to defeat AB557. As a result of Senator Murray’s actions the authority for the use of the yield signs on buses will expire at midnight December 31, 2003. Assembly Member John Laird requested an opinion from the Legislative Counsel as to whether current state statutes require that the yield sign be either removed or obscured. The Legislative Counsel has indicated that the yield signs must be either removed from the buses or obscured from view effective January 01, 2004. In a letter to the Santa Cruz Sentinel Senator Murray indicated that he did not have any objection to using yield signs for advisory purposes. Therefore staff recommends that METRO join with the Santa Clara Valley Transportation Authority (VTA) and request that legislation be introduced in 2004 that would permit the use of the current yield signs as advisory signs.

The specific legislative goals recommended by Staff are attached to this staff report. I have also attached the adopted 2004 State Legislative Program for the California Transit Association. California State Transit Association Executive Director Joshua Shaw will be at the December 12, 2003 Board of Directors Meeting to outline the CTA priorities and to offer his views regarding the key issues the will face the 2004 California State Legislature. Joshua Shaw also serves as a Legislative Advocate for METRO under a separate contract.

IV. FINANCIAL CONSIDERATIONS

Funds for the State Legislative Advocacy activities, including travel to Sacramento and the contract with Joshua W. Shaw, are included in the adopted 2003/2004 METRO Operating Budget.

V. ATTACHMENTS

- Attachment A:** Proposed 2004 Santa Cruz Metropolitan Transit District Legislative Program.
- Attachment B:** Adopted 2004 California Transit Association Legislative Program.
- Attachment C:** November 06, 2003 Opinion from the Legislative counsel of California.
- Attachment D:** Letter to the Santa Cruz Sentinel from Senator Kevin Murray.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT 2004 STATE LEGISLATIVE PROGRAM

State Goals:

1. Support legislation and actions necessary to protect existing funding sources and funding levels for transit operating assistance and capital assistance.
2. Support the introduction and passage of legislation designed to enact additional sources of transit operating and capital assistance.
3. Support efforts to insure that Federal Section 5307 formula funds in the Governor's apportionment are programmed statewide to the maximum extent possible to insure that SCMTD can access Section 5309 Federal discretionary earmarks and to insure that no funds lapse at the end of the TEA-21 authorization.
4. Support efforts to obtain operating and capital funds to meet the increasing service requirements of ADA Para transit.
5. Explore the possibility of using state education funds for the development, construction, and operation of off-campus park and ride facilities as well as public transit services at campuses in the University of California system.
6. Explore the possibility of requesting legislation to grant the SCMTD the authority to issue subpoenas.
7. Support efforts to obtain operating and capital funds to implement the CARB Urban Bus Rule requiring the use of alternate fuels.
8. Support efforts to improve communication and funding for public schools (K-12) and community college/university transportation needs.
9. Prepare and implement a county-wide public awareness program to inform the public of the impacts of lowered or cancelled state funding on METRO service and projects. Involve all stakeholders in the design and implementation of the program. Encourage communication of concerns to members of the State Legislature with emphasis on those individuals representing Santa Cruz County.
10. Request permissive legislation that would allow the continued use of the yield signs currently affixed to METRO buses as advisory signs.

CALIFORNIA TRANSIT ASSOCIATION 2004 STATE LEGISLATIVE PROGRAM

Vision Statement

This statement contains the long-range vision for the transit industry of the California Transit Association and portrays the desired future we seek to achieve. Our Association's vision is:

A more balanced transportation system, which weaves into the fabric of California communities and improves the quality of life for all Californians.

Mission Statement

This statement describes how the Association will accomplish its vision. Our Association's mission is:

To work in partnership with its membership and California's communities to be the primary advocate for policies which recognize and support public transit as an integral part of a balanced transportation system.

Policy Principles

These policy principles provide guidance to the Association on how to best advocate for the industry. The first set of principles articulate what we, as an industry, strive to be. The second set of principles refers to what types of policies we support in the political arena.

We strive to

- X Generate economic development
- X Provide choice of mode in travel
- X Meet market demand flexibly and reliably
- X Operate efficiently
- X Raise public awareness about transit

We support policies that...

- X Create patterns of land-use that efficiently combine transit and development
- X Promote a multi-modal transportation system offering choices to transportation consumers
- X Preserve the environment through better transportation planning
- X Promote social equity through better transportation planning
- X Create financial stability for public transit

2004 State Legislative Program

1. Create patterns of land-use that efficiently combine transit and development

A. Enact Comprehensive Policies to Enable Transit-Supportive Development & Smarter Growth

The Association has been active in advocating for smart growth and transit-oriented development. Actions taken by the Association have ranged from successful sponsorship of legislation – including AB 1320 (Dutra) to provide tax-increment financing for TODs in transit village planning areas – to supporting the smart growth goals sponsored by coalition partners.

Recommendation:

- 1) Continue to support / refine / move AB 1320 (Dutra).
- 2) Seek introduction of legislation to impose congestion mitigation fees on new developments.

2. Promote a multi-modal transportation system offering choices to transportation consumers

A. Clarify Public Utilities Commission's Rail Oversight Authority

The Association has been working in partnership with rail General Managers and staff this past year to prevent inappropriate regulatory actions from being imposed on rail public transit by the PUC. The negotiations, while positive, have not produced the intended effect of limiting the PUC's authority to that which is statutorily prescribed. A group of rail GM's and technical staff has approved the attached language in concept.

Recommendation: Introduce legislation, per the attachment, to clarify and delimit the PUC's authority.

B. Enhance Penalties for Crimes Against Transit Staff and / or On Transit Vehicles / Property

Many of the Association's member agencies want to strengthen penalties against those that commit crimes against an operator of a transit vehicle, against the transit-riding public, and / or against property of transit agencies. As the Association supports increased safety for transit employees and the riding public, the Association introduced legislation in 2003 to strengthen the penalties associated with such crimes.

Recommendation: Continue to support / refine / move AB 1474 (Runner), the Association's sponsored legislation that increased penalties against those that loiter around a transit station.

3. Preserve the environment through better transportation planning

The Association will consider and support proposals that enhance the ability of transit operators and other agencies to preserve the environment through better transportation planning.

4. Promote social equity through better transportation planning

The Association will consider and support proposals that enhance the ability of transit operators and other agencies to promote social equity through better transportation planning.

5. Create financial stability for public transit

A. Explore and Enact Comprehensive Transit Funding Program

The Association supports enactment of a comprehensive, long-term transit funding program. Such a new program would address at least the following funding needs:

1. Increase Operating Revenue - The Senate Resolution 8 report of 1999 indicates that California transit operators require at least an additional \$400 million per year over the next 10 years to meet the state's growing demands for mobility, access and economic development. In 2003, the Association introduced AB 1065 (Longville) to allow counties to double their local Transportation Development Act quarter-cent sales tax.

Recommendation: Continue to support / refine / move AB 1065 (Longville).

2. Create New Transit Capital Funding Program - The Association historically advocates for additional revenue for transit capital investment programs.

3. Enact Transit-Supportive Development Funding - Additional revenue is needed to provide transit agencies a dedicated funding source to support transit-friendly development (see 1 .A.).

4. Add Revenue to Address Air Quality Requirements - Additional revenue is needed to comply with newly imposed engine emission requirements.

5. Protect and Recover Transit=s Property Tax Base - The state annually shifts the property tax revenue of several transit agencies to non-transit purposes. The Association will support legislation to protect and recover the property tax base of these agencies, and oppose state budget action to divert such property tax funds to the state's General Fund.

B. Remedy *Guardino*

Whether or not new revenues are provided at the state level, the Association will partner with others to build a coalition and support legislation to remedy the impact of the

decision in the *Santa Clara County Local Transportation Authority vs. Guardino* case. Such legislation would reduce the currently-required two-thirds supra-majority vote and make it easier to enact new or continue existing local county sales taxes for transportation purposes.

C. Remedy *Bonanno*

Earlier this year, the California Supreme Court upheld a lower court decision which ruled that Central Contra Costa Transit Authority was liable for injuries sustained by a pedestrian trying to reach a bus stop. The plaintiff argued that CCCTA's siting of the bus stop was hazardous, and directly contributed to her injuries. This ruling substantially and inappropriately expands the liability exposure of transit agencies, as nearly any bus stop could be argued to be in a hazardous location.

Recommendation: Sponsor legislation to reverse or mitigate this decision.

D. Protect Existing Transit Revenue

The Association will take all necessary and appropriate actions to protect against the transfer or expenditure of Transportation Development Act, Public Transportation Account, Traffic Congestion Relief Fund, and other transit funds, to state or local agencies or for purposes other than those specified in the Act and existing transit funding law. This includes support for funding of transit bond debt service payments from the General Fund, as has been the state's normal practice.

E. Support Transit Efficiency

Transit performance efficiency measures that streamline and improve present state accountability requirements will be supported, and those that do not will be opposed. Currently, transit agencies have authority to utilize the design-build process, under certain circumstances. This authority is set to expire January, 1, 2005. Additionally, transit agencies must now subscribe to a costly and burdensome Disadvantaged Business enterprise program administered by Caltrans.

Recommendation:

- 1) Sponsor legislation to extend the design-build authority currently granted to transit operators.
- 2) Seek remedy from Caltrans' duplicative applications for Disadvantaged Business Enterprise Program.

F. Exempt Small Operators from Administrative Burden

The Association will consider and support exemptions for small operators from financially burdensome legal or regulatory requirements, or to minimize their impact on small operators.

G. Protect Integrity of Collective Bargaining Agreements

The Association will support efforts to preserve the local collective bargaining process, where it is in place for our member organizations, and will oppose efforts through statute or regulations to mandate benefits or other specific working conditions that should more appropriately be addressed through collectively bargained agreements.

H. Educate Governor-Elect and New Administration

The Association will educate and work with the new Governor and his Administration regarding the benefits of public transportation in California.

LEGISLATIVE COUNSEL

Diane F. Boyer-Vine

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November 6, 2003

Honorable John Laird
2196 State Capitol**VEHICLES: SIGNS ON TRANSIT BUSES - #20717**

Clear Mr. Laird:

QUESTION No. 1

May a transit district or transportation authority place signs on its transit buses without specific legislative authorization?

OPINION No. 1

A transit district or transportation authority may, subject to the provisions of the Vehicle Code and other provisions of state and federal law, place signs on its transit buses without specific legislative authorization.

ANALYSIS No. 1

In California, a transit bus is any bus owned or operated by a publicly owned or operated transit system, or operated under contract with a publicly owned or operated transit system (Sec. 642, Veh. C.).¹ A bus, generally, including a transit bus, is a vehicle for purposes of the Vehicle Code (Sec. 233).

Provisions governing the equipment of vehicles are generally contained in Division 12 (commencing with Section 24000). No provisions of the Vehicle Code or any other law specifically prohibits the placement of signs on vehicles, including transit buses. There are, however, general provisions of the Vehicle Code that may limit or restrict the placement of

¹ All further section references are to the Vehicle Code, unless otherwise indicated.

certain signs on transit buses. Section 24002, which imposes limitations on the operation of vehicles, reads as follows:

“24002. (a) It is unlawful to operate any vehicle or combination of vehicles which is in an unsafe condition, or which is not safely loaded, and which presents an immediate safety hazard.

“(b) It is unlawful to operate any vehicle or combination of vehicles which is not equipped as provided in this code.”

Thus, **Section. 24002** prohibits a vehicle from being operated with a sign if it is in an unsafe condition, if it presents an immediate safety hazard, or if it is not equipped as provided in the Vehicle Code. For example, Section 26708 prohibits, with specified exceptions, a vehicle from having any object or material placed, displayed, installed, affixed, or applied either upon the windshield or side or rear window or in a manner that reduces the driver's clear view through the windshield or side windows.

Furthermore, provisions in Chapter 2 (commencing with Section 24250) of Division 12 regulate the placement and use of lights, including flashing and colored lights, on vehicles. A transit district or transportation authority would have to comply with these requirements in placing signs on transit buses.

Moreover, generally, nothing prohibits the placing of advertising signs on buses (*Sanctity of Human Life Network v. California Highway Patrol* (2003) 105 Cal.App.4th 858, 866).

Thus, we think that a transit district or transportation authority is required to comply with the provisions of the Vehicle Code and other provisions of state and federal law when placing a sign on a transit bus.

Accordingly, it is our opinion that a transit district or transportation authority may, subject to the provisions of the Vehicle Code and other provisions of state and federal law, place signs on its transit buses without specific legislative authorization.

QUESTION **No. 2**

On and after January 1, 2004, may the Santa Cruz Metropolitan Transit District and the Santa Clara Valley Transportation Authority continue to use “yield” signs that are currently affixed to the back of their public transit buses pursuant to paragraph (3) of subdivision (a) of Section 21810 of the Vehicle Code?

OPINION **No. 2**

On and after January 1, 2004, the Santa Cruz Metropolitan Transit District and the Santa Clara Valley Transportation Authority may not continue to use “yield” signs that are currently affixed to the back of their public transit buses pursuant to paragraph (3) of subdivision (a) of Section 21810 of the Vehicle Code.

ANALYSIS NO. 2

By way of background, the Santa Cruz Metropolitan Transit District (hereafter the district) is created under and governed by the provisions of the Santa Cruz Metropolitan Transit District Act contained in Part 10 (commencing with Section 98000) of Division 10 of the Public Utilities Code. The Santa Clara Valley Transportation Authority (hereafter the authority) is created under and governed by the provisions of the Santa Clara Valley Transportation Authority Act contained in Part 12 (commencing with Section 100000) of Division 10 of the Public Utilities Code.

The district and the authority are subject to the provisions of Division 14.8 (commencing with Section 34500) of the Vehicle Code with respect to the operation of their buses and to rules and regulations of the Department of the California Highway Patrol regarding the safe operation of buses (Secs. 982516 and 100167, P.U.C.). However, nothing in Division 14.8 (commencing with Section 34500) of the Vehicle Code nor in the acts governing the district and the authority addresses whether signs may be placed on transit buses.

We now turn to Section 21810 which currently authorizes yield signs on some transit buses. Section 21810, which will be repealed on January 1, 2004, reads as follows:

"21810. (a) The driver of a vehicle overtaking a transit bus shall yield the right-of-way to the bus if all of the following conditions are present:

"(1) The transit bus has entirely exited an active traffic lane to board or disembark passenger; at a designated bus stop, and is attempting to reenter the lane from which it exited.

"(2) Directional signals on the transit bus are flashing to indicate that the bus is preparing to merge with traffic.

"(3) The transit bus is equipped with a yield right-of-way sign on the left rear of the bus shall be both of the following:

"(A) Do not warn a person operating a motor vehicle approaching the rear of the bus that the person is required to yield the right-of-way to the bus when the bus is entering traffic.

"(B) Illuminated by a flashing light when the bus is signaling in preparation for entering a traffic lane after having stopped to receive or discharge passengers.

"(b) Nothing in this section requires a transit agency to install the yield right-of-way sign described in paragraph (3) of subdivision (a).

"(c) This section does not relieve the driver of a transit bus from the duty to drive the bus with due regard for the safety of all persons and property. Nothing in this section relieves the transit agency from complying with the standard of care for its passengers established by Section 2100 of the Civil Code,

"(d) The provisions of this section are applicable to the Santa Cruz Metropolitan Transit District, the Orange County Transportation Authority,

the Alameda-Contra Costa Transit District, and the Santa Clara County Transit District,² if the governing board of the district approves a resolution, after a public hearing on the issue, requesting that this section be made applicable to it, and transmits a copy of the resolution to the commissioner.

“(e) (1) Notwithstanding Section 7055.5 of the Government Code, on or before December 31, 2002, the commissioner, after consultation with the participating transit agencies, participating law enforcement, and the advisory committee established pursuant to paragraph (3) of subdivision (a) of Section 34501 of the Vehicle Code, shall report to the Legislature on the effectiveness of the right-of-way for transit vehicles established by this section, including, but not limited to, any impact on the highway and local road safety and the efficiency of transit operations. The report shall recommend whether or not the right-of-way established by this section should be made permanent on a local basis, and whether it would be effective if implemented on a statewide basis,

“(2) The commissioner, in consultation with the participating transit agencies, the California Transit Association, the advisory committee, and the participating local law enforcement agencies, shall identify the information required for preparation of the report required under Paragraph (1). This information may include, but need not be limited to, all of the following:

“(A) The total number of traffic collisions causing fatalities or injuries, and the number causing only property damage.

“(B) Traffic congestion issues.

“(C) Public opinion issues.

“(D) Efficiency of transit operations.

“(E) The public education program required under subdivision (i).

“(3) The commissioner may develop a format and schedule for reporting the information identified under paragraph (2), and the local law enforcement agencies, transit agencies, and the California Transit Association shall provide the commissioner with the information by using that format and in compliance with that schedule.

“(f) Each transit agency participating in the program shall undertake a public education program to inform motorists of the requirements imposed by this section.

“(g) The base fine for a violation of subdivision (a) is thirty-five dollars (\$35).

²The Santa Clara Valley Transportation Authority has taken over all powers and duties of the former Santa Clara County Transit District and all references to “district” in the act relating to the authority refer to the Santa Clara County Transportation Authority (Secs. 300001.5 and 100011, P.U.C.)

“(h) This section shall remain in effect only until January 1, 2004, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2004, deletes or extends that date.” (Emphasis added.)

Thus, until January 1, 2004, Section 21810 authorizes transit buses in four specified jurisdictions to be equipped with yield signs. As indicated in paragraph (3) of subdivision (a) of Section 218.10, the authorized type of sign is a yield right-of-way sign at the left teat of the **bus** that is illuminated by a flashing light when the bus is signaling in preparation for entering a traffic lane after stopping to receive or discharge passengers.

One issue is whether after January 1, 2004, the yield signs on these transit buses may continue to **be illuminated** by a flashing light. Article 7 (commencing with Section 25250) of Chapter 2 of Division 12 (hereafter Article 7) generally governs flashing lights on vehicles, in&ding all buses subject to the Vehicle Code. In this regard, Section 25250 reads as follows:

“25250. Flashing lights ate prohibited on vehicles except as otherwise permitted.”

The remainder of Article 7 consists of exceptions to the prohibition in Section 25250. There are no exceptions in Article 7 that authorize a **transit bus** to be equipped with a sip illuminated by flashing lights. Thus, we conclude that when Section 21810 is repealed on January 1, 2004, there are no provisions in **the** Vehicle Code authorizing yield signs on the back of transit buses to be illurninated by flashing lights.

We next consider whether the district or authority **may** continue to equip its transit **buses** with the yield signs on and after January 1, 2004, if it does not operate the yield sign’s flashing lights.

The state has plenary power and has preempted the entire field of traffic control (*Rumford v. City of Berkeley* (1982) 31 Cal.3d 545; see also Sec. 21), and unless expressly granted, a local authority does not have authority **to regulate traffic**, including placing traffic control devices (Id., at p. 550).

The definition of an official traffic control device is found in Section 440, which reads as follows:

“440. An ‘official traffic control device’ is any sign, signal, marking, or device, consistent with Section 21400, placed or erected by authority of a public body or official having jurisdiction, for the purpose of regulating, warning, or guiding traffic, but does not include islands, curbs, traffic barriers, speed humps, speed bumps, or other roadway design features.”

The Department of Transportation is required to adopt regulations prescribing uniform standards for ail official traffic control devices, including expressly “yield tight-of-way signs” (Sec. 21400). Traffic control devices covet a broad spectrum of devices, and include devices that are mounted on objects other than posts, and may include a sign mounted on the

back of a vehicle (see Department of Transportation, Caltrans Traffic Manual (1996), pp. 5-22 to 5-27). In this case, you have informed us that the yield signs that are currently affixed to the transit buses in question are inverted triangles that have the shape and lettering similar to that of a commonly used yield sign placed on highways (Id., at p. 5-27).

Under Section 21810, the authorized yield sign on a transit bus is required to be designed so the sign warns a person operating a motor vehicle that the person is required to yield the right-of-way to the transit bus (subpara. (A), para. (3), subd. (a), Sec. 21810). Thus, in our view, Section 21810 yield signs were purposefully designed to regulate traffic by causing motorists to yield the right-of-way to a transit bus and are traffic control devices,

Section 21465 specifically prohibits the use of unofficial traffic control devices. That section reads as follows:

“21465. No person shall place, maintain, or display upon, or in view of, any highway any unofficial sign, signal, device, or marking, or any sign, signal, device, or marking which purports to be or is an imitation of, or resembles, an official traffic control device or which attempts to direct the movement of traffic or which hides from view any official traffic control device.”

Section 21465 has been construed as prohibiting a person from placing an unofficial sign that attempts to direct the movement of traffic by imitating or resembling an official traffic control device (*Sanctity of Human Life Network v. California Highway Patrol*, supra, at pp. 863-868). Here, we think the yield signs currently affixed to the district or authority transit buses imitate or resemble an official traffic control device and purport to direct the movement of traffic.

Consequently, because the district and the authority will not be authorized by Section 21810 to operate the yield right-of-way signs currently affixed to the back of their public transit buses on and after January 1, 2004, we think that the district or the authority must either remove the signs or cover them from public view.

Accordingly, it is out opinion that on and after January 1, 2004, the Santa Cruz Metropolitan Transit District and the Santa Clara Valley Transportation Authority may not continue to use "yield" signs that are currently affixed to the back of their public transit buses pursuant to paragraph (3) of subdivision (a) of Section 21810 of the Vehicle Code.

Very truly yours,

Diane F. Boyer-Vine
Legislative Counsel



By
Christine N. Paxinos
Deputy Legislative Counsel

CNP:tv

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Bus program a scam

I read with interest Heather Boerner's article on the yield-to-bus program and feel compelled to write this letter to reveal how the public has been misinformed on this subject.

The yield-to-bus program is a scam against motorists.

While the proponents of AB 557 talk about safety and efficiency, what the bill actually did was give the right of way in all cases to the bus.

I do not believe that the authors of the bill, whom I have great respect for and who ably represent their constituents, were ever informed by the sponsors of their true intentions.

Under current law, when a bus operator is pulling away from the curb and into traffic, it is his or her responsibility to merge safely and with caution.

Under AB 557, if the right of way is given to the bus, the motorist would be at fault for an accident and therefore liable for damages every time.

Continuing this scam disguised as a "program" is stealing from motorists.

In a special report to the Legislature in December 2002, the California Highway Patrol found no safety or efficiency reasons to continue the yield-to-bus program.

I will not support any extension of it.

The proponents are free to continue using the signs and advertising to promote safety without changing who has the right-of-way. They don't need legislation for this and I encourage them to do so.

This would be a true test of whether the goal was safety or money.

KEVIN MURRAY
SENATOR, 26TH DISTRICT

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDER APPROVAL OF 2004 FEDERAL LEGISLATIVE PROGRAM

I. RECOMMENDED ACTION

That the Board of Directors adopt the proposed METRO 2004 Federal Legislative Program attached to this staff report.

II. SUMMARY OF ISSUES

- Elected officials at the federal level support the goals established by the METRO Board of Directors when the Legislative Program is presented to them early in the legislative process.
- In 2004, the second session of the 108th Congress will appropriate transit funds for federal FY 2005.
- In order to maximize formula funds received by METRO, staff recommends that we advocate for funding of the federal FY 2005 Transportation Appropriations Bill at the 2004 appropriated level (when passed) plus 4%.
- In prior years, there have been numerous efforts to limit funding for public transit service in California. Staff recommends that METRO representatives again oppose any action that singles out specific states for lower transit funding levels or places a minimum allocation level to all states which would redirect federal funds away from populous states like California.
- As costs related to federally-mandated complimentary Paratransit continue to rise, staff recommends that METRO advocate for funding at the federal level to assist in offsetting these expenses.
- Proposals for the reauthorization of TEA-21 were finalized in 2003. Major advocacy groups (including APTA) have included the High Intensity Tier Proposal developed by METRO and others in the adopted positions. Representatives of the Federal Transit Administration (FTA) have unofficially indicated their support of the concept of a High Intensity Tier component. The FTA proposal was sent to Congress as the Security and Financial Equity Act for the 21st Century (SAFETEA). The current reauthorization proposal from the House Transportation and Infrastructure Committee contains the language that METRO and APTA submitted for the High Intensity Transit Tier. Staff recommends that METRO continue to advocate for the inclusion of a \$35 million High Intensity Transit Tier Program in the under 200,000 population Urbanized Area Formula Program.

- Many of the transit-intensive systems in the under 200,000 population Urbanized Areas have aging fleets, which need replacing. Additionally, there are some small systems in the Urbanized Areas with populations between 200,000 – 1 million that also have bus replacement needs which exceed the ability of the Formula Program to address. Major advocacy groups (including APTA) have recognized this need and have included a \$100 million supplemental Bus Replacement Program in their Legislative Proposals. This funding would be directed to Urbanized Areas under 1 million in population. Currently the draft language developed by the House Transportation and Infrastructure Committee does not contain the supplemental bus funding provision. Staff recommends that METRO continue to advocate for the inclusion of a \$100 million per year Bus Fleet Modernization Program directed at areas below 1 million in population in the next authorization bill.
- Transit financing needs will continue to increase in future years. Staff recommends that METRO advocate for the transit program funding levels to increase from the projected \$7.2 billion authorized level in 2003 to \$14.2 billion in 2009.
- It is anticipated that earmarked Discretionary Capital funding will be needed to construct the transit facility portion of the SC Metro Center Redevelopment Project. Staff recommends that METRO advocate for the inclusion of a multi-year earmark totaling \$8.66 million in the new TEA-21 reauthorization bill or through the appropriations process.

III. DISCUSSION

In 2004, Congress will appropriate funds for federal FY 2005. The federal formula funds that METRO receives to offset operating and capital expenses are derived from the annual appropriations bill. Therefore, it is important that Congress appropriate at the highest possible levels.

In prior years under Republican leadership, the transportation appropriations process has resulted in proposals being developed which would limit funding for California transit systems. Staff recommends that the 2004 Legislative Program include a provision that METRO continue to vigorously resist efforts to single out specific states for lower transit funding or places a minimum allocation level to all states which would redirect funds away from more populous states like California.

While the implementation of the recertification has slowed the growth in ADA Paratransit costs, it is likely that these costs will increase in future years. The current evaluation of direct “in house” operation of the service may lead to additional costs. Staff recommends that METRO advocate for federal capital and operating funds to assist in supporting future costs of the ADA-mandated complimentary Paratransit.

TEA-21 required (Section 3033) the completion of a study for smaller transit-intensive communities to determine if the current Formula Program was adequate to meet the needs of these communities. The report issued, pursuant to Section 3033, identified the need to include a service factor in the formula for these communities. The report found that systems, like Santa Cruz, performed at levels higher than systems in communities of 200,000 – 1 million in population. A new High Intensity Transit Tier Program has been developed to respond to the needs of systems like METRO. This new program has been included in the adopted legislative programs of the major transportation advocacy groups including the American Public Transportation Association (APTA). The draft Bill language that has been developed by the House Committee on Transportation and Infrastructure contains the provision for the High Intensity Transit Tier using the language submitted by both METRO and APTA. Staff recommends active advocacy for the inclusion of the High Intensity Transit Tier in the next authorization bill. Staff further recommends that METRO representatives work collaboratively with the American Public Transportation Association and the other transit-intensive communities to advocate for this new program. The proposed High Intensity Transit Tier Program is recommended to be funded initially at \$35 million and grow to \$54 million over the life of the authorization bill.

In small and medium sized communities, the formula capital program does not provide sufficient funding to keep pace with bus replacement needs. This has resulted in many small and medium sized communities having fleets whose age far exceeds the identified Federal Transit Administration criteria. With the recent fleet modernization that METRO has implemented this program would not benefit Santa Cruz for quite some time. However, there are many medium and small sized systems that desperately need a supplemental bus funding program and therefore staff recommends that METRO continue to advocate for the inclusion of a \$100 million annual Bus Fleet Modernization Program in the new authorization bill while recognizing that this program has not generated the same level of support that the High Intensity Transit Tier program has. This program has been included in the adopted legislative program of APTA.

In order to accommodate the inclusion of new funding initiatives in the Federal Transit Program, it will be necessary for authorized levels to rise in the new bill. Therefore, staff recommends that METRO advocate for an increase in funding levels from the \$7.2 billion appropriated for 2003(2004 Appropriations Bill is pending) to \$14.2 billion in 2009.

The first phase of the Santa Cruz Metro Center (Pacific Station) Redevelopment Project was funded by the State of California through the Traffic Congestion Reduction Program (TCRP) enacted by the Legislature in 2001. The initial phase included the conceptual design activities, budget development, environmental review, and property acquisition. METRO contracted with the City of Santa Cruz Redevelopment Agency to manage this phase of the project. Currently a conceptual design has been developed. The proposed design will require the demolition and reconstruction of the current SC Metro Center facilities as well as the Greyhound facilities. Unfortunately the negative financial situation at the state level resulted in the final \$800,000 of funding for the first phase of the project being withdrawn. Therefore the Pacific Station

Redevelopment Plan will require a substantial amount of federal funding for implementation. This funding will have to come in the form of federal discretionary earmarks. In 2003 METRO requested that Congress Member Sam Farr and Congress Member Anna Eshoo submit requests for an earmark in the 2004 Appropriations Bill for \$1,500,000 to finance the property acquisition portion of the Pacific Station Project. Congress Member Eshoo submitted an earmark request for the project. Congress Member Farr did not submit a request for an appropriations earmark indicating that it was his preference to obtain a multi-year earmark in the reauthorization bill. Funds included in an authorization bill must also be appropriated annually by the Congress. While it is not statutorily required that a project be included in the authorization bill, gaining recognition in this bill makes it easier to achieve funding through appropriations. Unfortunately there was not an earmark for Pacific Station included in the 2004 Appropriations Bill (currently pending). The reauthorization process has moved much more slowly than anticipated and the TEA 21 Authorization that was scheduled to expire on September 30, 2003 was extended through February 2004. At this time it is unclear as to whether the Congress will allow any project level earmarking actions to be included in whatever reauthorization bill that emerges. As a result of the status of both the 2004 Appropriations Bill and the Multi-year Reauthorization Bill there is no statutory recognition of the Pacific Station Redevelopment Project by the federal government. Therefore this project is currently in an "on hold" status.

In order to effectively advocate for the goal contained in the proposed 2004 Federal Legislative Program, it will take the concerted efforts of members of the Board of Directors, staff, other community leaders and citizens to communicate our needs to our members of Congress. METRO will continue to use the services of Chaney & Associates in Washington, DC as our legislative advocates.

IV. FINANCIAL CONSIDERATIONS

Funding necessary for travel to Washington, DC and other APTA Legislative Committee meetings is included in the 2003/2004 METRO operating budget. Additionally, funds necessary to support the services of Chaney & Associates are included in the METRO budget.

V. ATTACHMENTS

Attachment A: Proposed Santa Cruz Metropolitan Transit District 2004 Federal Legislative Program

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
2004 FEDERAL LEGISLATIVE PROGRAM**

Federal Goals:

1. Support the appropriation of federal transit funds at the maximum amount provided in the extension of the Transportation Equity Act of the 21st Century (TEA-21) and support the continuation of the guarantee and firewall provisions contained in the Act. Resist efforts to single out specific states for lower transit funding levels.
2. Support efforts to obtain funding for operating and capital costs to meet the increasing service requirements of ADA Paratransit.
3. Advocate for the inclusion of service and equity factors in the Federal Transit Formula Program in the Reauthorization of TEA-21. Request that an Incentive Tier be added to the Formula Program for urbanized areas under 200,000 in population. Advocate for the Incentive Tier to be funded at \$35 million in FY2004 and increased by 4% each year of the Authorization Bill to a level of \$54 million in 2009.
4. Advocate for the inclusion of a Bus Fleet Modernization Program in the Reauthorization of TEA-21. Support the funding of the Fleet Modernization Program at \$100 million annually.
5. Advocate for increasing the funding levels of the Federal Transit Program from \$7.2 billion (last year of TEA-21) in 2003 to \$14.2 billion in 2009.
6. Advocate for and achieve TEA-21 Reauthorization Earmark of \$8.66 million for the construction of the transit facility portion of the Santa Cruz Metro Center (Pacific Station) Redevelopment Project.
7. Advocate for and achieve an Earmark in a 2004 Supplemental Transportation Appropriations Bill of \$1.5 million for Right of Way Acquisition for the Santa Cruz Metro Center (Pacific Station) Redevelopment Project.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 12, 2003

TO: Board of Directors

FROM: Bryant J. Baehr, Manager of Operations

**SUBJECT: CONSIDERATION OF PROVIDING ADDITIONAL SERVICE FOR
SANTA CRUZ FIRST NIGHT ACTIVITIES**

I. RECOMMENDED ACTION

Staff is recommending that the Board of Directors authorize additional fixed route service on December 31, 2003 not to exceed \$3,300.

II. SUMMARY OF ISSUES

- On December 31, 2003 First Night Santa Cruz will be hosting activities in downtown Santa Cruz. This event attracts visitors and residents from all parts of the County.
- First Night Santa Cruz was awarded \$3,300 from the Regional Transportation Commission for First Night transportation services.
- First Night Santa Cruz has requested that volunteer workers be allowed free transportation privileges to and from the event.

III. DISCUSSION

On December 31, 2003 First Night Santa Cruz will be hosting activities in downtown Santa Cruz. This event attracts visitors and residents from all parts of the County that will be in need of transportation to and from the event.

Transit District staff, in conjunction with First Night Santa Cruz, will develop schedules to provide additional fixed route services to and from the event. As per Federal regulations, additional services provided must be open-door and use routes currently operated by the Transit District.

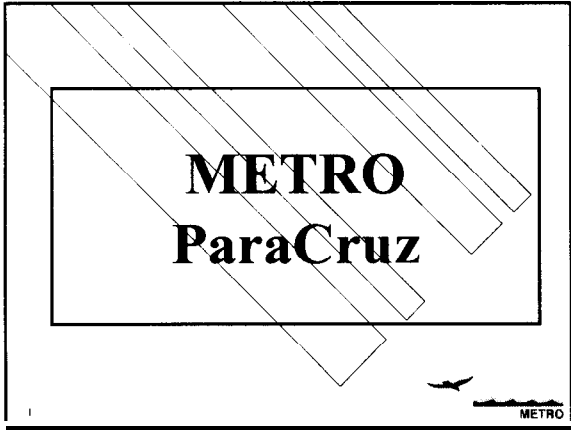
First Night Santa Cruz has requested that volunteer workers be allowed to use Transit District services free of charge to and from the event. It is estimated that 400 trips would be provided to volunteers at a loss of revenue of \$600.00. First Night Santa Cruz has requested that volunteer workers be allowed free transportation privileges to and from the event. It is estimated that approximately 400 trips would be provided at a cost of \$600.00. Due to the current economic conditions, staff is recommending that the Board of Directors not authorize the free transportation.

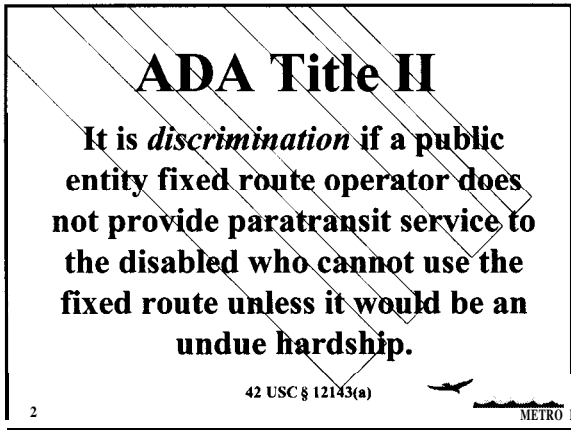
IV. FINANCIAL CONSIDERATIONS

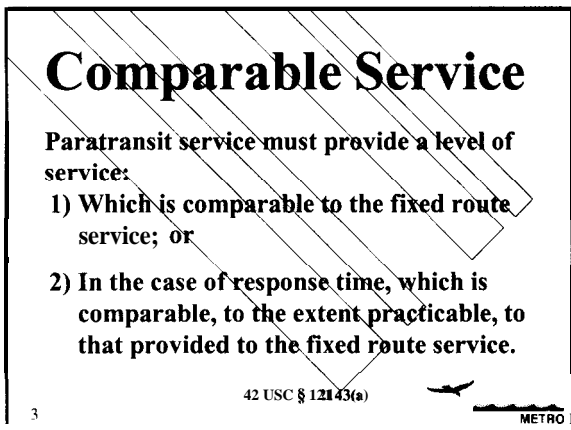
First Night Santa Cruz was awarded \$3,300 from the Regional Transportation Commission for additional transit services. Staff will work with the City of Santa Cruz for billing the additional services provided. If free transportation services were provided to volunteer workers, the loss in revenue would be approximately \$600.00.

V. ATTACHMENTS

NONE







Eligibility Criteria for Paratransit Services:

Category 1: Cannot board, ride, disembark or navigate system;

Category 2: Accessible vehicles are unavailable;

Category 3: Cannot travel to a boarding/ disembarking location;
(continued next slide)

4 42 USC Section 12143(c)(1)(A)(i)(iii) METRO

Eligibility Criteria (continued):

Category 4: One Personal Care attendant (no cost);

Category 5: A person accompanying disabled individual (same origin and destination), additional individuals as space allows; and

Category 6: Qualifying Visitors (up to 21 days).

5 42 USC Section 12143(c)(1)(B) METRO


Eligibility Regulations:

1. Eligibility process;
2. Eligibility information available in accessible formats;
3. Eligibility decision made within 21 days or allowed service;
4. Written eligibility determination (reasons for ineligibility);
5. Documentation provided if eligible (ADA Paratransit Eligible);

6 METRO

Eligibility Regulations: (continued)

6. **Recertification allowed at reasonable intervals;**
7. **Administrative appeal process required to review denial of eligibility;**
8. **Appeal decision made within 30 days or service allowed until adverse decision.**
9. **No show process allowed to suspend service.**

7 


Eligibility Cases and Trends

8 

Eligibility Determinations

The decision of the appeals panel will not be disturbed on appeal if it is based on credible evidence and is not arbitrary, capricious or unreasonable.

Sell v. Superior Court of New Jersey, Appellate Division (1997) 298 N.J. Super. 640; 689 A. 2d 1386; 1997 N. J. Super LEXIS 123.

9 

Eligibility Determinations

Decisions of appeals panels will not be disturbed if Federal Regulations are followed and the agency appeals procedures are followed.

Bradley vs. East Bay Paratransit Consortium/Inteltran, No. A092950, 12-12-01 (unpublished decision)

10 METRO

Category 3

A disabled person (other than one with a walking-related disability) is not entitled to paratransit merely because he cannot conveniently or pleasurably travel to a bus stop.

Sell v. Superior Court of New Jersey, Appellate Division (1997) 298 N.J. Super. 640; 689 A. 2d 1386; 1997 N. J. Super. LEXIS 123

11 METRO

Category 3

A case of "prevented travel" can be made not only where travel is literally impossible but also where the difficulties are so substantial that a reasonable person with the impairment-related condition in question would be deterred from making the trip.


Storman v. Sacramento Regional Transit District 70 Fed. Appx. 438.2003 WL 21518745 (9th Cir.)

12 METRO

PCA

Paratransit rider cannot be required to be accompanied by a Personal Care Attendant (PCA) unless rider has engaged in "violent, seriously disruptive, or illegal conduct."


*FTA Complaint No. 01-0185;
Regulations § 37.5(h)*

13 

PCA

Transit Agency cannot exclude a PCA whose assistance is not needed during the ride.


FTA Complaint No01-00185

14 

Due Process Rights

A Paratransit rider must be afforded adequate due process rights prior to any suspension or termination of service.

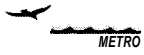
FTA Complaint No. 98208

15 

Identification Card

An eligible rider cannot be required to obtain an identification card before obtaining paratransit service.

FTA Complaint No. 99186

16 

Operational Service Criteria

17 

Minimum Service Level

The Regulations establish the *minimum service criteria* for determining the level of services required for paratransit service.

ADA Title II; 42 U.S.C. Section 12183(c)(3)


18 

Comparable Service Criteria:

1. Service Area;
2. Response Time*;
3. Fares;
4. Trip Purpose Restrictions;
5. Hours and days of service;
6. Capacity Constraints*;
7. Additional Service.

49 CFR § 37.131


19



1. Response Time:
Next Day Service.
2. Capacity Constraints:
Pattern or practice resulting
in "Substantial" trip denials.

49 CFR Part 37.131(b) and 37.131(f)

20




Response Time

No ADA violation found when provider carried 25,140 rides during a 6-month period and had 38 denials. Denials found to be "isolated incidents."

(Bacal v. Southeastern Pennsylvania Transportation Authority, 1998 U. S. Dist. LEXIS 8700, at 41 (E.D. Pa. May 29, 1998))

21



Response Time

More than five trip denials within control of provider on any day represented a "substantial number" and constituted an ADA violation. SEPTA ordered to meet "all" demand for ADA service.

Liberty Resources, Inc. v. Southeastern Pennsylvania Transportation Authority, 155 F. Supp.2d 242 (E.D. Pa. 2001), vacated as moot and not precedential, 2002 U.S. App. LEXIS 27344 (3d Cir. December 23, 2002)

22 METRO

Response Time

Injunction entered against MARTA (Atlanta) to improve the performance of paratransit service.

Martin v. MARTA, 228 Fed Supp., 2d Series, 1362 (N.D. Ga. 2002)

23 METRO

Response Time

By its terms, the Response Time Requirement (§ 37.131(b)) imposes an affirmative obligation on transit agencies to design, fund, and implement a next-day service to meet the foreseeable needs of all ADA eligible individuals.

Dept. of Transportation Response to Federal Appeals Court in the Rochester New York case-October 25, 2002

24 METRO

Response Time

No magic number of trip denials constitute a “substantial number.”
Analysis requires “case-by-case” analysis and consideration of whether capacity constraints are within the “control” of transit agency.

Dept. of Transportation Response to Federal Appeals Court in the Rochester New York case-October 25, 2002

25 METRO

Response Time

Injunctive Relief granted against Rochester:

1. Failure to schedule next day service (no capacity);
2. Operational pattern/practice that significantly limits availability of service.

Anderson v. Rochester-Genesee Regional Transportation Authority, 26 NDLR 134 (2d Cir. 2008)

26 METRO

Response Time

Even a well conceived paratransit service, designed, funded and implemented to meet 100% of projected need, may occasionally experience trip denials.

Anderson v. Rochester-Genesee Regional Transportation Authority 26 NDLR 134 (2d Cir. 2008)

27 METRO

Response Time

1. Must *plan* to meet 100 percent of the demand for next-day service;
2. Some leeway for *occasional failures* in unanticipated circumstances to meet actual demand;
3. But *if a pattern of noncompliance* develops, the agency must modify its plan.

Anderson v. Rochester-Genesee
Regional Transportation Authority,
26 NDLR 134 (2d Cir. 2008)

28 METRO

**“Active Discussion”
Regarding How to Count
Denials**

**Following Compliance Review in
Rochester, Entity told it can only book
one leg of a round; then should count it
as two denials trip.**

FTA Office of Civil Rights
Compliance Review
November 2002.

29 METRO

Baltimore Class Action

**Injunction sought against
Maryland Transit
Administration (MTA) for poor
paratransit performance and
operational problems within the
control of MTA.**

Complaint in Smith v. Flanagan,
No. 03-02895 (10-10-03)

30 METRO

Baltimore Class Action

The Advocacy Group charges that the MTA has failed to address “systemic ADA violations” and remains dysfunctional, unreliable, and in violation of federal law.”

*Complaint in Smith v. Flanagan,
No. 03-02895 (10-10-03)*

31 METRO

Reasonable Modification

FTA Office of Civil Rights appeared to broaden its perspective by quoting a Department of Justice regulation regarding making reasonable modification of practices and policies to avoid discrimination on the basis of disability.

Dept. of Justice ADA Regulation at 35.130(b)(7); FTA Office of Civil Rights Complaint No 01-0034

32 METRO

Wheelchair Size

Court denies request for injunction to force paratransit operator to carry oversize wheelchair.


*Keirnan v. UTA (10th Cir. Court of Appeals)
No. 02-4098, 08-12-03*

33 METRO

No-Show Policy

Transit Agency told to reassess charging rider with a No-Show if he/she fails to cancel ride the preceding day and reassess number of no-shows that initiate suspension of service.

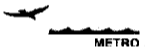
Letter dated 02-26-03 from FTA Office of Civil Rights

34 

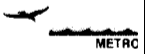
No-Show Policy

Cannot cancel return trip if first part of round trip is a No-Show.

Informal Guidance published by FTA Office of Civil Rights, 02-15-02

35 

**QUESTIONS?
COMMENTS?**

36 

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003
TO: Board of Directors
FROM: Emily Reilly, Chair
SUBJECT: CONSIDERATION OF GRANTING LIFETIME BUS PASS TO TIM FITZMAURICE, FORMER BOARD MEMBER

I. RECOMMENDED ACTION

That the Board of Directors consider overriding the existing policy regarding the issuance of Lifetime Bus Passes and allow Tim Fitzmaurice to receive a Lifetime Bus Pass.

II. SUMMARY OF ISSUES

- The current policy as it relates to Lifetime Bus Passes for former Board Members is that those members that have served their full four year term are eligible to receive bus passes for them and their spouses for the rest of their lives.
- Tim Fitzmaurice served on the Board of Directors from December 1998 through December 2002, a total of 4 years.
- Since he served parts of two separate four year terms, he is not eligible to receive a Lifetime Bus Pass.

III. DISCUSSION

When a Member of the Board completes a four year term and leaves the Board, they and their spouse are eligible for a Lifetime Bus Pass. This practice has been used to reward Directors for their service to the agency, and is similar to what is provided to retirees of the agency.

In 2002, Tim Fitzmaurice stepped down from the Board of Directors, resulting in his not completing his full term. Prior to that, he was appointed to the Board of Directors to complete the unexpired term of Ceila Scott. As a result, Tim Fitzmaurice has never completed a full four year term on the Board, but has served the Board for 4 years.

I am asking for Board consideration of my request to override the existing policy regarding the issuance of Lifetime Passes and allow Tim Fitzmaurice to receive one.

IV. FINANCIAL CONSIDERATIONS

The financial impact of this action is confined to the number of uses.


V. ATTACHMENTS

NONE

No-Show Policy

Transit Agency told to reassess charging rider with a No-Show if he/she fails to cancel ride the preceding day and reassess number of no-shows that initiate suspension of service.


Letter dated 02-26-03 from FTA Office of Civil Rights

34 

No-Show Policy

Cannot cancel return trip if first part of round trip is a No-Show.

Informal Guidance published by FTA Office of Civil Rights, 02-15-02

35 

**QUESTIONS?
COMMENTS?**



SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDERATION OF PROVISION OF SUPPORT SERVICES TO THE METRO ACCESSIBLE SERVICES TRANSIT FORUM (MASTF)

I. RECOMMENDED ACTION

That the Board of Directors approve the provision of support services for the Metro Accessible Services Transit Forum (MASTF).

II. SUMMARY OF ISSUES

- On October 24, 2003 the Board of Directors reaffirmed the status of the Metro Accessible Services Transit Forum (MASTF) as a formally recognized advisory committee to METRO.
- The Board of Directors also acted to recognize the independent status of MASTF.
- The Board took action to modify the level of support provided to the Metro Accessible Services Transit Forum (MASTF) in order to preserve the recognized independence of the Committee.
- As a result of the action taken by the Board, it will be necessary for MASTF to identify a Secretary and find the resources to take, transcribe, copy, and transmit meeting minutes. As these tasks and associated costs have been the responsibility of METRO in the past, it will be necessary to provide a reasonable period of time for MASTF to implement a new procedure and secure support funding.

III. DISCUSSION

On October 24, 2003 the Board of Directors approved changes in the structure and support of the citizen advisory committees that assist METRO. The Board approved the retention of MASTF as an "independent" advisory committee that, while recognized in the bylaws, would not be subject to having either the committee bylaws or the committee membership approved by the Board of Directors. The Board further modified the support provided to MASTF to the attendance of one staff member at meetings to receive and share information and to providing assistance to MASTF in the posting of meeting notices and distribution of meeting agendas. The Board indicated that MASTF would need to find the resources to take minutes, prepare and reproduce minutes, distribute minutes and other material associated with the conduct of meetings. In order to provide time for MASTF to identify a Secretary and establish a process for taking and producing the minutes, I am recommending that METRO continue to provide staff services to

carry out these activities through March 2004. Additionally, any needed research would have to be carried out by MASTF members. Previously provided financial support to MASTF in the form of room rents, bus passes, and party supplies was discontinued by the Board on October 24, 2003.

Subsequent to the actions taken by the Board regarding the support that would be provided to MASTF, questions have been raised regarding specific details that were not discussed at the October 24, 2003 meeting. In attempt to clarify the outstanding questions, I have attached a specific list of support services that I am recommending be provided to MASTF by METRO.

Over the past years many citizens have provided countless hours of service to METRO by participating in the MASTF activities. I am recommending that as a part of the final transition in the committees in March a formal recognition activity be held to express the appreciation of the Board and staff to the people who have provided support to METRO in past years by being members of MASTF.

IV. FINANCIAL CONSIDERATIONS

The funding necessary to support the activities of MASTF are contained in the 2003/2004 METRO Operating Budget.

V. ATTACHMENTS

Attachment A: METRO/MASTF Support Items

Attachment B: METRO Bylaws Provisions Addressing MASTF

METRO SUPPORT SERVICES FOR MASTF

1. The General Manager of METRO shall assign one member of the METRO Staff to attend MASTF Meetings for the purpose of sharing information regarding METRO activities and to gather information to share with the METRO General Manager.
2. METRO Staff members shall provide assistance to MASTF in the posting of meeting agendas to insure compliance with the Ralph M. Brown Act.
3. MASTF shall prepare the agenda for, and minutes of its meetings. MASTF shall provide electronic and sufficient paper copies, audio tapes, and large print copies to METRO to meet the MASTF distribution requirements.
4. MASTF shall provide a list of recipients, and their choice of formats (electronic, paper, audio tape) for agendas and meeting minutes.
5. METRO Staff members shall include the meeting minutes and agendas of MASTF in the Meeting Packets provided to the Board of Directors.
6. The METRO Administrative Services Coordinator shall provide assistance to individuals seeking information regarding MASTF. The METRO Administration telephone number shall be listed in the *Headways* publication as the place where inquiries regarding MASTF should be directed.
7. METRO shall provide space and lockable cabinets in the Santa Cruz Metro Center conference room for the MASTF files. The MASTF files shall only be accessible to MASTF members who have been designated by MASTF as having the responsibility for maintaining the files. MASTF shall provide the General Manager with a current list of individuals that are authorized to access the files. METRO Staff members shall not have keys to the MASTF files unless so designated by MASTF and then only with the approval of the General Manager.

(i) **Metro Advisory Committee (MAC)**

- (a) **The Metro Advisory Committee (MAC) is the official advisory committee of the Santa Cruz Metropolitan Transit District: Its purpose is to provide advise to the Board of Directors on matters of METRO policy and operations referred to the committee by the Board or the Secretary/General Manager and to perform such additional duties as assigned.**
- (b) **MAC shall be composed of 22 members appointed by the Board of Directors. Each director shall nominate two individuals to serve as members of the MAC.**
- (c) **The Board of Directors shall approve bylaws to be followed by MAC.**

(ii) **Metro Accessible Services Transit Forum (MASTF)**

- (a) **The Metro Accessible Services Transit Forum (MASTF) is an independent volunteer organization that advises the Santa Cruz Metropolitan Transit District Board of Directors and District management and staff regarding the best methods and resources for providing accessible transportation services to the public. MASTF reviews Metro programs for compliance with §504 of the Vocational Rehabilitation Act of 1973, Americans with Disabilities Act of 1990 and all other appropriate local, state and federal laws and regulations.**
- (b) **The District shall regularly send one staff member to the MASTF meetings and this person shall share information from the District and gather concerns from MASTF. The District shall help in the preparation and distribution of meeting notices and agendas. Information on MASTF will remain in the Headways publication.**

14.02 Appointment to Santa Cruz County Regional Transportation Commission

- a) **The Board of Directors shall annually in January appoint three of its members to represent the Transit District on the Santa Cruz County Regional Transportation Commission (SCCRTC) for a one year term commencing in February. These Directors shall be nominated by the Board Chair. Three alternates to this commission designated in priority order shall also be**

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Leslie R. White

SUBJECT: CONSIDERATION OF CHANGES IN THE METRO BYLAWS AND OF AN IMPLEMENTATION PLAN RELATING TO THE STRUCTURE AND SUPPORT OF THE METRO ADVISORY COMMITTEE (MAC).

I. RECOMMENDED ACTION

That the Board of Directors approve changes in the METRO Bylaws that would replace the Metro Users Group (MUG) with the Metro Advisory Committee (MAC) and approve an Implementation Plan that accomplishes the change in structure

II. SUMMARY OF ISSUES

- On October 24, 2003 the Board of Directors approved replacing the Metro Users Group with a new advisory committee that was designated the Metro Advisory Committee (MAC).
- Replacing MUG with MAC will require a period of transition while applications are solicited and members are identified and appointed.
- It is recommended that March 2004 be established as the transition month for final implementation of the changes in the citizen advisory structure and support levels.
- On December 12, 2003, in response to a request from Santa Cruz County Regional Transportation Commission (SCCRTC) Executive Director Linda Wilshusen, the Board of Directors instructed staff to develop amendatory language for the MAC Bylaws that would provide for the appointment of ex-officio members.

III. DISCUSSION

On October 24, 2003 the Board of Directors approved changes in the structure and support of the citizen advisory committees that assist METRO. The Board of Directors approved replacing MUG with a new citizen advisory committee designated MAC. The necessary changes in the METRO Bylaws needed to formalize the actions taken on October 24, 2003 are attached to this Staff Report. In order to provide time to finalize and implement the necessary bylaws for MAC, I am recommending that March 2004 be identified as the time for completion of the appointments for the new MAC. I have attached a proposed final draft of the MAC Bylaws to this Staff Report as well as a draft application form for membership. I am recommending that the Board of Directors adopt the changes in the METRO Bylaws, the MAC Bylaws, and the application form attached to this Staff Report and authorize staff to take actions necessary for implementation.

Over the past years many citizens have provided countless hours of service to METRO by participating in either the MUG activities. I am recommending that as a part of the final transition in the committees in March, a formal recognition activity be held to express the appreciation of the Board and staff to the people who have provided support to METRO in past years by being members of MUG.

On December 12, 2003 the Board of Directors instructed staff to develop amendatory language for the MAC Bylaws that would provide for the appointment of ex-officio members. The action taken by the Board was in response to a request from SCCRTC Executive Director Linda Wilshusen. The amendatory language requested by the Board is attached to this Staff Report as Attachment D.

IV. FINANCIAL CONSIDERATIONS

The funds necessary to support the activities of the MAC are available in the 2003/2004 METRO Operating Budget.

V. ATTACHMENTS

- Attachment A:** METRO Bylaws Revisions.
- Attachment B:** Draft MAC Bylaws.
- Attachment C:** MAC Application Form
- Attachment D:** Ex-officio Member Appointment Provision

**RESOLUTION NO. 69-2-1
Amended 1-21-83, 6-16-89, 8-21-92,
4-15-94, 4-21-95, 4-27-97, 9-18-98,
4-16-99, 11-19-99, 6-16-00, 6-08-01,
6-15-01, 9-21-01, 02-15-02, 06-21-02,
09-27-02, 10-10-03, 12-19-03
On the Motion of Director:
Duly Seconded by Director:
Is Hereby Amended:**

**A RESOLUTION OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT BOARD OF DIRECTORS
ESTABLISHING RULES, REGULATIONS, AND PROCEDURES FOR,
AND THE TIME AND PLACE OF MEETINGS OF THE BOARD; AND
CREATION OF OTHER OFFICES**

I. REGULAR MEETINGS

1.01 Regular Meetings; Time

- (a) Regular meetings of the Board of Directors shall be held on the second Friday of each month from 9:00 a.m. to not later than 11:00 a.m. and on the fourth Friday of each month from 9:00 a.m. to not later than noon. The Board of Directors may extend the meeting times as necessary through Board action. Notwithstanding the foregoing, if a regular meeting falls within 5 working days of a recognized District holiday, i.e., Thanksgiving, Christmas or New Year's Day, the Board of Directors shall reschedule the meeting to a more convenient date. The regular meeting schedule shall be published for the upcoming year and approved by the Board of Directors during October of each year.
- (b) The regular meeting on the second Friday of the month shall primarily be in a workshop format to review matters that may be agendized for the Regular Board Meeting scheduled for the fourth Friday of the month. However, the Board of Directors may take action at either regular Board meeting pursuant to the agenda prepared in accordance with California law and these Bylaws.

1.02 Regular Meetings; Place

- (a) The Regular meeting of the Board of Directors on the second Friday of the month shall be convened in the Encinal Conference Room at Santa

Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060. The Regular meetings of the Board of Directors on the fourth Friday of the month shall be convened in the Santa Cruz City Council Chambers, City Hall, 809 Center Street, Santa Cruz, California, except that in the following months the meetings will be held at the specified locations: May: Capitola City Council Chambers located at 420 Capitola Avenue, Capitola, California; November: Watsonville City Council Chambers located at 250 Union Street, Watsonville, California.

- (b) If, by reason of fire, flood, earthquake or other emergency, it shall be unsafe to meet in the place designated above, the meeting shall be held for the duration of the emergency or unsafe condition at the place designated by the Chair of the Board of Directors in a notice to the local media that have requested notice in writing, by the most rapid means of communication available at the time. A notification advising the public of the changed meeting location during the emergency or unsafe condition shall be posted on the door of the regular meeting room by the Secretary/General Manager, unless circumstances prevent her/him from doing so.
- (c) The Board of Directors shall not conduct any meeting in any facility that prohibits the admittance of any person, or persons, on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, veteran status, or which is inaccessible to disabled persons, or where members of the public may not be present without making a payment or purchase.

1.03 Regular Meetings; Open to the Public

- (a) Meetings of the Board of Directors shall be open and public and all persons shall be permitted to attend except as otherwise allowed by law or when a closed session is authorized pursuant to applicable state law and properly noticed in accordance therewith.
- (b) A Spanish-bilingual interpreter shall be present and available for translations at the Regular Board Meeting held on the fourth Friday of the month.

1.04 Closed Sessions: State Reasons and Legal Authority; Scope of Coverage; Notice; Reporting Out

- (a) Prior to holding any closed session, the Board of Directors shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosures may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the Board of Directors may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.
- (b) After any closed session, the Board of Directors shall convene into open session prior to adjournment and shall make any disclosures required by state law of action taken in the closed session.

II. AGENDA

2.01 Agenda; Notification and Posting

- (a) In order to facilitate the orderly conduct of the business of the Board of Directors, all reports, communications, resolutions, or other matters to be submitted to the Board of Directors shall be submitted to the Secretary/General Manager not later than 12:00 noon on the Friday two weeks prior to the date of the regular Board of Director's meeting scheduled for the second Friday of the month.
- (b) The Chair, in consultation with the Secretary/General Manager, shall arrange the agenda and shall furnish a copy of it to each member of the Board, to the District Counsel, to the County Administrative Officer, and to the City Manager of Santa Cruz, Capitola, Watsonville and Scotts Valley not later than the Tuesday in the week of a Regular Board meeting; the agenda shall be posted on the Official Bulletin Board for the public at the Administrative Office of the Santa Cruz Metropolitan Transit District at least 72 hours preceding each regular Board meeting.
- (c) The agenda shall contain a brief description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public.

2.02 Agenda; Public Input

Every agenda for regular open meetings shall provide an opportunity for members of the public to directly address the Board of Directors on items of interest to the public, before or during the Board's consideration of the item, that is within the subject matter jurisdiction of Santa Cruz Metropolitan Transit District, provided that no action shall be taken on any item not appearing on the agenda unless the Board complies with Section 2.03 below.

2.03 Agenda; Action Taken Not on Agenda

- (a) No action or discussion shall be taken on any item not appearing on the posted agenda except that members of the Board of Directors present at the meeting or District staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights. In addition, on their own initiative, or in response to questions posed by the public, Directors or District staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a Director or the Board itself may, subject to the District's rules and regulations, provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or, take action to direct staff to place a matter of business on a future agenda.
- (b) Notwithstanding subdivision (a) above, the Board of Directors may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this section, the Chair of the Board of Directors shall publicly identify the item.
 - (i) Upon a determination by a majority vote of the Board of Directors that an emergency situation exists, as defined in Section 4.01(b) herein;
 - (ii) Upon a determination by a two-thirds vote of the Directors present at the meeting, or, if less than two-thirds of the members present at the meeting, a unanimous vote of those member present, that there is a need to take immediate action and that the need for action came to the attention of the District subsequent to the agenda being posted; or
 - (iii) The item was posted pursuant to a prior meeting of the Board of Directors occurring not more than five calendar days prior to the

date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

2.04 Agenda; Other Distributed Writings

- (a) Agendas and any other writings when distributed to all or a majority of all, the members of the Board of Directors by any person in connection with a matter subject to discussion or consideration at a public meeting are public records and shall be made available without delay unless the writing is exempt from disclosure pursuant to the Public Records Act.
- (b) Writings which are public records as set forth above and which are distributed during a public meeting shall be made available for public inspection at the meeting if prepared by the District or a Director or after the meeting if prepared by some other person.

III. SPECIAL MEETINGS

3.01 Special Meetings; Notice and Purpose

A special meeting may be called at any time by the Chair or by a majority of the members of the Board of Directors, by delivering personally or by any other means, at least 24 hours in advance, written notice to each member of the Board of Directors, and to each local newspaper of general circulation, radio or television station requesting notice in writing. The call and written notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered at the special meeting. The call and notice shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public. Every notice for a special meeting at which action is proposed to be taken on an item shall provide an opportunity for members of the public to directly address the Board of Directors concerning that item prior to action on that item. The written notice may be dispensed with by any member of the Board of Directors, who at or prior to the time of the meeting convenes, files with the Secretary/General Manager a written waiver of notice. The waiver may be given by telegram. Written notice may also be dispensed with as to any member who is actually present at the meeting at the time it convenes. Notice shall be required pursuant to this section regardless of whether any action is taken at the special meeting.

IV. EMERGENCY MEETINGS

4.01 Emergency Meetings; Notice and Purpose

- (a) In the case of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities, the Board of Directors may hold an emergency open meeting without complying with either the 24-hour notice requirement or the 24-hour posting requirement of Section 3.01 herein.
- (b) For purposes of this section, "emergency situation" means any of the following:
 - (i) Work stoppage or other activity which severely impairs public health, safety, or both, as determined by a majority of the members of the Board of Directors.
 - (ii) Crippling disaster which severely impairs public health, safety, or both, as determined by a majority of the members of the Board of Directors.
- (c) Although no notice to the public is required, each local newspaper of general circulation and radio or television station which has requested notice of special meetings shall be notified by the presiding Chair of the Board of Directors, or designee thereof, one hour prior to the emergency meeting by telephone and all telephone numbers provided in the most recent request of such newspaper or station for notification of special meetings shall be exhausted. In the event that telephone services are not functioning, the notice requirements of this section shall be deemed waived, and the Chairperson of the Board of Directors, or designee thereof, shall notify those newspapers, radio stations, or television stations of the fact of the holding of the emergency meeting, the purpose of the meeting and any action taken at the meeting as soon after the meeting as possible.

4.02 Emergency Meetings; Open to the Public

Emergency meetings are always open meetings regardless of the subject matter.

4.03 Emergency Meetings; Requirements

All special meetings requirements, as prescribed in Section 3.01 herein, shall be applicable to a meeting called pursuant to this section, with the exception of the 24-hour notice requirement.

4.04 Emergency Meetings; Minutes

The minutes of a meeting called pursuant to this section, a list of persons who the presiding chair of the Board of Directors, or its designee notified or attempted to notify, a copy of the roll call vote and any actions taken at the meeting shall be posted for a minimum of 10 days in a public place as soon after the meeting as possible.

V. DIRECTORS

5.01 The Board of Directors

The District shall be governed by a Board of Directors of eleven members because such membership is necessary to insure adequate representation to all of the areas in the County of Santa Cruz.

5.02 Appointment

The membership of the Board of Directors shall be composed of one member appointed by each City Council of Santa Cruz, Capitola, Scotts Valley, Watsonville and any other incorporated area of the District to represent the incorporated area and one member appointed by the Board of Supervisors of the County of Santa Cruz to represent the unincorporated area. Other appointments shall be made in accordance with the proportionate population within the District. The apportionment shall be based upon the population distribution within the District and the Board shall reapportion its membership whenever any part of the District is excluded or new territory is added or unincorporated territory within the District incorporates and as a result of the exclusion, annexation, or incorporation, representation on the Board no longer reflects the population distribution within the District. The Board shall also reapportion whenever the County Clerk advises the Board that the latest official census indicates a need for reapportionment.

5.03 Term of Office

- (a) The term of office for each Director shall be four years.
- (b) If the appointee of any legislative body is one of its own members the appointee may serve only as long as the appointee is a member of the legislative body.
- (c) An appointment to fill a vacancy on the Board or an appointment made after the expiration of the preceding term shall be for the unexpired portion of the term.
- (d) The failure of a Board member to attend three consecutive meetings of the Board without good cause shall create a vacancy in the office of the Board member.

5.04 Directors' Code of Ethics

A Directors' Code of Ethics is attached as Exhibit A to these Bylaws and shall serve as a guideline for the Directors in the work that they perform on behalf of the District.

5.05 Director Compensation

Each Director shall receive \$50 for attendance at a meeting of the Board of Directors, attendance as a committee member at a committee meeting of the Board of Directors, attendance as a Board member at an Advisory Committee, attendance at an American Public Transit Association meeting, attendance at a California Transit Association meeting or when performing District business in lieu of attendance at any of the above-stated meetings, up to a maximum of \$100 per month.

5.06 District Travel And Personal Expenditures

A District Director shall obtain Board authorization to perform or participate in District business prior to actual attendance if such involves the expenditure of District funds. A Director shall receive reimbursement for meals, transportation and other expenses incurred on behalf of the District in accordance with the District's expense list which is attached hereto as Exhibit B. Invoices shall be submitted to the Chair of the Board of Directors for approval. After approval is obtained from the Chair the reimbursement request shall be

forwarded to the Finance Department for reimbursement. Reimbursement shall not be necessary when a District staff member pays directly for a Director's expenses. Advances based on internal revenue service rates will be made upon a director's request, however, receipts of expenditures must be provided to the Chair of the Board of Directors for approval. All advanced funds shall be returned to the Administrative Services Coordinator if the trip is cancelled or the funds are not used. A complete report of all expenses incurred by the Director while engaging in District business shall be submitted by the Director to the Board of Directors for review. Such report may be prepared by District staff upon request. District Directors shall not include any expenditure for spouses, friends, or others as a District expense. The District's Administrative Services Coordinator shall schedule all conferences, hotel accommodations and transportation for a Director.

VI. PRESIDING OFFICERS

6.01 Election

- (a) The Directors shall in December nominate members of the Board of Directors to serve as Chair and as Vice-Chair of the Board of Directors. The Board of Directors shall, at their first regular meeting in January of each year, choose one of its members to serve as Chair and one of its members to serve as Vice-Chair to serve for the balance of the calendar year or until the selection of their successors.
- (b) Should the office of Chair or Vice-Chair become vacant during the calendar year, the Board of Directors shall choose a successor to fill the vacancy for the balance of that calendar year, or until the selection of a successor.
- (b) In the event of a vacancy of both the Chair and Vice-Chair positions, the Directors shall meet in order to nominate members of the Board of Directors for the vacant positions.

6.02 Chair to Preside

The Chair shall preside at all meetings of the Board of Directors. The Chair shall have authority to preserve order at all meetings and to remove or cause

the removal of any person from any meeting of the Board of Directors for disorderly conduct, to enforce the rules of the Board of Directors and to determine the order of business under the rules of the Board of Directors.

6.03 Absence of Chair

If the Chair is absent or unable to act, the Vice-Chair shall serve until the Chair returns or is able to act. The Vice-Chair has all of the powers and duties of the Chair while acting as Chair. In the absence of both the Chair and the Vice-Chair, the Directors shall nominate and elect a director to serve as chair pro tempore during such absences.

VII. CONDUCT OF MEETING

7.01 Call to Order

The Chair shall at the hour appointed for the meeting immediately call the Board of Directors to order when a quorum is present. The Chair shall preserve strict decorum at all meetings. She/he shall state every question coming before the Board of Directors, call for the vote, announce the decisions of the Board of Directors, and decide all questions of order, subject, however, to an appeal to the Board of Directors, in which a majority vote of the Board of Directors shall govern and conclusively determine such question of order.

7.02 Rights of Chair

The Chair, or such other member of the Board as may be presiding, may second and debate, subject only to such limitation of debates as are by these rules imposed on all members; the Chair shall not be deprived of any of the rights and privileges of a Director by reason of holding the position of Chair.

7.03 Rules of Debate

- (a) Every Director desiring to speak shall address the Chair, and upon recognition by the presiding officer, shall be confined to the question under debate, avoiding all references to personalities and indecorous language.

- (b) A Director, once recognized, shall not be interrupted when speaking unless it is to call her/him to order. If a Director, while speaking, is called to order, she/he shall cease speaking until a question of order is determined and, if in order, she/he shall be permitted to proceed.
- (c) A Director may request, through the presiding officer, the privilege of having an abstract of her/his statement on any subject under consideration by the Board of Directors entered into the minutes. If the Board of Directors consents thereto, such statement shall be entered; provided, however, that any Director, without the Board's consent, shall have the right to have the reasons for her/his dissent from, or protest against, any action of the Board of Directors entered into the minutes.
- (d) The Secretary/General Manager may be directed by the Chair, with the consent of the Board, to enter in the minutes a synopsis of the discussion of any question coming properly before the Board of Directors.

7.04 Disruption of Meeting; Clearing Room

In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, the members of the Board of Directors conducting the meeting may order the meeting room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. In order to readmit individuals who were not disruptive, the following procedure shall be used:

- a. When a meeting is disrupted to the point that it cannot be continued, the Chair shall order those persons causing the disruption to leave the meeting.
- b. If those causing the disruption fail or refuse to leave the meeting, the Chair shall recess the meeting, order the meeting room cleared and summon law enforcement.
- c. Upon the arrival of law enforcement, the Chair shall reconvene the meeting.
- d. District Staff shall be directed to readmit those members of the public who

did not engage in the disorderly conduct on an individual and intermittent basis.

- e. If the meeting is again disrupted, the Chair shall cause the meeting room to be cleared and the meeting will continue with only the press in attendance if they have not engaged in any disruption.

VIII. QUORUM

8.01 Transaction of Business; Quorum

A six member majority of the regular members of the Board of Directors shall constitute a quorum for the transaction of business.

IX. ADJOURNMENT/CONTINUANCES

9.01 Adjournment of Meeting

- (a) The Board of Directors may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment.
- (b) Less than a quorum may adjourn any meeting.
- (c) In the absence of all Directors from any meeting, the Secretary/General Manager may declare the meeting adjourned to a stated day and hour. If she/he does, she/he shall then cause written notice of the adjournment to be given in the same manner as provided for Special Meetings set forth herein.
- (d) A copy of the order or notice of adjournment shall be conspicuously posted on or near the door of the place where the regularly adjourned regular, special, or adjourned special meeting was held within 24 hours after the time of adjournment.
- (e) When a regular or adjourned regular meeting is adjourned as provided herein, the resulting adjourned meeting is a regular meeting for all purposes.

- (f) When an order of adjournment of any meeting fails to state the hour which the adjourned meeting is to be held, it shall be held at the hour specified for regular meetings of the Board of Directors.
- (g) Any hearing being held, or noticed or ordered to be held, by the Board of Directors at any meeting may by order or notice of continuance be continued or recontinued to any subsequent meeting of the Board of Directors in the same manner and to the same extent set forth above for the adjournment of meetings; provided that, if the hearing is continued to a time less than 24 hours after the time specified in the order or notice of hearing, a copy of the order or notice of continuance of hearing shall be posted immediately following the meeting at which the order or declaration of continuance was adopted or made.

X. MINUTES

10.01 Minute Book Record of Open Sessions

- (a) The Secretary/General Manager, or her/his designee, shall attend all open meetings of the Board of Directors and record and maintain a full and true record of all of the proceedings of the Board of Directors in books that shall bear appropriate titles and be devoted to such purpose. Such books shall have a general index sufficiently comprehensive to enable a person readily to ascertain matters contained therein.
- (b) Unless reading of the minutes of a Board of Directors meeting is requested by the Board of Directors by a majority vote, such minutes may be approved without reading if the Secretary/General Manager has previously furnished each member with a synopsis thereof.

10.02 Minute Book Record of Closed Sessions

The Secretary/General Manager shall attend each closed session of the Board of Directors unless otherwise directed by the Board of Directors and shall keep and enter in a minute book a record of topics discussed and decisions made at the meeting. The closed session minute book is not a public record and shall be kept confidential. This minute book shall be available only to members of the Board of Directors of Santa Cruz Metropolitan Transit District or, if a violation of the Ralph M. Brown Act is alleged to have occurred at a closed session, to a court of general jurisdiction.

10.03 Protests and Dissents by Directors Entered in Minutes

Any Director shall have the right to have the reasons for the Director's dissent from, or protest against any action of the Board entered in the minutes.

XI. PUBLIC'S ROLE IN MEETINGS/PUBLIC HEARINGS

11.01 Public Addressing the Board

Each person addressing the Board may but is not required to give his/her name and shall speak in an audible tone of voice for the record, and unless further time is granted by the Board, shall limit his/her address to five minutes; if more than five people wish to address the Board of Directors on any one issues, each individual shall be limited to three minutes. All remarks shall be addressed to the Board of Directors as a body and not to any member thereof. No person, other than the Chair and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Board, without permission of the Chair. No question shall be asked of a Board member except through the Chair. Additionally, any person may submit written materials to the Board of Directors for its consideration.

11.02 Public Hearings

- a) Requests for public hearings shall be in writing and shall be submitted to the Administrative Services Coordinator no later than five (5) days before the last day permitted for announcing the public hearing. All public hearings shall be noticed in local newspaper(s) of general circulation by the Administrative Services Coordinator at the direction of the Secretary/General Manager.
- b) The department manager requesting the public hearing shall investigate all applicable requirements for posting of public hearing notices and shall communicate such requests to the Administrative Services Coordinator to ensure that all public hearings are noticed sufficiently in advance of the date of consideration by the Board of Directors.
- c) A public hearing will be held before the Board of Directors when required by federal, state, or local laws or regulations or when it is asked to take

action on any of the following projects:

- (i) A change in 25% or more to the service mileage of any route.
- (ii) A change in District fares.
- (iii) Adoption of a Resolution authorizing application for federal funds, state or local funds when required by the funding source.
- (iv) Adoption of any action taken relating to the adoption of any plan, environmental document, property acquisition, resolution, condemnation resolution or other action relating to a project or property where such public hearing is required by state, federal or local law.
- (v) Adoption of the Annual Budget.
- (vi) Adoption of the Short Range Transit Plan.
- (vii) Adoption of an Ordinance.

XII. RESOLUTIONS, ORDINANCES AND MOTIONS

12.01 Acts of Board

The acts of the Board of Directors shall be expressed by Motion, Resolution or Ordinance. No Ordinance, Resolution or Motion shall have any validity or effect unless passed by the affirmative votes of six directors. The Board of Directors shall not take action by secret ballot, whether preliminary or final in an open or closed session.

12.02 Resolution

No resolution shall be adopted by the Board unless it is presented before the Board in writing or read aloud. Where copies of the resolution have been presented to each Director, the reading of the resolution is automatically waived unless a Director specifically requests that it be read. Resolutions must be adopted by a roll call vote; however, routine resolutions may be placed on the consent agenda. In the event that a Director wishes to dissent or abstain, the resolution will be removed from the consent agenda and be placed on the Regular Agenda. Resolutions may also be passed by unanimous voice vote.

12.03 Ordinance

- (a) No ordinance shall be passed until a public hearing has been held on it,

which hearing shall be advertised in a newspaper of general circulation or posted in at least three public places at least 15 days prior to the hearing. No ordinance shall be adopted by the Board of Directors on the day of introduction. Ordinances must be adopted by a roll call vote.

(b) All ordinances shall be printed after passage, and maintained in the District Administrative Offices.

(c) The enacting clause of all ordinances shall be as follows:

"Be it enacted by the Board of Directors of the Santa Cruz Metropolitan Transit District:..."

(d) All ordinances shall be signed by the Chair of the Board or Vice-Chair and attested by the Secretary/General Manager.

XIII. METHOD OF VOTING

13.01 Voice Vote

Unless a roll call vote is specifically requested by a Director, all matters, except the voting on Resolutions and Ordinances, shall be decided by voice vote. All actions of the Board of Directors shall be approved by affirmative vote of a minimum of six voting members of the Board of Directors unless otherwise specifically required.

13.02 Silence Recorded as Affirmative Vote

A member's silence shall be recorded as an affirmative vote.

13.03 Duty to Vote

Each Director has a duty to vote when present at a meeting on matters coming before the Board of Directors or a Board Committee unless he/she has notified the Board of Directors of a legal conflict of interest in accordance with California state law and has made a full public disclosure regarding such conflict of interest. If a conflict of interest is disclosed, the Director shall abstain from voting, unless otherwise required by law to vote.

13.04 Unanimous Voice Votes in Lieu of Roll Call for Resolutions

A Director can move the passage of a Resolution by a unanimous voice vote in lieu of a roll call. If a dissent is registered then a roll call vote shall be taken.

XIV. COMMITTEES AND APPOINTMENTS

14.01 Creation of Committees

The Board of Directors may establish committees for a stated purpose. All committees and their members shall comply with the Ralph M. Brown Open Meeting Act and these Rules and Regulations. The Secretary/General Manager shall provide adequate staffing to assist the committees in doing their work. Directors who are not committee members may attend committee meetings as long as they attend only as observers when a majority of the Board of Directors is in attendance at the committee meeting. The committees shall include the following:

- (a) Working committees or subcommittees of the Board of Directors analyze, review, and make recommendations to the Board of Directors on items to be presented to the full Board. The Chair of the Board shall appoint members of the Board to such committees or subcommittees and shall also appoint a Board member to chair the committees or subcommittees. If a vacancy occurs, the Board Chair shall appoint a Director to fill the vacancy.
- (b) Minutes shall be taken at each committee and shall be prepared and distributed to the Directors at least two days prior to the regular Board meeting.
- (c) The Board of Directors may from time to time create advisory committees who shall be charged with giving advice to the Board of Directors regarding an issue relevant to the Transit District's business. Appointments to advisory committees may be made by the Chair, or the Board of Directors. Directors, employees or members of the public may sit on an advisory committee. The following are permanent advisory committees of the Board of Directors:

(i) Metro Advisory Committee (MAC)

- (a) **The Metro Advisory Committee (MAC) is the official advisory committee of the Santa Cruz Metropolitan Transit District: Its purpose is to provide advise to the Board of Directors on matters of METRO policy and operations referred to the committee by the Board or the Secretary/General Manager and to perform such additional duties as assigned.**
- (b) **MAC shall be composed of 22 members appointed by the Board of Directors. Each director shall nominate two individuals to serve as members of the MAC.**
- (c) **The Board of Directors shall approve bylaws to be followed by MAC.**

(ii) Metro Accessible Services Transit Forum (MASTF)

- (a) **The Metro Accessible Services Transit Forum (MASTF) is an independent volunteer organization that advises the Santa Cruz Metropolitan Transit District Board of Directors and District management and staff regarding the best methods and resources for providing accessible transportation services to the public. MASTF reviews Metro programs for compliance with §504 of the Vocational Rehabilitation Act of 1973, Americans with Disabilities Act of 1990 and all other appropriate local, state and federal laws and regulations.**
- (b) **The District shall regularly send one staff member to the MASTF meetings and this person shall share information from the District and gather concerns from MASTF. The District shall help in the preparation and distribution of meeting notices and agendas. Information on MASTF will remain in the Headways publication.**

14.02 Appointment to Santa Cruz County Regional Transportation Commission

- a) **The Board of Directors shall annually in January appoint three of its members to represent the Transit District on the Santa Cruz County Regional Transportation Commission (SCCRTC) for a one year term commencing in February. These Directors shall be nominated by the Board Chair. Three alternates to this commission designated in priority order shall also be**

selected by the Board of Directors.

- b) The Board of Directors may provide its transportation Commission representatives with guidance on issues coming before the Commission to assist the director/commissioner in serving the best interests of the Transit District.

XV. OFFICIAL BULLETIN BOARD

15.01 Posting of Notices

For purposes of posting official notices of the Board of Directors, notices of public hearings, and any other official papers of the Santa Cruz Metropolitan Transit District where posting is required by the law, the Official Bulletin Board of the Santa Cruz Metropolitan Transit District shall be the bulletin board at the entrance of the District Administrative Office. Should the Board of Directors hold a public hearing at any location other than its regular place of meeting, then, in addition to the posting of the notice on the Official Bulletin Board above listed, posting shall also be made upon or near the door of the place of meeting.

- 15.02 All advisory committees created by the Board of Directors are required to post any and all official notices including those notices required by law at the official bulletin board so designated for that purpose at the Santa Cruz Metro Center, 920 Pacific Avenue, Santa Cruz, CA 95060.

XVI. OTHER OFFICES

16.01 General Manager; Powers and Duties

In addition to the powers, duties and obligations of the General Manager, as set forth above, and the applicable Public Utilities Code pertaining to the Santa Cruz Metropolitan Transit District, the powers and duties of the General Manager shall include the following:

- (a) To have charge, subject to the direction and control of the Board of

Directors, of the acquisition, construction, maintenance, and operation of the facilities of the District.

- (b) To have charge, subject to the direction and control of the Board of Directors, of the administration of the business affairs of the District.
- (c) To insure that all ordinances of the District are enforced.
- (d) To administer the personnel system and collective bargaining agreements adopted by the Board of Directors and, except for officers appointed by the Board, to appoint, discipline or remove all officers and employees subject to the rules and regulations adopted by the Board, and the applicable provisions of any adopted collective bargaining agreement.
- (e) To prepare and submit or cause to be prepared and submitted to the Board of Directors within 90 days after the end of each fiscal year a complete report of the finances and the administrative activities of the District for the preceding year, and the financial status of the District on the last day thereof.
- (f) To keep the Board of Directors advised as to the needs of the District.
- (g) To formulate and present to the Board of Directors all plans and specifications for the construction of the works of the District and the means to finance them.
- (h) To have no business interest which interferes with his/her duties and responsibilities to the District.
- (i) To cause to be installed and maintained a system of auditing and accounting which shall completely and at all times show the financial condition of the District.
- (j) Attend meetings of the Board of Directors as directed by the Board, and act as Secretary to the Board.
- (k) To perform such other and additional duties as the Board may require.

16.02 General Manager; Qualifications and Experience

The General Manager shall be chosen on the basis of his/her qualifications with special reference to his/her actual experience in or knowledge of accepted practices and respect to the duties of his/her office as herein above set forth.

16.03 General Manager; Pro Tempore Appointments

The Board of Directors may appoint a General Manager pro tempore during any absence or disability of the General Manager.

16.04 General Manager; Resident Requirement

The General Manager need not be a resident of this State at the time of his/her appointment, however /he/she shall establish a California residency within 30 days of the commencement of his or her duties with the Transit District.

16.05 District Counsel; Appointment, Powers and Duties

The District Counsel shall be admitted to the practice of law in all courts of this State. The District Counsel shall have the power and be required to:

- (a) Represent and advise, if authorized and directed by the Board of Directors, the Board of Directors and all District officers, committees or departments in all matters pertaining to their office.
- (b) Represent and appear, if authorized and directed by the Board of Directors, for the District and any officer or employee, in any and all actions and proceedings in which the District or any officer or employee, in or by reason of their official capacity, is concerned or is a party; however, the Board of Directors shall have control of all legal business and proceedings and may employ other attorneys to take charge of any litigation or matter, or to assist the District Counsel therein.
- (c) Attend all meetings of the Board of Directors as directed by the Board of Directors and give legal advice or opinions in writing whenever requested to do so by the Board of Directors, or by any of the committees or officers of the District.
- (d) Review all contracts to be made by the District and provide the Board of

Directors, its officers and staff with legal advice regarding same.

- (e) Prepare any and all proposed ordinances or resolutions for the District and amendments thereto.
- (f) Perform such other acts relating to the office as the Board of Directors shall require; and
- (g) On vacating the office, surrender all books, papers, files, and documents pertaining to the District's affairs.

PASSED AND ADOPTED this 19th day of December 2003, by the following vote:

AYES: Directors –

NOES: Directors –

ABSTAIN: Directors –

ABSENT: Directors –

APPROVED _____

EMILY REILLY
Chairperson

ATTEST

LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER, District Counsel

Regulation Number: 1004

Computer Title: Director's Code of Ethics

Effective Date: April 16, 1999

Pages: 4

TITLE: Santa Cruz Metropolitan Transit District Director's Code of Ethics

Procedure History		
REVISION DATE	SUMMARY OF REVISION	APPROVED
April 16, 1999	Policy Implemented	

I. POLICY

1.01 District Directors are public servants and, as such, are expected to be impartial and responsible in fulfilling the public trust placed in them. The public expects the highest standard of ethical conduct from all those in public service. District Directors are expected to demonstrate personal integrity, honesty, and truthfulness in all their public activities in order to inspire public confidence and trust in the District.

II. APPLICABILITY

2.01 This policy is applicable to all District Directors.

2.02 Notwithstanding any provision of this Code every District Director shall comply with applicable Federal, State and local laws.

III. RESPONSIBILITIES OF PUBLIC SERVICE

3.01 District Directors are bound to discharge faithfully the duties of their offices, recognizing that the lives, safety, health, and welfare of the general public must be their primary concern. Their conduct in their official and private affairs should be above reproach to assure that their public office is not used for personal gain.

IV. CONFLICT OF INTEREST

4.01 District Directors are prohibited from making, participating in, or in any way attempting to use their District offices to influence a District decision in which they know or have reason to know they have a financial interest.

4.02 District Directors shall not engage in outside employment, activities, or enterprises for compensation that are inconsistent with, incompatible to, or in conflict with their duties as District Directors. The outside employment, activities or enterprises inconsistent with, incompatible to, or in conflict with an Director's District duties include those which:

- (1) involve the use for private gain or advantage of (a) a Director's District work, District facilities, District equipment and District supplies; or (b) the influence or prestige of his or her position with the District; or
- (2) involve receipt or acceptance by a District Director of any money or other consideration from anyone other than the District for the performance of an act which the Director would be required or expected to render in the regular course of his or her District obligations as a Director; or
- (3) involve the performance of an act in other than his or her capacity as a District Director which act may later be subject directly or indirectly to control, inspection, review, audit, or enforcement by the District.

4.03 No District Director shall solicit or accept gratuities, favors or anything of monetary value including personal loans, from contractors, subcontractors, consultants, potential contractors, potential consultants, or potential subcontractors, except an unsolicited gift of nominal intrinsic value. "Nominal intrinsic value" for purposes of this section shall mean a value of less than \$250, within a twelve-month period from a single source.

4.04 No current or former District Director shall disclose, permit disclosure or otherwise use confidential information acquired by virtue of his or her position with the District for his or her or another person's private gain or for any purpose except in the performance of his/her official duties and responsibilities for the District or as may be required by law. No District Director shall reveal information received in a lawful closed session of the District's Board of Directors unless such information is required by law to

be disclosed. No District Director shall take any action or provide any information for or on behalf of any prospective contractor or vendor that interferes with free and open competition for District contracts.

- 4.05** No District Director shall engage in or permit the unauthorized use of District-owned property, including but not limited to facilities, vehicles, materials, equipment, licensed software and information. Use of District property for purposes other than District business shall be considered an unauthorized use unless a Director has received prior approval for such use by the Board of Directors. Use of District property for non-District business will only be authorized when the Board of Directors determines it is in the best interest of the District to do so.
- 4.07** District Directors shall immediately report to the Board of Directors the existence of a conflict of interest, including a financial interest in making or participating in making of any governmental decision, so that appropriate action be taken.

V. POLITICAL ACTIVITY

- 5.01** Except as herein otherwise provided, or as necessary to meet requirements of federal or state law, no restriction shall be placed on the political activities of any District Director.
- 5.02** No District Director who holds, or who is seeking election or appointment to, any office or employment in a state or local agency shall, directly or indirectly, use, promise, threaten or attempt to use any office, authority, or influence, whether then possessed or merely anticipated, to confer upon or secure for any person, or to aid, obstruct, or to prevent any person from securing, any position, nomination, confirmation, promotion, or change in compensation or position within the District.
- 5.03** No District Director shall directly or indirectly solicit a political contribution from a District employee, except if such solicitation is part of a solicitation made to a significant segment of the public, which may include District employees.

5.04 No District Director who holds, or is seeking election or appointment to, any office shall offer or arrange for any increase in compensation or salary for a District employee in exchange for, or promise of, a contribution or loan for the person who holds, or who is seeking election or appointment to such office.

5.05 No District Director shall engage in political activity while acting in his/her capacity as a Director for the District.

VI. NONDISCRIMINATION

6.01 District Directors shall not, in the performance of their District responsibilities, engage in unlawful discrimination of any sort under any applicable federal, state, county or municipal law or ordinance, including without limitation discrimination against any person on the basis of race, sex, color, national origin, religion, disability, age, marital status, sexual orientation, or veteran status, and they shall make good faith efforts to support and comply with the District's equal opportunity and affirmative action goals and objectives.

VII. STATEMENTS OF ECONOMIC INTEREST

7.01 Directors shall file assuming office statements, annual statements and leaving office statements of economic interests with the District as required by state law. Assuming office statements for Directors shall include disclosure of investments and interests in real property and business but also income, gifts and loans income received during the 12 months prior to the date of assuming office. Upon receipt of these statements the District shall make and retain a copy and forward the original of these statements to the appropriate public agency.

VIII. REPORTING OF IMPROPER GOVERNMENT ACTIVITIES

8.01 District Directors are encouraged to serve the public interest by disclosing to the Board of Directors to the extent not in conflict with the attorney-client privilege or the physician-patient privilege, information concerning District activities where the Director has reasonable cause to believe that the information discloses a violation of state or federal statute, or violation or noncompliance with state or federal regulation. No Director of the District shall use or attempt to use his or her authority to interfere with such disclosure made by another Director or a District employee or to retaliate against a Director or District employee for such disclosure.

Santa Cruz Metropolitan Transit District Expense List

Authorized
Transportation:
Airporter (e.g. shuttle)
Bridge tolls
Cab (to/from hotel)
Cab (to/from meetings & meals)
Parking at airport
Parking at hotel, conference center
Personal vehicle mileage to/from airport
Public transportation (e.g. bus, subway)
Rental Car with prior approval by General Manager
Transportation tickets (e.g. airline, train)
Meals:
Coffee break expenses
Meal beverages (non-alcoholic)
Reasonable cost meals for self
Tips for meals (15% maximum)
Personal Sundries:
Daily newspaper
Personal telephone calls (reasonable and customary, one per day)
Required seminar materials
Telephone calls (SCMTD business)
Traveler's check fee on travel advance
Lodging:
Self
Not Authorized
Transportation:
Baggage Claims
Cab (personal)
Tips to cabs
Tips for luggage handling
Meals:
Bar expenses
Meals for others (e.g. spouses, personal guests)
Meals upon return to Santa Cruz County
Snacks
Meals prior to departure
Personal Sundries:
Housekeeping tips
Clothes cleaning
Clothing
Entertainment (e.g. in room pay per view, movies, video rentals)
Hair care
Personal items (e.g. toothpaste)
Shoeshine
Souvenirs/Gifts
Trip Insurance
Lodging:
Other than self (e.g. spouse, personal guests)

16.928

DRAFT

BYLAWS FOR THE METRO ADVISORY COMMITTEE

Article I
GENERAL PROVISIONS

§1.1 Purpose

These Bylaws govern the proceedings of the METRO Advisory Committee (MAC), an advisory committee established by the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO).

§1.2 Construction of Bylaws

As used in these Bylaws, “Committee” means the METRO Advisory Committee. These Bylaws shall govern the Committee’s proceedings to the extent they are not inconsistent with METRO Regulations or California or United States Statutes. These Bylaws become effective upon approval by the METRO Board of Directors

§1.3 Definitions

- a. As used in these Bylaws, “chair” means the chairperson of the Committee.
- b. As used in these Bylaws, “vice chair” means the vice chairperson of the Committee.
- c. As used in these Bylaws “staff” means staff members that are assigned to support the Committee by the METRO Secretary/General Manager.

Article II
DUTIES AND AUTHORITY

§2.1 Duties

It shall be the duty of the Committee to provide advice to the Board of Directors on matters of METRO policy and operations referred to the Committee by the Board or Secretary/General Manager and to perform such additional duties as assigned by the Board. The Committee may also address issues which members or the public raise with respect to the quantity and quality of services provided by METRO.

§2.2 Limitations on Authority

The sole jurisdiction and authority of the Committee is to serve in an advisory capacity to the Board of Directors. It shall not have any authority to take actions that bind METRO or the Board of Directors. Communications by the Committee shall be to and through the Board of Directors. No individual member of the Committee shall be entitled to compensation from METRO and any reimbursement for travel or other expenses shall receive specific prior authorization by the Board of Directors.

Article III
MEMBERSHIP

§3.1 Membership

The Committee shall be composed of 22 members appointed by the Board of Directors as follows:

Each member of the METRO Board of Directors shall nominate 2 individuals to serve as members of the METRO Advisory Committee. Appointments to the METRO Advisory Committee shall be made by the METRO Board of Directors.

All members shall be residents of the County of Santa Cruz. When making its appointments, the Board shall strive to balance the membership to reflect the ethnic, gender, and geographic diversity of the County. At least 1/3 of the individuals appointed to the Committee shall be persons with disabilities as evidenced by possession of a METRO Discount Photo Identification Card. No member of the Board of Directors or other elected public official shall be appointed to the Committee. No employee of METRO or any agency that provides funding to, or contracts with, METRO shall be appointed to the Committee. However, individuals that have been selected to participate on the ADA Appeals Panel or participate in the Bus Operator Sensitivity Training shall be exempt from the financial/contracting prohibition for Committee members outlined in this section.

§3.2 Members' Terms

The term of membership of each Committee member shall be two years, and members may be re-appointed for 2 successive terms for a total of 6 consecutive years. The term of each member shall commence on January 1.

§3.3 Absences

If a member is absent (without excuse) from four Committee meetings in any twelve-month period, the position shall automatically be declared vacant. The member of the Board of Directors that nominated such Committee member shall be notified of the vacancy so that they can nominate a successor to be appointed to fill the remainder of that Committee member's term.

§3.4 Vacancies

The member of the Board of Directors who nominated the original member shall nominate a replacement candidate to fill a position on the Committee that is declared vacant. The appointment of the replacement member shall be made by the Board of Directors.

Article IV OFFICERS

§4.1 Chair and Vice Chair

The Committee shall elect from its membership a chair and a vice chair at its first meeting of the fiscal year, to serve for a one-year term. The chair shall preside at all meetings of the Committee and represent the Committee before the Board of Directors. The vice chair shall perform the duties of the chair when the chair is absent. In the event of a vacancy in the chair's position, the vice chair shall succeed as chair for the balance of the chair's term and the Committee shall elect a successor to fill the vacancy in the vice chair's position as provided below. In the event of a vacancy in the vice chair's position, the Committee shall elect a successor from its membership to fill the vice chair's position for the remainder of the vice chair's term.

§4.2 Staff Support

The Secretary/General Manager of METRO shall make arrangements to furnish clerical services to prepare and distribute the Committee's agendas, notices, minutes, correspondence and other materials. The METRO staff assigned to support the committee

shall maintain a record of all proceedings of the Committee as required by law and shall perform other support duties to the committee as assigned by the Secretary/General Manager. The minutes of each meeting, when approved by the Committee, shall be transmitted to the METRO Board of Directors.

Article V MEETINGS

§5.1 Regular Meetings

Regular meetings of the Committee shall be held on the third Wednesday of each month. Whenever a regular meeting falls on a holiday observed by METRO, the meeting shall be held on another day or canceled at the direction of the Committee. A rescheduled regular meeting shall be designated a regular meeting.

§5.2 Special Meetings

The Chair may call a special meeting. The meeting shall be called and noticed as provided in Section 5.3 below.

§5.3 Calling and Noticing of Meetings

All meetings shall be called, noticed and conducted in accordance with the applicable provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code). The Secretary/General Manager and METRO Counsel shall be given notice of all meetings.

§5.4 Quorum; Vote

The presence of 12 members shall constitute a quorum for the transaction of business. All official acts of the Committee shall require the affirmative vote of 7 members.

§5.5 Thirty Minute Rule

If a quorum has not been established within thirty minutes of the noticed starting time for the meeting, the meeting shall be cancelled.

§5.6 Matters Not Listed On the Agenda Requiring Committee Action

Except as provided below, a matter requiring Committee action shall be listed on the posted agenda before the Committee may act upon it. The Committee may take action on items not appearing on the posted agenda under any of the following conditions:

a. Upon a determination by an affirmative vote of the Committee that an emergency exists, as defined in Section 54956.5 of the Government Code.

b. Upon a determination by a two-thirds vote of the Committee, or if less than two-thirds of the members are present, a unanimous vote of those members present, there is a need to take immediate action and the need to take action came to the attention of the Committee subsequent to the agenda being posted.

§5.7 Time Limits for Speakers

Each member of the public appearing at a Committee meeting shall be limited to three minutes in his or her presentation, unless the chairperson, at his or her discretion, permits further remarks to be made. Any person addressing the Committee may submit written statements, petitions or other documents to complement his or her presentation. Public presentations that have been scheduled prior to the meeting with the Committee Chair shall not be subject to the time limits contained in this section.

§5.8 Impertinence; Disturbance of Meeting

Any person making personal, impertinent or indecorous remarks while addressing the Committee may be barred by the chairperson from further appearance before the Committee at that meeting, unless permission to continue is granted by an affirmative vote of the Committee. The chairperson may order any person removed from the Committee meeting who causes a disturbance or interferes with the conduct of the meeting, and the chairperson may direct the meeting room cleared when deemed necessary to maintain order.

§5.9 Access to Public Records Distributed at Meeting

Writings which are public records and which are distributed during a Committee meeting shall be made available for public inspection at the meeting if prepared by the METRO staff or a member of the Committee, or after the meeting if prepared by some other person.

Article VI
AGENDAS AND MEETING NOTICES

§6.1 Agenda Format

The agenda shall specify the starting time and location of the meeting and shall contain a brief general description of each item of business to be transacted or discussed at the meeting. The description shall be reasonably calculated to adequately inform the public of the subject matter of each agenda item. The agenda may include recommendations for Committee action as appropriate.

§6.2 Public Communications

Each agenda for a regular meeting shall provide an opportunity for members of the public to address the Committee on matters of interest to the public either before or during the Committee's consideration of the item, if it is listed on the agenda, or, if it is not listed on the agenda but is within the jurisdiction of the Committee, under the agenda item heading "Oral/Written Communications". The Committee shall not act upon an item that is not listed on the agenda except as provided under Section 5.8. Each notice for a special meeting shall provide an opportunity for members of the public to directly address the Committee concerning any item that has been described in the notice for the meeting before or during consideration of that item.

§6.3 Agenda Preparation

The METRO Staff assigned to the Committee shall prepare the agenda for each meeting in consultation with the chairperson. Material intended for placement on the agenda shall be delivered to the secretary on or before 12:00 Noon on the date established as the agenda deadline for the forthcoming meeting. The METRO Staff, in consultation with the chair, may withhold placement on the agenda of any matter that is not timely received, lacks sufficient information or is in need of staff review and report prior to Committee consideration.

§6.4 Agenda Posting and Delivery

The written agenda for each regular meeting and each meeting continued for more than five calendar days shall be posted by the METRO Staff at least 72 hours before the meeting is scheduled to begin. The written agenda for every special meeting shall be posted by the METRO Staff at least 24 hours before the special meeting is scheduled to begin. The agenda shall be posted in a location that is freely accessible to members of the public. The agenda together with supporting documents shall be transmitted to each

Committee member, the Secretary/General Manager and the METRO Counsel at least five days before each regular meeting and at least 24 hours before each special meeting.

§6.5 Meeting Notices

The METRO Staff shall transmit notices of every regular meeting at least one week prior to the date set for the meeting to each person who has filed a written request with METRO for such notice as provided in Section 54954.1 of the Government Code. The notice shall be mailed at least one week prior to the date set for the meeting. Notice of special meetings called less than seven days prior to the date set for the meeting shall be given as soon as is practical.

**Article VII
MISCELLANEOUS**

§7.1 Adoption and Amendment of Bylaws

These Bylaws shall be effective upon approval by the METRO Board of Directors.

§7.2 Committee Process

The intent of the Committee shall be to provide consensus based advice and recommendations to the METRO Board of Directors.

Approved by Board of Directors:_____.

**APPLICATION FOR NOMINATION FOR APPOINTMENT TO
THE METRO ADVISORY COMMITTEE (MAC)**

Name _____

Address (with zip code) _____

Day-time phone _____

Email address (to receive Agenda Packets) _____

Do you ride METRO fixed route or ParaCruz service? _____

How often do you use the METRO/ParaCruz service? _____

What are your particular transit interests? _____

What do you think are the biggest challenges for METRO? _____

What do you believe that you will contribute to the MAC and METRO if appointed?

What are the interests and the experiences that you have that would make you an effective member of the MAC? _____

Please outline your availability in terms of meeting times/days and total time per month that you could devote to the activities of the MAC. _____

Are you aware of any conflicts of interest that would prevent you from serving on the MAC if appointed? _____

Please return your completed application to:

SCMTD
Attn: Dale Carr
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

Ex-Officio (Non-Voting) Members of MAC

Section 3.1:

Add a new paragraph at the end:

“The Chair of the Board of Directors may nominate individuals to serve as ex-officio (non-voting) members of the Committee. The Board of Directors shall make appointments of ex-officio members to the METRO Advisory Committee. The provisions of membership for ex-officio members of the Committee shall be those provided for in Section 3.2 with the exception that the limitation on total years of membership shall not apply. Ex-officio members of the Committee shall not be counted for the purposes of establishing a quorum as provided for in Section 5.4.”

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Bryant J. Baehr, Manager of Operations

SUBJECT: CONSIDERATION OF AWARD OF CONTRACT FOR THE PROVISION OF SECURITY SERVICES

I. RECOMMENDED ACTION

Staff is recommending that the Board of Directors authorize the General Manager to enter into a three-year base contract (with 2 option years) with First Alarm Security and Patrol, Inc. to provide security services.

II. SUMMARY OF ISSUES

- The Transit District has the need for security services at the Metro Center, Revenue Processing Center, and for farebox vault processing.
- On November 4, 2003, the Transit District received notification that Paige's Security Services was no longer a viable company and would be ceasing operation at noon of November 4, 2003.
- Using the General Manager's purchasing authority, staff entered into a temporary contract with First Alarm Security and Patrol for the provision of security services. At the November 14th Board of Directors meeting, the temporary contract with First Alarm Security and Patrol was extended to December 31, 2003 to allow for a Request for Proposal (RFP) to be issued.
- A competitive procurement for security guard services was conducted to solicit proposals from qualified firms with eight (8) firms submitting proposals for the Transit District's review.
- An eight-member evaluation committee reviewed and evaluated the proposals received and conducted interviews of each firm.
- The evaluation committee is recommending that a contract be established with First Alarm Security & Patrol, Inc. to provide security services.

III. DISCUSSION

On November 04, 2003 the Transit District received notification that Paige's Security Services was no longer a viable company and would be ceasing operation on November 04, 2003 at 12:00 noon. Using the General Manager's purchasing authority the Transit District entered into a temporary agreement with First Alarm Security and Patrol. At the November 14, 2003 Board of

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Directors meeting, the temporary contract with First Alarm Security and Patrol was extended to December 31, 2003.

On November 7, 2003, Transit District Request for Proposal, 03-08, was mailed to several firms and was legally advertised. On November 26, 2003, proposals were received and opened from eight (8) firms. These firms are listed and ranked in Attachment A. An eight (8) member evaluation committee comprised of:

Director Michael Rotkin / Manager of Operations, Bryant J. Baehr
Supervisor of Revenue Collection, Roy Brogdon / Transit Supervisor, Edward Nelson
UTU Chair Committee of Adjustment, Bonnie Morr / Customer Services Coordinator, Donna Canales
Senior Customer Services Representative, Randy Yagi / Transit District Buyer, Lloyd Longnecker

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

<i>Criteria</i>	<i>Points Available</i>
Responsiveness of Proposal to the District's Requirements	10
Proposed Personnel/Training/ Management Team	35
Experience of Firm	30
Cost of Contract	20
DBE Participation	5
Total Points Available	100

On December 3, 2003, interviews were conducted with all eight (8) firms. The firms were ranked by the committee according to the evaluation criteria provided for in the RFP (above). References for the two (2) leading Security Companies were thoroughly checked and local law enforcement agencies were also contacted for their opinions. First Alarm Security & Patrol, Inc. was the highest-ranking firm. The evaluation committee is recommending that a contract be established with First Alarm Security & Patrol, Inc. to provide security services.

IV. FINANCIAL CONSIDERATIONS

First year annual costs are estimated at \$313,000. Funding to provide these services through June 30, 2004 are currently in the Board of Directors approved budget for FY 2003-04.

V. ATTACHMENTS

Attachment A: List of security firms that responded and their ranking by the evaluation committee.

Attachment B: Proposed Contract with First Alarm Security & Patrol, Inc.

NOTE: **The Request for Proposal (RFP) was distributed to the Board only. All exhibits and addendums to the RFP are available for review at the Administration Office of METRO or online at www.scmtd.com**

**List and Ranking of Security Service Companies
Responding to District RFP No. 03-08**

- 1. First Alarm Security & Patrol, Inc. of Aptos, California**
- 2. National Security Services of South San Francisco, California**
- 3. Monument Security, Inc. of Sacramento, California**
- 4. Securitas Security Services USA of Campbell, California**
- 5. ABC Security Services, Inc. of Oakland, California**
- 6. Security Patrol Management of Inglewood, California**
- 7. Black Bear Security Services of San Francisco, California**
- 8. Santa Cruz Peninsula Private Security Corporation of Watsonville, California**

CONTRACT FOR SECURITY GUARD SERVICES (03-08)

THIS CONTRACT is made effective on January 1, 2004 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and FIRST ALARM SECURITY AND PATROL, INC. ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Security Guard Services

District has the need for Security Guard Services. In order to obtain these services, the District issued a Request for Proposals, dated November 7, 2003, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Security Guard Services and whose principal place of business is 1111 Estates Drive, Aptos, California. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Security Guard Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On December 19, 2003, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide the Security Guard Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

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

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated November 7, 2003

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

Contractor's Proposal to the District for Security Guard Services signed by Contractor and dated November 26, 2003.

2.02 Conflicts

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

2.03 Recitals

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

3. DEFINITIONS

3.01 General

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

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

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued November 7, 2003.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued November 7, 2003.

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

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

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed three (3) years and shall commence upon the issuance of the contract by the District.

At the option of the District, this contract agreement may be renewed for two (2) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work.

5.02 Invoices

Contractor shall submit invoices with a project number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the

Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6. NOTICES

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

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

First Alarm Security & Patrol, Inc.
1111 Estates Drive
Aptos CA 95003

Attention: Cal Horton, General Manager

7. AUTHORITY

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

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
FIRST ALARM SECURITY & PATROL, INC.

By _____
Adam Donoghue
Branch Manager, Santa Cruz Operations Area

Approved as to Form:

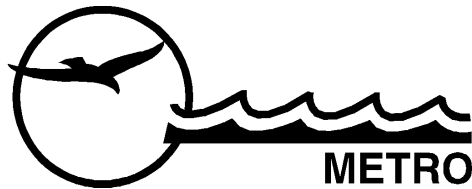
Margaret Rose Gallagher
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

RFP NO. 03-08

Request for Proposals For Security Guard Services

**Date Issued: November 7, 2003
Proposal Deadline: 5:00 P.M., November 26, 2003**



Contents of this RFP

- I. Instructions to Offerors
- II. General Information Form
- III. Specifications
- IV. General Conditions
- V. Contract/Agreement
- VI. FTA Requirements for Non-Construction Contracts
- VII. Protest Procedures

PART I

INSTRUCTIONS TO OFFERORS

1. **GENERAL:** These instructions form a part of the contract documents and shall have the same force as any other portion of the contract. Failure to comply may subject the proposal to immediate rejection.
2. **OFFEROR RESPONSIBILITY:** The District has made every attempt to provide all information needed by offerors for a thorough understanding of project terms, conditions, and requirements. It is expressly understood that it is the responsibility of offerors to examine and evaluate the work required under this RFP and the terms and conditions under which the work is performed. By submitting a proposal, Offeror represents that it has investigated and agrees to all terms and conditions of this RFP.
3. **DELIVERY OF PROPOSALS TO THE DISTRICT:** Proposals (1 original and 4 copies) must be delivered to the District Purchasing Office, 120 Dubois Street, Santa Cruz, California, 95060 on or before the deadline noted in the RFP.

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by the District. Telephone or electronic proposals will not be accepted.

4. **LATE PROPOSALS:** Proposals received after the date and time indicated herein shall not be accepted and shall be returned to the Offeror unopened.

Requests for extensions of the proposal closing date or time will not be granted. Offerors mailing proposals should allow sufficient mail time to ensure timely receipt of their proposals before the deadline, as it is the offerors responsibility to ensure that proposals arrive before the closing time.

5. **MULTIPLE PROPOSALS:** An offeror may submit more than one proposal. At least one of the proposals shall be complete and comply with all requirements of this RFP. However, additional proposals may be in abbreviated form, using the same format, but providing only the information that differs in any way from the information contained in the master proposal. Master proposals and alternate proposals should be clearly labeled.
6. **PARTIAL PROPOSALS:** No partial proposals shall be accepted.
7. **WITHDRAWAL OR MODIFICATION OF PROPOSALS:** Proposals may not be modified after the time and date proposals are opened. Proposals may be withdrawn by Offeror before proposal opening upon written request of the official who is authorized to act on behalf of the Offeror.
8. **CHANGES TO THE RFP RECOMMENDED BY OFFERORS:** All requests for clarification or modification of the RFP shall be made in writing. Offerors are required to provide the value of each proposed modification and a brief explanation as to why the change is requested. Value shall be defined as the cost or savings to the District and the advantage to the District of the proposed change.
9. **ADDENDA:** Modifications to this RFP shall be made only by written addenda issued to all RFP holders of record. Verbal instructions, interpretations, and changes shall not serve as official expressions of the District, and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by offerors and included in their proposals.
10. **OFFEROR'S PROPOSAL TO THE DISTRICT:** Offerors are expected to thoroughly examine the scope of work and terms and conditions of the RFP. Offerors' terms, conditions, and prices shall constitute a firm offer to the District that cannot be withdrawn by the Offeror for ninety (90) calendar days after the closing date for

proposals, unless a longer time period is specified by the District in the RFP. Offerors shall identify all proprietary information in their proposals. Information identified as proprietary shall not be made available to the public or other offerors.

11. **SINGLE OFFEROR RESPONSIBILITY:** Single Offeror responsibility is required under this RFP. Each Offeror responding to this RFP must respond to all professional services and provide all materials, equipment, supplies, transportation, freight, special services, and other work described or otherwise required herein.
12. **EXPERIENCE AND QUALIFICATIONS:** Offeror may be required upon request of the District to substantiate that Offeror and its proposed subcontractors have the skill, experience, licenses, necessary facilities, and financial resources to perform the contract in a satisfactory manner and within the required time.
13. **SUBCONTRACTING:** The requirement for single-point responsibility does not prohibit subcontracts or joint ventures provided that the single successful Offeror assumes the following responsibilities: (1) serves as the sole general contractor with the District; (2) assumes full responsibility for the performance of all its subcontractors, joint venturers, and other agents; (3) provides the sole point of contact for all activities through a single individual designated as project manager; (4) submits information with its proposal documenting the financial standing and business history of each subcontractor or joint venturer; and, (5) submits copies of all subcontracts and other agreements proposed to document such arrangement.

Without limiting the foregoing, any such legal documents submitted under item "5" above must (a) make the District a third-party beneficiary thereunder; (b) grant to the District the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to the District any and all warranties and indemnities provided or offered by the subcontractor or similar party.

14. **EVALUATION CRITERIA AND AWARD OF CONTRACT:** The award of the contract will be made to the responsible Offeror whose proposal is most advantageous to the District. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **DISTRICT'S PREROGATIVE:** The District reserves the right to contract with any single firm or joint venture responding to this RFP (without performing interviews), based solely upon its evaluation and judgment of the firm or joint venture in accordance with the evaluation criteria. This RFP does not commit the District to negotiate a contract, nor does it obligate the District to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

The District reserves and holds at its discretion the following rights and options in addition to any others provided by the Public Utility Code, Section 98000 and the Public Contract Code: (1) to reject any or all of the proposals; (2) to issue subsequent requests for proposals; (3) to elect to cancel the entire request for proposals; (4) to waive minor informalities and irregularities in proposals received; (5) to enter into a contract with any combination of one or more prime contractors, subcontractors, or service providers; (6) to approve or disapprove the use of proposed subcontractors and substitute subcontractors; (7) to negotiate with any, all, or none of the respondents to the RFP.

16. **EXECUTION OF CONTRACT:** The final contract shall be executed by the successful offeror and returned to the District Administrative Office no later than ten (10) calendar days after the date of notification of award by the District. All required bonds and insurance certificates shall also be submitted by this deadline. In the event successful offeror does not submit any or all of the aforementioned documents on or before the required deadline, the District may award the contract to another offeror; in such event, District shall have no liability and said party shall have no remedy of any kind against the District.
17. **DISADVANTAGED AND WOMEN'S BUSINESS ENTERPRISES:** The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the successful offeror selected for this project shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

18. NONDISCRIMINATION: The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability in the consideration for award of contract.

***ADDITIONAL INSTRUCTIONS TO OFFERORS ARE SET FORTH IN
OTHER SECTIONS OF THIS REQUEST FOR PROPOSALS***

PART II

GENERAL INFORMATION FORM FOR SECURITY GUARD SERVICES

(To be completed by the offeror and placed at the front of your proposal)

Legal Name of Firm Date

Firm's Address

Telephone Number FAX Number

Type of Organization (Partnership, Corporation, etc.) Tax ID Number

Name of Principal-in-Charge and Title

Signature of Authorized Principal

Name of Project Manager and Title

Name, Title and Phone Number of Person To Whom Correspondence Should be Directed

Addresses Where Correspondence Should Be Sent

Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals.

Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.

**BUY AMERICA PROVISION
(Only for Contracts above \$100,000)**

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: _____

Signature: _____

Company Name: _____

Title: _____

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7.

Date: _____

Signature: _____

Company Name: _____

Title: _____

CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME _____
 DBE GOAL FROM CONTRACT _____ %
 FED. NO. _____
 COUNTY _____
 AGENCY _____
 CONTRACT NO. _____

CONTRACTOR'S ADDRESS _____

 PROPOSAL AMOUNT \$ _____
 PROPOSAL OPENING DATE _____
 DATE OF DBE CERTIFICATON _____
 SOURCE ** _____

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE

TOTAL CLAIMED DBE
 PARTICIPATION \$ _____ %

 SIGNATURE OF CONTRACTOR

 DATE

 AREA CODE/TELEPHONE

(Detach from proposal if DBE information is not submitted with proposal.)

- * If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- ** DBE's must be certified on the date proposals are opened.
- *** Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

NOTE: Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

CONTRACTOR DBE INFORMATION

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
----------------------	--	------------------------------	-------------	-----------------------------	----------------

TOTAL CLAIMED DBE
PARTICIPATION \$ _____ _____ %

PART III

SPECIFICATIONS FOR SECURITY GUARD SERVICES

1. INTRODUCTION

The Santa Cruz Metropolitan Transit District invites proposals for the provision of security guard services from private security service contractors. The services of a professional firm will be engaged to provide personnel and equipment necessary to provide a program of public safety and security guard services on behalf of transit passengers, District employees, District facilities and activities, and members of the public on District facilities or present at District activities. The successful Contractor will provide complete professional services, maintain continuing cooperation with District personnel, and administer service requirements as directed by the District.

2. AGREEMENT FOR SERVICES

Offeror selected by District, as Contractor under this project shall execute an Agreement with District. Any exclusions or conditions to the execution of said Agreement shall be specified in the Contractor's proposal. Any other exclusions or conditions shall not be considered by District.

3. SCOPE OF SERVICES

The services in this Request for Proposals consist of overall professional personnel selection, training and supervision of employees that offeror proposes for assignment under the District's security guard services agreement. Personnel supplied by the offeror must be deemed employees of the offeror and shall not for any purpose be considered employees or agents of the Santa Cruz Metropolitan Transit District.

Security guard services must perform three major functions for the District and provide the following:

3.1 Foot Patrol

The security officers assigned to this patrol by Contractor shall be responsible for the security and safety of the public, District facilities and vendors' businesses, within Santa Cruz Metro Center, 920 Pacific Avenue, Santa Cruz, California, a public transit transfer facility of the District, and other sites and/or associated areas as designated. Security officers are required to maintain communication with each other and with Transit Supervisors through the use of District-issued, two-way portable radios. Officers must maintain a safe, comfortable environment for the patrons.

3.2 Revenue Collection

Revenue collection officers, under District Supervision, exchange revenue vaults from buses, assist District staff in processing revenue collected and also provide District wide mail delivery.

3.3 Supervision

Contractor shall provide supervision that can be contacted by District representatives during all hours of operation. The site supervisor shall be responsible for scheduling patrol officers, responding to District concerns, training and making decisions for the contractor. No other supervisor of the contractor shall visit or involve themselves in the site operations without express permission from the District contract administrator.

3.4 Schedule of Services

The following are the current needs of the Transit District and may be modified upon ten (10) day notice to contractor. There are no guaranteed hours of service and the schedule can be modified at the discretion of the Transit District.

3.4.1 Metro Center

24 hours per day coverage – 365 days. Site supervisor shall work Monday through Friday during the hours of 8am to 4pm or other hours as designated by the District. This allows for communication with Transit District officials. The remaining shifts shall be covered by patrol officers

On official district holidays, officers assigned to patrol the Metro Center will be assigned a District vehicle to provide roving patrols at various District facilities located through the County.

3.4.2 Revenue Collection –

Monday through Friday 7:00am through 3:00 p.m. (two (2) officers)

Monday through Saturday 6:00 p.m. through 2:00 a.m. (one (1) officer)

Total approximate security hours 15,000 per year. This is an estimate of the total security hours. This does not imply a guarantee because the Transit will not guarantee any hours in this agreement

Permanent changes requiring additional and/or fewer staff will be requested in writing by the District ten (10) days in advance of the date the schedule is to take effect. Contractor shall make the necessary permanent staff changes as required by District after the required notice is given. The District will notify the contractor of temporary changes at the earliest date possible.

Security officers are expected to report promptly to their assigned location at the time specified by the Site Supervisor/Transit District representative ready to perform their assignment.

3.5 Standard Gear

Contractor's personnel, while on duty security officers shall be permitted to carry and use the following items:

- Baton – In accordance with 7547.9 of the Business and Professional Code and other applicable law.
- Pepper Spray – In accordance with 7547.10 of the Business and Professional Code and other applicable law.
- Handcuffs – In accordance with applicable law.

3.6 Firearms

Neither Contractor nor its employees or agents shall be permitted to carry any firearms or other weapons not set forth above during the performance of this agreement.

3.7 Phones

Contractor shall provide and pay for all phone services needed in the performance of this Agreement except that a direct phone line to the Operations' Dispatch Office will be made available and paid for by the District.

3.8 Uniforms

Contractor shall provide uniforms to guard personnel. Uniforms shall comply with County Ordinance 3241, Ch. 9.10 or any applicable state or local law or ordinance. Uniform color and design shall be approved by the District. Contractor personnel shall not perform duties pursuant to this Agreement unless they are wearing a proper uniform

or unless authorized by the District. Neither Contractor nor its personnel shall use District facilities that are designated for "District Employees Only". Contractor shall ensure that all personnel have a neat and clean appearance and that the uniforms are pressed and free of rips or tears.

3.9 Santa Cruz Metro Security Identification

All uniformed personnel of Contractor may be required to wear some form of District identification.

3.10 Confidentiality

Contractor and its personnel shall not release any confidential information obtained by them in the performance of this Agreement without the express written approval of District.

3.11 Removal of Officers

Officers not functioning to the District's expectations will be removed immediately upon request with no requirements needed by Contractor except such request.

3.12 Responsibilities of Contractor

Prior to the agreed upon starting date for services at Metro Center, Contractor with the approval of the District's Contract Administrator, shall have selected, equipped and trained an adequate number of qualified personnel to perform the services required and set forth in this document.

The Contract Administrator for the District shall be kept informed on a daily basis of the progress to accomplish the requirements stated in this section.

Contractor will be wholly responsible as an independent Contractor for the performance of its employees. Professional insurance naming the Transit District as an additional insured shall be issued covering the Transit District in the amount of \$1,000,000. This coverage shall indemnify and protect / defend the Transit District should an action be brought against the District as a result of a contractor's employee or representative's action or inaction. Contractor shall provide the appropriate documentation to show that this policy is in force and irrevocable unless the District is notified 30 days in advance. Under no circumstances shall there be a gap in insurance coverage during the term of this contract or any extensions of this agreement (if granted). Contractor shall also provide automobile insurance naming the Transit District as an additional insured while Contractor's employees are operating District vehicles. The limits of coverage shall be \$500,000 bodily injury to others, \$100,000 collision and vehicle replacement and \$100,000 for property damage. The deductible that the contractor is responsible for shall not exceed \$5,000. Contractor shall provide to the Transit District proof of insurance and there shall be no gap of insurance coverage during the term or any extensions (if granted).

Contractor shall submit invoices for payment through, the District's Operations Department attn: Roy Brogdon, Revenue Collection Supervisor, 1200 River Street Santa Cruz, California 95060. Invoices shall show the number of hours worked, the rate charged per hour, the work, and the period of time covered by such charges.

Contractor agrees that all records pertaining to performance of this Agreement shall be made available to the District for inspection at any time.

Contractor agrees that, in the event of conditions that would warrant cancellation of this Agreement, and after consultation with the District, prior to the stated end of the Agreement, the District shall be given 180 days' notice of termination with reasons stated for such notice. The District may terminate this Contract at any time for any reason after so notifying the Contractor in writing fifteen (15) calendar days in advance of said termination.

Contractor's patrol personnel shall be trained and licensed in accordance with standards set forth by the Department of Consumer Affairs and County Ordinance 3241, Chapter 9.10 and any applicable state or local law or ordinance. Contractor shall provide District with necessary certification that this has been accomplished. Security Officers assigned, under contract, to work at District facilities shall have a permanent guard card issued by the State of

California. Security officers with temporary guard cards are not acceptable under this contract. Officers assigned to this contract must possess a valid California Drivers License with fewer than 2 points and no previous DWI or DUI convictions. Contractor shall also comply with all State of California licensing requirements for professional security officers and security businesses. Contractor shall provide proof to the Transit District showing that they are in compliance with all applicable laws and regulations.

Contractor personnel assigned to this contract shall be individuals of mature judgment, experienced in security guard procedures who have reached a minimum age of twenty one (21). Guards must demonstrate ability to understand written orders. They must also be capable of writing a clear understandable report in the English language.

Any special training for security service providers required by State, County or Consumer Affairs shall be provided and paid for by the Contractor.

The site supervisor of security personnel covered by this agreement shall receive training that will familiarize them with the security requirements of all District sites by District personnel. **The site supervisor shall have at a minimum five (5) years of security experience and pass an oral examination administered by the District. The District shall have the authority to select/reject the site supervisor and/or request a site supervisor replacement with no requirement other than the request.** The Contractor shall be responsible for the basic training of additional personnel. The site supervisor shall be responsible for maintaining a satisfactory level of patrol performance, including enforcement of proper radio procedures. The site supervisor shall have the capability of being contacted 24 hours per day by District supervisory personnel in order to resolve immediate issues that may arise.

Day-to-day communication between the District and the Contractor shall be between the Contract Administrator or his designee and the site supervisor. This in no way shall prohibit the Contractor nor the Contract Administrator from direct communication.

Post orders shall be written and posted at Metro Center Security Office. These orders shall be committed to memory by each officer to confirm their understanding of the contents. All patrol personnel and supervisors shall be responsible for knowing all regulations and written instructions pertaining to performance at Metro Center. The Contractor shall periodically interview patrol personnel and supervisors to determine their complete familiarity with requirements. The Contract Administrator and the Contractor shall resolve any conflict in such orders.

Reports of each officer shall be turned in to site supervisor at the end of each shift. The site supervisor shall consolidate reports and turn them in to the Contract Administrator within two (2) business days. All patrol personnel shall maintain standard report forms, which include a Guard Log, Daily Guard report and the Incident Report.

Contractor shall provide the District with a list of all patrol personnel assigned to this contract. Shift schedules shall be posted weekly by Contractor at the Santa Cruz Metro Security Office. All patrol personnel shall copy their assignments as soon as schedules are posted in order to avoid any confusion regarding work periods. Any problems created by the schedule shall be resolved by the Contractor's staff.

3.13 Responsibilities of the Transit District

The District shall provide Contractor with whatever informational or advisory assistance Contractor may require in its training program, including necessary ground rules, route maps or other data. The Contract Administrator of the District and the Contractor shall devise appropriate written instructions governing the performance of all requirements under this Agreement.

4. PROPOSAL REQUIREMENTS

Proposals shall be typed and should be as succinct as possible without elaborate or unnecessary promotional material.

The proposal at a minimum shall include the following:

- A description of major ongoing or completed security contracts related to this particular project. Contractor shall elaborate on all experience related to transit facilities and any other related experience. References from current contracts shall be included.
- Estimated costs of services shall be broken down into as much detail as practicable to justify their computation.
- Names, employment history and qualifications of all persons likely to be assigned to this contract shall be included.
- Total cost of services shall be based on a Contract period of three (3) years. At the Districts discretion this contract may be extended by two (2) one-year extensions. The price submitted by the Contractor shall be in one (1) year increments for the base three (3) year agreement. Under no circumstances is the District obligated to extend the contract past the base three (3) year agreement. Should the District decide to extend the contract in one (1) year increments, the District and Contractor shall meet to discuss a rate increase based on the prior years performance. The maximum allowable increase shall be no greater than the Bay Area Consumer Price index (CPI) for that quarter. CPI increase shall apply to extension years only.
- Contractor shall sign statement of willingness to execute Contract with District according to the terms and conditions of this RFP.
- List DBE status, if appropriate.
- List any other data which will assist the District in evaluating the proposal based on the criteria in the RFP.

5. ADDITIONAL INFORMATION

5.1 District Rights of Award:

Additional conditions of the final contract shall be derived on the basis of negotiations between the selected Contractor and the District. The selection of a Contractor and the final Contract award is subject to approval by the District's Board of Directors.

The District shall not, in any event, be liable for any pre-contractual expenses incurred by the Contractor. Contractor shall not include any such expense and part of the price as proposed in response to this Request For Proposal.

The site supervisor who is proposed and the Contractors main responsible party (who can speak on behalf of the contractor) shall attend an interview when scheduled.

5.2 Fee Consolidation

In the response to this RFP, Contractor shall propose a fee reimbursement schedule. Exact schedule shall be made final during the Contract negotiations.

6. EVALUATION CRITERIA

Final selection shall be based upon the following evaluation criteria. Their relative importance is identified by the points listed.

- Responsiveness of Proposal to the District’s Requirements 10 Points
- Proposed Personnel/Training/ Management Team 35 points
- Experience of Firm 30 points
- Cost of Contract 20 points
- DBE Participation 5 points
- Total points available 100 points

7. INQUIRIES AND CORRESPONDENCE

Written questions pertaining to this Request for Proposals shall be either mailed to the District Buyer at 120 Dubois Street, Santa Cruz CA 95060, or faxed to the District Buyer at (831) 469-1958 or emailed to llongnec@scmtd.com. No offeror may consider any verbal instructions, interpretations or changes as an official expression on the District’s behalf. Only written addenda on District letterhead signed by the District Buyer may be considered valid.

8. TIMELINE

▪ RFP Issue date:	November 7, 2003
▪ Proposals due date:	November 26, 2003, 5:00 p.m.
▪ Interview Schedule:	December 3 rd and 4 th , 2003
▪ Award of Contract:	December 19, 2003

The Santa Cruz Metropolitan Transit District’s Board of Directors will award the Contract for Security Guard Services at its meeting on December 19, 2003. Contract will be effective January 1, 2004 through December 31, 2006.

PART IV

GENERAL CONDITIONS TO THE CONTRACT

I. GENERAL PROVISIONS

1.01 Governing Law & Compliance with All Laws

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

1.02 Right to Modify Contract

District may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

2. TERMINATION

2.01 Termination for Convenience

2.01.01 The performance of Work under this Contract may be terminated by the District upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever the District determines that such termination is in the District's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the District, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to the District in the manner, at the time, and to the extent directed by the District all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the District shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of the District, to the extent the District may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the District and deliver in the manner, at the time, and to the extent, if any, directed by District the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to the District; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by the District, any property of the types referred to above provided, however, that the Contract shall not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at a price(s) approved by the District, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to the District to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as the District may direct; (8) complete performance of

such part of the Work as shall not have been terminated by the notice of termination; and (9) take such action as may be necessary, or as the District may direct, for the protection or preservation of the property related to this Contract which is in the possession of the Contractor and in which the District has or may acquire an interest.

2.02 Termination for Default

2.02.01 The District may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions.

2.02.02 If the Contract is terminated in whole or in part for default, the District may procure, upon such terms and in such manner as the District may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the District, the Contractor shall be liable to the District for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.

2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and District shall be considered to have been terminated pursuant to termination for convenience of the District pursuant to Article 2.01 from the date of Notification of Default.

2.03 No Limitation

The rights and remedies of the District provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

3. FORCE MAJEURE

3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude District from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor.

3.02 Notification by Contractor

Contractor shall notify District in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by the District to evaluate any Contractor request for relief under this Article 3. District shall examine Contractor's notification and determine if the Contractor is entitled to relief. The District shall notify the Contractor of its decision in writing. The District's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties.

3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from the District for losses resulting from any "force majeure" event.

4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract.

5. PROFESSIONAL RELATIONS

5.01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent contractor in the practice of its profession. District shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of District is to ensure that such services are performed and rendered in a competent and cost effective manner.

5.02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against the District for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind.

6. INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

6.01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless District (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01.01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which District may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's performance under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property(ies) of Contractor and third persons.

6.01.02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding).

7. INSURANCE

7.01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain at minimum all of the following insurance coverage. Such insurance coverage shall be primary coverage as respects District and any insurance or self-insurance maintained by District shall be excess of Contractor's insurance coverage and shall not contribute to it.

7.02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees).
- (2) Contractor's vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit per accident for bodily injury and property damage.
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
 - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract.
 - (a) Full Personal Injury coverage.
 - (a) Broad form Property Damage coverage.
 - (a) A cross-liability clause in favor of the District.
- (4) Contractor shall obtain and maintain Professional Liability Insurance coverage in the minimum amount of \$1,000,000.00.

7.03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by District.
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured."
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after the District shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify District in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract.
- (6) Contractor agrees to provide District at or before the effective date of this Contract with a certificate of insurance of the coverage required.
- (1) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to the District.

8. RESERVED

9. NO DISCRIMINATION

In connection with the performance of services provided under this Contract, Contractor shall not on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal, State, or local laws.

10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

11. PROMPT PAYMENT

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from District. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the District. This applies to both DBE and non-DBE subcontractors.

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in District withholding reimbursement for completed work.

12. RESERVED

13. MISCELLANEOUS PROVISIONS

13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13.15; and the hold harmless agreement contained in Article 6 shall survive.

13.03 Limitation on District Liability

The District's liability is, in the aggregate, limited to the total amount payable under this Contract.

13.04 Drug and Alcohol Policy

Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on District premises or distribute same to District employees.

13.05 Publicity

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

13.06 Consent to Breach Not Waiver

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

13.07 Attorneys' Fees

In the event that suit is brought to enforce or interpret any part of this Contract, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover its costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover its costs shall not recover attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover its costs or attorney's fees.

13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract.

13.09 Prohibition of Discrimination against Qualified Handicapped Persons

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

13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on District property, (2) ensure that its employees take appropriate protective measures, and (3) provide the District's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on District property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify the District against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13. Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor. Contractor shall be solely responsible for all clean-up efforts and costs.

13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by the District; and any such action by Contractor without District's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of the District. Any such action by Contractor without District's previous consent shall be void.

13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated.

13.14 All Amendments in Writing

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

13.15 Audit

This Contract is subject to audit by Federal, State, or District personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on District premises or in a District vehicle.

13.17 Responsibility for Equipment

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

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

13.18 Grant Contracts

13.18.01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

13.19 Time of the Essence

13.19.01 Time is of the essence in this Contract

PART V

CONTRACT FOR SECURITY GUARD SERVICES (03-08)

THIS CONTRACT is made effective on January 1, 2004 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and _____ ("Contractor").

1. RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

1.02 District's Need for Security Guard Services

District has the need for Security Guard Services. In order to obtain these services, the District issued a Request for Proposals, dated November 7, 2003, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Security Guard Services and whose principal place of business is _____. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Security Guard Services, which is attached hereto and incorporated herein by reference as Exhibit "B."

1.04 Selection of Contractor and Intent of Contract

On December 19, 2003, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide the Security Guard Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

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

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated November 7, 2003

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

Contractor's Proposal to the District for Security Guard Services, signed by Contractor and dated November 26, 2003.

2.02 Conflicts

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

2.03 Recitals

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

3. DEFINITIONS

3.01 General

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

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

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued November 7, 2003.

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued November 7, 2003.

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

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

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed three (3) years and shall commence upon the issuance of the contract by the District.

At the option of the District, this contract agreement may be renewed for two (2) additional one (1) year terms upon mutual written consent.

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of

payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work.

5.02 Invoices

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

6. NOTICES

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

DISTRICT

Santa Cruz Metropolitan Transit District
370 Encinal Street
Suite 100
Santa Cruz, CA 95060
Attention: General Manager

CONTRACTOR

Attention: _____

7. AUTHORITY

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

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR

By _____

Approved as to Form:

Margaret Rose Gallagher
District Counsel

PART VI

FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS

1.0 GENERAL

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation.

2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising therefrom.

3.0 INELIGIBLE CONTRACTORS

Neither Contractor, subcontractor, nor any officer or controlling interest holder of Contractor or subcontractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government.

4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

5.0 TITLE VI CIVIL RIGHTS ACT OF 1964

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

5.1 Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.

5.2 Nondiscrimination

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited in Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the District or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the District, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the District shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part.

5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the District or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require the District to enter into such litigation to protect the interests of the District, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States.

6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.).

8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that the District, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after District makes final payments and all other pending matters are closed.

9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

9.3 Withholding for Unpaid Wages and Liquidated Damages

DOT or the District shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

9.4 Nonconstruction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security

number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, the District shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOT and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job.

9.5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph.

10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10.1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States- flag commercial vessels.
- 10.2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to the District (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S.W., Washington D. C. 20590, marked with appropriate identification of the project.
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract.

11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661.

A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the proposal. A proposal which does not include the certificate shall be considered non-responsive.

A waiver from the Buy America Provision may be sought by the District if grounds for the waiver exist.

Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States.

In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

12.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

12.1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 23 apply to this Agreement.

12.2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, District and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. District and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

13.0 CONFLICT OF INTEREST

No employee, officer or agent of the District shall participate in selection, or in the award of administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. The District's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment.
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere.
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation.
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter.

15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571.

16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform the District whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform the District.

17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

17.1 General

The District and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by the District, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when the District or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. The District or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, the District, third party contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.

- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by the District or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
- (c) "System of records" on individuals means a group of any records under the control of the District or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual.

18.0 PATENT RIGHTS (Applicable only to research and development contracts) If any invention, improvement or discovery of the District or contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, the District (with appropriate assistance of any contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of the District, third party contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

19.0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. The District and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, the District and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

The District and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do.

District and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the District and Contractor of proprietary rights, copyrights or rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract.

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to the District or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by the District or Contractor at the time of delivery of such work.

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract.

20.0 NEW RESTRICTIONS ON LOBBYING

20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The prohibition does not apply as follows:
 - (i) Agency and legislative liaison by Own Employees.
 - (ii) Professional and technical services by Own Employees.
 - (iii) Reporting for Own Employees.
 - (iv) Professional and technical services by Other than Own Employees.

20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non- appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (c)(2) of this section. An event that materially affects the accuracy of the information reported includes:
 - (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
 - (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or

(iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.

(d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.

(e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section. That person shall forward all disclosure forms to the agency.

20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

20.4 Penalties.

(a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure.

(b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

(c) Contractors may rely without liability on the representations made by their sub- contractors in the certification and disclosure form.

20.5 Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

PART VII

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURE

PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220.1E Third Party Contracting Guidelines dated June 19, 2003 and the Santa Cruz Metropolitan Transit District's (DISTRICT) Protest Procedures which are on file and available upon request.

Current FTA Policy states that: "Reviews of protests by FTA will be limited to:

- (1) a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- (2) violation of Federal law or regulation.

An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester learned or should have learned of an adverse decision by the grantee or other basis of appeal to FTA" (FTA Circular 4220.1E, Section 7, paragraph 1., Written Protest Procedures)

Protests relating to the content of this Request for Proposal (RFP) package must be filed within ten (10) calendar days after the date the RFP is first advertised. Protests relating to a recommendation for award solicited by this RFP must be filed by an interested party within five (5) calendar days after the staff's written recommendation and notice of intent to award is issued to the offerors. The date of filing shall be the date of receipt of protests or appeals by the DISTRICT.

All Protests shall be filed in writing with the Assistant General Manager, Santa Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060. **No other location shall be acceptable.** The DISTRICT will respond in detail to each substantive issue raised in the protest. The Assistant General Manager shall make a determination on the protest normally within ten (10) working days from receipt of protest. Any decision rendered by the Assistant General Manager may be appealed to the Board of Directors. The Protester has the right within five (5) working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Assistant General Manager's decision and directly related to the grounds of the protest. The Board of Directors has the authority to make a final determination and the Board of Director's decision shall constitute the DISTRICT's final administrative remedy.

In the event the protestor is not satisfied with the DISTRICT's final administrative determination, they may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having jurisdiction over Proposal Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Offeror may withdraw its protest or appeal at any time before the DISTRICT issues a final decision.

Should the DISTRICT postpone the date of proposal submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the DISTRICT shall notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that an appeal/protest had been filed, and the due date for proposal submission shall be postponed until the DISTRICT has issued its final decision.

A letter of protest must set forth the grounds for protest and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protestor is responsible for adhering to the DISTRICT's protest procedures.

An Offeror may seek FTA review of the DISTRICT's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220.1E. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the DISTRICT's protest procedure. Protest appeals should be filed with:

Federal Transit Administration
Regional Administrator Region IX
201 Mission Street, Suite 2210
San Francisco, CA 94105-1839

EXHIBIT -B-



17.641

Part II
GENERAL INFORMATION FORM

SECURITY SERVICES

First Alarm Security & Patrol, Inc.
Legal Name of Firm

November 25, 2003
Date

1111 Estates Drive, Aptos CA 95003

Firm Address

831-685-1110

83 1-688-85 18

Telephone Number

FAX Number

Corporation

Type of Organization

Cal Horton, CPP - General Manager

Name of Principal-in-Charge and Title

COPY

Signature of Authorized Principal or Company Agent

Adam Donoghue -- Branch Manager, Santa Cruz Operations Area

Name of Oversight Manager and Title

Cal Horton, CPP -- General Manager 83 1-685-1 110

Name, Title and Phone Number of person To Whom Correspondence Should be Directed

11 11 Estates Drive, Santa Cruz CA 95003

Address Where Correspondence Should Be Sent

Uniformed Security Services

Areas of Responsibility of Prime Contractor

77-0237870

Federal Tax ID Number

Listing of major sub consultants proposed

None

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals.

Offeror understands that the proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificate within ten (10) calendar days of the Notice of Award.

17.642



November 26, 2003

Mr. Lloyd Longnecker
District Buyer
**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT**
120 Du Bois Street
Santa Cruz CA 95060

RE: District RFP Number 03-08
Security Guard Services

Dear Mr. Longnecker,

Please find attached our proposal in response to your RFP 03-08 for Uniformed Security Services. We appreciate the opportunity to provide this proposal and look forward to continued participation in the evaluation process.

As we all know, actual safeguards coupled with the perception of a safe and secure environment are both integral and critical the continued success of a public transportation program. There is no equal to the importance of experience, management, personnel, training and resources to get this job done properly.

These are the cornerstones of the attached proposal. Simply put, First Alarm Security & Patrol is second to none.

This was built by twenty seven years of building a firm committed to excellence. This is built on relationships, investments in equipment, physical resources and personnel.

We are proud to contribute much to our community both professionally and charitably. We have demonstrated our ability to successfully "step up to the plate" on more than one occasion, on a wide variety of fronts and under to most difficult of circumstances.

We sincerely believe we will be a benefit to your organization and appreciate your consideration.

Respectfully,

COPY

Cal Horton, CPP
General Manager
FIRST ALARM SECURITY & PATROL, INC.

CLH/sls

**FIRST ALARM
SECURITY &
PATROL, INC.**

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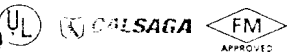
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www.firstalarm.com

LICENSE # PPO11167
LICENSE # ACO1277



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FIRST ALARM SECURITY & PATROL

PROPOSAL

FOR

Professional Security Services

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT**

Response to Request for Proposal 03-08

ATTN:

Mr. Lloyd Longnecker

District Buyer

120 Du Bois Street

Santa Cruz CA 95060

November 24, 2003

Prepared by:

Cal Horton, CPP

General Manager

A CONFIDENTIAL & PROPRIETARY DOCUMENT

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Statement of Assurances, Conditions and Guarantees

- A. The following written proposal represents in the professional estimation of **FIRST ALARM SECURITY & PATROL, INC.** the most cost effective approach consistent within the written and oral objectives of Santa Cruz Metropolitan Transit District contract specifications.
- B. **FIRST ALARM SECURITY & PATROL** shall, at all times during the term of this Contract maintain the technical ability, financial ability, professional expertise, acquired skills, current licensing, and fundamental resources necessary to perform and complete the scope of work in a timely, professional manner, so as to meet or exceed the provisions of the Contract.
- C. At the time of this writing, there are no lawsuits or judgments pending against FASP.
- D. It is factual that emergency and security systems help prevent crime and mitigate risks and liabilities; however, nothing in this Agreement will be construed as a guarantee that FASP recommendations will stop disaster events or criminal attacks.
- E. All quoted costs are true and reasonable projections, guaranteed for 90-days from this proposal date.
- F. FASP shall not, during the term of this Agreement or afterward, use or disclose confidential information whatsoever obtained as a result of work done pursuant to this Agreement without express written approval of client.
- G. FASP does not have now, nor will develop conflict of interest ventures. This matter is of utmost importance, and will receive FASP's highest level of commitment.
- H. FASP and assigned officer's posses all applicable licenses in accordance with standards set forth by the Department of Consumer Affairs, Bureau of Security and Investigative Services, and applicable state or local laws and ordinances. Attachments: Licenses, Insurance and Certifications,
- I. Neither FASP nor its employees shall use client's facilities or equipment that is designated for client's employees only.
- J. Neither FASP nor its employees or agents shall carry any firearms or other non-approved weapons in performance of this Agreement.
- K. FASP employees shall effectively read, write and have command of the English language.
- L. FASP employees shall have in their possession a permanent guard certificate issued by the California Department of Consumer Affairs. (SB1241)
- M. FASP shall maintain Workers' Compensation and Employer's Liability Insurance in conformance with state laws, Automobile Insurance in the minimum amount of \$1,000,000, Comprehensive General Liability Insurance in minimum amount of \$5,000,000, and Professional Liability in the minimum amount of \$5,000,000. Any deductible or self-insures retention exceeding \$5,000 shall be disclosed to client and be subject to written approval. Attachments: Licenses, Insurance, and Certifications.

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- N. FASP shall provide client at or before effective date of Contract a certificate of insurance of required coverage. All insurance shall contain the clause: It is agreed that this insurance shall not be cancelled until thirty (30) days shall have been given written notice of such cancellation or reduction.
- O. The Contract Administrator for the client shall be kept informed of the progress to accomplish the requirements stated in the Statement of Work for Security Contractor.
- P. FASP shall not on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition, or disability discriminate or commit discrimination against any employee, person, or group of persons, in any manner prohibited by Federal, State, or Local laws.
- Q. FASP shall not use, possess, manufacture, nor distribute alcohol, or illegal drugs during the performance of the Contract, or while on client's premises, or distribute to client's employees.
- R. FASP shall not subcontract or permit anyone other than FASP or its authorized staff to perform any of the scope of work under this Contract without written consent of client.
- S. FASP, its employees and agents, shall not smoke in any enclosed area on client's premises.

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A PROPOSAL TO PROVIDE PROFESSIONAL SECURITY SERVICES

TO

**SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT**

November 24, 2003

**First Alarm Security & Patrol, Inc.
1111 Estates Dr
Aptos, CA 95003
(800) 400-1110**

THIS PROPOSAL IS DESIGNATED PROPRIETARY INFORMATION AND IS RESTRICTED FROM DISSEMINATION OR EXPOSURE TO ANY PERSON OR GROUP OTHER THAN THE INDIVIDUAL ADDRESSED TO WITHIN THE CONTENTS OF THIS RESPONSE. ANY USE OF THIS DOCUMENT WITHOUT THE WRITTEN PERMISSION OF AS OFFICER OF FIRST ALARM SECURITY & PATROL, INC. IS STRICTLY PROHIBITED. ALL PRICING IS GUARANTEED FOR 90-DAYS.

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- Daily Activity Report
- Incident Report
- Sample Guard Tour Checklist
- OSHA Checklist
- Buy America Certificate

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1. INTRODUCTION TO FIRST ALARM SECURITY & PATROL

Mr. Jarl Saal founded First Alarm Security & Patrol, in 1966 under the guiding principle of applying the unique combination of manpower and electronic protection systems, which resulted in the evolution of integrated security solutions in the County of Santa Cruz. First Alarm Security is to this day the only true source of integrated security in Northern California and is one of the top fifty providers in the nation. Our success serving thousands of clients in Northern California has proven that our security personnel (electronics and uniformed divisions) are adept at maintaining a professional demeanor while they protect life and the valued assets of our clients.

First Alarm Security has developed a distinguished management team with an extraordinary depth of experience and a shared vision for the company. First Alarm managers are active in many security organizations, including:

American Society for Industrial Security (ASIS)
California Alliance of Licensed Security Agencies, Guards & Associates (CALSAGA)
Building Owners and Management Association (BOMA)
International Association of Chiefs of Police
State of California – the Department of Consumer Affairs, Bureau of Security & Investigative Services (BSIS)

Our staff has grown from sole proprietorship in 1966, to greater than 850 employees today. We maintain our company headquarters in Aptos (Santa Cruz County) with eight offices strategically located in California.

First Alarm Security & Patrol has established a sound financial record along with a \$5 million non-aggregated insurance coverage to fully protect our clients, officers and employees. Our fiscal soundness and responsibility assure our clients that First Alarm Security & Patrol, unlike many competitors with lesser resources, First Alarm Security & Patrol will never be constrained in planning and conducting operations.

Value Added Services

First Alarm Security & Patrol offers an array of security services seldom seen in most security organizations. This is advantageous to our clients because they can easily have many of their security needs met with just one phone call.

Vehicle Patrol Services – First Alarm Security will provide, at **no additional cost** to the SCMTD, **two (2) vehicle and foot patrols per day/evening of both the Scotts Valley and Watsonville Transit Centers.** We will use our Electronic Tour Verification and work with SCMTD staff to develop the desired responsibilities for these locations.

First Alarm Education and Training Team - First Alarm instructs our own security personnel through detailed in-service programs. In addition, we can train our clients in security awareness, personal protection, safety, security and violence in the workplace.

Commercial & Residential Alarm - First Alarm offers intrusion security, Fire/Life safety services, Closed Circuit Television (CCTV), Medical Alert services and emergency monitoring via remote access by phone and/or Internet. Our experienced technicians are ready to provide any assistance you may need with these important security enhancements.

Communication and Dispatch Center - First Alarm's central station facility provides Underwriter Laboratory (UL) and Factory Mutual (FM) certified services for security and life safety systems. Additionally, our Central Station holds a Government Approved, Central Stations Certification (UL2050). No other security company in the region qualifies for these certifications. The Central Station is specifically designed for emergency preparedness and emergency response for the Bay Area. The center has direct "ring-down" connections to the local government NetComm Centers and has complete emergency battery back-up systems allowing the retention of critical communications in various emergency situations.

SIMS- First Alarm 's SIMS (Critical Incident Management Staff) is called upon for response to a client who may have a major incident such as kidnapping, hostage, violent death, disaster or other events which may bring much public attention and media coverage to your facility.

First Alarm Uniformed Security Services – Offers highly skilled and thoroughly trained security officers to protect corporate facilities, law offices, residential/retail complexes, newspaper offices, medical facilities, and sites crucial to U.S. national security.

Every week First Alarm provides more than 7500 hours of security services and enjoys a client retention rate of 90%. Distinguishing features that set First Alarm Security & Patrol Uniformed Division apart from other contract security guard companies include:

▶ **Selective Recruitment-** Our Security Officer applicants undergo thorough background checks of past residences, criminal activity, education, military service and employment. We interview each applicant to determine whether they have the public relations skills and emotional maturity to work effectively with the public. We also adhere to the recent mandated law (CA SB 1241) that all security officers must possess a permanent California guard card.

▶ **Security Officer Training-**We realized early on that to develop officers who would meet our high performance standards, we would have to train them ourselves. Regardless of previous experience, every First Alarm officer must successfully complete our oral and written exams. Training can include public relations and legal aspects of security. PSTN training, classroom and audio-visual interaction, as well as basic first aid training and certification. First Alarm has already begun to implement our newly designed training program that will meet the mandated training criteria for California.

▶ **Supervision-** We assign dedicated personnel to manage, lead, and evaluate our on-site teams, and to provide a daily point of contact for clients. Our management and supervision team is strategically developed to tit your individual requirements.

▶ **Ardent Officer Morale-** First Alarm officers enjoy an excellent compensation package that includes above industry standard wages, health & benefit plan, paid holidays, and personal leave. Opportunities for career advancement and recognition for superior performance are equally important. What our clients experience as a result of our efforts are alert, enthusiastic officers, consistent staffing, and low turnover. In fact, our turnover rate for full-time officers is 47%, as compared to the national average of greater than 180%.

▶ **Corporate Support-** First Alarm's corporate offices are located in Aptos. While every company professes they have such a staff, at First Alarm we boast the proficiency of our human resources, payroll, and accounting staff are second to none. First Alarm maintains over a \$200,000 inventory of uniforms and \$300,000 in equipment.

▶ **Security News-** We post on our web site (www.firstalarm.com) news and current information on critical issues facing the security industry. In addition, we publish a newsletter discussing current legislative issues along with our personal profile.

▶ **Management Credentials-** Our senior management team members consist of diversified and extraordinary collective experiences within the security industry. Our team is comprised of former law enforcement and professional security individuals that maintain their status through professional organizations such as the Bureau of Security & Investigative Services (BSIS), CALSAGA, ASIS, ATAP and Chiefs of Police. We use our experience in a consulting role, to help you devise more effective, cost-efficient security programs.

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2. APPROACH TO STAFFING

A. Current Staffing Base

First Alarm Security & Patrol employs approximately 500 uniformed security officers and maintains an effective working-system for recruiting new applicants, which are in continuous operation to ensure we always sustain acceptable levels of personnel to staff existing and new contracts, as well as special assignments that are often requested at the last minute.

Please find below a brief outline of security officers currently assigned at the Santa Cruz Metropolitan Transit District. If selected to continue providing these services, we will recruit, screen, and hire any additional or replacement personnel in a timely and expeditious method. The Account Supervisor will also assist with staffing the contract.

We are confident, based on our experience, that we will be successful in staffing your service needs because we offer excellent wages, benefits and incentives, which will attract the proper amount of qualified applicants.

As you know we have accepted a number of incumbent security personnel who will be retained contingent on continued satisfactory performance reviews.

The Account Supervisor is also working in an "acting" interim capacity. Should First Alarm Security & Patrol be in a position to offer the position long term to a successful candidate, we would recruit specifically for the position working with SCMTD staff in the selection process. In addition to outside recruitment efforts, qualified existing staff would be eligible to apply and be considered for the position.

CURRENTLY ASSIGNED PERSONNEL:

Acting Account Supervisor Mark Hickey has been with First Alarm Security and Patrol, Inc, for 8 years serving in various capacities including Dispatch Manager, Branch Operations Manager, Field Supervisor, Training Officer and Administrative Operations Manager. He is currently certified to carry chemical agents and baton. He also is a paid call firefighter/EMT with the California Department of Forestry. Mark serves as First Alarm's in house First Aid/CPR and OSHA safety instructor. He is currently assigned to oversee the Santa Cruz Metropolitan Transit District account.

Security Officer Javier Gomez has been a security officer for 8 years. He currently is assigned to the Santa Cruz Metropolitan Transit District account as the primary graveyard officer assigned to the Metro Center. He is currently certified to carry Chemical agents and Baton.

Security Officer David Mantanona has been a security officer for 4 years. He is currently assigned to the Santa Cruz Metropolitan Transit District as the primary swing shift officer at the Metro Center. He is currently certified to carry Chemical Agents and Baton.

Security Officer Antonio Ramirez – Perez has been a security officer for 5 years. He is currently assigned to the Santa Cruz Metropolitan Transit District as the relief Swing/Graveyard

shift officer at the Metro Center.

Security Officer Gloria Patel – Patel has been a security officer for 5 years. She is currently assigned to the Santa Cruz Metropolitan Transit District as a revenue security officer.

Security Officer Idan Alvarado – Alvarado has worked in the security industry for 5 years. He has worked at First Alarm Security & Patrol for the past 4 years. Alvarado is certified to carry chemical agents and Baton. He is presently assigned to work Santa Cruz Metropolitan Transit District as the full time security officer assigned to pulling cash vaults.

Security Officer Benjamin Mones – Mones has been a security officer with First Alarm Security & Patrol for 3 years. He is currently assigned to the Santa Cruz Metropolitan Transit District as a revenue security officer.

B. Hiring, Screening & Testing

Superior security service begins with selective recruitment. First Alarm has developed a network of recruitment sources to afford our clients highly qualified security officers. We are the only security organization to have a strategic alliance with "Job Flash", which is an exclusive recruiting company using technology and telecommunications to pre-screen and evaluate job applicants. We advertise in numerous local publications as well as recruiting from colleges and universities, military installations, state employment agencies, and other professional and business organizations. Our staff regularly attends and sponsors job fairs.

The following list highlights some of the reasons First Alarm Security & Patrol Services attracts and retains individuals with superior skills and attitudes:

- Above industry standard wages
- Comprehensive Blue Cross medical, vision and prescription insurance (including prescriptions)
- Life Insurance
- Recognition and reward programs
- Professional training
- Opportunities for advancement
- Outstanding supervision
- Top quality equipment and uniforms

The recruiting and application process is only the beginning of an in-depth approach for assuring our clients receive exceptionally qualified officers. The next step in the process is to screen applicants carefully and make sound selections. We give preference to those with prior security experience in law enforcement or the military. We insist on a minimum of a high school diploma and favor applicants with additional education.

First Alarm is the only local company certified to submit Live-Scan fingerprints directly to the Department of Justice and the Federal Bureau of Investigation. Each applicant's background will be investigated through a computerized check of criminal records in all jurisdictions in which an applicant has lived for the past seven years. We accept no one with a criminal record (other than minor traffic infractions) or other serious deleterious information even though these folks may qualify to receive State registration. Personal interviews are always a part of our screening process. Applicants are closely screened, not only to eliminate those with unsuitable backgrounds, but also to employ only individuals who have the physical, mental, and character qualities we believe are essential to successful performance. Our security officers are respected for their attention to duty, tact and good judgment.

Our written drug policy clearly states we have zero tolerance for the use of illegal substances, and we will conduct an initial drug test for all personnel. Every employee receives a copy of our policy and it is reiterated in the pocket-sized Security Officers Manual. Each employee signs a form agreeing to drug testing and undergoes the only type of drug screening accepted by the courts. While some security vendors conduct less expensive drug tests and even conduct the testing at their office, First Alarm relies on certified laboratories to perform the screening. Employees are randomly tested if there is a suspicion of drug use and if they are involved in certain incidents or accidents. Applicants

must successfully pass all screening tests. All officers understand that their information, including results of screening and testing procedures, may be made available to clients with a need to know.

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C. Officer Retention Program

We understand the impact high turnover can have on the effectiveness of a security team, which is why we offer an attractive and thorough benefits package to our security personnel. These benefits, combined with our comprehensive training, officer incentives, and career growth result in a cohesive security team that has the skills and determination to provide peak performance. Our officer retention program also results in turnover rates that are greater than 100% lower than the national average.

A brief summary of the benefits each First Alarm officer enjoys is presented below.

- 0 **Career Development** - We invest both time and resources in our officers because we know our success depends on them. More than 50% of our supervisors started at First Alarm as security officers.

- 0 **Holiday Compensation** - First Alarm provides security personnel with time and a half pay when they work on any of the following seven federal holidays (contract specified):

New Year's Day	Labor Day
Memorial Day	Thanksgiving Day
Independence Day	Christmas Day
Veteran's Day	

- 0 **401 K**- This is a company sponsored plan. First Alarm contributes to the plan on an annual profit sharing basis in addition to any monthly disbursements.

- 0 **Profit Sharing**- First Alarm is structured so that profits in excess of the required 5% per month operating margin are returned to the employees. All employees are eligible to receive a check on a monthly basis depending on performance of the company.

- 0 **Medical Plan** - Comprehensive medical insurance is provided by Blue Cross of California. Benefits include physician visits, health screening, diagnostic testing, hospital stays, surgery, nursing facility care, maternity care, worldwide emergency care, mental health, physical therapy, and authorized home care. Most of these benefits involve minimal (i.e., \$15 per visit) charges to the employee. The plan can also include vision coverage, as well as prescriptions. Family coverage is available for employee and spouse only; employee and children only; and employee, spouse and children, as appropriate.
 - Vision Program – Members enjoy significant savings on routine eye examinations and prescription frames or contact lenses through VSP Vision Plan
 - Dental Program - Dental care coverage is optional.
 - Prescription Coverage - Prescriptions are covered for a nominal charge for brand names and even less for generic brands at participating local pharmacies and through mail orders.

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- 0 **Officer of the Quarter Award Program** - Our ability to retain qualified officers is partly due to the recognition they receive through the Officer of the Quarter Program. Award recipients receive a monetary award during a formal ceremony. Their names are also added to plaques that are displayed at headquarters and at major sites.

- 0 **Bi-Weekly Pay and Direct Deposit-** All First Alarm personnel receive Bi-Weekly paychecks. We encourage our employees to take advantage of automatic deposit, so that their paychecks are promptly deposited in the bank account of their choice.

3. TRAINING

Thorough professional training has always been an intricate part of First Alarm's success. All candidates must complete our pre-assignment interactive classroom training prior to assignment to any client site. This requirement applies to every new officer we hire, no matter how lengthy their prior experience, because we want to ensure that every First Alarm officer has the same knowledge and understanding of how to perform security assignments.

A. Pre-Assignment Officer Training

First Alarm will provide basic officer training for all new officers hired for this contract. Our training curriculum will encompass safety awareness, performance standards, personal presentation maintaining a professional demeanor, and integrity. We teach our officers to be proactive so that they can attempt to fix a problem before it escalates. A training syllabus is included in this section for your review.

In this initial training phase officers are presented with the expectations of excellence and total professionalism that has made First Alarm Security & Patrol so successful. In this, the officers are presented with the customer service oriented philosophy, distinguishing our staff as even-tempered, friendly mannered security professionals.

Training consists of classroom instruction, practical applications, role-playing, and a challenging examination. Each First Alarm & Patrol security officer candidate is offered basic first aid training and certification in CPR. Our rigorous training requirement enhances our officers' performance and enables us to maintain our high standards.

B. Post Training

First Alarm Security & Patrol is already compliant with the requirements of CA SB 2 180 requiring a minimum of forty (40) hours of training for security officers. Every new officer will receive this training before being placed on the schedule to work on his or her own. On-site training will include site orientation, systems and critical locations, site policy and procedure, post orders, patrol duties, emergency response, and communications procedures.

C. Supervisor Training

Excellent supervision is a crucial component of our service. We recognize that an individual must be taught how to effectively lead a team, even if he or she has been a supervisor for years. This is why we insist our managers and supervisors participate in the training we designed specifically for them and officers who want to move up to supervisory positions. The training program focuses on the components of effective leadership and includes the following topics:

- 0 **Fundamental Leadership** - reviews the basic elements of leadership skills, addresses the difference between a supervisor and a leader, and discusses elements of leadership and how to use them.
- 0 **Employee Review** – covers the importance of effective review of employee performance and illustrates the best ways to encourage employee excellence.
- 0 **Creating a Positive Work Environment** - focuses on applying positive feedback, encouraging employee participation, preventing dissension, and building a trusting relationship.
- 0 **Performance Appraisals** - instructs participants in the correct way to evaluate performance and reviews unacceptable evaluation methods.
- 0 **Counseling the Employee** - addresses counseling techniques and procedures for topics such as sexual harassment, suspected drug use, workplace violence, attendance, and other general conduct issues. The trainer also discusses appropriate language to use when counseling a security officer, topics that require the assistance of the Human Resources Department, and outside counseling and programs. This is an in-depth class on a skill that is vital for all supervisors.
- 0 **Liability and the Leader** - introduces the legal issues facing today's leader. Topics include the ADA, OSHA, corporate standards and legal issues involving disability, workers compensation, privacy, negligent hiring, retention, and supervision.

UNIFORMED SECURITY OFFICER TRAINING CURRICULUM
THE FOLLOWING TRAINING IS AVAILABLE UPON CONTRACT SPECIFICATION

ADMINISTRATION & DOCUMENTATION

- 0 Review of training curriculum
- 0 Review of training performance expectations
- 0 Completion of course 8 licensing forms

INTRO TO FIRST ALARM SECURITY & PATROL

- 0 History & development of private security industry
- 0 Corporate history & commitment to quality
- 0 First Alarm structure & key personnel
- 0 Promotion opportunities

REGULATIONS

- Local requirements and definitions
- 0 Duties & responsibilities of the security officer
- 0 Compulsory training requirements
- 0 Prohibitions & sanctions

CONSTITUTIONAL LAW

- 0 US Constitution & individual civil rights review
- 0 1st amendment freedoms: speech, religion, press, and peaceful assembly
- 0 2nd amendment: firearms related issues
- 0 4th amendment: unreasonable searches & seizures
- 0 5th & 6th amendment: rights of the accused
- 0 8th amendment: cruel & unusual punishment
- 0 How these issues impact the security function

CRIMINAL LAW

- 0 Definition of crime
- 0 Crime versus infraction
- 0 Felonies versus misdemeanors
- 0 Crimes commonly handled by security officers
- 0 Specific review: theft, trespass, vandalism, burglary, assaults, and robbery

CIVIL LAW

- 0 Definition of civil wrong (negligence & intentional torts)
- 0 Security related civil wrongs
- 0 Duty of care
- 0 Personal & vicarious liability

USE OF FORCE

- 0 Use of force continuum
- Excessive force
- 0 Guidelines for each level of force
- 0 Laws of self-defense

ARREST AUTHORITY

- 0 Probable cause & arrest defined
- 0 False arrest situations
- 0 Detention vs. arrest
- 0 Private Person's arrest
- 0 First Alarm policy on arrest & detention

COMMUNICATION PROCESS

- 0 The communications process explained
- 0 Overcoming common communications barriers
- 0 Cultural diversity awareness
- 0 Sexual harassment

CONFLICT MANAGEMENT

- Defusing conflicts
- Handling delinquents
- Handling violent persons
- Dealing with the emotionally disturbed
- Suicidal or depressed persons

INTRODUCTION TO SECURITY

- Basic security functions
- Patrol & observation
- OSHA regulations
- Access control systems
- CCTV & IDS systems
- Protecting sensitive information
- Chain of custody
- Crowd control and observation

CRISIS INTERVENTION

- Workplace violence
- Domestic & international terrorism
- Hostage situations
- Disaster management

REPORT WRITING

- Proper sentence structure as related to reports
- Elements of investigative research
- Development of reports
- Identify potential uses of a report
- Interview vs. interrogation
- Types of reports (log books, incident reports, client info sheets, writing exercises)

BOMB RECOGNITION & INCIDENT MANAGEMENT

- Definitions & descriptions
- Methods of initiation for explosive devices
- Bomb incident plan
- Handling a bomb threat
- Building searches
- Principles of action when a suspicious object is found

FIRE SAFETY & HAZMAT

- Understanding the fire triangle
- Definitions & classes of fires
- Fire protection systems
- Fire detection systems
- HAZMAT identification & numbering system
- OSHA standards as related to routine patrols

STANDARDS & PROFESSIONALISM

- Ethics, professionalism & integrity
- Appearance and demeanor
- Public and client perception
- Tact and diplomacy
- Duties and responsibilities of an officer

CPR & FIRST AID

- Adult cardiopulmonary resuscitation instruction and certification
- Basic life saving techniques
- Standard First Aid instruction
- Automatic external defibrillator instruction

REVIEW AND WRITTEN EXAMINATION

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4. UNIFORMS AND EQUIPMENT

A. Uniforms

We will provide a generous supply of custom tailored public service grade uniforms to our officers from our uniform and equipment inventory. The uniform manufactures we utilize are:

Horace Small
Flying Cross
Blackington

We will ensure each officer has properly fitted uniforms. Their professional uniform consists of a light blue shirt (LS/SS), French blue trousers, and utility belt, heavy-duty jackets with removable liners as well as badges, nametags and related equipment. Although we believe the uniform we have planned will meet your requirements, we will be happy to work with you to modify our proposed uniform to suit your preferences.

B. Equipment

First Alarm Security & Patrol will supply a Nextel phone and pager for the Account Supervisor's use, as well as notebooks, forms and log books for the officers. Should you need additional security equipment in the future, we can readily provide it from our inventory, and will gladly make the necessary arrangements. In addition, **all** sites are equipped with the latest in Electronic Tour Confirmation (Guard Tour) for professional documentation of security & safety tours; finally, all of our Dispatch Center Operators are equipped with two-way radios placing them in direct, instant contact with all officers in the field. Again, we utilize some of the finest equipment suppliers in the industry, these include:

Federal Signal
Motorola
Kenwood
Radionics

5. CONTRACT MANAGEMENT

FIRST ALARM SECURITY AND PATROL, INC. will implement the below described management and supervisory processes proven to provide results. Supervision is accomplished through the company's chain of command and receives attention from all levels of management. The Management Team is circumscribed in Item 6. **KEY MANAGEMENT STAFF.**

Functions of the various positions and qualifications of the personnel are described in detail below. The Account Supervisor will have primary reporting responsibility to the Santa Cruz Branch Manager. The Account Supervisor will also have direct reporting responsibilities to the General Manager, Cal Horton, who will maintain consistent vigilance of on-going operations. Organizational Duties:

General Manager

Responsible for all operations in all service areas. Directly supervise Branch Managers and some specialized operations such as the Key Accounts, Communications Center, Human Resources, Training and Administrative Operations. Has P&L responsibility, company purchasing and equipment logistics, customer service, etc.

Branch Manager

Responsible for all operational issues in the Branch Service area. Has P&L responsibility. Recruits, hires and trains all branch staff, including supervisors. Is the direct link for most customers.

The Branch Manager and General Manager shall meet with the Account Supervisor frequently to review and discuss the security program.

Account Supervisor

Full-time field supervisory individual with primary daily responsibility for the SCMTD security program. These responsibilities will include personnel selection in conjunction with branch staff, scheduling, counseling and review of staff, training, communications management, etc. The Account Supervisor will work daily with SCMTD operations staff to insure quality of service. The thorough development of site operations procedures and ongoing training will be one of this individuals primary concerns.

The Account Supervisor shall make frequent inspections of all posts and shifts at SCMTD. These inspections shall validate compliance with standards, orders, and procedures. The Project Supervisor will have a strong support team, First Alarm Security shall provide management that can be contacted by SCMTD representatives during all hours of operation. The Account Supervisor and all company management shall have the capability of being contacted twenty-four hours per day.

Compliance Officer (QAP)

As a fail-safe to the above management program. First Alarm Security provides for a Compliance Officer. The Compliance Officer is a full-time corporate employee reporting directly to the General Manager. The Compliance Officer selects certain First Alarm Security service areas at random and works as an independent auditor of operations through detailed post inspections and branch/account record reviews. He works to follow through on issues he, or our employees feel need additional attention.

We view our relationship with each client as an important partnership and strive to involve our clients with their security program as much as possible. We understand that losses from security breaches and safety issues can seriously impact a client's business objectives, which is why we work so closely with our clients to mitigate as many of these factors as possible. We combine this knowledge with local crime trends, and our own understanding of the security field to tailor a security plan for each client.

Once that plan is in place, our senior managers oversee the account closely to ensure that all client needs are met quickly and thoroughly. Our Branch Manager reviews on a regular basis operation reports from your site. This sharing of information allows us to use the network of expertise of First Alarm Security & Patrol in responding to client needs.

Our high standards are an extension of our philosophy that we must always provide professional, reliable and responsive service. An example of our philosophy in action is our officer call-in program. If an assigned officer is not able to report for duty, he/she must call the Site Supervisor at least eight-hours (when possible) prior to the scheduled beginning of the shift. Once they call off we immediately locate a qualified, appropriately trained replacement officer from our pool of backup officers and management team. If the officer will be delayed, we either ask an officer to hold (if the delay is not major) or arrange for a backup officer to fill the post immediately. This ensures that you will never have open posts and, just as importantly, that the posts are filled by qualified individuals who know what the duties are.

All First Alarm Security & Patrol officers know that we expect the best from them and we reiterate our standards through our supervisory staff and in the Security Officers Manual every officer receives.

Corporate Resources Supporting the Contract

Among the advantages of selecting First Alarm Security & Patrol is the array of resources that are readily available to your designated security point of contact and to our personnel working at your site. Our Account Supervisor (upon contract specification) will have direct access to First Alarm Security & Patrol Branch Managers supporting the following critical functions.

● **Payroll Administration**

Data derived from time reports and shift schedules are consolidated and entered into our payroll database for reconciliation and bi-weekly generation of paychecks. We encourage employees to take advantage of our direct deposit program: so that their pay is immediately available each week in the bank account of their choice.

◆ **Invoicing/Accounting**

This department provides support for reports of labor hours expended on this contract, which will be presented with our invoices. Our data management software produces accurate reports in clear and convenient formats.

0 **Uniform and Equipment Inventory**

Our \$222,000 uniform and \$300,000 in equipment inventory ensures that all our officers are always properly dressed and fully equipped.

6. KEY MANAGEMENT STAFF

Members of the First Alarm Security & Patrol Management team have unique collective experience they use to help clients devise and maintain effective security programs. We are including on the following pages the resumes of all applicable management personnel dedicated so you can see the level of expertise we offer in immediate contract management.

JARL SAAL
President and Chief Executive Officer
First Alarm Security & Patrol, Inc.

Mr. Saal founded First Alarm Security & Patrol over 36 years ago in the Santa Cruz, Aptos area after recognizing the great need and future potential of the electronic protection service industry. Mr. Saal has an in-depth knowledge of all aspects of the electronic security, as well a significant background in the security officer and patrol industry.

Calvin Horton, CPP
General Manager
First Alarm Security & Patrol, Inc.

Mr. Horton began his career with First Alarm Security & Patrol in 1987, during his tenure he has continued to elevate himself to his current position in which he is solely responsible for overall operation of the security and patrol division in all service areas.

Mr. Horton is a published author of security solutions, and has written hundreds of operational security guidelines. He has an extensive background in public service, including law enforcement, emergency medical services and emergency communications. He holds an Associate in Science (A.S.) degree in Criminal Justice/Law Enforcement from Cabrillo College, is a graduate of Central Coast Police Academy at Gavilan College, holds a Basic P.O.S.T. Certificate as well as a current Emergency Medical Technician 1A (EMT- 1 A) certificate.

As a long standing member and former Chairman of the American Society for Industrial Security, Mr. Horton reinforced his dedication to the private security industry when he earned the prestigious CPP (Certified Protection Professional) certification, achieved only by a small percentage of security professional peers. In addition to his CPP, Mr. Horton is a licensed Private Patrol Operator with the State of California, Department of Consumer Affairs, Bureau of Security and Investigative Services (BSIS).

In addition with his affiliation with ASIS, Mr. Horton is currently Vice-President of the California Alliance of Licensed Agencies, Guards & Associates (CALSAAGA), as well as a member of the Certification Board for the CALSAAGA Private Patrol Operator Certification Program.

Recently, the Bureau of Security and Investigative Services (BSIS), Bureau Chief, Mr. Steve Giorgi hand selected Mr. Horton to become a member of the bureau's new industry advisory committee.

**Adam Donoghue
Branch Manager
First Alarm Security & Patrol, Inc.**

Mr. Donoghue is the Santa Cruz Branch Manager for First Alarm Security & Patrol, Inc. His responsibilities include customer service, employee training and patrol operations within the expanding areas of Santa Cruz County. He joined First Alarm in 1998.

Throughout his professional career with First Alarm Security & Patrol, Mr. Donoghue has served in a variety management capacities working diligently to raise the levels of performance in all areas of his operations. Over his 5 years at First Alarm Security & Patrol Mr. Donoghue has written and established many of the training programs used throughout the company. His training programs have been implemented with great success providing instruction in safety and security.

Mr. Donoghue's customer service oriented training programs have resulted in total client retention, having had no customer under his supervision end a contract for service related issues during his tenure as a First Alarm Security & Patrol Management team member.

A native of California, Mr. Donoghue holds a PC 832 P.O.S.T. & S.T.C. Law Enforcement Reserve Officer Training Certification from Cabrillo College.

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7. QUALITY ASSURANCE

In addition to the strong management oversight you will receive from First Alarm Security & Patrol, there is a quality assurance program in place to ensure our clients receive the best possible security service. Key elements of our quality assurance program include:

◆ **Personnel Inspection**

Shift leaders and patrol specialists inspect the officers to ensure that the officers are adhering to grooming standards, their uniforms are clean, well maintained and complete, and that they have all required equipment. This inspection period also provides an opportunity for our supervisors to perform in-service training convey company information and special information about scheduled events at the site, address any problems or group performance deficiencies, and answer questions.

◆ **Staff Meetings**

On a monthly basis all staff members are brought together for a branch review. Topics covered in this meeting include review of commitment success and branch growth. Additional material covered includes defensive training, teamwork oriented performance techniques and public recognition of outstanding performance. These meetings serve to allow all staff to feel fully integrated into the company and to create a support mechanism for officers working the field.

◆ **Call-Off Program**

Officers assigned to your site must call their superior eight-hours prior to the commencement of their shift if they are calling off of work. Once they call off, we immediately arrange for a replacement from our pool of backup officers or management staff. In the event the officer will be delayed, we ask the posted officer to holdover or arrange for a backup officer to fill the post immediately. This ensures you will never have an open post and a qualified individual who understands what the duties are staffs the post.

0 **Client Survey**

Our corporate office conducts a quarterly telephone survey of clients wherein we obtain candid responses concerning individual performance measurements. These responses are shared with all Senior Managers and Branch Managers and are tracked on a database, so that we can identify trends and issues that may need attention. Client feedback is taken seriously and we believe the surveys enhance our ability to remain responsive to clients, especially those who may be uncomfortable voicing their opinions in person.

• **Service Audits**

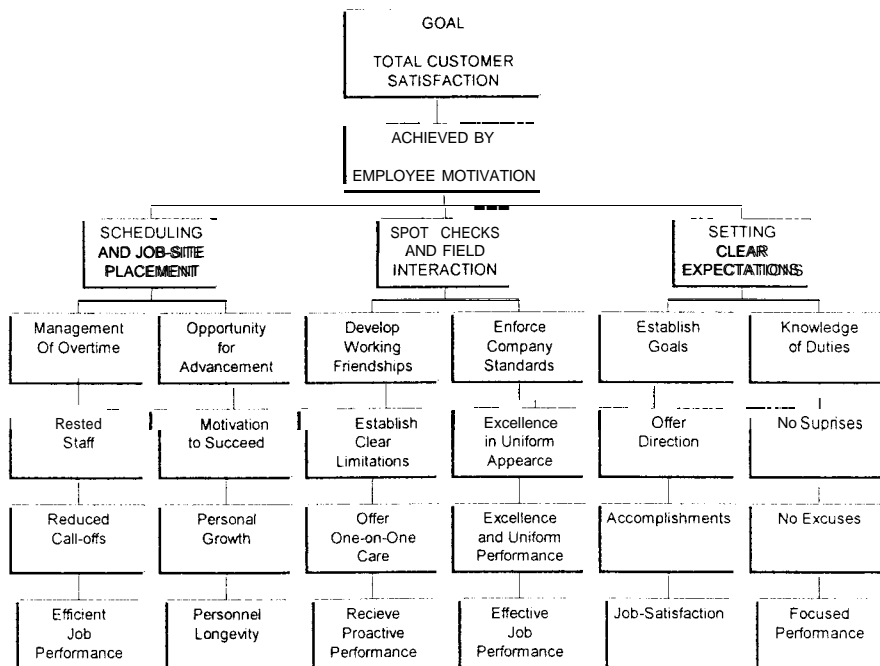
Quality service is maintained by site visits and service audits conducted by members of senior management. During these audits, the auditor will:

- Review the status and documentation of business and guard licenses and insurance certifications;
- Review and document post orders to ensure compliance and revise if necessary;
- Review and update training records and documentation;
- Review and update personnel records and documentation;
- Review recruiting, staffing and training needs; and
- Ascertain additional requirements for corporate support to the site.

• **Performance Recognition**

We have implemented programs designed to reward outstanding performance, such as the Officer of the Quarter, Employee of the Year, Attendance Recognition and Time Incentive program, which offer incentives to our officers and therefore promote a low turnover rate

0 **Total Customer Satisfaction**



17.669

8. START-UP & TRANSITION PLAN

As you know, we are currently providing services to SCMTD under an emergency agreement, which required a no-notice start-up. We were pleased to be trusted to “step-up to the plate” during this situation, however, if selected to continue providing your services we would initiate a number of more formal protocols for account initialization.

To ensure there is no disruption or inconvenience for client personnel when we begin a new contract, we appoint a transition team whose members are responsible for completing the start-up tasks before the contract begins. The General Manager or his designate will be on-site during and after the start-up to see that our preliminary work has been completed and that every aspect of our service is correct. The following table lists the contract implementation tasks.

(Responsibility Key: 1-F.A.S.P., 2- Prospective Client)

R	Transition Activity	wk 1	wk 2	wk 3	wk 4
Coordination					
1	Appoint F.A.S.P. Contract Transition Team	T			
1,2	Joint Meeting - Contract Transition Team and Client officials	T	T	T	T
1,2	Schedule contract progress review meetings	T	T	T	T
1	Introductory presentation(s) for SCMTD staff	T	T		
Recruitment/Screening/Selection					
1	Final recruitment and screening of officers		T	T	T
1,2	Selection and approval of Account Supervisor (if applicable)	T			
1	Enter personnel information in Human Resources database	T	T	T	T
Training					
1	Pre-assignment F.A.S.P. classroom training for officers and supervisors		T	T	T
1	Create training status database	T			
1,2	Schedule and conduct, with Client’s approval, on-site training			T	T
Scheduling					
1	Coordinate schedules with Client’s security officials		T	T	
1	Assign personnel per approved schedules		T	T	T
Logistics					
1	Issue uniforms (complete alterations as needed) and equipment		T	T	T
Administration					
1	Activate contract management systems: payroll, accounting and human resources	T	T	T	T
Management					
1	F.A.S.P. contract management and supervisor meetings	T	T	T	T
				T	T

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R	Transition Activity	wk 1	wk 2	wk 3	wk 4
1	Hold pre-assignment meeting for all contract security staff				
1	On-site analysis of post orders and procedures	T			T
1	Schedule senior management visits to Client's site	T		T	

17.671

Corporate & Industrial Services

First Alarm Security & Patrol, Inc. has been providing professional security services to commercial and industrial facilities for over 35 years. We consider the most important aspect of our mission statement to be "... to enhance life and safety. utilizing the finest integrated security solutions..." We have no better opportunity to accomplish this mission than with our commercial and industrial customers. We are excited about making your job as a facilities or security manager easier by providing you with the best of both worlds. We work hard to provide well trained, experienced, and professional security officers while also offering state of the art electronic solutions to your security needs. Our experienced management team can design a customized security program to match any budget. You will not find a security company as committed to your needs as First Alarm Security & Patrol. Here are some of the services we commonly provide to commercial and industrial facilities:

On-Site Security Officers & Security Receptionists

First Alarm will provide your commercial or industrial facility with professional well trained Security Officers or Security Receptionists during times you designate. A variety of uniform styles are available. We tailor our service to meet your needs. Our Quality Assurance Program insures you receive the best service available.

24-Hour Patrol Dispatch

First Alarm operates our own 24 hour U.L. Listed dispatch center. We have a minimum of three (3) dispatchers and (1) Watch Supervisor on duty at all times with additional coverage On weekends. Our dispatchers are trained professionals who are always ready to handle your security needs. You will never need to deal with an answering service, voice mail, pagers, or cell phones when calling First Alarm!

Call Response

First Alarm security officers are ready to respond to any security issue. We handle all types of calls including loitering, soliciting, and trespassing. We also provide employee escorts. Limited call response is included with any standard patrol contract.

Alarm Response

Tired of those late night calls? Tired of having to get out of bed to check on a building? Worried about extended response times from the police? Let us respond to your alarm! We will make sure your building is safe and secure and alert the proper authorities if it is not. We can also respond with keys to assist the police in doing a more thorough check.

Random Patrol Service

First Alarm spares no expense in providing our officers with the best uniforms and equipment in the industry. Our uniforms look sharp and our vehicles are well marked with the proper equipment to do the "job!" Let us help deter trespassing, vandalism, and theft by conducting random patrols of your commercial or industrial facility.

Electronic Security Services

Our Alarm division provides electronic security services. We install burglar alarms, exterior-trespass yard alarms, fire alarms, CCTV, and access control systems. We also monitor burglar and fire alarms from our own U.L. Listed Central Station. We offer a special discount to commercial or industrial facilities who are also patrol service customers.

Santa Rosa (707) 836-1110 Sacramento (916) 925-1110 Oakland (510) 625-1110 San Mateo (650) 938-1110 San Jose (408) 364-1110 Gilroy/Hollister (408) 848-1110 Salinas/Monterey (831) 758-1110 Santa Cruz (831) 685-1110

www.FirstAlarm.com

17.675



Parking Enforcement Specialists



Our experienced management team can help you design and implement a parking control program that works. We work with you to create unique solutions to long term parking problems. Here are some of the common types of parking enforcement we provide for our customers:

- Fire Lane / No Parking Areas
- Permit / Visitor / Tenant Parking Only
- Abandoned / Non-Operable / Stored Vehicles.

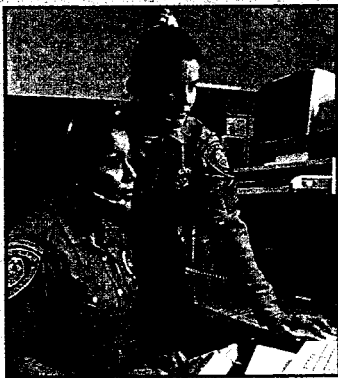
We will conduct a free site evaluation of your property to ensure it is properly posted for towing as required by California Vehicle Code and local authorities. We will also use your existing parking regulations to create a clear and unique Parking Enforcement Directive to be used by our officers in the field. A centralized computer database keeps track of all violations by license plate or VIN number. This information is available to our officers in the field for the purpose of determining weather to issue additional warning notices or to remove vehicles from a premise.

PARKING ENFORCEMENT GUARANTEE

Once we have created a Parking Enforcement Directive that complies with your existing regulations and have ensured your property is properly posted, we will take 100% responsibility for parking enforcement on your property. No more having board members, community managers, or property managers called regarding parking issues. No more unpleasant encounters with residents, guests, commercial tenants, or employees who have had warning notices issued or have been towed for being in violation. We will enforce your parking regulations as an unbiased third party and take 100% responsibility for our actions 24 hours a day. We will pay to have any car returned if removed outside the guidelines specified in the Parking Enforcement Directive.

* Requires minimum contract of two (2) patrols per day/evening specifically for parking enforcement.

Quality Assurance Program



Watch Supervisors are on duty in our dispatch center 24 hours a day. Our Watch Supervisors are specifically trained in resolving customer service issues. Watch Supervisors work in conjunction with Field Supervisors and Management to ensure you receive the highest quality of service. If a Watch Supervisor can't provide an acceptable

resolution to your problem, question, or concern, then they will find someone who can. Our entire management staff is on-call 24 hours a day to serve you!



We have a minimum of two roving Field Supervisors in each of our service areas. Larger service areas can have up to five Field Supervisors on at any given time. Field Supervisors are responsible for conducting random "Spot Checks" of each post as well as providing assistance and direction to Security Officers working in the

field. Each post is checked at a minimum of once per week on every shift. Each "Spot Check" consists of reviewing post orders, adherence to strict uniform policy, and counseling on specific safety issues related to the post they are working. Our Field Supervisors are dedicated to ensuring the First Alarm security officers at your account are alert, well trained, and look sharp!



First Alarm also uses the latest in technology to ensure you receive the highest quality of service. We use an Electronic Guard Tour System called "The Pipe" to ensure our officers are alert and performing their duties. "The Pipe" is basically a small computer that has a built in clock and memory. We install small

round discs we call "buttons" at various locations on your account. Each button encases a small microchip with an electronic serial number. The electronic serial number is recorded along with the current date and time each time a button is touched by "The Pipe". This information is downloaded to, and sorted by, a central computer once a week. Individual reports are then printed and sent to our customers for their review.

17.576

ATTACHMENTS

17.677



Incident # - - -

Agency Case # - - -

INCIDENT REPORT

Date of Incident: / /

Account # _____ Account Name/Location: _____
 Address: _____ City: _____ Incident Reported: _____

Reporting Security Officer Name: _____ Badge # _____ Date Report Taken : _____
 Responding Agency: _____ Officer's Name: _____ Badge # _____

REPORT TIMES		
Time of Incident:	Arrival:	
Departure:	Request for agency assistant:	Agency arrival:

PERSONS INVOLVED: (S = Suspect, V = Victim, W = Witness, 0 = Other)
 Name: _____ Date of Birth: / / Height: _____
 Weight: _____ Hair Color: _____ Eye Color: _____ Sex: Male Female DL # : _____
 Address: _____ Phone: () - FI # _____

PERSONS INVOLVED: (S = Suspect, V = Victim, W = Witness, 0 = Other)
 Name : _____ Date of Birth: / / Height: _____
 Weight: _____ Hair Color: _____ Eye r : _____ Sex: Male Female DL # : _____
 Address: _____ Phone: () - FI # _____

PERSONS INVOLVED: (S = Suspect, V = Victim, W = Witness, 0 = Other)
 Name : _____ Date of Birth: / / Height: _____
 Weight: _____ Hair Color: _____ Eye Color: _____ Sex: Male Female DL # : _____
 Address: _____ Phone: () - FI # _____

SYNOPSIS:

17.678

Daily Activity Report

17.679

OSHA CHECKLIST

Name of Site/Job Code: _____

Address: _____

Name of Officer: _____

Date: _____ Shift: _____ Supvr. Initials: _____

Check Problems	Item	Specific Location	Who Was Notified	Immed. Action Taken
----------------	------	-------------------	------------------	---------------------

SAFETY HAZARDS:

1.	Blocked Aisles or Passages			
2.	Blocked Exits			
3.	Blocked Stairways			
4.	Loose Handrail			
5.	Broken/Loose Stairs			
6.	Lighting in Passages			
7.	Lighting in Stairwells			
8.	Exit Light			
9.	Floor Conditions			
10.	Spilled Liquid			
11.	Torn Carpet			
12.	Missing Barriers			
13.	Improperly Shelved Equipment			
14.	Leaks/Liquid/Gas			
15.	Hanging or Falling Objects			

ELECTRICAL HAZARDS:

1.	Overloaded Electrical Fixtures			
2.	Exposed/Frayed Wires			
3.	Shock Hazards			
4.	Power Tools Unattended			

Other/Additional Comments (Ref. #)

17.680

Check Problems	Item	Specific Location	Who Was Notified	Immed. Action Taken
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SECURITY BREACHES:

1.	Open or Broken Doors			
2.	Unlocked Doors			
3.	Open or Broken Windows			
4.	Open or Broken Fence/Gate			
5.	Broken Locks			
6.	Faulty Alarms			
7.	Misplaced or Broken Keys			
a.	Other			

FIRE HAZARDS:

1.	Smoldering Material			
2.	Unattended Equipment			
3.	Unattended Copiers			
4.	Unattended Coffee Pots			
5.	Unattended Heaters			
6.	Stacked Combustibles			
7.	Oily Rags			
8.	Hazardous Materials			
9.	Improperly Stored Gases			
10.	Faulty Smoke Detectors			
11.	Faulty Annunciator			
12.	Faulty Fire Extinguisher			
13.	Lack of Fire Extinguishers			
14.	Leaking or Uncapped Containers			
15.	Battery Room Hazards			
16.	Defective Hoses			
17.	Defective Sprinklers			

Other/Additional Comments (Ref. #)

17.681

**BUY AMERICA PROVISION
(Only for Contracts above \$100,000)**

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 66.1

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.


A false certification is a criminal act in violation of 18 U.S.C. 100.1. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

BUY AMERICA CERTIFICATE

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 66.1.

Date: November 26, 2003
Signature: 
Company Name: First Alarm Security & Patrol T n r
Title: General Manager

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 66.1.7.

Date: _____
Signature: _____
Company Name: _____
Title: _____

H-2
17.682



**FIRST ALARM SECURITY & PATROL
MISSION & CREDO STATEMENT**

**FIRST ALARM SECURITY & PATROL
IS A CALIFORNIA CORPORATION
COMMITTED TO ESTABLISHING &
MAINTAINING A REGIONAL SECURITY
& PATROL OPERATION PROVIDING
THE HIGHEST QUALITY PERSONAL
AND PROPERTY PROTECTION.**

**AS PART OF OUR MISSION, WE SEEK
TO PROVIDE AN OPPORTUNITY FOR
PERSONAL GROWTH, INDUSTRY
EXPERIENCE AND CAREER
ADVANCEMENT FOR OUR EMPLOYEE**

17.683

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Mark J. Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF PROCEEDING WITH BUS ADVERTISING PROGRAM WITH MONTEREY-SALINAS TRANSIT

I. RECOMMENDED ACTION

That the Board of Directors authorize staff to proceed with a Bus Advertising Program with the Monterey-Salinas Transit System.

II. SUMMARY OF ISSUES

- Since the failure of the last bus advertising contract, staff has been working on options for Board consideration.
- In previous Board reports, staff has outlined various strategies that could be used if the Board desired to re-establish a bus advertising program.
- The Board requested more details after the last meeting as to how a joint program with Monterey-Salinas Transit would operate.
- Monterey-Salinas Transit is also considering this same proposal at their December Board Meeting.

III. DISCUSSION

In September staff brought to the Board a series of options for a joint Bus Advertising Program with Monterey-Salinas Transit. At that meeting, the Board asked staff to return with more information on the way such a program would operate. Staff has had discussions with MST to develop a Framework for a Bus Advertising Program (Attachment A).

This staff report summarizes the various issues examined in this process. Attachment A discusses the items in greater detail. Since both MST and Santa Cruz METRO have tried and failed to get a national firm in to sell our ads, this approach has been selected which initially starts with an outside individual but also has the ability to migrate to an in-house operation as the program matures.

- **Structure – Firm vs. Person**
The recommendation is to develop a program with an individual through an independent

contractor relationship. Both agencies would develop the specifications and a committee composed of representatives from both agencies would select the individual.

- **Contract Format**

It is recommended that the contract format be the same for both agencies, but that a contract is completed for each agency where advertising is placed.

- **Agreement**

Staff is recommending that the agreement between the individual parties be a three-party agreement with both agencies executing it. Either party could withdraw from the agreement with 30 days notice to the other parties. If either party withdraws, commissions for space sold would continue to be paid for up to 12 months.

- **Term of Arrangement**

Staff is recommending that there be a three-year term with two single year extensions possible. As in all agreements, there would be a termination for convenience clause. Commissions on previously sold advertising contracts would continue to be paid after contract termination for a period of not more than one year. It is anticipated that once the program is re-established, it might be possible to have direct in-house sales of bus advertising.

- **Compensation – All Commission vs. Mix**

Staff is recommending a mix of a base rate and a commission rate. As an example, a base payment of \$35,000 (allocated between the agencies by sales), and a 15% commission paid on receipts from sales. Staff will develop a complete compensation program to be used in the contract.

- **Who Receives Money?**

It is recommended that each agency be responsible for invoicing for the advertising on their buses. Commissions would be paid only after revenues are received. For the allocation of the base rate paid to the individual, a quarterly calculation would be made based upon the revenues received in the previous quarter. The calculated amount would be used for the next quarter with any adjustments required being made for the next quarter.

- **Receivables**

It is recommended that both agencies handle their own receivables for the bus advertising program.

- **Audit of Activity**

It is recommended that copies of all contracts sold will be provided to METRO/MST. In addition, Activity logs showing the business development activity undertaken will be provided to each agency. There shall be monthly reports provided to each agency that detail previous activity as well as the proposed marketing activities to be undertaken

during the next month. There shall be quarterly meetings with METRO/MST to review progress.

- **Collateral Materials**
It is recommended that a full-color media packet be prepared and produced by MST and SCMTD. This package will be used to sell the program.
- **Location of Contractor**
Staff is recommending that as an independent contractor, the individual would not be housed at either agency. This way there would be no other cost other than commissions and the base rate, making the splitting of costs between MST and SCMTD an easy calculation.
- **Advertising Policy**
It is recommended that an attempt be made to develop one single advertising policy that both agencies would adopt. If this is not possible, the person selling ads will have to be aware of the difference between the policies.
- **Rates**
It is recommended that the rates be the same for both agencies to make the program seamless to the advertisers and easier to sell. Additionally, it is recommended that when the program is started, the rate structure be as reasonable as possible to make the re-introduction of bus advertising as attractive as possible. It is also recommended that there be three rate structures used: 12 month, 6 month and 2 month rates. As we approach a sell-out level, the rates would start to increase. By making the rates attractive, advertisers could buy multiple buses rather than only being able to afford one bus, giving them much more exposure. Future rate adjustments would be administrative made based upon the selling rates and the programs growth.
- **Posting of Signs**
Each agency would be responsible for the posting of the signs on the buses.
- **Graphics/Design Work**
It is recommended that we take no responsibility for graphics and design work. The only requirement would be that the specifications needed for production would have to be met.
- **Production of Signs**
Similarly, it is recommended that we take no responsibility for the production of the signs. Advertisers would be provided with the specifications and a listing of vendors that can produce the signs in a format acceptable to METRO/MST.
- **Reservation of Space**
It is recommended that a small percentage of space on the buses be reserved for the use of each agency. This space could be used to promote agency services, personnel

recruitment, co-operative trade-outs for advertising, or promotion of the advertising space. These spaces can be released and sold with the permission of the agency.

As previously presented to the Board, staff is recommending using framed advertisements. The cost to furnish and install advertising frames on the District buses is approximately \$250. Staff would only equip 20 buses (\$5,000) at the start of the program and then add buses as contracts are sold. This would limit financial investment in the program.

The development of full-color marketing materials to sell the bus-advertising program to potential advertisers is estimated to cost \$5,000, or \$2,500 per system.

Both MST and Santa Cruz METRO staff feel that in the past the cost of the bus ads being sold by Obie Media was too high for this market. This was because Obie had to make a profit and still be able to pay a guarantee to the transit system. Staff has contacted other transit agencies that sell their own ads and was able to confirm that when transit systems sold their own space, the rates for bus ads were in fact less expensive. To illustrate this point, the table below shows the 12 month contract rate for the various types of advertising available, and compares it with the rate that staff is considering subject to final discussions with MST. As an incentive to get space sold, these rates could be used as an introductory offer. Rates would increase as space became sold out. The rates shown below were used for the revenue projections for the program.

Type of Ad	OBIE 2000 Rate ¹	Princeton MST Rate	Projected Rate
King	\$276	\$305	\$140
Queen	\$232	\$285	\$120
Tail	\$232	\$275	\$105

¹Obie rate includes a 14% continuity discount

The financial implications from this program are as follows: the upfront Base Fee paid; the development of the marketing materials; and the initial installation of advertising frames. These total \$25,000. The costs for the advertising frames are a capital expense and can be funded from the Capital Budget. Previous funds collected from Obie Media can be used for the remainder of the start-up costs.

IV. FINANCIAL CONSIDERATIONS

On an annualized basis, this advertising contract would yield \$101,963 based upon a sales rate of 20% of the fleet. The minimum costs to start into the program are \$25,000, funded as described above.

V. ATTACHMENTS

Attachment A: Framework for Bus Advertising Program

Attachment B: Projected Revenues at 20% Sales Rate

**FRAMEWORK FOR JOINT BUS ADVERTISING
METRO/MST**

- **Structure – Firm vs. Person**

One of the basic issues is whether a firm is used for the Bus Advertising or whether the arrangement is with a specific individual. Based upon the fact that both Santa Cruz METRO and MST have previously bid their contracts for firms and have not had satisfactory results, the recommendation is to develop a program with an individual through an independent contractor relationship. A procurement seeking interested individuals to work under the structure developed by the two systems would be advertised with a committee composed of representatives from both agencies selecting the individual.
- **Contract Format**

It is anticipated that while selling both systems that there would be a separate contract agreement with each agency. It is essential that the format of the contract be identical, with only the agency information being different. This will make the process easier for the advertiser. Further, an examination of using samples from other agencies selling advertising, it becomes clear the contract should be as simple and short as possible. Copies of all sold contracts would be provided to both agencies.
- **Agreement**

Staff is recommending that the agreement between the individual be a three-party agreement with both agencies executing it. Either party could withdraw from the agreement with 30 days notice to the other parties. If either party withdraws, commissions for space sold would continue to be paid for up to 12 months on those contracts in force..
- **Term of Arrangement**

In order to get this program started and growing, staff is recommending that there be a three-year term with two single year extensions possible. As in all agreements, there would be a termination for convenience clause. The sales individual would be entitled to commissions only after the contract terminates for a period of not more than one year. It is anticipated that once the program is re-established that it might be possible to phase-in direct in-house sales of bus advertising.
- **Compensation – All Commission vs. Mix**

In order to motivate and maintain an interest in marketing the program, staff is recommending a mix of a base rate and a commission rate. A possible scenario is a base payment of \$35,000 (allocated between the agencies by sales), and a 15% commission paid on receipts from sales. The base rate is necessary as the program is rolled out and marketed. In addition, the time from sale to actual posting can take as much as 60 days, depending on if the artwork for the sign is quickly prepared and produced. The commission portion of the compensation is necessary to keep the individual interested in

selling the space. If this type of approach is deemed acceptable, staff will fully develop a compensation structure for the program.

- **Who Receives Money?**

Each agency will be responsible for invoicing the contracts for the advertising on their buses. Checks would be made payable to the individual system, with commissions paid to the person after revenues are received. For the allocation of the base rate paid to the individual, a quarterly calculation would be made based upon the revenues received in the previous quarter. The calculated amount would be used for the next quarter with any adjustments required being made for the next quarter.

- **Receivables**

It is recommended that both agencies handle their own receivables for the bus advertising program. Receivable reports would be provided to the individual selling space so that they are aware of any payment problems.

- **Audit of Activity**

Copies of all advertising contracts sold will be provided to METRO/MST. In addition Activity Logs showing the business development activity undertaken will be provided to each agency. There shall be monthly reports provided to each agency that detail previous activity as well as the proposed marketing activities to be undertaken during the next month. There shall be quarterly meetings with METRO/MST to review progress.

- **Collateral Materials**

In order to kick-off the program and put forward a professional image for the bus advertising program, it is recommended that a full-color media packet be prepared and produced. It is recommended that both agencies be financially responsible for this work using media packets from other agencies as a guide.

- **Location**

It is intended that neither agency house or directly support the individual. In this way there would be no other cost other than commissions and the base rate, making allocation of expenses between the agencies an easy calculation. Also, by making this an independent contractor, if not successful, it is an easy program to end. If the program proves to be successful, the agencies can consider bringing the program in-house when it has matured and self-sufficient.

- **Advertising Policy**

It is recommended that both agencies attempt be made to develop one single advertising policy for adoption by both agencies. Attorneys from both systems should explore whether this is a possibility. This will make the selling process much easier. If this is not possible, the person selling ads will have to be aware of the difference between the policies. Both agencies understand that the least restrictive policy will result in more sales, while the more restrictive policy will limit sales. The compensation formula using sales will ultimately equalize the allocation of the base rate and the commissions.

- **Rates**
To make the program as seamless as possible and to allow for the sale of the entire Monterey Bay region, it is recommended that the rates be the same for both agencies. This will make the sales effort that much easier. Additionally, it is recommended that when the program starts that the rate structure be as reasonable as possible to make the re-introduction of bus advertising as attractive as possible. It is also recommended that there be three rate structures used, 12 month, 6 month and 2 month rates. The best rate would be the 12 month rate, which also has the benefit of minimizing the sales effort. The selling point of the program would be that as we approach a sell-out level, the rates would start to increase. By making the rates attractive, advertisers would be able to buy multiple buses rather than only be able to afford one bus, giving them much more exposure. Rate adjustments would be administrative made based upon the selling rates and the programs growth.
- **Posting of Signs**
Each agency would be responsible for the posting of the signs on the buses. The contracts can be developed in such a way to have posting done a few times during each month to minimize the impact on the agencies. Posting of signs should be an easy process since framed advertising would be in place,
- **Graphics/Design Work**
The advertiser would handle all graphics and design work. The only requirement would be that the specifications needed for production would have to be met.
- **Production of Signs**
Advertisers would be provided with specifications for the production of the signs and a listing of vendors that are capable of producing the signs in a format acceptable to METRO/MST.
- **Reservation of Space**
It is recommended that a small percentage of space on the buses be reserved for the use of each agency. This space could be used to promote agency services, personnel recruitment, co-operative trade-outs for advertising, or promotion of the advertising space. If the agencies want to release the space, these spaces can be sold by the individual with the permission of the agency.

ATTACHMENT B

SALES POTENTIAL FOR BUS ADVERTISING

Number of Buses	84	12 Month Rate	100% Sale Total	80% Sale Total	60% Sale Total	40% Sale Total	20% Sale Total
Tails	84	105	105,840	84,672	67,738	54,190	43,352
Kings	84	140	141,120	112,896	90,317	72,253	57,803
Queens	84	120	120,960	96,768	77,414	61,932	49,545

GROSS SALES

367,920	294,336	235,469	188,375	150,700
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Sales Cost	\$ 76,320	\$ 65,282	\$ 56,452	\$ 49,388	\$ 43,737
SCMTD Net Revenues	282,600	221,054	172,016	132,987	101,963
Cost of Sales	21%	22%	24%	26%	29%

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Leslie R. White, General Manager

SUBJECT: CONSIDERATION OF NOMINATION OF DIRECTORS TO SERVE AS BOARD OFFICERS FOR THE YEAR 2004 AND TRANSPORTATION COMMISSION

I. RECOMMENDED ACTION

That the Board of Directors identify nominees from the Board to serve in the positions of Chair and Vice-Chair for the Year 2004 and identify nominees for representation on the Transportation Commission.

II. SUMMARY OF ISSUES

- Article 6 of the Metro Bylaws outlines that the Directors shall, in December, nominate members of the Board of Directors to serve as Chair and Vice-Chair.
- Article 14.02 of the Metro Bylaws indicates that the Board of Directors shall annually, in January, appoint three of its members to represent the Transit District on the Santa Cruz County Regional Transportation Commission.

III. DISCUSSION

The current terms of officers of the Board of Directors are set to expire in January 2004. Additionally, it is necessary for the Board of Directors to identify representatives from the Board to sit as members of the Santa Cruz County Regional Transportation Commission. Currently, the Bylaws indicate that the Board of Directors shall nominate candidates for officers in December and conduct elections in January. The Bylaws also indicate that the Board of Directors shall identify the representatives to the Santa Cruz County Regional Transportation Commission in January, and that they will then be seated and take office at the Commission in February of each year. The Bylaws further provide that in addition to the three representatives to the Transportation Commission, the Board shall select three alternates designated in priority

Staff recommends that the Board of Directors give consideration to identifying nominees for the various offices and appointments identified in this staff report at the December meeting. In accordance with the Bylaws, the Board could conclude elections and appointments in January for individuals to serve in the various positions for 2004.

The Board, at their November meeting appointed Director Tavantzis as the representative to the Highway 1 Widening/HOV Joint Powers Authority, and Director Keogh as the alternate.

IV. FINANCIAL CONSIDERATIONS

Funding support for the positions identified in this memo are contained in the adopted operating budget for 2003/2004.

V. ATTACHMENTS

None

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 12, 2003

TO: Board of Directors

FROM: Robyn D. Slater, Interim Human Resources Manager

SUBJECT: CONSIDERATION OF APPROVAL OF CALPERS RESOLUTIONS TO FIX THE DISTRICT'S MEDICAL PREMIUM CONTRIBUTION RATES

I. RECOMMENDED ACTION

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

II. SUMMARY OF ISSUES

- METRO contracts with CalPERS to provide employee/retiree medical insurance coverage.
- In October 2000 METRO passed separate resolutions as required by CalPERS to establish the maximum monthly premium contributions that METRO would pay for SEIU Local 415 and management employees beginning in 2001.
- The Memorandum of Understanding with SEIU Local 415 includes language which guarantees METRO will "pay premiums at a level sufficient to cover the cost of the basic monthly medical insurance premiums for HMO plans...by the CalPERS medical program".
- Medical premiums paid by METRO for management employees mirrors the agreements as set forth in SEIU Memorandum of Understanding.
- As of January 2004 the cost of premiums for CalPERS HMO has increased requiring new resolutions for SEIU Local 413 and management employees.

III. DISCUSSION

The California Public Employees' Medical and Hospital Care Act requires local public agencies contracting with CalPERS for employee medical insurance to fix the amount of the employer's contribution(s). METRO established fixed maximum monthly contributions with CalPERS effective January 1, 2001. This year the monthly premiums for the CalPERS HMO exceeds the fixed maximum monthly contributions established with CalPERS. In order to revise the maximum monthly contributions, the attached Resolutions must be approved by the Board of Directors and submitted to CalPERS.

The maximum monthly District contributions for SEIU and management employees have changed as follows:

<u>Enrollment</u>	<u>old maximum</u>	<u>2004 rate</u>
Employee/retiree only	\$296.00	\$315.22
Employee/retiree +1	\$592.00	\$630.44
Employee/retiree + 2	\$770.00	\$819.77

IV. FINANCIAL CONSIDERATIONS

The increased cost is being addressed in the budget revision.

V. ATTACHMENTS

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

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

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

Resolution No. _____

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted:

**A RESOLUTION OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FIXING THE CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND
HOSPITAL CARE ACT FOR THE MANAGEMENT UNIT**

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

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

NOW, THEREFORE, BE IT RESOLVED, that the employer's contribution for each employee or annuitant of the non-represented Management Unit shall be the amount necessary to pay a portion or full cost of his/her enrollment, including the enrollment of his/her eligible family members, in a health benefits plan up to a maximum of \$316.00 per month with respect to an employee/annuitant enrolled for self alone, \$631.00 per month with respect to an employee/annuitant and one eligible family member, and \$820.00 per month with respect to an employee/annuitant enrolled for self and two or more eligible family members; plus administrative fees and Contingency Reserve Fund Assessments.

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

BE IF FURTHER RESOLVED AND ORDERED, that the maximum employer contribution for coverage under the Act shall be effective beginning January 1, 2004, for employees in and annuitants from the non-represented Management Unit.

PASSED AND ADOPTED this 12th day of December 2003, by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____

EMILY REILLY
Chairperson

ATTEST _____

LESLIE WHITE
Secretary/General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

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

Resolution No. _____

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted:

**A RESOLUTION OF THE
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
FIXING THE CONTRIBUTION UNDER THE PUBLIC EMPLOYEES' MEDICAL AND
HOSPITAL CARE ACT FOR THE SERVICE EMPLOYEES INTERNATIONAL UNION
LOCAL 415**

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

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

NOW, THEREFORE, BE IT RESOLVED, that the employer's contribution for each employee or annuitant of the Service Employees International Union Local 415 shall be the amount necessary to pay a portion or full cost of his/her enrollment, including the enrollment of his/her eligible family members, in a health benefits plan up to a maximum of \$316.00 per month with respect to an employee/annuitant enrolled for self alone, \$631.00 per month with respect to an employee/annuitant and one eligible family member, and \$820.00 per month with respect to an employee/annuitant enrolled for self and two or more eligible family members; plus administrative fees and Contingency Reserve Fund Assessments.

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

BE IF FURTHER RESOLVED AND ORDERED, that the maximum employer contribution for coverage under the Act shall be effective beginning January 1, 2004, for employees in and annuitants from the Service Employees International Union Local 415.

PASSED AND ADOPTED this 12th day of December 2003, by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____

EMILY REILLY
Chairperson

ATTEST _____

LESLIE WHITE
Secretary/General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Mark J. Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF A RESOLUTION AUTHORIZING AN APPLICATION TO CALTRANS FOR FY2004 RURAL OPERATING ASSISTANCE

I. RECOMMENDED ACTION

Adopt a resolution authorizing the General Manager to submit a grant application to the California Department of Transportation to assist funding public transit operations in the non-urbanized part of Santa Cruz County.

II. SUMMARY OF ISSUES

- Each year, the Federal Transit Administration apportions federal funds through the states to assist public transit operators in non-urbanized areas.
- This year, \$92,928 is available to Santa Cruz County.
- To receive these funds, the District must define operating projects for public transit service in the non-urbanized portion of the County and submit an application to the Caltrans Region 5 office.
- The attached resolution authorizes the General Manager to coordinate with public transit providers, submit an application and execute a grant agreement for financial assistance for public transit operation in rural Santa Cruz County.

III. DISCUSSION

Under Chapter 49, United States Code Section 5311, the Federal Transit Administration grants financial aid to the states to support intercity public transit in non-urbanized areas. The State of California apportions the FTA Section 5311 funds each year to the counties. Caltrans apportioned \$92,927.88 to Santa Cruz County for FY 2004.

The Section 5311 funds are available only for public transit in non-urbanized areas, those areas within a county that lie beyond a designated urban area with over 50,000 population. As part of the grant application, the District develops a program of projects identifying the public transit service to be provided in the non-urbanized areas of Santa Cruz County. The Program of Projects is included as Attachment A. The District will make reasonable efforts to coordinate this project with social service agencies and other transit providers within the service area, although no public hearing is required.

Adopting the attached resolution will authorize the General Manager to submit an application to the Caltrans District 5 Office for FTA §5311 funds. The Santa Cruz County Regional Transportation Commission will adopt the program of projects for inclusion in the Regional Transportation Improvement Plan to be incorporated into the State Transportation Improvement Plan as required by the Section 5311 program.

IV. FINANCIAL CONSIDERATIONS

This grant will provide \$92,928 in operating revenue to the District. The District will contribute \$292,473 in local matching funds from the FY 2004 operating budget to fully fund the project.

V. ATTACHMENTS

Attachment A: Section 5311 Program of Projects

Attachment B: Resolution Authorizing FTA Section 5311 application

**STATE OF CALIFORNIA FTA SECTION 5311
REGIONAL PROGRAM OF PROJECTS (POP) – FISCAL YEAR 2003/2004 – GRANT 22**

COUNTY/ REGION: Santa Cruz County
 CALTRANS DISTRICT: 5
 ORIGINAL SUBMISSION DATE 12/24/03 REVISION SUBMISSION DATE: _____

CARRYOVER:	\$	<u>27,224</u>
CURRENT APPORTIONMENT: (+)	\$	<u>65,704</u>
TOTAL FUNDS AVAILABLE: (=)	\$	<u>92,928</u>

Section 5311 Regional Apportionment: Please see Section 5311 Handbook, Chapter III

NOTE: Do not list previously approved projects (ie projects listed in a prior grant).

PART I - OPERATING ASSISTANCE— May apply for two years, but each year has to be listed separately.

SUBRECIPIENT	TIME PERIOD	FY	NET PROJECT COST	FEDERAL SHARE
1. <u>Santa Cruz Metropolitan Transit District</u>	<u>July 1, 2003</u> to <u>June 30, 2004</u>	<u>2004</u>	\$ <u>385,406.61</u>	\$ <u>92,927.88</u>
2. _____	July 1, _____ to June 30, _____	_____	\$ _____	\$ _____

PART II - CAPITAL - For vehicle procurement indicate quantity, vehicle size, vehicle length, passenger capacity, fuel type and expansion (E) or replacement (R).

SUBRECIPIENT	PROJECT DESCRIPTION	ESTIMATED COMPLETION DATE	NET PROJECT COST	FEDERAL SHARE
1. _____	_____	_____	\$ _____	\$ _____
2. _____	_____	_____	\$ _____	\$ _____
3. _____	_____	_____	\$ _____	\$ _____
Section 5311 Regional-Apportionment - Total			\$ <u>385,406.61</u>	\$ <u>92,927.88</u>

Flexible Funds - CMAQ, STP, or Federalized STIP*: Please see Section 5311 Handbook, Chapter IV.

PART III – FLEXIBLE FUNDS - Project description and associated dollar amounts must be consistent with attached Federally approved TIP page.

SUBRECIPIENT	PROJECT DESCRIPTION	FUND TYPE	FTIP PAGE ATTACHED	APPLICATION ATTACHED*	NET PROJECT COST	FEDERAL SHARE
1. _____	_____	_____	_____	_____	\$ _____	\$ _____
2. _____	_____	_____	_____	_____	\$ _____	\$ _____
3. _____	_____	_____	_____	_____	\$ _____	\$ _____

*Federalized STIP Projects must provide the date of the California Transportation Commission allocation approval.

Flexible Fund – Total	\$ _____	\$ _____
Total Programmed	\$ <u>385,406.61</u>	\$ <u>92,927.88</u>

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
AUTHORIZING AN APPLICATION
TO THE CALIFORNIA DEPARTMENT OF TRANSPORTATION
FOR
FTA SECTION 5311 FY2004 RURAL OPERATING ASSISTANCE**

WHEREAS, the Federal Transit Act authorizes financial assistance to public transit operators in non-urbanized areas as directed by 49 CFR 5311; and

WHEREAS, the California Department of Transportation administers the Section 5311 program in California and allocates federal funds by formula to each county with intercity public transit between urban areas including more than 50,000 persons; and

WHEREAS, the Santa Cruz Metropolitan Transit District operates intercity public transit in Santa Cruz County and is the only public transit operator designated to receive federal financial assistance from the Section 5311 program; and

WHEREAS, all applications for financial assistance impose certain obligations upon the applicant, including the provision of local share costs of the project.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT:

1. That the General Manager is authorized to submit an application to the State of California Department of Transportation on behalf of the Santa Cruz Metropolitan Transit District for financial assistance to operate public transit service in non-urbanized portion of Santa Cruz County.
2. That the General Manager is authorized to submit and file with this application all assurances and all supplemental information as required by the California Department of Transportation.
3. That the General Manager is designated to execute standard grant agreements with the California Department of Transportation on behalf of the Santa Cruz Metropolitan Transit District to obtain \$92,928 in FTA Section 5311 funds for Fiscal Year 2004 to assist with public transit operations in the non-urbanized portion of Santa Cruz County.

4. That the District has committed \$292,479 in local matching funds to the project.
5. That the Santa Cruz Metropolitan Transit District has, to the extent feasible, coordinated this project with other transportation providers and users in the region, including social service agencies capable of purchasing public transit.

PASSED AND ADOPTED this 19th day of December, 2003 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

APPROVED _____
EMILY REILLY
Chairperson

ATTEST _____
LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

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

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

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

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

WHEREAS, the County of Santa Cruz, requiring strong representation, appointed Jeff Almquist as a member of the Board of Directors of the Santa Cruz Metropolitan Transit District; and

WHEREAS, Jeff Almquist served as a member of the Board of Directors from 1997 through October 2003, including serving as the Chair in 1998; and

WHEREAS, Jeff Almquist provided the Santa Cruz Metropolitan Transit District with strong leadership and insightful guidance during his terms of the office; and

WHEREAS, Jeff Almquist was a guiding force for the Santa Cruz Metropolitan Transit District during the time that the District was resolving the FEMA situation and was developing the Scotts Valley Transit Center, the MetroBase and the Santa Cruz Metro Center Projects; and

WHEREAS, during the time that Jeff Almquist served on the Board of Directors, the Transit District, replaced the majority of the fixed route fleet, purchased new ParaCruz vans, redesigned and improved the ParaCruz service, implemented a paratransit client recertification program, implemented bi- directional UCSC service, opened the Scotts Valley Transit Center, acquired funding for major capital improvements, and responded to a severe economic downturn; and

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

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

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

PASSED AND ADOPTED this 19th day of December by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

APPROVED _____

EMILY REILLY
Chairperson

ATTEST _____

LESLIE R. WHITE
General Manager

APPROVED AS TO FORM:

MARGARET GALLAGHER
District Counsel

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: December 19, 2003

TO: Board of Directors

FROM: Mark J. Dorfman, Assistant General Manager

SUBJECT: CONSIDERATION OF AUTHORIZING AN APPLICATION THROUGH AMBAG TO CALTRANS FOR FY2005 TRANSIT PROFESSIONAL DEVELOPMENT GRANT

I. RECOMMENDED ACTION

Authorize the General Manager to submit an application on behalf of METRO through AMBAG to the California Department of Transportation for a grant to fund training and development of METRO planning staff.

II. SUMMARY OF ISSUES

- Each year, the Federal Transit Administration (FTA) apportions federal funds through the states to fund training for transit planning professionals.
- This year, approximately \$300,000 is available to the Caltrans for Transit Professional Development.
- Caltrans awards grants to Metropolitan Planning Organizations, and the District would be a subrecipient of a grant award from AMBAG.
- Training in new planning techniques and exposure to other transit professionals may improve METRO service planning effectiveness.
- The District would not incur additional costs if this grant is awarded.
- Applications are due to Caltrans by January 8, 2004.

III. DISCUSSION

The Federal Transit Administration apportions funds annually to the states to support transit professionals development in accordance with Chapter 49, United States Code Section 5313(b). The State of California will award approximately \$300,000 in grant funds to Metropolitan Planning Organizations for projects that support transit professionals development in FY 2004 - 2005. Grants will be awarded based upon the ranked merit of the application. The maximum award is \$50,000.

The purpose of the program is to further professional development of transit planning personnel through training offered by off-site institutes and agencies with expertise in transit planning.

Typical training would include workshops in transportation planning, transit safety, management and “Train the Trainer” type workshops.

The proposed application requests funding assistance for training in the metropolitan transportation planning process, transit demand forecasting, building productive community partnerships and conducting effective transit surveys. METRO’s planning staff would attend the training during FY 2005. If awarded, the grant would pay 88.53% of the program costs, and the District would pay the remaining 11.47% share as an in-kind contribution of labor costs to participate in the training.

Caltrans awards these grants to Metropolitan Planning Organizations (AMBAG) and Regional Transportation Planning Agencies. The District would be an eligible sub-recipient of funds from the AMBAG. Applications are due to Caltrans from AMBAG on January 8, 2004.

IV. FINANCIAL CONSIDERATIONS

This grant would provide up to \$22,500.00 to fund METRO’s transit planning professional development. METRO’s in-kind contribution of \$2,915.11 in labor costs would meet the local share requirement. There would be no additional cost to the District if this grant were awarded.

V. ATTACHMENTS

Attachment A: Section 5313(b) Application Description

Santa Cruz Metropolitan Transit District

FTA Section 5313(b) Transit Planning Application

Transit Professional Development
FY 2004 – 2005

PURPOSE

The purpose of this proposed project for Transit Professional Development is to provide appropriate training and educational experience for the professional development of the Transit Planner and technical staff at Santa Cruz METRO. This application presents a schedule of workshops, courses, seminars and conferences to broaden the incumbents familiarity with contemporary planning methods and issues including transit-oriented development, bus rapid transit, access for the disabled and development of broad-based community support for transit projects.

During this period of fiscal austerity, planning staff must become better equipped to effectively allocate diminishing resources to achieve the greatest level of service productivity. Training in current practices and exposure to other planning professionals facing the same challenges enabled by the proposed agenda may infuse METRO planning with new concepts and methods for designing appropriate responses for mobility improvement.

This application proposes participation in courses offered by the National Transit Institute, the National Highway Institute, Transportation Model Improvement Program and the Transportation Cooperative Research Program. The application requests funding for registration, travel, lodging and per diem expenses for two or more of METRO's transit professionals to attend workshops and conferences offered by third-party training entities.

MAJOR TASKS FOR FY 2004 – 2005

Participate in the following professional training:

- *Introduction to Urban Travel Demand Forecasting*
- *Fostering Effective Public Participation in Planning Decisions*
- *Implementing Bus Rapid Transit*
- *Travel Survey Methods*
- *Metropolitan Transportation Planning*
- *Transportation Research Board Annual Conference*

BUDGET

Registration, Travel, Per Diem Expenses	\$22,500.00
In Kind contribution, Administrative Overhead	<u>2,915.11</u>
Total	\$25,415.11