

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BOARD OF DIRECTORS REGULAR MEETING AGENDA
August 12, 2005 (Second Friday of Each Month)

CITY HALL COUNCIL CHAMBERS

809 CENTER STREET

SANTA CRUZ, CALIFORNIA

9:00 a.m. – 11:00 a.m.

THE BOARD AGENDA PACKET CAN BE FOUND ONLINE AT WWW.SCMTD.COM

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

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

1. ROLL CALL
2. ORAL AND WRITTEN COMMUNICATION
 - a. Bob Shaw Re: Service Request
3. LABOR ORGANIZATION COMMUNICATIONS
4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF JULY 8 AND JULY 22, 2005
Minutes: Attached
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF JULY 2005
Report: Attached
- 5-3. ACCEPT AND FILE JUNE AND JULY 2005 RIDERSHIP REPORTS
Report: **PAGE 1 OF THE JULY REPORT WILL BE INCLUDED IN THE AUGUST 26, 2005 BOARD PACKET**
- 5-4. CONSIDERATION OF TORT CLAIMS: DENY THE CLAIM OF KRISTINA SCHOFIELD, CLAIM # 05-0017
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR AUGUST 17, 2005 AND MINUTES OF JUNE 15, 2005
Agenda/Minutes: Attached

- 5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR JUNE 2005: APPROVAL OF BUDGET TRANSFERS; DESIGNATION OF EXCESS SALES TAX FUNDS IN THE AMOUNT OF \$935,000 FOR CARRYOVER IN THE FY 05-06 BUDGET; AND THE REMAINDER, IF ANY, FOR CAPITAL RESERVES; AND ADOPTION OF SCHEDULE OF RESERVE ACCOUNTS
Staff Report: **WILL BE INCLUDED IN THE AUGUST 26, 2005 BOARD PACKET**
- 5-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY AND JUNE 2005
Staff Report: **WILL BE INCLUDED IN THE AUGUST 26, 2005 BOARD PACKET**
- 5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF MAY 2005
Staff Report: Attached
- 5-9. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR THE MONTH OF JUNE 2005
Staff Report: Attached
- 5-10. ACCEPT AND FILE METROBASE STATUS REPORT
Staff Report: **WILL BE INCLUDED IN THE AUGUST 26, 2005 BOARD PACKET**
- 5-11. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE 2005 MEETINGS
Staff Report: Attached
- 5-12. CONSIDERATION OF APPOINTMENT OF MARA MURPHY TO THE METRO ADVISORY COMMITTEE (MAC) BY DIRECTOR BUSTICHI TO FILL VACANCY OF JAMES SHELDON
Staff Report: Attached
- 5-13. CONSIDERATION OF RENEWING CONTRACT FOR SUPPLY OF DIESEL AND GASOLINE FUELS
Staff Report: Attached
- 5-14. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE AGREEMENT WITH ABDU AZZUBAIDI FOR SPACE "C" AT PACIFIC STATION
Staff Report: Attached
ACTION REQUESTED AT THE AUGUST 12, 2005 MEETING

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS:
Presented By: Chair Keogh
Staff Report: Attached
THIS PRESENTATION WILL TAKE PLACE AT THE AUGUST 26, 2005 BOARD MEETING
7. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
8. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

SECTION II: CLOSED SESSION

1. CONFERENCE WITH LABOR NEGOTIATOR
(Pursuant to Government Code Section 54957.6)
 - a. Agency Negotiator: Mark Dorfman, Assistant General Manager
 1. Employee Organization: Service Employees International Union (SEIU), Local 415
 - b. Agency Negotiator: Mark Dorfman, Assistant General Manager
 1. Employee Organization: United Transportation Union (UTU), Local 23
2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Significant exposure to litigation exists pursuant to Government Code Section 54956.9 (b) (1))
 - a. Number of Cases: One

SECTION III: RECONVENE TO OPEN SESSION

9. REPORT OF CLOSED SESSION
10. CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR UTU REPRESENTED FIXED ROUTE BUS OPERATORS EFFECTIVE SEPTEMBER 1, 2005
Presented By: Les White, General Manager
Staff Report: Attached **(ATTACHMENT TO BE DISTRIBUTED LATER)**
ACTION REQUESTED AT THE AUGUST 12, 2005 MEETING

11. CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR SEIU REPRESENTED EMPLOYEES EFFECTIVE SEPTEMBER 1, 2005

Presented By: Les White, General Manager

Staff Report: Attached **(ATTACHMENT TO BE DISTRIBUTED LATER)**

ACTION REQUESTED AT THE AUGUST 12, 2005 MEETING

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 Cindi Thomas 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.

*Attention Board of Directors



Customer Service Report

REPORT # 91906	REC'D BY WC	DATE 7-26-05	TIME 3:20	<input type="checkbox"/> PHONE <input type="checkbox"/> LETTER <input type="checkbox"/> CUSTOMER COMMENT SLIP	<input type="checkbox"/> REROUTED <input checked="" type="checkbox"/> IN PERSON			
<input type="checkbox"/> OK TO REVEAL CUSTOMER'S NAME <input checked="" type="checkbox"/> DO NOT REVEAL CUSTOMER'S NAME								
CUSTOMER'S NAME Bob Shaw				PHONE (H) 95118				
ADDRESS 1292 Baret Dr. #2 S.				PHONE (W)				
DATE OF INCIDENT Ongoing	DAY OF WEEK	TIME	LOCATION (include cross st) Arroyo Nuevo State Reserve					
ROUTE # 40	BLOCK #	BUS #	DIRECTION <input type="checkbox"/> inb <input type="checkbox"/> outb	EMPLOYEE NAME/DESCRIPTION/				
REFER TO: <input type="checkbox"/> Operations <input type="checkbox"/> Building & Grounds <input type="checkbox"/> Fleet Maintenance <input checked="" type="checkbox"/> Service Planning/Administration <input type="checkbox"/> Risk Management <input type="checkbox"/> Protective Services <input type="checkbox"/> Customer Services								
<input type="checkbox"/> FYI ONLY <input checked="" type="checkbox"/> INVESTIGATE <input type="checkbox"/> C.C. _____ DEPT. _____				REPLY DUE DATE 8/19/05				
<table style="width:100%; border: none;"> <tr> <td style="width:33%; border: none;"> <input type="checkbox"/> Accident/Injury <input type="checkbox"/> Bus Cleanliness <input type="checkbox"/> Bus No Show <input type="checkbox"/> Bus Off-Route <input type="checkbox"/> Bus Overloaded <input type="checkbox"/> Bus Running Early <input type="checkbox"/> Bus Running Late <input type="checkbox"/> Bus Speeding <input type="checkbox"/> Commendation <input type="checkbox"/> Complaint Handling <input type="checkbox"/> District Policy Issue <input type="checkbox"/> Employee Behavior <input type="checkbox"/> Fare Problem <input type="checkbox"/> Information Problem </td> <td style="width:33%; border: none;"> <input type="checkbox"/> Lost & Found Handling <input type="checkbox"/> Mechanical Problem <input type="checkbox"/> Passenger Behavior <input type="checkbox"/> Passenger Pass-Up <input type="checkbox"/> Reckless Driving <input type="checkbox"/> Report of Violation of District Ordinance or Law <input checked="" type="checkbox"/> Request to Add Service <input type="checkbox"/> Request to Reduce Service <input checked="" type="checkbox"/> Routing Change Request <input checked="" type="checkbox"/> Scheduling/Run Time <input type="checkbox"/> Wheelchair Lift Problem <input type="checkbox"/> Other _____ </td> <td style="width:33%; border: none;"> <input type="checkbox"/> Bike Stand <input type="checkbox"/> Bus Bench <input type="checkbox"/> Bus Sign <input type="checkbox"/> Bus Shelter <input type="checkbox"/> Bus Stop <input type="checkbox"/> Metro Center <input type="checkbox"/> Trash Can <input type="checkbox"/> Watsonville Center <input type="checkbox"/> Other _____ a) install b) move c) clean d) repair </td> </tr> </table>						<input type="checkbox"/> Accident/Injury <input type="checkbox"/> Bus Cleanliness <input type="checkbox"/> Bus No Show <input type="checkbox"/> Bus Off-Route <input type="checkbox"/> Bus Overloaded <input type="checkbox"/> Bus Running Early <input type="checkbox"/> Bus Running Late <input type="checkbox"/> Bus Speeding <input type="checkbox"/> Commendation <input type="checkbox"/> Complaint Handling <input type="checkbox"/> District Policy Issue <input type="checkbox"/> Employee Behavior <input type="checkbox"/> Fare Problem <input type="checkbox"/> Information Problem	<input type="checkbox"/> Lost & Found Handling <input type="checkbox"/> Mechanical Problem <input type="checkbox"/> Passenger Behavior <input type="checkbox"/> Passenger Pass-Up <input type="checkbox"/> Reckless Driving <input type="checkbox"/> Report of Violation of District Ordinance or Law <input checked="" type="checkbox"/> Request to Add Service <input type="checkbox"/> Request to Reduce Service <input checked="" type="checkbox"/> Routing Change Request <input checked="" type="checkbox"/> Scheduling/Run Time <input type="checkbox"/> Wheelchair Lift Problem <input type="checkbox"/> Other _____	<input type="checkbox"/> Bike Stand <input type="checkbox"/> Bus Bench <input type="checkbox"/> Bus Sign <input type="checkbox"/> Bus Shelter <input type="checkbox"/> Bus Stop <input type="checkbox"/> Metro Center <input type="checkbox"/> Trash Can <input type="checkbox"/> Watsonville Center <input type="checkbox"/> Other _____ a) install b) move c) clean d) repair
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EXPLAIN: Senior citizen and Bus advocate suggests that we re-instate Bus service to Arroyo Nuevo. He would like the service to run December through March which is the mating season for Elephant Seals. He would like our service to go directly, and/or if that is not possible, to link with San Train.								
REFERRED FOR INVESTIGATION TO:				DATE:				
ANALYSIS/ACTION TAKEN:				DATE:				
<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: auto;"> RECEIVED JUL 27 2005 </div>								
INVESTIGATOR'S SIGNATURE:				DATE:				
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT								
CUSTOMER SERVICE USE ONLY								
INTERNAL (date / initials)			CUSTOMER FOLLOW-UP (date / initials)					
1st Notice Rec'd: _____ Add'l Cust Inquiries: _____ Cross-Ref. Cases: _____ Case Closed: _____			Personal Letter _____ Form Letter # _____ Complimentary Day Pass _____ Phone Call _____ Referral Department Reply _____ No Reply/Explain _____					

CUSTOMER SERVICE - Original (white)
 REFERRAL DEPARTMENT - 1st Notice to Customer Service (yellow)
 REFERRAL DEPARTMENT - Final Notice to Customer Service (pink)
 REFERRAL DEPARTMENT - File Copy (red)

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

July 8, 2005

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, July 8, 2005 at the District's Administrative Office, 370 Encinal Street, Santa Cruz, CA.

Vice Chair Rotkin called the meeting to order at 9:01 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Dene Bustichi (arrived after roll call)
Michelle Hinkle
Mike Keogh
Emily Reilly (arrived after roll call)
Mike Rotkin
Dale Skillicorn
Pat Spence
Mark Stone

DIRECTORS ABSENT

Jan Beautz
Stephanie Harlan
Marcela Tavantzis
Ex-Officio Wes Scott

STAFF PRESENT

Mark Dorfman, Assistant General Manager
Steve Paulson, Paratransit Administrator
Elisabeth Ross, Finance Manager

Tom Stickel, Maintenance Manager
Les White, General Manager

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

Glenn Bartz, SEIU
Frank Bauer, PSA
Carolyn Bowers, UTU
Cheryl Brondstatter, PSA
Ken Brown, SEIU
Carolyn Derwing, UTU
Francisco Estrada, UTU
Brent Fouse, SEIU
Mark Hansen, SEIU
Maria Hernandez, SEIU
Vickie Hernandez, SEIU
Tony Herrera, UTU
Tom Hiltner, SEIU

Sandra Lipperd, UTU
Paul Marcelin-Sampson, MAC Chair/MRU
Steven Marcus, UTU
Manny Martinez, PSA
Ian McFadden, SEA
Bonnie Morr, UTU
John Perez, PSA
Karena Pushnik, SCCRTC
Will Regan, VMU
Mark Saunders, UTU
Peter Scott, Sierra Club
Dan Stevenson, UTU
James Taylor, UTU

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Jim Hobbs, SEIU Retiree
Gary Klemz, SEIU Field Representative
Armand Levesque, UTU

Doug Vest, UTU
Bob Yount, MAC/MASTF/E&D TAC/BSAC

Vice Chair Rotkin announced that Director Beautz has missed several recent meetings due to illness.

2. ORAL AND WRITTEN COMMUNICATION

Written:

- | | | | |
|----|-----------------------------|-----|----------------------------|
| a. | Jonah Rae Whiteagle | Re: | Paratransit Service Area |
| b. | Dan Stevenson, Bus Operator | Re: | Communication to the Board |
| c. | Ian McFadden | Re: | Communication to the Board |

Vice Chair Rotkin said that he would write a response to Dan Stevenson for the Board to review and asked Staff to draft a response to Mr. Whiteagle.

Oral:

Paul Marcelin-Sampson, Metro Riders Union, commented regarding the ParaCruz budget, that the service has been greatly improved and is so much more efficient over the last provider and continues to improve.

3. LABOR ORGANIZATION COMMUNICATIONS

Bonnie Morr, UTU, introduced Tony Herrera as the new Vice Chair for the negotiating team and Carolyn Derwing, Interim Vice Chair, who will also be part of the negotiating team. Ms. Morr also reported that the soles of her shoes had dissolved, which she believes may have been due to something in the bus yard that she stepped in. Ms. Morr left her shoes and asked that this be looked into.

DIRECTOR REILLY ARRIVED

Cheryl Brondstatter, PSA, commented that other transit agencies have given raises despite their budget deficits and urged the Board to do the same.

Bonnie Morr introduced bus operator Carolyn Bowers and relayed that Ms. Bowers takes home less pay now due to health insurance costs than she did in her previous job.

DIRECTOR BUSTICHI ARRIVED

Ms. Bowers commented that the paycheck she received yesterday was a lot less than the previous one had been and that it was hard to make ends meet.

Jim Hobbs, President of SEIU, Local 415 Retirees, commented that he is grateful and appreciative of the excellent retirement benefits he receives and urged the Board to continue to provide for future retirees.

5-1.2

Ian McFadden, SEA, distributed a handout outlining items SEIU is for and against, which is attached to the file copy of these minutes. Mr. McFadden commented that the SEIU bargaining team feels it has not had the opportunity to address the Board with its concerns like management has and that it perceives the management team is bargaining in bad faith due to not discussing any items other than economic issues and the issues management wants to discuss.

Will Regan, VMU, commented that he feels that the management team has engaged only in "surface bargaining" and reminded Vice Chair Rotkin about the Board thanking SEIU last year for agreeing to a contract extension with no raises. Mr. Regan expressed concern that MetroBase is taking precedence over employees and urged the Board to be fair and reasonable and to reevaluate its priorities in order to retain experienced workers and attract new ones.

Manny Martinez, PSA, commented that the Board had confidence in its employees to provide excellence in providing paratransit service when it was brought in-house and urged the Board to take care of METRO's employees now.

Ken Brown, SEIU, also urged the Board to take care of the employees, and commented that they have given up raises and done everything the Board has asked of them.

Carolyn Derwing, UTU, urged the Board to offer fair wages and a good health plan to keep and attract good workers.

Mark Saunders, UTU, commented that his paychecks are going backwards, saying that he worked overtime last year at 56 hours per week and brought home \$2700, but the last time he was able to work 2 double-overtime days he brought home only \$2300. Mr. Saunders said that he does not want to work longer days for less pay.

Tom Hiltner, SEIU, commented that his paycheck yesterday was \$130 less than it was last July, and \$260 less than it was in July 2003. Mr. Hiltner said he has had to cut back on his personal expenses while the cost of living has remained the same and expressed concern that his paychecks will decrease every year under the contract that management is proposing and urged the Board to look at its priorities and see where the money is going.

John Mellon, VMU, commented that a new employee had expressed concern recently regarding the proposed 2-tier retirement system. Mr. Mellon said that he feels the management team is engaging in "bad-faith, surface bargaining" and urged the Board to have respect for the employees.

Francisco Estrada, UTU, urged the Board to show respect to employees in order to continue to have professional service provided by employees.

Glenn Bartz, SEIU, said he was part of the bargaining team and urged the Board to redirect the management team because the workers need incentive to get METRO through hard times and are very unified that they cannot afford and are not going to accept management's offer.

5-1.3

Bonnie Morr reported that UTU mediation is scheduled for July 14th with no dates provided by management to meet before that time. Ms. Morr also said that UTU's attorney had not yet received a letter stating the time of the financial update meeting on July 11th, and that she agreed with Ian McFadden's statement that management is unwilling to discuss many issues, and that UTU feels that no real bargaining has taken place. Ms. Morr urged the Board to support the employees and asked for a response to the attorney regarding the time of the meeting on July 11th.

Vice Chair Rotkin reported that Elisabeth Ross had spoken with UTU's attorney regarding the meeting on July 11th, which will be at 11:00 a.m. and apologized for any miscommunication.

Gary Klemz, SEIU, commented that there is a mutually agreed upon SEIU contract extension through midnight of July 6th with mediation scheduled for the following week. Mr. Klemz stated that the last bargaining session was scheduled for 3 hours, but that SEIU's entire economic package was rejected after only 45 minutes, which is leading to impasse and a strike if the same thing happens in mediation.

Dan Stevenson, UTU, commented that Items #11, #12 and #13 on the Board's May 27th Agenda were regarding authorization for additional revenue, although he could not find other instances of these types of issues over the last year and a half and asked why the Board had waited until May of this year to consider seriously looking for new sources of revenue for the District.

Vice Chair Rotkin thanked everyone for their comments.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

None.

CONSENT AGENDA

5-1. APPROVE REGULAR BOARD MEETING MINUTES OF JUNE 10 AND JUNE 24, 2005 AND SPECIAL MINUTES OF JUNE 17, 2005

The June 24th Minutes will be included in the July 22, 2005 Board Packet.
No questions or comments.

5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF JUNE 2005

No questions or comments.

5-3. ACCEPT AND FILE JUNE 2005 RIDERSHIP REPORT

The June Ridership Report will be included in the July 22, 2005 Board Packet.
No questions or comments.

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5-4. CONSIDERATION OF TORT CLAIMS: None

No questions or comments.

5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR JULY 21, 2005 AND DRAFT MINUTES OF MAY 18, 2005

Paul Marcelin-Sampson, MAC Chair, reported that there had been no MAC meeting in June due to lack of a quorum and suggested that the Board may want to look into how MAC members are appointed due to attendance issues.

5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR MAY 2005 AND CONSIDERATION OF BUDGET TRANSFERS

Will be included in the July 22, 2005 Board Packet.
No questions or comments.

5-7. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY 2005

Will be included in the July 22, 2005 Board Packet.
No questions or comments.

5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF APRIL 2005

Steve Paulson commented that efficiency is continuing to improve and Les White added that METRO is far exceeding the expected 70% of directly provided service with other providers performing only 7 – 8% of the service.

5-9. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR THE MONTH OF MAY 2005

Vice Chair Rotkin commented that the slight decrease in ridership was primarily due to a strike at UCSC and the fact that people are finding other ways to get to campus.

Paul Marcelin-Sampson commented that staff trips have decreased over the last few years and the elimination of free passes will cause continued decrease.

There was a discussion about UC service issues, the solutions proposed by METRO that UC staff refused to implement, and the impact of the City parking permit program on UC routes.

5-10. ACCEPT AND FILE METROBASE STATUS REPORT

Les White reported that the construction contract is planned to be awarded in August with construction to begin in September.

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5-11. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE 2005 MEETINGS

Will be included in the August Board Packet.

5-12. CONSIDERATION OF RENEWAL OF LIABILITY AND PHYSICAL DAMAGE INSURANCE COVERAGE FOR FY 05-06

No questions or comments.

5-13. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR 3-POSITION BICYCLE CARRIERS

Will be included in the July 22, 2005 Board Packet.
No questions or comments.

5-14. ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF APRIL, MAY AND JUNE 2005

Will be included in the July 22, 2005 Board Packet.
No questions or comments.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: None

No Employee Anniversaries for the month of June 2005.

7. CONSIDERATION OF SERVICE REVISIONS FOR FALL 2005

Summary:

Ian McFadden reported that the proposed modifications include improving UCSC service, modifying Highway 17 service to improve connections to AMTRAK, Caltrain and VTA, and modifying departures in Watsonville to improve connections. Les White explained that the hourly reimbursement rate for the Highway 17 service increased 3% and that a meeting is planned for July 19th with the partner agencies to review the proposed modifications, with a report back to the Board on July 22nd on the outcome of that meeting.

Discussion:

Peter Scott spoke in support of the proposed Route 40 afternoon trip being moved an hour later.

Paul Marcelin-Sampson commented that he was happy to see his suggestions implemented on Routes 68 and 12, that he feels the Route 35 modifications should be reviewed by ParaCruz,

S-1.6

that he believes there should be incentive for UC students and staff to take and teach classes outside of the prime time window, and mentioned missed Highway 17 connections.

Les White clarified that pages 7.E1 – 7.E10 was information Mr. Marcelin-Sampson provided and that the shaded areas are trips with missed connections.

8. CONSIDERATION OF ADOPTING AN ANNUAL DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION RATE FOR FEDERALLY-FUNDED PROCUREMENTS IN FY 2006

Will be included in the July 22, 2005 Board Packet.
No questions or comments.

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

Vice Chair Rotkin reported that the Board would be discussing SEIU and UTU Labor Negotiations with their Labor Negotiator.

10. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Paul Marcelin-Sampson stated that the Board has the responsibility to provide public service and should guarantee security to all workers. Mr. Marcelin-Sampson also stated that past pay increases have been too large which lead to lay-offs and urged the Board to tie all future raises to the CPI.

Chair Keogh thanked everyone for their informative, non-repetitive comments made today.

SECTION II: CLOSED SESSION

Vice Chair Rotkin adjourned to Closed Session at 10:50 a.m. and reconvened to Open Session at 12:07 p.m.

SECTION III: RECONVENE TO OPEN SESSION

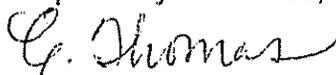
11. REPORT OF CLOSED SESSION

Vice Chair Rotkin had nothing to report at this time.

ADJOURN

There being no further business, Vice Chair Rotkin adjourned the meeting at 12:07 p.m.

Respectfully submitted,



CINDI THOMAS
Administrative Services Coordinator

5-1.7

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Minutes- Board of Directors

July 22, 2005

A Regular Meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District met on Friday, July 22, 2005 at the Santa Cruz City Council Chambers, 809 Center Street, Santa Cruz, CA.

Vice Chair Rotkin called the meeting to order at 9:00 a.m.

SECTION 1: OPEN SESSION

1. ROLL CALL:

DIRECTORS PRESENT

Jan Beautz
Dene Bustichi
Stephanie Harlan
Michelle Hinkle
Emily Reilly
Mike Rotkin
Dale Skillicorn
Pat Spence
Mark Stone
Marcela Tavantzis
Ex-Officio Wes Scott

DIRECTORS ABSENT

Mike Keogh

STAFF PRESENT

Frank Cheng, MetroBase Project Manager
Mark Dorfman, Assistant General Manager
Terry Gale, IT Manager
Margaret Gallagher, District Counsel
Steve Paulson, Paratransit Administrator

Elisabeth Ross, Finance Manager
Robyn Slater, Human Resources Manager
Judy Souza, Acting Operations Manager
Tom Stickel, Maintenance Manager
Les White, General Manager

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

Jon Bartholomew, UTU
Cheryl Brondstatter, PSA
Rhonda Carter, UTU
John Daugherty, SEIU
Francisco Estrada, UTU
Anna Gouveia, UTU
Andre Hart, UTU
Jim Hobbs, SEIU Retiree

Ian McFadden, SEA
Bonnie Morr, UTU
Artie Muniz, UTU
Phoenix, Transit User
Will Regan, VMU
Mark Saunders, UTU
Peter Scott, Sierra Club
Cliff Tillman, SEIU Exec. Director

5-1.8

Rickey Kale, UTU
Gary Klemz, SEIU Field Representative
Sandra Lipperd, UTU
Paul Marcelin-Sampson, MAC Chair/MRU

Verna, Parent of METRO Employee
Amy Weiss, Spanish Interpreter
Bob Yount, MAC/MASTF/E&D TAC/BSAC

2. ORAL AND WRITTEN COMMUNICATION

Written:

- | | | | |
|----|------------------------------------|-----|-----------------------------------------|
| a. | Jonah Rae Whiteagle | Re: | Paratransit Service Area |
| b. | Dan Stevenson, Bus Operator | Re: | Communication to the Board |
| c. | Ian McFadden | Re: | Communication to the Board |
| d. | <u>Dan Stevenson, Bus Operator</u> | Re: | <u>Communication to the Board</u> |
| e. | <u>Gary Mayo</u> | Re: | <u>METRO Bus Operators</u> |
| f. | <u>Toni Castro</u> | Re: | <u>Capitola Art & Wine Festival</u> |

Vice Chair Rotkin announced that Staff would respond to the written correspondence as appropriate and asked that all comments made at today's meeting be kept as brief as possible.

Oral:

Bob Yount, MAC Vice Chair, read a letter to the Board, which is attached to the file copy of these minutes, reporting that at its July 20, 2005 meeting, MAC adopted a Resolution thanking Les White, Mike Keogh, John Laird and his staff, and Rachel Mariconi for their diligent work and success in traveling to the CTC meetings representing METRO regarding MetroBase funding.

3. LABOR ORGANIZATION COMMUNICATIONS

Phoenix, a local college student and transit user, urged the Board to give workers a fair contract to avoid a strike.

Rickey Kale, UTU, said he commutes from San Leandro because he loves his job and although UTU does not want to strike, they cannot afford the District's proposal. Mr. Kale also read a letter opposing a strike, from Chester Stirling, a postal worker and transit user, which is attached to the file copy of these minutes.

Sandra Lipperd, UTU Vice Chair and member of the negotiating team, commented that she has seen poor financial decisions made by the Board negatively impact employees and the public and urged the Board to take care of the employees to keep service on the road for the public.

Vice Chair Rotkin commented that people could stand to show support of comments being made, rather than everyone coming up separately to speak.

Bonnie Morr, UTU, asked the bus operators to stand and said they were here on their own time to let the Board know how they feel on the status of labor negotiations. Ms. Morr then asked the entire workforce to stand to ask the Board for support and fair contracts. Ms. Morr commented that she feels the Board is being misinformed and that nobody is manipulating the system and suggested that the Board hire sufficient numbers of drivers to avoid overtime. Ms. Morr

5-1.9

distributed information, which is attached to the file copy of these minutes, from the Industrial Welfare Commission regarding the regulations that must be implemented by August 1, 2005.

Jim Hobbs, President of SEIU, Local 415 Retirees, commented he left private industry to come to METRO for the benefits package. Mr. Hobbs said that he is grateful and appreciative of the excellent retirement benefits he receives and urged the Board to continue to provide for future retirees.

Cliff Tillman, Executive Director of SEIU, Local 415, said that he is here representing and supporting SEA, VMU and PSA, which are all part of SEIU. Mr. Tillman said that SEIU agreed to a one-year contract extension last year with no gains, and this year "take aways" and no improvements are being proposed. Mr. Tillman said that offering nothing is wrong and urged the Board to treat the workers with respect with a fair contract, address non-economic issues and avoid a strike, which will disrupt service to the public.

Artie Muniz, UTU, said he came to METRO for the benefits, but now he takes home less money than in his previous job because he pays \$413 per month for medical insurance and he hopes the new contract will address this.

John Daugherty, SEIU, commented that the workers are willing to work with the District and that he understands the difficult times but believes retirement benefits should remain the same. Mr. Daugherty stated that he felt Les-White's memo regarding the proposals went around the negotiating team and that the memo implied that the workers were misinformed by their bargaining team.

Ian McFadden, SEA, said that SEIU represents some of the lowest paid METRO employees who do not have the option of working overtime like the bus operators do and cannot afford the health insurance premiums being proposed. SEIU does not want to strike but it is an economic impossibility to accept the District's proposal. Mr. McFadden said that BART, VTA and AC Transit have all recently negotiated employee caps on health premiums, which would be acceptable to SEIU, but an employer cap is not acceptable and urged the Board to reach a fair contract.

Verna, a transit user whose daughter works for METRO, stated that the City Council needs to support the bus drivers.

DIRECTOR REILLY LEFT THE MEETING

Gary Klemz, SEIU, distributed a list of outstanding non-economic items to the Board for discussion in Closed Session.

Mark Saunders, UTU, accused the members of the Board of Supervisors and City Council on the METRO Board of letting "NIBYism" dictate where MetroBase would be built, and accused Les White of expanding METRO beyond what was needed for political reasons. Mr. Saunders urged the Board to make the right choice and not balance the budget on the backs of the workers.

S-1.10

Cheryl Brondstatter, PSA, said she was also a member of the negotiating team and urged the Board for a fair contract to avoid a strike.

Andre Hart, UTU, stated that he could not make ends meet without overtime and side jobs.

Rhonda Carter, UTU, said she was a former welfare mom and although she came to METRO to provide a better life for her son, she is taking home less now than she was a year ago and she is concerned about what her schedule may look like with the new contract and urged the Board to reach a fair contract.

Francisco Estrada, UTU, reminded the Board of their responsibility to think about how the public would be affected by a strike.

Will Regan, VMU, commented that many of the District's experienced workers live outside of the county due to high housing costs and he is hearing comments that they cannot afford to stay at METRO with the projected medical insurance costs. Mr. Regan urged the Board to be fair and reasonable in order to retain experienced workers and attract new ones to keep the service on the street.

Anna Gouveia, UTU, commented that lately, it does not seem to her that the District cares about the health and safety of its employees. Ms. Gouveia said that she is sick but cannot afford to go to the doctor because her paycheck has more taken out of it now.

Vice Chair Rotkin thanked everyone for their comments and said the Board would do its best to reach agreements between the District and the unions and that no one is interested in having a strike.

4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Replacement pages for Items #5-16 and #7 were distributed at today's meeting.

SECTION I:
OPEN SESSION:

ADD TO ITEM #2 ORAL AND WRITTEN COMMUNICATION
(Insert additional written communication)

CONSENT AGENDA:

ADD TO ITEM #5-1 APPROVE REGULAR BOARD MEETING MINUTES OF JUNE 10
AND JUNE 24, 2005 AND SPECIAL MINUTES OF JUNE 17, 2005
(Insert the June 24, 2005 Minutes)

INSERT ITEM #5-3 ACCEPT AND FILE JUNE 2005 RIDERSHIP REPORT
**(Insert Report. Page 1 will be included in the August Board
Packet)**

5-1.11

- INSERT ITEM #5-6** ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR MAY 2005 AND APPROVAL OF BUDGET TRANSFERS
(Insert Staff Report)
- DELETE ITEM #5-7** ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY 2005
(Will be included in the August Board Packet)
- REPLACE ITEM #5-12** CONSIDERATION OF RENEWAL OF PROPERTY INSURANCE COVERAGE FOR FY 05-06
(REPLACE Staff Report with REVISED Staff Report)
- INSERT ITEM #5-13** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR 3-POSITION BICYCLE CARRIERS
(Insert Staff Report)
- INSERT ITEM #5-14** ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF APRIL, MAY AND JUNE 2005
(Insert Staff Report)
- ADD ITEM #5-15** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE AMENDMENT FOR THE PROPERTY LOCATED AT 370 ENGINAL STREET, SUITE 100
(Insert Staff Report)
- ADD ITEM #5-16** CONSIDERATION OF REVISED LANGUAGE FOR THE HEADWAYS PUBLICATION ALLOWING FOLDING BIKES TO BE CARRIED INSIDE OF FIXED ROUTE BUSES
(Insert Staff Report)
- ADD ITEM #5-17** CONSIDERATION OF STATUS OF BUS TIRES
(Insert Staff Report)
- REGULAR AGENDA:**
- INSERT ITEM #8** CONSIDERATION OF ADOPTING AN ANNUAL DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION RATE FOR FEDERALLY-FUNDED PROCUREMENTS IN FY 2006
(Insert Staff Report)
- ADD ITEM #9** CONSIDERATION OF ACTION TAKEN ON JULY 14, 2005 BY THE CALIFORNIA TRANSPORTATION COMMISSION REGARDING AB 3090 DESIGNATION FOR METROBASE FUNDING AND TCRP FUNDING FOR PACIFIC STATION
(Insert Staff Report)
- ADD ITEM #10** CONSIDERATION OF ISSUING A REQUEST FOR PROPOSALS FOR THE SERVICES OF A REAL ESTATE BROKERAGE FIRM TO PROMOTE AND MANAGE THE SALE OF THE PROPERTY OWNED BY METRO AT 25 SAKATA LANE, WATSONVILLE, CALIFORNIA
(Insert Staff Report)

5-1.12

CONSENT AGENDA

Vice Chair Rotkin took Items #5-13 and #5-16 for discussion of new information prior to approving the Consent Agenda.

5-13. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR 3-POSITION BICYCLE CARRIERS

Summary:

Les White reported that Staff is recommending awarding a contract to Midwest Bus Corporation for 3-position bike carriers with the initial purchase of 10 carriers to be installed on the Hwy 17 UCSC routes. The award would have an option for 90 additional carriers if successful.

Mr. White said that the reason this varies from a routine contract is that Sportworks has been the one predominant company which has made bike racks, but the contract is being proposed to be awarded to Midwest Bus Corporation, who has developed a design that is remarkably similar to the Sportworks model at a significantly lower bid. Sportworks has indicated to Staff this week that they have a patent pending on their design and it is their intention when they get a patent to take infringement action against Midwest. Staff is recommending that the Board award the contract to Midwest indicating in the notice of award that if there is any liability as a result of Sportworks achieving a successful patent designation, indemnification language in the contract with Midwest would negate the option to purchase an additional 90 racks from Midwest.

Discussion:

Ex Officio Director Scott stated UC is highly supportive of any way for the District to have additional capacity to bring bikes on campus.

Director Tavantzis commented that the 7% overhead fees the District is being charged by the County seems excessive in this case, and offered that City of Watsonville could be the co-applicant in the future to avoid these charges. Other Directors agreed that METRO should approach other jurisdictions to determine which one would offer the best rate.

5-16. CONSIDERATION OF REVISED LANGUAGE FOR THE HEADWAYS PUBLICATION ALLOWING FOLDING BIKES TO BE CARRIED INSIDE OF FIXED ROUTE BUSES

Summary:

Les White reported that Attachment "A-1", which was distributed earlier today, replaces Attachment "A". Mr. White explained that when he wrote the Staff Report, his recollection was that folding bikes were not going to be allowed in the wheelchair securement area, but that after reviewing the minutes and the action that the Board had taken, he found that was not the case. Attachment "A-1" addresses this by being silent on the issue, treating folding bikes like any other items while maintaining that people in wheelchairs have priority in the securement areas. MAC recommends using the language in Attachment "A-1" with Staff to monitor the situation and return to the Board for direction if needed.

5-1.13

Discussion:

Bob Yount reported that one of the members of MAC is on the local bike group and will get the word out about the priority of the securement areas.

Jon Bartholomew, UTU, asked for criteria for a folding bike to be eligible. Vice Chair Rotkin replied that the bike must fold in half and that there is a Bikes on Buses policy regarding full size bikes.

Regarding Item #5-13, Francisco Estrada, UTU, asked if the new bike racks would accommodate wider bikes because drivers are having to tell passengers that if their bike does not fit on the rack, it cannot go. Mark Dorfman said that the overly wide bikes would not fit.

Returning to Item #5-16, Director Spence stated that although the ADA does not require that the District enforce the priority seating of the wheelchair securement areas, she would prefer language stating that the securement areas be the last area of choice regarding storing the folding bikes.

Paul Marcelin-Sampson, MAC Chair, commented that he believes the wheelchair securement areas should be the last spaces on buses to be used for seating or storing items. Mr. Marcelin-Sampson said that Director Spence is correct and that both the bus operator and wheelchair passenger are victimized and set up for confrontation when the securement areas are used.

Vice Chair Rotkin remind everyone that the decision for the Board to make today is whether to treat folding bikes any differently than any other packages brought inside the buses.

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF JUNE 10 AND JUNE 24, 2005 AND SPECIAL MINUTES OF JUNE 17, 2005
- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF JUNE 2005
- 5-3. ACCEPT AND FILE JUNE 2005 RIDERSHIP REPORT
- 5-4. CONSIDERATION OF TORT CLAIMS: None
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR JULY 21, 2005 AND DRAFT MINUTES OF MAY 18, 2005
- 5-6. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR MAY 2005 AND CONSIDERATION OF BUDGET TRANSFERS
- 5-7. DELETED: will be included in the August Board Packet (ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR MAY 2005)
- 5-8. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF APRIL 2005
- 5-9. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR THE MONTH OF MAY 2005
- 5-10. ACCEPT AND FILE METROBASE STATUS REPORT
- 5-11. DELETED: will be included in the August Board Packet (ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE JUNE 2005 MEETINGS)

5-1.14

- 5-12. CONSIDERATION OF RENEWAL OF LIABILITY AND PHYSICAL DAMAGE INSURANCE COVERAGE FOR FY 05-06
- 5-13. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR 3-POSITION BICYCLE CARRIERS
- 5-14. ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF APRIL, MAY AND JUNE 2005
- 5-15. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE AMENDMENT FOR THE PROPERTY LOCATED AT 370 ENCINAL STREET, SUITE 100
- 5-16. CONSIDERATION OF REVISED LANGUAGE FOR THE HEADWAYS PUBLICATION ALLOWING FOLDING BIKES TO BE CARRIED INSIDE OF FIXED ROUTE BUSES
- 5-17. CONSIDERATION OF STATUS OF BUS TIRES

Director Harlan requested that the following correction be made to the Board Minutes of June 10, 2005 at the top of Page 5-1.5: "The letter suggested that Ecology Action contact the City of Santa Cruz and UC."

Regarding Item #5-15, Director Harlan asked if a longer lease was requested or needed for 370 Encinal Street. Les White responded that it is anticipated that the location will not be needed beyond two years.

Regarding Item # 5-14, Director Tavantzis commented that it seems that METRO is going the wrong direction with the Call Stops. Les White explained that definitions of a missed call have changed because in the past, if the enunciation system failed, the operator called the agreed upon stops manually, but the report would show that the stop where the system failed was missed. In actuality, in the event of a system failure, all of the stops that the talking bus system would have called, that are not required to be called and are not called by the operator manually, are also listed as failures or missed calls. Apparently, those were not counted in the old reporting system, but are now.

Vice Chair Rotkin asked that the reporting forms be changed to make this clear in writing in anticipation of these records becoming documents in a court case someday.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR ROTKIN

Approve the Consent Agenda with the correction to the June 10, 2005 Minutes¹ and with Staff to bring back a report on the Wheelchair Securement Areas in Buses for further discussion next month

Director Spence commented that previous Headways had mentioned jogging and folding bikes, and that Paul Marcelin-Sampson had noticed grammatical errors. Director Spence also requested, as she had previously, that the word "handicapped" be changed to "people with disabilities." Les White replied that it was his hope that Harlan Glatt could work with Mr. Marcelin-Sampson on correcting the grammatical errors and that it was recognized that "handicapped" was missed under the Guaranteed Back Up Service section of the last Headways, but would be changed this time.

¹ This correction has been made to the file copy of the June 10, 2005 Minutes.

5-1.15

Motion passed unanimously with Directors Keogh and Reilly being absent.

REGULAR AGENDA

6. PRESENTATION OF EMPLOYEE LONGEVITY AWARDS: None

No Employee Anniversaries for the month of June 2005.

7. CONSIDERATION OF SERVICE REVISIONS FOR FALL 2005

Summary:

Ian McFadden reported only on the changes from what was presented to the Board on July 8th. Staff met with UCSC TAPS Staff on July 11th and agreed to add an 8:50 a.m. trip to the Route 20 to help with overloads on Western Drive instead of adding proposed trips to the Routes 15 and 16. Also, the 2:55 a.m. Friday and Saturday Night Owl trip will be eliminated and the request from Peter Scott to move the Route 40 3:30p.m. trip to 4:30 will be implemented as well.

DIRECTOR REILLY RETURNED

Les White reported that Staff had met with the Highway 17 partner agencies on July 19th to review the proposed modifications and that early morning weekend trips had been reinstated in each direction, as suggested by Paul Marcelin-Sampson, with Caltrans to pay the additional cost of approximately \$12,000.00 annually.

Discussion:

Paul Marcelin-Sampson and Peter Scott thanked Staff for implementing their suggestions.

Direction:

Director Reilly asked that Mr. Marcelin-Sampson's website "iridethebus.org" and the website address for Peter Scott's Highway 17 information, when it is developed, both be listed in the next Headways.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR SKILLICORN

Approve the proposed service modifications for implementation in the Fall 2005 schedule change

Motion passed unanimously with Director Keogh being absent.

8. CONSIDERATION OF ADOPTING AN ANNUAL DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION RATE FOR FEDERALLY-FUNDED PROCUREMENTS IN FY 2006

5-1.16

ACTION: MOTION: DIRECTOR TAVANTZIS SECOND: DIRECTOR BEAUTZ

Adopt an annual DBE participation rate of 1.57% for FY 2006

Motion passed unanimously with Director Keogh being absent.

9. CONSIDERATION OF ACTION TAKEN ON JULY 14, 2005 BY THE CALIFORNIA TRANSPORTATION COMMISSION REGARDING AB 3090 DESIGNATION FOR METROBASE FUNDING AND TCRP FUNDING FOR PACIFIC STATION

Summary:

Les White reported that he and Chair Keogh had met with the CTC on July 14, 2005 and that the CTC had approved the AB 3090 designation for the \$6,363,000 in STIP funds programmed for the MetroBase project with a repayment year of 2008/2009. The CTC also encouraged METRO to have an allocation request ready now, as funds may be available much sooner. An allocation request for \$884,000 in TCRP funds for the METRO Center (Pacific Station) renovation project was also approved.

Mr. White said it is rare for AB 3090 designations to be approved and that the action of the CTC on July 14, 2005 eliminates the necessity of issuing long-term debt backed sales tax to replace STIP funds for the MetroBase project and provides the local match for the Congressional Earmarked funds to acquire the Greyhound property for the Pacific Station project.

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR REILLY

Approve Staff recommendation that the Board of Directors formally express appreciation to Assembly Member John Laird and his staff, the Members of the CTC, the CTC staff, the RTC, the RTC staff and Board Chair Michael Keogh for their support of these critical projects.

Motion passed unanimously with Director Keogh being absent.

10. CONSIDERATION OF ISSUING A REQUEST FOR PROPOSALS FOR THE SERVICES OF A REAL ESTATE BROKERAGE FIRM TO PROMOTE AND MANAGE THE SALE OF THE PROPERTY OWNED BY METRO AT 25 SAKATA LANE, WATSONVILLE, CALIFORNIA

Summary:

Les White reported that no bids were received on the property at 25 Sakata Lane in Watsonville, which was listed with an opening bid of \$4 million, and that Staff recommends issuing an RFP to obtain the services of a real estate brokerage firm to promote and manage the sale of the property.

5-1.17

ACTION: MOTION: DIRECTOR BEAUTZ SECOND: DIRECTOR SKILLICORN

Authorize the General Manager to issue a Request for Proposals (RFP) to obtain the services of a real estate brokerage firm to promote and manage the sale of the property owned by METRO located at 25 Sakata Lane, Watsonville, California.

Motion passed unanimously with Director Keogh being absent.

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

Margaret Gallagher reported that the Board would be discussing SEIU and UTU Labor Negotiations with their Labor Negotiator.

12. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

Bonnie Morr gave the Board a written statement from a bus operator for their review in Closed Session and said she was happy to see the budget is coming in with over \$1 million over the last budget and that sales tax is moving up, which she hopes helps the Board see a light down the path in order to get the contracts settled appropriately.

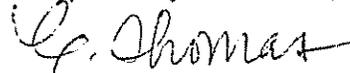
Paul Marcelin-Sampson urged the Board not to take an action that requires service cuts or layoffs, but rather provide a small, moderate pay increase for everybody tied to the CPI. Mr. Marcelin-Sampson cited the action taken at the April 19, 2002 when the Board approved raises, service cuts and layoffs at the same meeting.

Will Regan, VMU, asked the Board to also consider the costs in this area, what other transit districts are providing their employees, and that what the workers are asking for is not unreasonable.

SECTION II: CLOSED SESSION

Vice Chair Rotkin adjourned to Closed Session at 10:27 a.m. and did not reconvene to Open Session due to loss of a quorum in Closed Session.

Respectfully submitted,



CINDI THOMAS
Administrative Services Coordinator

5-1.18

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

DATE: 07/01/05 THRU 07/31/05

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
15498M07/05/05		302,677.61	502	CA PUBLIC EMPLOYEES' JUL MEDICAL INS		5342	JUL MEDICAL INS	302,677.61	MANUAL
15499	07/08/05	10,000.00	001026	DRIVER ALLIANT INSURANCE		5218	EXCESS WC BR FEE	10,000.00	
15500	07/08/05	3,949.03	001036	STANDARD INSURANCE COMPANY		5219	JULY LIFE/AD&D INS	3,949.03	
15501	07/08/05	11,306.32	001043	VISION SERVICE PLAN		5220	JULY VISION INS	11,306.32	
15502	07/08/05	293.16	001063	NEW FLYER INDUSTRIES LIMITED		5221	REV VEH PARTS 293	293.16	
15503	07/08/05	7,514.51	001203	GREYHOUND LINES, INC.		5222	JUL05-JUN06 RENT	7,514.51	
15504	07/08/05	61,656.84	001316	DEVCO OIL		5223	JUNE 16-30 FUEL	61,656.84	
15505	07/08/05	1,016.20	001379	SAFETY-KLEEN SYSTEMS, INC.		5224	HAZ WASTE DISPOSAL	1,016.20	
15506	07/08/05	29,157.23	001648	STEVE'S UNION SERVICE		5225	MAR FUEL PT	6,270.36	
						5226	APRIL FUEL PT	11,135.55	
						5227	MAY FUEL PT	11,751.32	
15507	07/08/05	66.91	001936	MCI		5228	JUNE LONG DIST/PT	52.23	
						5229	JUNE LONG DIST/PT	14.68	
15508	07/08/05	1,962.06	001A	SBC/MCI		5254	JUNE PHONES	1,705.54	
						5338	JUNE PHONES/PT	256.52	
15509	07/08/05	183.20	002063	COSTCO		5230	LOCAL MEETING EXP	52.76	
						5231	PHOTO PROCESS/OPS	9.16	
						5232	COFFEE CLUB SUPPLIES	116.37	
						5233	PHOTO PROCESS/LGL	4.91	
15510	07/08/05	200.00	002117	IULIANO, NICK	7	5234	115 DUBOIS	200.00	
15511	07/08/05	3,789.00	002143	TOXSCAN INC.		5235	STORM WATER ANALYSIS	3,789.00	
15512	07/08/05	519.30	002189	BUS & EQUIPMENT		5236	REV VEH PARTS 291	519.30	
15513	07/08/05	1,053.64	002207	T.Y. CUSTOM DESIGN	0	5237	CUSTOM MADE PATCHES	1,053.64	
15514	07/08/05	2,000.00	002267	SHAW & YODER, INC.		5238	MAY LEGISLATIVE SVCS	2,000.00	
15515	07/08/05	2,887.00	002287	CALIFORNIA SERVICE EMPLOYEES		5239	JULY MEDICAL	2,887.00	
15516	07/08/05	167.29	002459	SCOTTS VALLEY WATER DISTRICT		5240	4/11-6/7 KINGS VLG	138.79	
						5241	4/11-6/7 KINGS VLG	28.50	
15517	07/08/05	36,530.55	002569	COMERICA BANK		5242	WORK COMP FUND	36,530.55	
15518	07/08/05	600.00	002624	DIGITAL RECORDERS		5243	REV VEH PARRTS	600.00	
15519	07/08/05	326.50	002707	PITNEY BOWES CREDIT CORP		5244	6/30-9/30 RENTAL	326.50	
15520	07/08/05	7,806.84	002713	SANTA CRUZ AUTO TECH, INC.		5245	OUT RPR REV VEH/PT	2,220.17	
						5246	OUT RPR REV VEH/PT	4,304.05	
						5247	OUT RPR REV VEH/PT	1,282.62	
15521	07/08/05	2,288.00	002805	TELEPATH CORPORATION		5248	JUNE RADIO	2,288.00	
15522	07/08/05	245.60	002809	PACIFIC PROPANE		5249	GAS/EQUIP RENTAL	245.60	
15523	07/08/05	914.33	002814	CREATIVE BUS SALES, INC.		5250	OUT RPR REV VEH	914.33	
15524	07/08/05	10,834.68	002817	WATSONVILLE BLUEPRINT		5251	MB PLANS/ADM	8,358.16	
						5252	MB PLANS/HARRIS ASSO	1,021.61	
						5253	MB PLANS/RNL DESIGN	1,454.91	
15525	07/08/05	8,965.58	009	PACIFIC GAS & ELECTRIC		5255	6/1-6/29 GOLF CLUB	1,759.47	
						5256	6/1-6/29 1200 RVR	1,685.35	
						5257	6/1-6/29 1200 RVR	169.14	
						5258	6/2-6/29 111 DUB	802.71	
						5259	6/2-6/29 111 DUB	331.73	
						5260	6/1-6/29 VERNON	2,532.53	
						5261	6/1-6/29 GOLF CLUB	223.54	
						5262	5/29-6/28 RODRIGUEZ	25.24	
						5263	5/29-6/28 RODRIGUEZ	1,317.18	
						5264	6/2-6/29 370 ENC	97.74	

5-2-1

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

DATE: 07/01/05 THRU 07/31/05

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
					5265	5/26-6/24 SAKATA	10.30	
					5266	5/26-6/24 SAKATA	10.65	
15526	07/08/05	156.14	061A REGISTER PAJARONIAN		5267	CLASSIFIED AD/FLEET	156.14	
15527	07/08/05	6,914.45	079 SANTA CRUZ MUNICIPAL UTILITIES		5268	5/26-6/24 370 ENC	75.78	
					5269	5/26-6/24 GOLF CLUB	866.10	
					5270	5/26-6/24 370 ENC	872.90	
					5271	5/26-6/24 1200 RVR	1,965.00	
					5272	5/26-6/24 111 DUB	690.30	
					5339	5/27-6/28 PACIFIC	111.64	
					5340	5/27-6/28	2,332.73	
15528	07/08/05	4,448.93	085 DIXON & SON TIRE, INC.		5273	MAY TIRE/PT	276.71	
					5274	JUNE TIRES/PT	4,172.22	
15529	07/08/05	54.43	113 SCMTD PETTY CASH - FLEET		5275	PETTY CASH/FLEET	54.43	
15530	07/08/05	28.81	115 SNAP-ON INDUSTRIAL		5276	SMALL TOOLS/FLEET	28.81	
15531	07/08/05	1,510.36	117 GILLIG CORPORATION		5277	REV VEH PARTS	1,495.04	
					5278	REV VEH PARTS	15.32	
15532	07/08/05	194.66	122 SCMTD PETTY CASH - OPS		5279	PETTY CASH/OPS	194.66	
15533	07/08/05	55.43	123 BAY PHOTO LAB		5280	PHOTO PROCESS/PT	55.43	
15534	07/08/05	1,702.69	135 SANTA CRUZ AUTO PARTS, INC.		5281	REV VEH PARTS	348.39	
					5282	REV VEH PARTS	1,354.30	
15535	07/08/05	8,348.97	156 PRINT GALLERY, THE		5283	PRINT ROUTE STICKERS	8,348.97	
15536	07/08/05	705.60	180 MANPOWER		5284	TEMP/ADM W/E 5/1	705.60	
15537	07/08/05	991.83	225 MISSION PRINTERS	7	5285	PRINT BUS PASSES	991.83	
15538	07/08/05	57.08	372 FEDERAL EXPRESS		5286	JUNE MAILINGS/ADM	57.08	
15539	07/08/05	14.94	405 JOHN'S ELECTRIC MOTOR SVC	7	5287	REPAIRS/MAINTENANCE	14.94	
15540	07/08/05	2,208.75	432 EXPRESS PERSONNEL SERVICES		5288	TEMP/FIN/ W/E 6/5	651.00	
					5289	TEMP W/E 6/5 FLT	744.00	
					5290	TEMP/FIN W/E 6/12	813.75	
15541	07/08/05	53.61	434B VERIZON CALIFORNIA		5291	MT BIEWLASKI	53.61	
15542	07/08/05	81.02	436 WEST PAYMENT CENTER		5292	MAY ACCESS CHGS	81.02	
15543	07/08/05	401.59	461 VULTRON INC.		5293	REV VEH PARTS	401.59	
15544	07/08/05	880.00	550 EARTHWORKS	7	5294	EQUIP RENTAL 115 DUB	880.00	
15545	07/08/05	24.41	566 ARROWHEAD MTN SPRING WATER		5295	MAY WATER	24.41	
15546	07/08/05	534.40	629 HUGHES & ASSOCIATES		5296	INVESTIGATIVE SVCS	534.40	
15547	07/08/05	70.00	682 WEISS, AMY L.	7	5297	PROF SVCS	70.00	
15548	07/08/05	25.00	688 SALDANA, ERNESTINA	7	5298	PARACRUZ HEARING	25.00	
15549	07/08/05	1,004.80	733 CLAREMONT BEHAVIORAL SERVICES		5299	JULY EAP PREMIUM	1,004.80	
15550	07/08/05	25.00	744 WRIGHT, LESLEY	7	5300	PARACRUZ HEARING	25.00	
15551	07/08/05	1,044.86	766 KRAFT'S BODY SHOP		5301	OUT RPR OTH VEH	1,044.86	
15552	07/08/05	158.09	768 SCMTD CHANGE FUND/METRO CENTER		5303	CHANGE FUND/METRO	158.09	
15553	07/08/05	418.51	788 SCMTD PETTY CASH - FINANCE		5302	PETTY CASH/FINANCE	418.51	
15554	07/08/05	2,480.00	804 ORTHOPAEDIC HOSPITAL	7	5304	MAY PROF SVCS	2,480.00	
15555	07/08/05	3,518.84	852 LAW OFFICES OF MARIE F. SANG	7	5305	WORKERS COMP CLAIMS	2,421.80	
					5306	WORKER COMP CLAIM	1,097.04	
15556	07/08/05	1,822.30	864 TAMC		5307	VD CF FEES 1/04-5/05	1,822.30	
15557	07/08/05	41,039.16	875 PACIFICARE DENTAL		5308	JULY DENTAL	41,039.16	
15558	07/08/05	3,264.00	878 KELLY SERVICES, INC.		5309	TEMP/LGL W/E 5/29	960.00	
					5310	TEMP/LGL W/E 6/5	768.00	
					5311	TEMP/ADM W/E 6/12	768.00	
					5312	TEMP/ADM W/E 6/19	768.00	

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15559	07/08/05	1,611.10	909	CLASSIC GRAPHICS		5313	OUT RPR REV VEH	1,002.86	
						5314	OUT RPR REV VEH	608.24	
15560	07/08/05	857.15	915	WORKIN.COM, INC.		5315	TEMP W/E 6/12 FLT	423.15	
						5316	TEMP W/E 6/19 FLT	434.00	
15561	07/08/05	15,220.07	941	FORTIS BENEFITS INSURANCE CO.		5317	JULY LTD INSURANCE	15,220.07	
15562	07/08/05	8,007.89	977	SANTA CRUZ TRANSPORTATION, LLC		5318	MAY 05 PT SVCS	8,007.89	
15563	07/08/05	50.00	B003	BEAUTZ, JAN	7	5326	JUNE BOARD MTG	50.00	
15564	07/08/05	50.00	B006	HINKLE, MICHELLE	7	5328	JUNE BOARD MTG	50.00	
15565	07/08/05	100.00	B007	KEOGH, MICHAEL	7	5329	JUNE BOARD MTG	100.00	
15566	07/08/05	100.00	B011	REILLY, EMILY	7	5331	JUNE BOARD MTG	100.00	
15567	07/08/05	100.00	B012	SPENCE, PAT	7	5334	JUNE BOARD MTG	100.00	
15568	07/08/05	100.00	B014	CITY OF WATSONVILLE		5336	JUNE BOARD MTG	100.00	
15569	07/08/05	100.00	B015	ROTKIN, MIKE	7	5332	JUNE BOARD MTG	100.00	
15570	07/08/05	100.00	B016	SKILLICORN, DALE	7	5333	JUNE BOARD MTG	100.00	
15571	07/08/05	100.00	B017	STONE, MARK	7	5335	JUNE BOARD MTG	100.00	
15572	07/08/05	100.00	B018	BUSTICHI, DENE	7	5327	JUNE BOARD MTG	100.00	
15573	07/08/05	100.00	B019	HARLAN, STEPHANIE	7	5330	JUNE BOARD MTG	100.00	
15574	07/08/05	45.00	E146	TERESI, JAMES		5319	DMV/VTT FEES	45.00	
15575	07/08/05	65.00	E343	LANAGAN, CHRISTOPHER S.		5320	DMV/VTT FEES	65.00	
15576	07/08/05	65.00	E349	OSORIO, ERLYN E.		5321	DMV/VTT FEES	65.00	
15577	07/08/05	55.00	E397	GALLAGHER, MARGARET		5322	PROCESS SERVER	55.00	
15578	07/08/05	65.00	E401	MARIO TORRES		5337	DMV/VTT FEES	65.00	
15579	07/08/05	45.00	E465	MILLER, MARY		5323	DMV/VTT FEES	45.00	
15580	07/08/05	29.72	E501	BAEHR, BRYANT		5324	COBRA VISION COVERAG	29.72	
15581	07/15/05	325.00	001016	ALLARD'S SEPTIC SERVICE, INC.		5343	HAZ WASTE DISPOSAL	325.00	
15582	07/15/05	39.69	001020	EMED COMPANY		5344	SAFETY SUPPLIES	39.69	
15583	07/15/05	711.03	001315	WASTE MANAGEMENT		5345	JUNE MT HERMON/KINGS	43.82	
						5346	JUNE KINGS VILLAGE	146.81	
						5347	JUNE RESEARCH PARK	142.37	
						5348	JUL-SEPT LOMOND/HY	37.98	
						5349	JUL-SEP BIG BASIN/HY	37.98	
						5350	JUL-SEP AIRPORT/FREE	302.07	
15584	07/15/05	10,074.26	001648	STEVE'S UNION SERVICE		5351	JUNE FUEL PT	10,074.26	
15585	07/15/05	7,479.70	001799	DILLINGHAM TICKET CO.		5352	PRINT DAY PASSES	3,710.51	
						5353	PRINT DAY PASSES	3,769.19	
15586	07/15/05	1,060.07	001A	SBC/MCI		5363	JUNE PHONES/IT	92.66	
						5364	JUNE PHONES/IT	178.00	
						5365	JUNE PHONES/IT	178.00	
						5366	JUNE PHONES/IT	611.41	
15587	07/15/05	25.23	002063	COSTCO		5354	PHOTO PROCESS/OPS	13.07	
						5355	LOCAL MEETING EXP	12.16	
15588	07/15/05	135.00	002295	FIRST ALARM		5356	MAY DISPATCH SVC/PT	135.00	
15589	07/15/05	4,111.92	002346	CHANNEY, CAROLYN & ASSOC., INC.		5357	JULY LEGISLATIVE SVC	3,750.00	
						5358	JAN-JUNE 05 EXPENSES	361.92	
15590	07/15/05	375.00	002415	SOLARI RANCH	7	5359	MOF WEED ABATEMENT	375.00	
15591	07/15/05	13,222.50	002807	WILLIAM AVERY & ASSOCIATES		5360	JUNE 05 PROF SVCS	13,222.50	
15592	07/15/05	2,386.04	002811	BERENDSEN FLUID POWER		5361	REV VEH PARTS	2,386.04	
15593	07/15/05	250.27	004	NORTH BAY FORD LINC-MERCURY		5362	REV VEH PARTS	250.27	
15594	07/15/05	1,760.30	009	PACIFIC GAS & ELECTRIC		5367	6/7-7/5 PACIFIC	629.79	
						5368	6/7-7/5 PACIFIC	956.78	

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						5369	6/7-7/5 PACIFIC	173.73	
15595	07/15/05	396.77	020	ADT SECURITY SERVICES INC.		5405	JULY ALARMS	396.77	
15596	07/15/05	797.89	039	KINKO'S INC.		5370	JUNE PRINTING	791.74	
						5371	JUNE PRINTING/LGL	6.15	
15597	07/15/05	1,433.96	043	PALACE ART & OFFICE SUPPLY		5412	OFFICE SUPPLIES	1,025.51	
						5413	OFFICE SUPPLIES	294.81	
						5414	OFFICE SUPPLIES	113.64	
15598	07/15/05	67.58	074	KENVILLE LOCKSMITHS	7	5372	JUNE LOCKS/KEYS	67.58	
15599	07/15/05	24,883.77	085	DIXON & SON TIRE, INC.		5373	OUT RPR REV VEH	163.30	
						5374	JUNE TIRES/TUBES FLT	24,720.47	
15600	07/15/05	100.83	107	SAN LORENZO LUMBER		5375	REPAIRS/MAINTENANCE	46.34	
						5376	CLEANING SUPPLIES	54.49	
15601	07/15/05	135.33	147	ZEE MEDICAL SERVICE CO.		5377	SAFETY SUPPLIES	135.33	
15602	07/15/05	347.35	166	HOSE SHOP, THE		5378	REV VEH PARTS/SUPPLY	347.35	
15603	07/15/05	351.98	186	WILSON, GEORGE H., INC.		5379	REPAIRS/MAINTENANCE	351.98	
15604	07/15/05	132.62	192	ALWAYS UNDER PRESSURE		5380	REPAIRS/MAINTENANCE	132.62	
15605	07/15/05	100.00	307	SANTA CRUZ CHAMBER OF COMMERCE		5381	DUES 8/05-8/06	100.00	
15606	07/15/05	153.00	367	COMMUNITY TELEVISION OF		5382	TV COVERAGE 6/24 MTG	153.00	
15607	07/15/05	1,458.52	378	STEWART & STEVENSON		5383	REV VEH PARTS	1,458.52	
15608	07/15/05	92.50	395	APPLIED GRAPHICS, INC.		5384	BUSINESS CARDS/OPS	92.50	
15609	07/15/05	4.11	418	COUNTY OF SANTA CRUZ		5385	APRIL CNG	4.11	
15610	07/15/05	134.16	422	IMAGE SALES INC.		5415	PHOTO SUPPLIES/HRD	134.16	
15611	07/15/05	3,231.76	432	EXPRESS PERSONNEL SERVICES		5386	TEMP/FIN W/E 6/19	778.88	
						5387	TEMP/FIN W/E 6/29	744.00	
						5388	TEMP W/E 6/12 FLT	930.00	
						5389	TEMP W/E 6/19 FLT	778.88	
15612	07/15/05	230.98	461	VULTRON INC.		5390	REV VEH PARTS	230.98	
15613	07/15/05	750.00	475	TRAPEZE SOFTWARE GROUP, INC.		5404	7/1-9/30 FLEET MATE	750.00	
15614	07/15/05	1,818.60	480	DIESEL MARINE ELECTRIC, INC.		5391	REV VEH PARTS	1,818.60	
15615	07/15/05	180.00	481	PIED PIPER EXTERMINATORS, INC.		5392	JUNE PEST CONTROL	180.00	
15616	07/15/05	30,176.00	497A	AMERICAN PUBLIC TRANSPORTATION		5416	7/05-6/06 MEMBERSHIP	17,676.00	
						5417	7/05-6/06 PT2 DUES	12,500.00	
15617	07/15/05	2,207.75	504	CUMMINS WEST, INC.		5393	REV VEH PARTS	2,207.75	
15618	07/15/05	32,000.00	550	EARTHWORKS	7	5394	IMP TO 115 DUB	32,000.00	
15619	07/15/05	1,117.55	575	JAQUA OF CALIFORNIA		5395	REPAIRS/MAINTENANCE	1,117.55	
15620	07/15/05	3,450.00	728	TRITON CONSTRUCTION		5396	TEST FOR UST SYSTEM	3,450.00	
15621	07/15/05	1,201.95	851	I.M.P.A.C. GOVERNMENT SERVICES		5397	4055019201230622	1,201.95	
15622	07/15/05	880.70	876	ATCHISON, BARISONE, CONDOTTI &		5418	PROF SV THRU 5/31 MB	880.70	
15623	07/15/05	768.00	878	KELLY SERVICES, INC.		5398	TEMP/ADM W/E 6/26	768.00	
15624	07/15/05	31,782.70	904	RNL DESIGN		5399	PROF SVCS THRU 5/31	31,782.70	
15625	07/15/05	1,088.30	909	CLASSIC GRAPHICS		5400	OUT RPR REV VEH	1,088.30	
15626	07/15/05	434.00	915	WORKIN.COM, INC.		5401	TEMP W/E 6/26 FLT	434.00	
15627	07/15/05	897.00	943	CLEAN BUILDING MAINTENANCE		5402	APR JANITORIAL SVCS	897.00	
15628	07/15/05	58.02	973	SANTA CRUZ DODGE		5403	REV VEH PARTS	58.02	
15629	07/15/05	10.00	E092	YEO, BILL		5406	DMV/VTT FEES	10.00	
15630	07/15/05	45.00	E170	TAYLOR, THOMAS		5407	DMV/VTT FEES	45.00	
15631	07/15/05	89.63	E185	DANIEL, REBECCA		5419	TAPE DUPLICATION	89.63	
15632	07/15/05	10.00	E215	URIZARRI, MIGUEL		5408	DMV/VTT FEES	10.00	
15633	07/15/05	45.00	E271	BAUER, FRANK		5409	DMV/VTT FEES	45.00	
15634	07/15/05	45.00	E490	MOORE, CAROL		5410	DMV/VTT FEES	45.00	

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15635	07/15/05	306.26	R230	IBARRA, MAGDALENA		5411	SETTLEMENT CLAIM	306.26	
15636	07/22/05	484.78	001	SBC		5421	JULY REPEATER/OPS	86.93	
						5422	JULY REPEATERS/OPS	397.85	
15637	07/22/05	325.00	001016	ALLARD'S SEPTIC SERVICE, INC.		5423	HAZ WASTE DISPOSAL	325.00	
15638	07/22/05	567.01	001052	MID VALLEY SUPPLY		5424	CLEANING SUPPLY/FLT	472.88	
						5425	CLEANING SUPPLIES	94.13	
15639	07/22/05	2,812.60	001063	NEW FLYER INDUSTRIES LIMITED		5426	REV VEH PARTS 233	233.24	
						5427	REV VEH PARTS 486	485.60	
						5428	REV VEH PARTS 173	172.56	
						5429	REV VEH PARTS 537	536.88	
						5430	REV VEH PARTS 327	327.36	
						5431	REV VEH PARTS 142	141.90	
						5432	REV VEH PARTS 915	915.06	
15640	07/22/05	103.39	001072	BETSON WEST		5458	REPAIRS/MAINTENANCE	103.39	
15641	07/22/05	10,930.72	001075	SOQUEL III ASSOCIATES	7	9000372	RESEARCH PARK RENT	10,930.72	
15642	07/22/05	7,590.00	001076	BROUGHTON LAND, LLC		9000373	110 VERNON ST RENT	7,590.00	
15643	07/22/05	294.00	001093	KROLL LABORATORY SPECIALISTS		5433	JUNE DRUG TESTING	294.00	
15644	07/22/05	1,407.05	001119	MACERICH PARTNERSHIP LP	7	9000374	CAPITOLA MALL RENT	1,407.05	
15645	07/22/05	157.80	001203	GREYHOUND LINES, INC.		5434	RENT ADJ 7/05-6/06	157.80	
15646	07/22/05	2,408.97	001263	ABBOTT STREET RADIATOR, INC.		5435	REPAIR RADIATOR	996.72	
						5436	REPAIR RADIATOR	996.72	
						5437	REPAIR RADIATOR	415.53	
15647	07/22/05	53,944.26	001316	DEVCO OIL		5438	JULY 1-14 FUEL	53,944.26	
15648	07/22/05	22,020.79	001346	CITY OF SANTA CRUZ		5439	PK DEF FEE/BUS IMPR	1,211.10	
						5440	JAN-JUNE OFFICER/MET	20,809.69	
15649	07/22/05	5,523.70	001365	BORTNICK, ROBERT S. & ASSOC.	7	5441	CALL STOP SURVEY	5,000.00	
						5442	INVESTIGATIVE SVCS	523.70	
15650	07/22/05	156.72	001711	MOHAWK MFG. & SUPPLY CO.		5443	REV VEH PARTS	156.72	
15651	07/22/05	35.41	001733	STOODLEY'S SMALL ENGINE SERVIC	7	5444	REPAIRS/MAINTENANCE	35.41	
15652	07/22/05	56.25	001856	BAY COMMUNICATIONS	7	5445	OUT REPAIR PHONES	56.25	
15653	07/22/05	371.12	002012	CARTER, H.V. CO. INC.		5446	REPAIRS/MAINTENANCE	371.12	
15654	07/22/05	16.86	002063	COSTCO		5447	PHOTO PROCESS/OPS	16.86	
15655	07/22/05	25,899.59	002116	HINSHAW, EDWARD & BARBARA	7	9000375	370 ENCINAL RENT	25,899.59	
15656	07/22/05	13,888.00	002117	IULIANO, NICK	7	9000376	111 DUBOIS RENT	10,888.00	
						9000377	115 DUBOIS RENT	3,000.00	
15657	07/22/05	27,635.72	002295	FIRST ALARM		5448	JUNE SECURITY	27,635.72	
15658	07/22/05	235.00	002448	CLEAR VIEW, LLC	0	5449	WTC WINDOW CLEANING	235.00	
15659	07/22/05	5,452.62	002495	CURIALE DELLAVERSON HIRSCHFELD	7	5450	LEGAL SVCS	5,452.62	
15660	07/22/05	3,159.32	002504	TIFCO INDUSTRIES		5451	PARTS & SUPPLIES/FLT	3,159.32	
15661	07/22/05	4,649.80	002512	SANTA CRUZ TRANSPORTATION, INC		5452	JUNE 05 PT SVCS	4,649.80	
15662	07/22/05	834.68	002713	SANTA CRUZ AUTO TECH, INC.		5453	OUT RPR REV VEH/PT	834.68	
15663	07/22/05	2,454.00	002812	STRONGHOLD SECURITY INC.		5455	FORTINET SUPPORT PLN	2,454.00	
15664	07/22/05	89.94	002814	CREATIVE BUS SALES, INC.		5454	OUT RPR REV VEH	89.94	
15665	07/22/05	2,183.95	002821	LAW OFFICES OF CHAS E. LOGAN		5456	LEGAL SVCS	2,183.95	
15666	07/22/05	30.16	002822	PACER SERVICE CENTER		5457	PROF SVCS	30.16	
15667	07/22/05	121.92	007	UNITED PARCEL SERVICE		5459	JUNE FREIGHT	121.92	
15668	07/22/05	12,879.24	009	PACIFIC GAS & ELECTRIC		5460	6/15-7/14 PAUL SWT	83.06	
						5461	6/11-7/11 KINGS VLG	13.62	
						5462	6/11-7/11 KINGS VLG	512.26	
						5463	6/1-6/29 CNG/E RVR	2,103.55	

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15669	07/22/05	5,849.43	018	SALINAS VALLEY FORD SALES	5464	5/31-6/30 CNG/G RVR		10,166.75	
					5465	REV VEH PARTS		4,626.75	
					5466	REV VEH PARTS		1,222.68	
15670	07/22/05	33.99	040	LENZ ARTS, INC.	5467	OFFICE SUPPLIES FAC		33.99	
15671	07/22/05	2,837.64	041	MISSION UNIFORM	5468	JUNE UNIF/LAUNDRY PT		78.60	
					5469	JULY UNIF/LAUN PT		39.30	
					5470	JUNE UNIFORM/LAUN FL		2,046.76	
					5471	JUN UNIF/LAUN FAC		672.98	
15672	07/22/05	8.68	042	ORCHARD SUPPLY HARDWARE	5472	REPAIRS/MAINTENANCE		8.68	
15673	07/22/05	16.61	045	ROYAL WHOLESALE ELECTRIC	5473	REPAIRS/MAINTENANCE		16.61	
15674	07/22/05	1,903.09	080A	STATE BOARD OF EQUALIZATION	5474	APR-JUNE 05 FUEL TAX		1,903.09	
15675	07/22/05	95.20	130	CITY OF WATSONVILLE UTILITIES	5475	6/1-7/1 RODRIGUEZ		9.50	
					5476	6/1-7/1 SAKATA		13.45	
					5477	6/1-7/1 SAKATA		72.25	
15676	07/22/05	1,254.89	135	SANTA CRUZ AUTO PARTS, INC.	5478	REV VEH PARTS/SUPPLY		1,254.89	
15677	07/22/05	287.94	149	SANTA CRUZ SENTINEL	5479	JUNE ADVERTISING		150.69	
					5480	JUNE ADS/FLT		137.25	
15678	07/22/05	640.47	161	OCEAN CHEVROLET	5481	REV VEH PARTS/PT		544.14	
					5482	REV VEH PARTS/PT		96.33	
15679	07/22/05	227.48	166	HOSE SHOP, THE	5483	REPAIRS/MAINTENANCE		227.48	
15680	07/22/05	1,863.74	170	TOWNSEND'S AUTO PARTS	5484	REV VEH PARTS/SUPPLY		1,863.74	
15681	07/22/05	32,815.00	174	SAYLOR & HILL COMPANY	5485	05/06 PROPERTY INS		32,815.00	
15682	07/22/05	88.71	210	HOLIDAY SMOG	5486	OUT RPR REV VEH		88.71	
15683	07/22/05	779.40	215A	IKON FINANCIAL SERVICES	5487	7/25-10/25 COPIER/OP		779.40	
15684	07/22/05	330.00	249	DOC'S TOW & STORAGE, INC.	5488	OUT RPR REV VEH		330.00	
15685	07/22/05	143.48	282	GRAINGER	5489	SHIPPING CHARGES		46.75	
					5490	REPAIRS/MAINTENANCE		96.73	
15686	07/22/05	445.48	294	ANDY'S AUTO SUPPLY	5491	REV VEH PARTS/SUPPLY		339.16	
					5492	REV VEH PARTS/PT		106.32	
15687	07/22/05	918.69	395	APPLIED GRAPHICS, INC.	5493	BUSINESS CARDS/LGL		93.50	
					5494	PRINTING/OPS		825.19	
15688	07/22/05	16.02	418	COUNTY OF SANTA CRUZ	5495	MAY CNG		5.04	
					5496	JUNE CNG		10.98	
15689	07/22/05	703.31	432	EXPRESS PERSONNEL SERVICES	5497	TEMP/FIN W/E 7/3		703.31	
15690	07/22/05	164.26	434	VERIZON WIRELESS-PAGERS	5498	JULY PAGERS/FLT		31.80	
					5499	JULY PAGERS		132.46	
15691	07/22/05	221.76	436	WEST PAYMENT CENTER	5500	JUNE ACCESS CHGS		81.02	
					5501	CIVIL PRO GUIDE		140.74	
15692	07/22/05	1,505.00	478	BEE CLENE	5502	CUSTODIAL SVCS/CARPE		1,505.00	
15693	07/22/05	141.00	481	PIED PIPER EXTERMINATORS, INC.	5503	JUNE PEST CONTROL		141.00	
15694	07/22/05	27.00	510A	HASLER, INC.	5504	8/1-8/31 RENTAL/PT		27.00	
15695	07/22/05	473,189.00	588	CALTIP	5505	05/06 LIABILITY INS		399,213.00	
					5506	05/06 PHYS DAMAGE		73,976.00	
15696	07/22/05	15,197.00	616	BROWN ARMSTRONG	5507	AUDIT SERVICES		15,197.00	
15697	07/22/05	38.00	632	GOVERNMENT FINANCE OFFICERS	5508	OPEB		38.00	
15698	07/22/05	3,726.00	878	KELLY SERVICES, INC.	5509	TEMP/LGL W/E 6/12		960.00	
					5510	TEMP/LGL W/E 6/19		852.00	
					5511	TEMP/LGL W/E 6/26		960.00	
					5512	TEMP/LGL W/E 7/3		954.00	
15699	07/22/05	5.25	880	SEISINT, INC.	5513	PROF/TECH SVCS LGL		5.25	

5-2.6

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

DATE: 07/01/05 THRU 07/31/05

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TRANS. TYPE NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
15700	07/22/05	248.00	915	WORKIN.COM, INC.	5514	TEMP/LGL W/E 6/26	248.00	
15701	07/22/05	505.00	916	DOCTORS ON DUTY	5515	MAY/JUN DRUG TESTING	505.00	
15702	07/22/05	2,850.00	943	CLEAN BUILDING MAINTENANCE	5516	MAR JANITORIAL SVCS	897.00	
					5517	MAY JANITORIAL SVCS	897.00	
					5518	JUN JANITORIAL SVCS	1,056.00	
15703	07/22/05	76.49	E002	STICKEL, TOM	5520	FAC MGMT TRAINING	76.49	
15704	07/22/05	45.00	E206	NABOR, GLENN	5521	DMV/VTT FEES	45.00	
15705	07/22/05	65.00	E331	LEE, VIRGINIA	5522	DMV/VTT FEES	65.00	
15706	07/22/05	80.44	E495	WHITE, LES	5519	CTC MEETING	80.44	
15707	07/22/05	229.97	M003	WYANT, JUDI	9000378	RETIREE STIPEND	229.97	
15708	07/22/05	254.52	M005	ROSS, EMERY	9000379	RETIREE STIPEND	254.52	
15709	07/22/05	459.94	M006	VAN DER ZANDE, ED	9000380	RETIREE STIPEND	459.94	
15710	07/22/05	750.34	M007	BLAIR-ALWARD, GREGORY	9000381	RETIREE STIPEND	750.34	
15711	07/22/05	1,075.65	M009	FREEMAN, MARY	9000382	RETIREE STIPEND	1,075.65	
15712	07/22/05	364.49	M010	SHORT, SLOAN	9000383	RETIREE STIPEND	364.49	
15713	07/22/05	184.57	M016	HICKLIN, DONALD KENT	9000384	RETIREE STIPEND	184.57	
15714	07/22/05	413.09	M022	CAPELLA, KATHLEEN	9000385	RETIREE STIPEND	413.09	
15715	07/22/05	179.92	M024	DOBBS, GLENN	9000386	RETIREE STIPEND	179.92	
15716	07/22/05	75.17	M056	CRUISE, RICHARD	9000387	RETIREE STIPEND	75.17	
15717	07/22/05	19.93	M057	PARHAM, WALLACE	9000388	RETIREE STIPEND	19.93	
15718	07/22/05	19.93	M058	POTEETE, BEVERLY	9000389	RETIREE STIPEND	19.93	
TOTAL		1,567,677.89		COAST COMMERCIAL BANK		TOTAL CHECKS	221	1,567,677.89

5-2-7

**Santa Cruz METRO
June 2005 Ridership Report**

FAREBOX REVENUE AND RIDERSHIP SUMMARY BY ROUTE

ROUTE	REVENUE	RIDERSHIP	UC Student	UC Staff Faculty	Day Pass	S/D Riders	W/C	S/D Day Pass	Cabrillo	Bike	Passes/Free Rides
10	\$ 1,650.63	15,988	10,828	2,687	22	47	24	3	61	751	1,303
13	\$ 190.12	3,506	2,910	256	1	3	1	3	14	86	198
15	\$ 674.09	11,779	9,983	851	5	15	9	3	35	320	475
16	\$ 5,588.29	42,680	31,088	4,555	60	136	58	27	197	1,478	3,325
19	\$ 1,579.43	13,149	9,338	1,375	8	92	13	26	83	453	1,302
3B	\$ 1,882.96	3,677	319	102	48	140	20	31	74	128	1,886
4	\$ 1,302.37	5,094	155	88	18	194	90	39	39	100	3,590
7	\$ 476.22	1,475	56	51	6	65	5	23	28	18	945
7N	\$ 1,853.82	2,900	182	104	9	80	18	2	65	110	1,309
9	\$ 227.70	316	15	5	5	6	-	-	-	4	149
12A	\$ 105.53	1,487	1,271	105	4	2	1	2	7	37	48
12B	\$ 53.70	1,392	1,198	103	1	-	1	-	4	30	53
20	\$ 1,972.30	10,598	6,688	865	25	56	9	14	94	404	1,597
31	\$ 1,217.58	1,802	71	34	22	29	11	2	35	101	858
32	\$ 478.47	658	30	15	3	14	12	3	5	37	285
33	\$ 177.97	339	1	-	-	2	1	-	-	5	229
34	\$ 87.05	100	1	-	2	-	-	-	-	2	52
35	\$ 27,562.07	39,093	611	451	387	866	136	190	604	1,543	19,877
40	\$ 3,051.73	3,595	73	19	58	66	10	9	36	195	1,701
41	\$ 1,132.15	1,500	169	146	13	36	-	29	25	194	446
42	\$ 952.19	1,218	141	34	6	33	1	6	9	128	411
53	\$ 559.28	1,056	3	10	12	123	41	10	9	23	656
54	\$ 468.81	819	4	4	5	34	15	9	40	38	463
55	\$ 1,389.59	2,959	40	14	27	75	35	17	417	52	1,663
56	\$ 521.64	956	3	8	5	24	6	8	113	16	481
66	\$ 11,339.70	16,445	568	522	124	581	175	100	232	437	7,634
68	\$ 6,980.39	11,135	832	462	131	294	79	42	108	366	5,305
69	\$ 7,126.32	12,396	1,214	510	61	479	100	54	168	407	5,718
69A	\$ 19,185.49	24,767	853	738	201	984	221	144	284	678	9,854
69N	\$ 1,912.05	3,155	250	117	1	71	21	1	134	120	1,378
69W	\$ 19,104.13	26,100	835	770	211	827	178	150	1,223	832	10,692
70	\$ 415.75	852	23	14	2	21	7	4	218	46	315
71	\$ 62,305.05	76,087	1,645	1,503	523	2,651	333	309	4,126	2,565	27,535
72	\$ 5,118.71	5,093	4	21	40	357	15	99	75	150	1,636
74	\$ 3,181.30	3,309	5	22	28	214	14	28	47	26	1,125
75	\$ 10,777.67	10,556	4	27	68	790	47	92	112	270	3,185
76	\$ 900.01	825	-	3	12	53	-	8	4	26	241
79	\$ 1,448.62	1,815	1	25	9	159	89	56	42	7	788
88	\$ -	-	-	-	-	-	-	-	-	-	-
91	\$ 3,920.82	5,277	170	150	72	112	6	21	397	325	1,896
Unknown	\$ 87.77	235	-	72	27	2	2	23	-	20	21
TOTAL	\$208,959.47	366,183	81,582	16,838	2,262	9,733	1,804	1,587	9,164	12,528	120,625

ROUTE	REVENUE	RIDERSHIP	VTA/SC Day Pass	17 CalTrain Day Pass	S/D Riders	W/C	METRO	ECO Pass	Bike	Monthly Pass	
17	\$ 28,127.53	14,921	23	96	93	1,130	54	3,152	91	1,039	7,523

RIDERSHIP	
Night Owl	1,209
	-
	-
TOTAL	1,209

June Ridership	382,313
June Revenue	\$237,223.16

5-3.1

**Page 1 of the July Ridership Report will
be included in the August 26, 2005
Board Packet.**

5-3.2

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	0	6	0	100%
FLYER/LOW FLOOR - 40'	12	2	10	9	1	9	100%
FLYER/LOW FLOOR - 35'	18	2	16	9	7	9	100%
FLYER/HIGH FLOOR - 35'	15	4	11	2	9	2	100%
GILLIG/SAM TRANS - 40'	10	2	8	1	7	1	100%
DIESEL CONVERSION - 35'	15	2	13	11	2	11	100%
DIESEL CONVERSION - 40'	14	4	10	8	2	8	100%
ORION/HIGHWAY 17 - 40'	11	2	9	7	2	7	100%
GOSHEN	3	0	3	0	3	0	100%
TROLLEY	1	0	1	0	1	0	100%
CNG NEW FLYER - 40'	8	2	6	5	1	5	100%

5-3.3

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF JULY 2005

BUS #	DATE	DAY	REASON
2210cn	13-Jul	Wednesday	Kneel does not always work/goes up instead of down
2210CN	15-Jul	Friday	Kneel does not lower evenly/rocks side to side
2210CN	17-Jul	Sunday	Kneel tilts
2210CN	19-Jul	Tuesday	Kneel does not work/press to lower and the lift rises
8101F	18-Jul	Monday	No power to lift
9812LF	6-Jul	Wednesday	Ramp stuck 1 to 2 inches above the floor

- F New Flyer
- G Gillig
- C Champion
- LF Low Floor Flyer
- GM GMC
- CG CNG
- CN SR855 & SR854
- OR Orion/Hwy 17

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

5-3.4

Service Interruption Summary Report
Lift Problems
07/01/2005 to 07/31/2005

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	00:00/00.00	0:00	00:00/00.00	00:00/0	00:00/0

S-3.5

GOVERNMENT TORT CLAIM

RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Schofield, Kristina
Date of Incident: 06/13/05

Received: 07/27/05 Claim #: 05-0017
Occurrence Report No.: SC 06-05-10

In regard to the above-referenced Claim, this is to recommend that the Board of Directors take the following action:

- 1. Reject the claim entirely.
- 2. Deny the application to file a late claim.
- 3. Grant the application to file a late claim.
- 4. Reject the claim as untimely filed.
- 5. Reject the claim as insufficient.
- 6. Allow the claim in full.
- 7. Allow the claim in part, in the amount of \$ _____ and reject the balance.

By Margaret Gallagher
Margaret Gallagher
DISTRICT COUNSEL

Date: 7/28/05

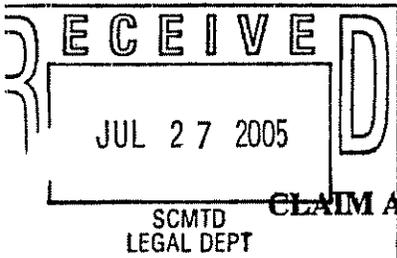
I, Cindi Thomas, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of August 26, 2005.

By _____
Cindi Thomas
RECORDING SECRETARY

Date: _____

MG/lg
Attachment(s)

5-4.1



CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

(Pursuant to Section 910 let Seq., Government Code)

Claim # ~~SC 04-05-10~~ 05-0017

TO: BOARD OF DIRECTORS, Santa Cruz Metropolitan Transit District

ATTN: Secretary to the Board of Directors
370 Encinal Street, Suite 100
Santa Cruz, CA 95060

1. Claimant's Name: Kristina Schofield

Claimant's Address/Post Office Box: 290 Capitola Ave. #48
Capitola, CA 95010

Claimant's Phone Number: 831-475-2128

2. Address to which notices are to be sent: same

3. Occurrence: Metra Bus passed Kristina's vehicle while she was parking and hit the driver side front corner
Date: 6/13/05 Time: 8:35am Place: Cardif Place
Circumstances of occurrence or transaction giving rise to claim: Metra Bus passed my insureds vehicle while she was parking and clipped the driver side front corner

4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as is known: driver side front corner

5. Name or names of public employees or employees causing injury, damage, or loss, if known: unknown

6.	Amount claimed now	\$ <u>537.39</u>
	Estimated amount of future loss, if known	\$ <u>0.</u>
	TOTAL	\$ <u>537.39</u>

7. Basis of above computations: _____

Erica Decena Claims Rep
CLAIMANT'S SIGNATURE (or Company Representative or Parent of Minor Claimant)

July 27 2005
DATE

Note: Claim must be presented to the Secretary to the Board of Directors, Santa Cruz Metropolitan Transit District

5-4.2

RECEIVED BY CSAA 07/21/2005

Date: 7/21/2005 3:52:09 pm
Estimate ID: A057E0117601
Estimate Version: 0
Committed
Profile ID: CSAA

Chris Bordner Auto Body
130 Center Street Santa Cruz, CA 95060
(831) 423-1381
Fax: (831) 423-3469

Damage Assessed By CHRIS BORDNER Appraised For: Linda Matulovich

Condition Code: Good Type of Loss: Collision
Date of Loss: 6/13/2005 Arrival Date:
Final to Owner
Payer: Insurance
Claim Paid:
Policy No:
Deductible: 250.00 Claim Number: A057E0117601
File Number: P
Owner: JAMES SCHOFIELD
Insured: JAMES SCHOFIELD
Claimant:
Address: 920 CAPITOLA AVE. #48
CAPITOLA, CA 95010
Telephone: Work Phone: (831) 459-4522 Home Phone: (831) 475-2128

Mitchell Service: 91130
Description: 1997 Honda Accord LX Vehicle Production Date: /
Body Style: 4D Sed Drive Train: 2.2L Inj 4 cyl 4A
VIN: 1HGCD5637VA015159
License: SCXW963 CA Mileage: 77,263
OEM/ALT: A Search Code: None
Color: WHITE
Options: Alum/Alloy Wheels, Air Conditioning, Power Steering, Power Windows, Power Door
Locks, Tilt Steering Wheel, Cruise Control, Electric Defogger, Automatic
Transmission, AM-FM stereo/CD Player (Single)

Line	Entry	Labor	Line Item	Part Type/	Dollar	Labor
Item	Number	Type	Description	Part Number	Amount	CEG
		Op				Units
ESTIMATE RECALL NUMBER: 7/21/2005 15:51:58 A057E0117601						
Mitchell Data Version: JUN_05_A Copyright (C) 1994 - 2003 Mitchell International						
UltraMate Version: 5.0.206 All Rights Reserved						

5-4.3

Date: 7/21/2005 3:52:09 pm
 Estimate ID: A057E0117601
 Estimate Version: 0
 Committed
 Profile ID: CSAA

Line	QTY	UNIT	DESCRIPTION	REMARKS	UNIT PRICE	TOTAL PRICE	INC	QTY	UNIT PRICE	TOTAL PRICE
1	AUTO	BDY	OVERHAUL	FRT COVER ASSY				2.0	#2.0	
2	100055	BDY	REMOVE/REPLACE	FRT BUMPER COVER	Remanufactured	163.00	*	INC	#2.0T	
3	AUTO	REF	REFINISH	FRT BUMPER COVER			C	1.0	1.8	
4				BUMPER HAS CRACKS AND CREASES						
5				FROM IMPACT TO LEFT SIDE.						
6	936014		ADD'L COST	FLEX ADDITIVE		6.99	*			T
7	AUTO	REF	ADD'L OPR	CLEAR COAT				0.7*		
8	933001	REF	ADD'L OPR	TINT COLOR		0.01	*	0.5*		
9	AUTO		ADD'L COST	PAINT/MATERIALS		65.00	*			T
10	AUTO		ADD'L COST	HAZARDOUS WASTE DISPOSAL		1.00	*			

* - Judgement Item
 # - Labor Note Applies
 C - Included in Clear Cost Calc

Recycler Information Section:

Prior Damage

Remarks

I. Labor Subtotals	Units	Rate	Add'l Labor Amount	Sublet Amount	Totals
Body	2.0	56.00	0.00	0.00	112.00
Body-s	0.0	56.00	0.00	0.00	0.00
Refinish	3.0	56.00	0.01	0.00	168.01
Glass	0.0	56.00	0.00	0.00	0.00
Mechanical	0.0	56.00	0.00	0.00	0.00
Frame	0.0	56.00	0.00	0.00	0.00
Taxable Labor					
Labor Tax	@	0.000			0.00
Non-Taxable Labor					280.01
Labor Summary	5.0				280.01

II. Part Replacement Summary	Amount
Taxable Parts	163.00
Parts Adjustments	0.00
Glass Adjustments	@ 0.000 0.00
Sales Tax	@ 8.250 13.45
	@ 8.250 0.00
Non-Taxable Parts	
Parts Adjustments	0.00
Glass Adjustments	@ 0.000 0.00
Total Replacement Parts Amount	176.45

ESTIMATE RECALL NUMBER: 7/21/2005 15:51:58 A057E0117601
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5-4.4

Date: 7/21/2005 3:52:09 pm
 Estimate ID: A057E0117601
 Estimate Version: 0
 Committed
 Profile ID: CSAA

III. Additional Costs
 Taxable Costs 71.99
 Sales Tax @ 0.250 5.94
 Non-Taxable Costs 3.00
 Total Additional Costs 80.93

IV. Adjustments Amount
 Insurance Deductible 250.00-
 Betterment 0.00
 Appearance Allowance 0.00
 Related Prior Damage 0.00
 Customer Responsibility 250.00-

I. Total Labor: 280.01
 II. Total Replacement Parts: 176.45
 III. Total Additional Costs: 80.93
 Gross Total: 537.39
 IV. Total Adjustments: 250.00-
 Net Total: 287.39

Related Prior Damage

Labor Subtotals	Units	Rate	Totals
RL-Body	0.0	56.00	0.00
RL-Refinish	0.0	56.00	0.00
RL Taxable Labor			0.00
GST - E Tax @	0.000		0.00
Labor Tax @	0.000		0.00
Labor Tax			0.00
RL-Non-Taxable Labor			0.00

Related Prior Damage Labor Summary 0.0 0.00

Part Replacement Summary	Amount
RL-Taxable Parts	0.00
GST - E Tax @	0.000 0.00
Sales Tax @	0.250 0.00
Sales Tax	0.250 0.00
RL-Non-Taxable Parts	0.00

Related Prior Damage Parts Summary 0.00

ESTIMATE RECALL NUMBER: 7/21/2005 15:51:50 A057E0117601
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5-4.5

Date: 7/21/2005 3:52:09 pm
Estimate ID: A057E0117601
Estimate Version: 0
Committed
Profile ID: CSAA

Related Prior-Total Labor: 0.00
Related Prior-Total Replacement Parts: 0.00
Related Prior-Damage Total: 0.00

Unrelated Prior Damage

Labor Subtotals	Units	Rate	Totals
UN-Body	0.0	56.00	0.00
VN-Refinish	0.0	56.00	0.00
UN-Taxable Labor			0.00
GST - E Tax	@	0.000	0.00
Labor Tax	@	0.000	0.00
Labor Tax	@	0.000	0.00

UN-Non-Taxable Labor 0.00

Unrelated Prior Damage Labor Summary 0.0 0.00

Part Replacement Summary	Amount
UN-Taxable Parts	0.00
GST - E Tax @	0.000
Sales Tax @	0.250
Sales Tax @	0.250

UN-Non-taxable Parts 0.00

Unrelated Prior Damage Parts Summary 0.00

Unrelated Prior-Total Labor: 0.00
Unrelated Prior-Total Replacement Parts: 0.00
Unrelated Prior-Damage Total: 0.00

* Total does not include overlap or labor adjustments

ESTIMATE RECALL NUMBER: 7/21/2005 15:51:58 A057E0117601
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UltraMate Version: 5.0.206 All Rights Reserved

5-4.6

Date: 7/21/2005 3:52:09 pm
Estimate ID: A057E0117601
Estimate Version: 0
Committed
Profile ID: CSAA

Point(s) of Impact
11 Left Front Corner (P)

Insurance Co: CSAA
Address:
Telephone:
Fax Phone:

Body Shop: Chris Bordner Body Shop
Address: 130 Center St
Santa Cruz, CA 95060
Telephone:
(831) 423-1301
Fax Phone: (831) 423-3469
State Lic. No:

Inspection Site: None
Address:

Inspection Date:

Cycle Time Information

Drop Off Date:
Promise Date:
Pick Up Date:

Repair Dates:
Start Date:
Completion Date:

Is Vehicle Drivable (Y/N)?
Assisted With Rental (Y/N)?

ESTIMATE RECALL NUMBER: 7/21/2005 15:51:50 A057E0117601

Mitchell Data Version: JUN 05 A
UltraMate Version: 5.0.206
UltraMate is a Trademark of Mitchell International
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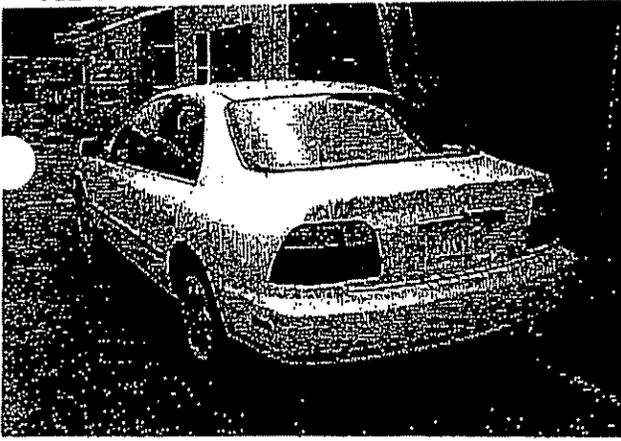
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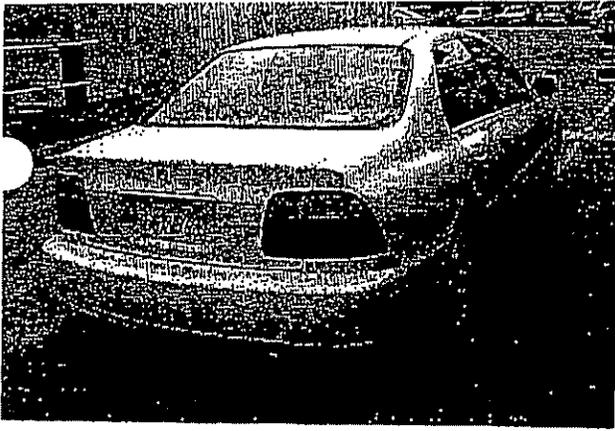
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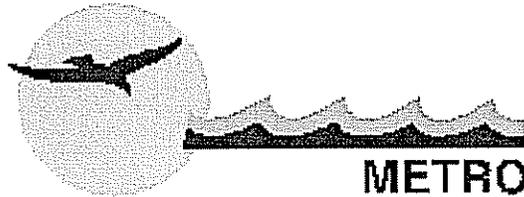
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5-4.11



5-4.12



Agenda

Metro Advisory Committee

6:00 pm
August 17, 2005
920 Pacific Avenue
Santa Cruz, California

- I. Roll Call
- II. Agenda Additions/Deletions
- III. Oral/Written Communication
- IV. Consideration of Minutes of July 20, 2005 MAC Meeting
- V. Discussion of Holiday Service
- VI. Review Courtesy Rules for Bus Riders
- VII. Consideration of Selling Cards for Bike Lockers at METRO Center
- VIII. Consideration of Placing Signs for MAC in Buses
- IX. Discussion of MAC Membership on E & D TAC
- X. Discussion of ParaTransit Coordination Task Force Recommendations
- XI. Communications to METRO General Manager
- XII. Communications to METRO Board of Directors
- XIII. Items for Next Meeting Agenda
- XIV. Adjournment

Next Meeting: Wednesday September 21, 2005 @ 6:00 pm
Santa Cruz Metro Conference Room

5-5.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

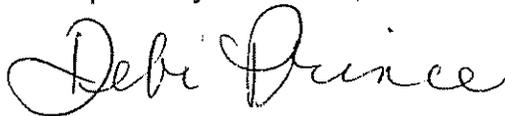
Minutes- METRO Advisory Committee (MAC)

June 15, 2005

A Regular Meeting of the METRO Advisory Committee (MAC) met on Wednesday, June 15, 2005 at the METRO Center Conference Room, 920 Pacific Avenue, Santa Cruz, CA.

When there was no quorum by 6:30 p.m., Chair Marcelin-Sampson thanked those in attendance. He advised that the June 15, 2005 MAC meeting would not proceed.

Respectfully submitted,



DEBI PRINCE
ADMINISTRATIVE SECRETARY

2.5-5

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 26, 2005
TO: Board of Directors
FROM: Steve Paulson, Paratransit Administrator
SUBJECT: METRO PARACRUZ OPERATIONS STATUS REPORT

I. RECOMMENDED ACTION

This report is for information only- no action requested

II. SUMMARY OF ISSUES

- METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.
- The Board receives monthly reports on the status of this service
- METRO assumed direct operation of paratransit services November 1, 2004.
- Operating Statistics reported are for the month of May 2005.
- The Board has requested information regarding the number of complaints and compliments

III. DISCUSSION

METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.

METRO began direct operation of ADA paratransit service (METRO ParaCruz) beginning November 1, 2004. This service had been delivered under contract since 1992.

Performance indicators show continued improvement in overall service effectiveness and efficiency during the reporting period.

During the month of May, eight (8) complaints and two (2) compliments were received. Three (3) of the complaints were found to be "not valid" when investigated.

5-8.1

Board of Directors
 Board Meeting August 26, 2005
 Page 2
Operating Statistics for May 2005

	Nov 04	Dec 04	Jan 05	Feb 05	Mar 05	Apr 05	May 05
Rides Scheduled	10009	7930	7782	7154	8989	8628	9078
Rides Performed	7591	6713	6822	6804	7898	7405	7824
Miles Driven	66,034	56,619	56,825	56,556	62,911	59,182	59,671
Average trip miles	6.83	6.51	6.54	6.20	6.09	6.12	5.80
Within ready window	84.67%	89.21%	89.65%	89.67%	90.64%	89.49%	92.05%
Excessively late/missed trips	77	25	20	17	24	18	15
Monthly call volume	7948	6375	6606	6688	7361	6429	6778
Call average seconds to answer	43	38	23	52	33	24	25
Hold times less than 2 minutes	91%	94%	95%	87%	93%	94%	94%
Distinct count of riders	1149	867	842	845	884	835	880
Most frequent rider	46 rides	44 rides	48 rides	50 rides	48 rides	58 rides	65 rides
Percentage of shared rides	49.0%	49.1%	51.1%	52.1%	61.6%	59.4%	63.9%
Passengers per rev hour	1.43	1.46	1.57	1.64	1.72	1.72	1.78
Rides by supplemental providers	33.6%	22.34%	15%	5.7%	5.4%	7.6%	5.5%
SCT cost per ride	\$24.34	\$23.97	\$21.83	\$24.34	\$24.35	\$23.25	\$20.14
TME cost per ride	\$21.55	\$20.44	\$23.22	\$26.49	\$21.73	\$19.35	\$21.24
ParaCruz driver cost per ride	\$23.81(est)	\$22.41(est)	\$21.81(est)	\$22.52(est)	\$19.21(est)	\$19.82(est)	\$20.88(est)
Rides < 10 miles	79.91%	80.78%	81.03%	80.41%	80.35%	80.44%	80.61
Rides > 10 miles	20.09%	19.22%	18.97%	19.59%	19.65%	19.56%	19.39%

S-8.2

IV. FINANCIAL CONSIDERATIONS

NONE

V. ATTACHMENTS

NONE

5-8.3

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 26, 2005
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
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 trips for June 2005 decreased by (2.1%) versus June 2004. Year to date student billable trips have increased by 2.1%.
- Faculty / staff trips for June 2005 decreased by (1.3%) versus June 2004. Year to date faculty / staff billable trips have decreased by (4.8%).
- Revenue received from UCSC for June 2005 was \$88,611 versus \$86,725 for June 2004, an increase of 2.2%.

June	Total Student Ridership	Total Faculty/Staff Ridership	Average Ridership <i>Per School Term Day</i> - Student	Average Ridership <i>Per Weekday</i> - Faculty / Staff
2005	82,768	16,907	7,254.0	768.5
2004	84,537	17,133	6,963.4	778.8
Monthly Increase-(Decrease)	(2.1%)	(1.3%)	4.2%	(1.3%)

*On June 13, 14 & 15 there was a strike on campus, which had a negative effect on ridership.

III. DISCUSSION

UCSC started Fall instruction on September 23, 2004. A summary of the results for June 2005 is:

- Student billable trips for June 2005 were 82,768 vs. 84,537 for June 2004, a decrease of (2.1%).
- Average student billable trips *per school-term day* for June 2005 were 7,254.0 vs. 6,963.4 for June 2004, an increase of 4.2%.
- Faculty / Staff billable trips for June 2005 were 16,907 vs. 17,133 for June 2004, a decrease of (1.3%).

5 - 9.1

- Average Faculty / Staff billable trips *per weekday* for June 2005 were 768.5 vs. 778.8 for June 2004, a decrease of (1.3%).
- Year to date Student billable trips have increased by 2.1% and faculty / staff billable trips have decreased by (4.8%).
- Revenue for June 2005 was \$88,611 vs. \$86,725 for June 2004, an increase of 2.2%.
- On June 13, 14 & 15 there was a strike at UCSC, which had a negative effect on ridership and revenue on that day.

IV. FINANCIAL CONSIDERATIONS

NONE

V. ATTACHMENTS

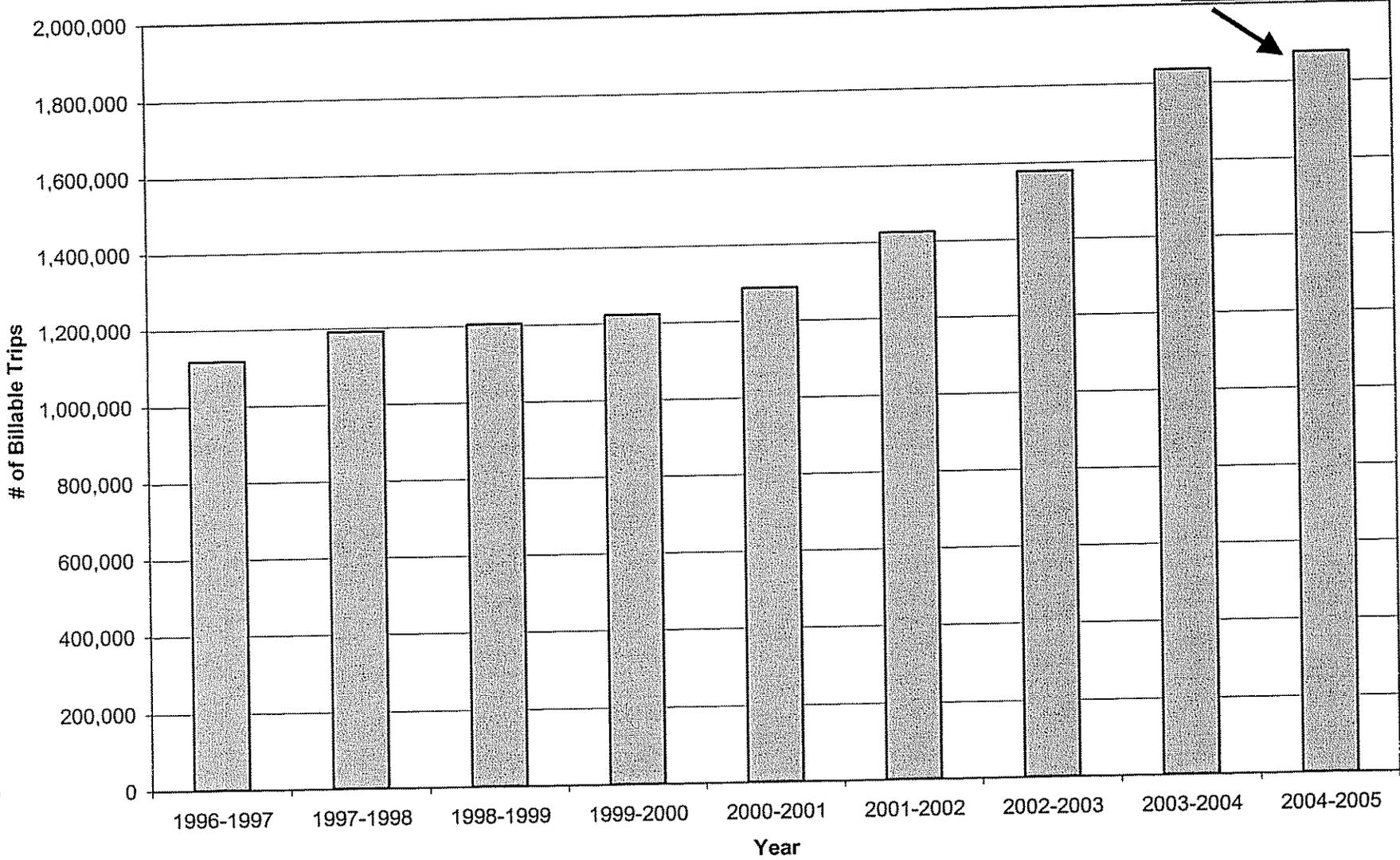
Attachment A: UC Student Billable Trips

Attachment B: UCSC Faculty / Staff Billable Trips

5-9.2

UCSC Student Billable Trips

Year to date billable trips increased by 2.1%

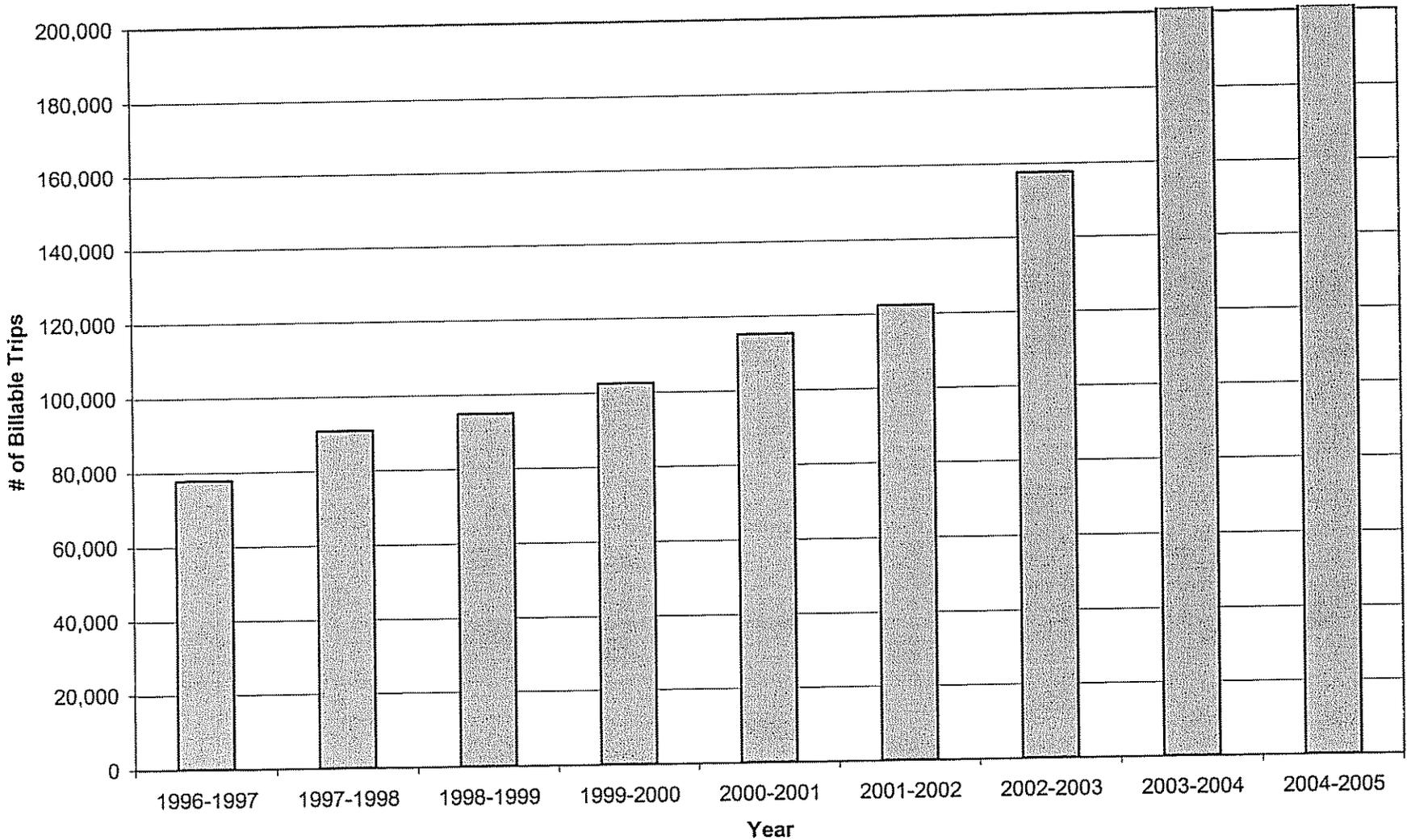


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Attachment A

UCSC Faculty / Staff Billable Trips

Year to date billable trips decreased by (4.8%)



5-9.61

Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 26, 2005
TO: Board of Directors
FROM: Mark J. Dorfman, Assistant General Manager
SUBJECT: ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR PREVIOUS MEETINGS

I. RECOMMENDED ACTION

That the Board of Directors accept and file the voting results from appointees to the Santa Cruz County Regional Transportation Commission.

II. SUMMARY OF ISSUES

- Per the action taken by the Board of Directors, staff is providing the minutes from the most recent meetings of the Santa Cruz County Regional Transportation Commission.
- Each month staff will provide the minutes from the previous month's SCCRTC meetings.

III. DISCUSSION

At the January Board of Directors Meeting of the Santa Cruz Metropolitan Transit District, the Board requested that staff include in the Board Packet information relating to the voting results from the appointees to the Santa Cruz County Regional Transportation Commission. Staff is enclosing the minutes from these meetings as a mechanism of complying with this request.

IV. FINANCIAL CONSIDERATIONS

There is no cost impact from this action.

V. ATTACHMENTS

Attachment A: Minutes of the June 2, 2005 Regular SCCRTC Meeting

Attachment B: Minutes of the June 16, 2005 Transportation Policy Workshop

5-11.1

SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
AND
SERVICE AUTHORITY FOR FREEWAY EMERGENCIES
MINUTES

Thursday,
June 2, 2005
9:00 a.m.

Board of Supervisors Chambers
701 Ocean Street
Santa Cruz, CA

1. Roll Call

Members Present: Jan Beautz Edenilson Quintanilla (Alt.)
 Randy Johnson Antonio Rivas
 Mike Keogh Pat Spence
 Dennis Norton Mark Stone
 Ellen Pirie Marcela Tavantzis
 Emily Reilly Mardi Wormhoudt
 Rich Krumholz (ex-officio)

Staff Present: Pat Dellin Luis Mendez
 Rachel Moriconi Gini Pineda
 Karena Pushnik Cory Caletti
 Kim Shultz Grace Blakeslee

2. Oral Communications

Bonnie Morr, UTU 23, said that Union drivers have an interest in participating in the transportation funding committee recommended by Commissioner Wormhoudt.

Dave Eselius asked for more television monitors at the Board of Supervisors Chambers.

Paul Elerick, Chair of the Campaign for Sensible Transportation, said he was aware of a letter to Congressman Farr from Commissioner Pirie that unfairly criticized Micah Posner of People Power.

Piet Canin, Bike to Work, thanked the Commission for its support and said that Bike to Work Week was a big success.

Lynn Robinson said that the merge lanes project has been around for a while and that an auxiliary lanes project should not be characterized as a "back door" deal.

5-11.91

Micah Posner commented on a letter written by Commissioner Pirie to Congressman Sam Farr regarding the Highway 1 Auxiliary Lanes Project in which she stated that for safety reasons, she thought that the lanes should end at the Soquel off-ramp. Mr. Posner said that in his opinion, ending the auxiliary lanes at Morrissey Boulevard would have a similar safety value but may provide less capacity. He asked that the Commission separate safety issues from capacity issues regarding highway projects.

Peter Scott thanked the Commission for sponsoring the bike rail event as part of Bike to Work Week.

3. Additions or Deletions to Consent and Regular Agendas

Acting Executive Director Pat Dellin noted her written Director's Report (Item 27) and an add-on to Item 28.

She said that since Kirk Trost was unable to attend the meeting, the Closed Session would be cancelled.

Commissioner Norton pulled Item 7 and Commissioner Spence pulled Item 24. Chair Pirie designated them as Items 34.1 and 34.2 respectively.

CONSENT AGENDA Reilly/Norton (as amended)

Commissioner Wormhoudt abstained from voting on Items 4 and 5.

4. Approved Minutes of May 5, 2005 Regular SCCRTC Meeting
5. Approved Minutes of the May 19, 2005 Regular TPW Meeting

POLICY

No consent items

PROJECTS and PLANNING

6. Approved Staff Recommendations Regarding Request to Caltrans on Project Development Activities for Various Projects along the State Route System
7. Accept Status Report on Highway 1 Projects - Moved to Item 34.1.

5-11.92

8. Approved Staff Recommendations Regarding Congestion Mitigation and Air Quality (CMAQ) Evaluations for On-Going Programs and Release of FY 05-06 Funds

COMMISSION BUDGET AND EXPENDITURES

9. Approved Budget and Administration/Personnel Committee and Staff Recommendations Regarding Terminating SCCRTC's Administrative Relationship with the County of Santa Cruz (Resolution 56-05)
10. Approved Budget and Administration/Personnel Committee and Staff Recommendations Regarding Amendment to the FY 04-05 SCCRTC Budget (Resolution 57-05)
11. Approved Staff Recommendations Regarding Extension of Contract with Computer Technical Assistance Consultant (Resolution 58-05)
12. Approved Staff Recommendations Regarding Contract Amendment with Highway 1 On-Call Consultant (Resolution 59-05)

ADMINISTRATION

13. Approved Budget and Administration/Personnel Committee Recommendations Regarding Recruitment for the Permanent Executive Director
14. Approved Staff Recommendations Regarding Public Agency Sponsorship to Community Bridges for an AB2766 Grant Application to the Monterey Bay Unified Air Pollution Control District for a Green Wheels Hybrid Vanpool Program (Resolution 60-05)

COMMITTEE MINUTES

15. Accepted Draft Minutes of the Bicycle Committee Meeting of May 9, 2005
16. Accepted Draft Minutes of the Elderly and Disabled Transportation Advisory Committee Meeting of May 10, 2005
17. Accepted Draft Minutes from the Budget and Administration/Personnel Committee Meeting of May 12, 2005
18. Accepted Draft Minutes from the Interagency Technical Advisory Committee Meeting of May 19, 2005

5-11. a3

INFORMATION/OTHER

19. Accepted Monthly Meeting Schedule
20. Accepted SCCRTC Staff Comment Letters on Draft Environmental Documents and Plans Prepared by Other Agencies
21. Accepted Correspondence Log
22. Accepted Letters from SCCRTC Committees and Staff to Other Agencies on Policy Issues
 - a. Letter to AMBAG Regarding Elderly and Disabled Work Program Tasks
23. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues
24. Accept Handouts from Staff and Commissioners at Previous Regional Transportation Commission Meetings - Moved to Item 34.2
25. Accepted Information Items
 - a. Letter from Friends of the Rail Trail Regarding May 22, 2005 Rail and Trail Event
 - b. "Napa Officials Look to Revive Transportation Sales Tax" Article from The Napa Valley Register
 - c. "Study Shows Traffic Keeps Getting Worse" Article from The New York Times

SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (SAFE)

No consent items

REGULAR AGENDA

26. Commissioner Reports - None
27. Director's Report

Acting Executive Director Pat Dellin gave updates on the status of federal and state transportation funding, saying that the revised state budget might provide enough money for allocations of state funding for the next fiscal year.

Ms. Dellin noted the promotions of Grace Blakeslee to

5-11.24

Assistant Planner and Lyle Broschat to Temporary Assistant Planner.

28. Caltrans Report

Rich Krumholz, Caltrans District 5, gave an update on the Highway 1/17 Merge Lanes Project, saying he hoped the delivery date could be moved up from November. Mr. Krumholz referred to the add-on item that provided a written response to Commissioner Reilly's questions at the May Regional Transportation Commission meeting.

Commissioner Reilly clarified her position that fog lines were not to be thought of as bike lanes, but instead were a traffic calming measure that slowed car traffic and moved cars further from the sidewalks, keeping streets quieter and safer for pedestrians.

Dave Eselius said that Caltrans knows how to configure roads and that the Commissioners shouldn't second guess the experts.

Micah Posner, People Power, said bicyclists should be involved when decisions regarding bikes are made and suggested that the fog line issue go to the Bike Committee.

29. FY 05-06 Article 8 Transportation Development Act (TDA)
Claim from the City of Watsonville for \$200,000 for
Wheelchair Ramps on Sidewalks

Acting Executive Director Pat Dellin said the claim was consistent with the Commission approved budget.

Commissioner Spence said that driveway slopes are difficult for wheelchair users as is negotiating past cars extending across sidewalks when parked in driveways.

Commissioner Rivas moved and Commissioner Wormhoudt seconded to approve the Elderly & Disabled Transportation Advisory Committee and staff recommendations that the Regional Transportation Commission approve the City of Watsonville's FY 2004-05 Article 8 Transportation Development Act Allocation Claim for the construction of 67 wheelchair ramps on sidewalks throughout the city.

The motion (Resolution 61-05) passed unanimously with the representatives from the SCMTD abstaining as required by

5-11.95

the Commission's Rules and Regulations for Article 8 claims.

30. FY 05-06 Claim for Transportation Development Act and Other Funds from the SCCRTC

Acting Executive Director Pat Dellin explained that the claims were consistent with the Commission approved budget and that one claim was an Article 8 Claim, which could not be voted on by SCMTD representatives and that the other claim was an Article 3 claim which would be voted on by all the Commissioners.

Commissioner Norton moved and Commissioner Wormhoudt seconded to approve the staff recommendations regarding the Article 8 claim (Resolution 62-05) that the Regional Transportation Commission approve Transportation Development Act funds for Planning Services for the Commission's FY05-06 Work Program.

The motion passed unanimously with the three Commissioners representing the Metro Board abstaining as required by the Commission's Rules and Regulations for Article 8 claims.

Commissioner Norton moved and Commissioner Reilly seconded to approve the staff recommendations regarding the Article 3 claim (Resolution 63-05) that the Regional Transportation Commission approve Planning grant funds, SAFE funds, Rail/Trail Authority funds, Highway 1 PA/ED funds and Transportation Development Act funds for the Commission's FY05-06 Work Program.

The motion passed unanimously.

31. FY 05-06 Article 8 Transportation Development Act (TDA) Claims from the City of Santa Cruz on Behalf of the Volunteer Center and the Consolidated Transportation Services Agency (Community Bridges)

Acting Executive Director Pat Dellin said that this item contained two Article 8 claims that were consistent with Transportation Development Act (TDA) funding approved in the Commission's FY05-06 budget and that Sam Storey from Community Bridges and Lois Connell from the Volunteer Center were here to answer questions.

Sam Storey, Community Bridges, described the services

5-11.96

provided and the goals for the upcoming year, including increases in the taxi scrip program. He said that Lift Line was moving towards using low emissions vehicles.

Commissioner Rivas expressed concerns that some patients have to wait 1-2 hours to get picked up after cancer treatment at Watsonville Community Hospital. Mr. Storey admitted that the will-call returns are the toughest rides to schedule and that Community Bridges is trying to reduce wait times.

Gloria Sushereba said she uses services provided by Community Bridges and that while will-call rides are a nightmare for riders and providers, the services are fantastic. She said that the City of Capitola needs sidewalk ramps.

Bertha Gold said that transportation to the meal site in Watsonville is a problem and called Lift Line a "life line" for seniors dependent on the service for a chance to interact with other people.

Lois Connell, Volunteer Center, said that volunteers provide free transportation services and has about 100 drivers. She thanked the Commission for its support.

Commissioner Wormhoudt moved and Commissioner Reilly seconded to approve the Elderly & Disabled Transportation Advisory Committee and staff recommendations that the Santa Cruz County Regional Transportation Commission approve the claims for FY 2005-06 Article 8(c) Transportation Development Act funds from the City of Santa Cruz on behalf of the Volunteer Center and Community Bridges, which is designated as the Consolidated Transportation Services Agency.

The motion (Resolutions 64-05 and 65-05) passed unanimously with the three Commissioners representing the Metro Board abstaining as required by the Commission's Rules and Regulations for Article 8 claims.

32. Proposal Regarding Committee for a Comprehensive Transportation Funding Program

Commissioner Wormhoudt referred to her letter, which she had submitted to the Commission, suggesting that a subcommittee of the Regional Transportation Commission be

5-11.27

formed to come up with a proposed membership list for a Task Force on a Comprehensive Transportation Funding Program. She added that the membership should be an inclusive list representing all the transportation interest groups willing to work together to address transportation problems facing the County. She said that participants need to be genuinely open to developing a successful strategy to relieve congestion and repair local roads. Ms. Wormhoudt said that there should be no established agenda for the outcome and suggested hiring a facilitator. She proposed that the subcommittee come back to the August RTC meeting with recommendations for the Commission.

Commissioner Beautz said she did not think such a task force was a good use of the Commission's time and that she is generally opposed to taxes and did not want the Commission seeking ways to get people to pay a sales tax.

Commissioner Rivas said Watsonville residents need a way to get to work and that the new task force needs to convince mid-county and Santa Cruz to widen Highway 1.

Commissioner Reilly said that because the tax base is small, local funds will be necessary to leverage state and federal funds. She said it was critical to have task force members with different points of view and that the objective would not be to convince voters, but to find out what they want and then find a way to give it to them.

Commission Alternate Quintanilla supported trying the idea, noting that there appears to be a stalemate between two adverse groups unwilling to compromise.

Commissioner Stone said the group should set up ground rules and that members should be open-minded with no fixed agenda or bias. He said the Commission owes it to the public to break the deadlock and that he is willing to serve on the subcommittee to propose membership.

Commissioner Johnson said it was important that people with differing viewpoints come forward and that automobile drivers cannot be ignored.

Commissioner Norton said that the more autonomous the task force is from the Commission, the more successful it will be.

5-11.98

Commissioner Tavantzis asked if there was money budgeted for the task force, including money for studies if requested.

Acting Executive Director Pat Dellin said that the Commission has an on-going contract with Eileen Goodwin, Apex Strategies, and that there is still money in her contract. She added that she believes that there is also unused funds that had been budgeted for an exit poll regarding Measure J.

Commissioners agreed that compromise would be key to success.

Lynn Robinson said if the work of the committee is not specifically to create a tax measure it will be more successful. She said she supports the idea whole heartedly and would like to serve on the committee.

Don Hoernschemeyer recommended a facilitated process involving real dialogue without negativity.

Gloria Sushereba praised the concept of brainstorming.

Dave Eselius said the automobile needs to be represented first and foremost.

Micah Posner suggested Doug Linney as a facilitator.

Peter Scott said there should be a facilitator.

Marko Greenfield said "just do it".

Commissioner Stone moved and Commission Alternate Quintanilla seconded to move forward with Commissioner Wormhoudt's proposal and to return to the Commission in August with a list of members, a budget, a process and ground rules.

The motion passed unanimously.

Commissioner Norton moved and Commission Alternate Quintanilla seconded to form a subcommittee consisting of Commissioners Stone, Campos, Norton and Wormhoudt who would arrange to meet within 30 days.

The motion passed with Commissioners Pirie and Tavantzis

5-11.99

voting "no".

CLOSED SESSION

33. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport

Agency Negotiator: Kirk Trost, Miller, Owen & Trost

Negotiation Parties: SCCRTC, Union Pacific

Under Negotiation: Price and Terms

The Closed Session was cancelled.

OPEN SESSION

34. Acquisition of the Santa Cruz Branch Rail Line - Final Proposition 116 Application

Acting Executive Director Pat Dellin said that comments from Cemex and Big Trees on the draft Request for Proposals (RFP) for freight rail service will be addressed in the revised RFP which will be before the RTC at the June Transportation Policy Workshop.

Commissioner Rivas moved and Commission Alternate Quintanilla seconded to approve the staff recommendations that the Regional Transportation Commission:

1. Review and approve with revisions as appropriate the attached final Uniform Transit Application for \$10.7 million in Proposition 116 funds for acquisition of and improvements to the Santa Cruz Branch Rail Line right-of-way (ROW);
2. Adopt the attached resolution authorizing the Executive Director to submit a Uniform Transit Application for \$10.7 million in Proposition 116 funds to acquire the Santa Cruz Branch Rail Line ROW for corridor preservation and to make improvements to the rail line;
3. Direct staff to seek letters of support from legislators, business groups, community groups, agencies and individuals in support of the above mentioned Uniform Transit Application; and
4. Accept status information on various elements of the Santa Cruz Branch Rail Line Acquisition Project.

5-11.910

The motion (Resolution 66-05) passed unanimously.

34.1 Accept Status Report on Highway 1 Projects - Previously Item 7

Commissioner Norton moved and Commissioner Beautz seconded to accept the status report.

Commissioner Tavantzis said she would respect the signatures on the petition opposing the auxiliary lanes on page 7-9 if they were from people who were near the merge lanes area or would be affected by them.

Commissioner Pirie said the auxiliary lanes addressed a safety issue.

Rich Krumholz, Caltrans District 5, said that the merge lane concept between Morrissey and Soquel in the southbound direction came to the Commission in 1997 and was promoted as an independent project. He said it complemented the Highway 1/17 Merge Lanes Project that is already programmed.

Micah Posner said he was involved in gathering signatures and will get more signatures from Watsonville. He added that there had been no public hearings regarding the auxiliary lanes and that people should be asked if they want the project.

Dave Eselius said a petition of 70 signatures is a continuation of political manipulation by the minority.

The motion passed unanimously.

34.2 Accept Handouts from Staff and Commissioners at Previous Regional Transportation Commission Meetings - Previously Item 24

Commissioner Spence asked for answers to the questions posed by Cliff Walters in a letter regarding the RFP for a short line operator.

Acting Executive Director Pat Dellin said that the questions will be addressed in the revised RFP for freight rail service which will be before the RTC at its June TPW meeting.

5-11.a 11

A motion (Wormhoudt/Reilly) to approve the item passed unanimously.

35. Next Meetings/Adjournment

The meeting adjourned at 11:20 a.m.

The next Transportation Policy Workshop is scheduled for Thursday, June 16, 2005 at 9:00 a.m. at the SCCRTC Offices, 1523 Pacific Avenue, Santa Cruz, CA 95060.

No meetings are scheduled for July.

The next regular SCCRTC meeting is scheduled for Thursday, August 4, 2005 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, CA 95060.

Respectfully submitted,

Gini Pineda, Secretary

5-11.912

ATTENDEES

<u>Name</u>	<u>Representing</u>
Robert Yount	
Micah Posner	People Power
David Eselius	
Keith Hinrichsen	Caltrans
Bill Comfort	
Genevieve Bookwalter	Santa Cruz Sentinel
Piet Canin	SC TMA
Bob Scott	SCCRTC Technical Advisor
Debbie Bulger	Mission Pedestrians
Paul Elerick	CFST
Cliff Walters	Big Trees Railroad
John Presleigh	County DPW
Sam Storey	Community Bridges
Mark Greenfield	
Peter Scout	CFST
Lynn Robinson	
Bonnie Morr	UTU Local 23
Peggy Avalos	Community Bridges
Gloria Sushereba	Community Bridges
Bertha Gold	
Don Hoernschemeyer	
Lois Connell	Volunteer Center
Lisa Berkowitz	Community Bridges

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5-11.913

REGIONAL TRANSPORTATION COMMISSION

Transportation Policy Workshop

MINUTES

Thursday, June 16, 2005
9:00 am
SCCRTC Conference Room
Santa Cruz, CA 95060

Members Present: Randy Johnson David Reetz (Alt.)
 David Koch (Alt.) Emily Reilly
 Mike Keogh Andy Schiffrin (Alt.)
 Dennis Norton Pat Spence
 Ellen Pirie Mark Stone
 Edenilson Quintanilla (Alt.) Marcela Tavantzis

Staff Present: Pat Dellin Luis Mendez
 Grace Blakeslee Cory Caletti
 Rachel Moriconi Tegan Speiser

1. Introductions

Self-introductions were made.

2. Oral Communications

Acting Executive Director Pat Dellin thanked Bike to Work and Specialized Bicycles for the water bottles they donated.

3. Additions/Deletions to the Agenda

Add-on pages 7-9 and 9-7 were noted as were replacement pages for Item 9.

CONSENT AGENDA (Pirie/Schiffrin)

Regarding Item 5, Commission Alternate Schiffrin said that it was not a good precedent to approve a resolution for a contract or a contract extension that extended the time beyond when the work would most likely be finished in order to not have to return to the Commission with a request for further extension. He asked that accurate estimates be written into the resolutions and that staff return to the Commission for an extension if necessary.

5-11.61

4. Accepted Status Report on Highway 1 Projects
5. Approved Staff Recommendations Regarding Purchase Order for Website Services (Resolution 67-05)
6. Accepted Information Item on Monterey Bay Sanctuary Scenic Trail

REGULAR AGENDA

7. Accept Update on State and Federal Transportation Funding Issues

Senior Planner Rachel Moriconi gave the staff report highlighting the Governor's revised budget proposal to return Proposition 42 funding for transportation projects for at least one fiscal year. She said that the California Transportation Commission (CTC) is still reluctant to recommend AB3090 reimbursements because it is unclear whether Proposition 42 funding will continue in future years.

Ms. Moriconi said that the Regional Transportation Commission will be preparing the *2006 Regional Transportation Improvement Program (RTIP)* over the next six months and as part of that development, the Commission will have to consider the level of state funding projected to be available each year of the 2006 State Transportation Improvement Program (STIP). She said that the CTC will develop a two-tiered 2006 STIP reflecting worst and best case scenarios and that the CTC plans to implement statewide mandated performance measures to evaluate projects. She said that this process could lead to the CTC handpicking projects for funding, circumventing SB45 which allows regions to determine which projects to program with their share of STIP funds.

Commission Alternate Schiffrin asked if there was a legal basis to challenge the CTC's ability to impose performance measures as criteria for funding, in light of SB45. He asked Ms. Moriconi to float the idea at the CTC meeting later that day and to return with a report on what other Regional Transportation Planning Agencies (RTPAs) and Metropolitan Planning Agencies (MPOs) plan to do to prevent their abilities to prioritize their projects from being undermined by the state.

Commissioners discussed whether projects could be moved around within the five year STIP program once it was adopted, the amount of the Santa Cruz share of state STIP funds, and projects in other regions competing for state funds.

Acting Executive Director Pat Dellin said that the CTC has verbally agreed that Santa Cruz has been under-programmed in recent years and will take that into account when it develops a funding target for the 2006 STIP.

Commission Alternate Schiffrin moved and Commissioner Pirie seconded to approve staff recommendations to:

5-11.62

1. Work with the Interagency Technical Advisory Committee (ITAC) to develop proposals for Commission consideration for the *2006 Regional Transportation Improvement Program (RTIP)*; and
2. Continue to keep the RTC informed about developments related to the release of FY05/06 State Transportation Improvement Program (STIP) funds, AB3090 requests, the 2006 STIP, and Federal reauthorization; with the added direction that staff report back on if the CTC can legally restrict how regions program their share of STIP funding, thereby circumventing SB45 by imposing performance measures.

The motion passed unanimously.

Closed Session

8. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport

Agency Negotiator:	Kirk Trost, Miller, Owen & Trost
Negotiation Parties:	SCCRTC, Union Pacific
Under Negotiation:	Price and Terms

Open Session

Commissioner Stone excused himself from the remainder of the meeting.

9. Santa Cruz Branch Rail Line Acquisition – Approve Release of Final Request for Proposals (RFP), Amendment to Appraisal Contract and County GIS Mapping Services

Acting Executive Director Pat Dellin reviewed the staff report.

Acting Deputy Director Luis Mendez said that the \$15,000 requested to extend the contract with Arthur Gimmy International would be paid with federal earmark funds and has been included in the amended budget.

Commissioner Norton moved to approve the staff recommendations, but Commission Alternate Schiffirin said there should be more discussion and public comment first.

Acting Executive Director Pat Dellin said that Mark Mesiti-Miller from Mesiti-Miller and Matt Price from County GIS were present to answer questions about mapping. Ms. Dellin referred to handouts prepared by the County GIS showing a section of the rail line right-of-way rail valuation map superimposed on a GIS parcel map, and a parcel map of the same area superimposed on an aerial map.

Ms. Dellin noted the replacement pages for the Request for Proposals (RFP) for a short-line operator for freight service saying that changes were requested by the Rail Acquisition Task Force (RATF) and that the staff recommendation was to approve the

5-11.63

RFP but not release it until the bridge inspection report was available. She said that John Williams of Woodside Consulting was present to answer any questions about the RFP.

Kirk Trost, Miller, Owen & Trost, said that his office had also recommended changes and discussed some of the changes. He recommended that the language regarding track maintenance on replacement page 9-38 revert to the original language in the RFP.

Acting Executive Director Pat Dellin noted the comments submitted by Cemex and Big Trees Railroad regarding the RFP.

Commissioners discussed aspects of the RFP including liability insurance requirements for the short-line operator, track maintenance responsibilities and mapping of the right-of-way.

Bob Yount said he was troubled that the trestles are so deteriorated that they will be very expensive to replace and that the business plan doesn't project sufficient money for a provider to maintain them and still realize a profit on its operation.

Cemex consultant Allen Haley commented on the RFP, saying that the Commission should remember that the viability of the freight line was critical and that input from shipper representatives could help the Commissioners assess proposals. Mr. Haley suggested developing a template of the business plan so that Commissioners could compare the different proposals against the needs of the RTC and not just compare one proposal against another. He added that although costs must be such that the operator can make money, he was concerned about Davenport remaining competitive saying that if it became too expensive to ship from Davenport, other options would need to be investigated, which could compromise the short line operation. Lastly, Mr. Haley expressed concerns about liability for the shippers if trails are placed too close to the tracks. He said the FRA and the PUC had been left out of the negotiations and should be consulted, even if they could not participate in actual negotiations.

After discussion, Commission Alternate Schiffrin moved to approve the staff recommendations to:

1. Review the revised draft Request for Proposals (RFP) for an Operator of Rail Freight Service on the Santa Cruz Branch Rail Line, consider any recommendations on the RFP from the Rail Acquisition Task Force (RATF), and approve and release the RFP;
2. Consider options for mapping of the Santa Cruz Branch Rail Line and approve the resolution authorizing the Executive Director to secure the services of the County GIS Department to produce maps of the Santa Cruz Branch Rail Line at a cost not to exceed \$4,000;
3. Approve the resolution amending the contract with Arthur Gummy International to extend the term to December 31, 2005 and to add \$15,000 to the contract amount to complete the appraisal of the Santa Cruz Branch Rail Line; and

5-11.64

4. Accept status information on other elements of the Santa Cruz Branch Rail Line Acquisition Project

with the change that the RFP be approved but not released until the bridge inspection report is received from Union Pacific and that the language regarding track maintenance requirements on replacement page 9-38 be stricken and the original language replaced.

Commissioner Pirie seconded, clarifying that the new language on page 9-38 would be taken out and asking the maker if included in the motion would be to authorize the Executive Director to make non-substantive changes to language in the RFP. Commission Alternate Schiffirin agreed.

Commissioner Spence suggested that it should be noted in the RFP that the Commission was waiting for the structures assessment report and asked if this proposal was acceptable to the maker and the second. Commission Alternate Schiffirin and Commissioner Pirie agreed. Ms. Spence also questioned allowing the short-line operator to determine the schedule and number of rail cars per train and asked that a public hearing be held before an operator was chosen.

Commissioner Keogh questioned the necessity for an increase in the contract with Arthur Gimmy.

Bill Comfort said that the RFP implies that the track would be brought up to Class 1 standards by the short-line operator or done beforehand and asked for the basis for this financial outlay.

John Williams said he believes the line is at Class 1 now and customarily the short-line operator would be responsible for the upgrade. He said the financial plan from the operator would state what it would cost to bring any track up to Class 1.

Mike Dalbey said he understood that costs for upgrades would be minor.

Commissioner Keogh made a motion to vote on each item of the staff recommendations separately.

Commission Alternate Schiffirin asked if Commissioner Keogh would be satisfied with voting on the first two recommendations together and the third recommendation separately. Commissioner Keogh agreed and the motion (Resolution 68-05) on the first two recommendations passed unanimously.

The third recommendation (Resolution 69-05) passed with Commissioners Keogh and Tavantzis voting "no".

10. Next Meetings / Adjournment

There are no SCCRTC meetings scheduled for July.

5-11.65

The next regular RTC meeting will be held Thursday, August 4, 2005 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, CA.

The next Transportation Policy Workshop will be held Thursday, August 18, 2005 at 9:00 a.m. at the RTC Office, 1523 Pacific Avenue, Santa Cruz, CA.

Respectfully submitted,

Gini Pineda, Secretary

5-11.66

ATTENDEES

<u>Name</u>	<u>Representing</u>
Robert Yount	
Genevieve Bookwalter	Santa Cruz Sentinel
Ken Kannegaard	Cemex
Bill Comfort	
Mark Greenfield	
Paul Elerick	CFST
Cliff Walters	Santa Cruz Big Trees Railroad
Mark Mesiti-Miller	Mesiti-Miller Engineering
Rahn Garcia	Santa Cruz County Counsel
Allen Haley	(STS) Cemex
Matt Goerz	Geomatrix
Elizabeth Wells	Geomatrix
Matt Price	Santa Cruz County GIS

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5-11.67

DATE: August 26, 2005
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDERATION OF APPOINTMENT OF MARA MURPHY TO THE METRO ADVISORY COMMITTEE (MAC) BY DIRECTOR BUSTICHI TO FILL VACANCY OF JAMES SHELDON

I. RECOMMENDED ACTION

The purpose of this staff report is to request Board Approval of the appointment of Mara Murphy to the Metro Advisory Committee (MAC) as the appointment of Director Bustichi.

II. SUMMARY OF ISSUES

- On December 19, 2003 the Board of Directors approved the creation and structure of the Metro Advisory Committee (MAC).
- Each member of the Board nominated the name of an individual that they wanted to appoint for membership on the MAC.
- James Sheldon, appointed by former Director Ainsworth, was forced to resign due to conflicting schedule requirements.
- Director Bustichi is nominating Mara Murphy as the replacement for James Sheldon..

III. DISCUSSION

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

The Board of Directors appointed the individuals that they wanted to serve as members of the MAC. Each member of the Board provided the name of the individual that they wanted to nominate. Former Director Ainsworth appointed James Sheldon as her representative to MAC. Unfortunately, Mr. Sheldon has been forced to resign from MAC due to schedule conflicts. Director Bustichi (replaced former Director Ainsworth) is requesting approval of Mara Murphy as his representative to MAC. Attachment A is Ms. Murphy's Application Form for consideration. Also attached, as Attachment B is the Current Composition of the METRO Advisory Committee including Ms. Murphy should she approved.

5-12.1

IV. FINANCIAL CONSIDERATIONS

The appointment of Mara Murphy will not have a financial impact on either the METRO Operating or Capital Budget.

V. ATTACHMENTS

Attachment A MAC Application Form of Mara Murphy

Attachment B METRO Advisory Committee Composition

5-12.2

Date: Thu, 5 Feb 2004 11:31:46 -0800 (PST)
From: mara.murphy@pag.co.santa-clara.us
To: dcarr@scmtd.com
Subject: METRO Advisory Committee Application
Cc: lwhite@scmtd.com, mdorfman@scmtd.com

Attachment A

MAC Application Form

Name: Mara Murphy
Address: 552 Bean Creek Rd., #161
City: Scotts Valley State: CA Zip: 95066
Phone: (408) 534-2582
E-Mail: mara.murphy@pag.co.santa-clara.us

Do you ride METRO Fixed Route or ParaCruz Service?: METRO Fixed Route

How often do you use METRO/ParaCruz Service? Daily

What are your particular transit interests?
To promote and increase rideship.

What do you think are the biggest challenges for METRO?
Costs and safety.

What do you believe that you will contribute to the MAC and METRO if appointed?
Report what I observe as a frequent rider. Assist in planning and problem solving.

What are the interests and the experiences that you have that would make you an effective member of the MAC?
I was employed as a board clerk to the Santa Clara County Planning Commission and understand public participation, notice and hearings.

5-12.91

I once volunteered and served on two city committees: Social Services and Parks & Recreation Committee (Sports Council) for the City of Thousand Oaks.

Please outline your availability in terms of meeting times/days and total time per month you could devote to the activities of the MAC?

Any weekday after 6:30 p.m. Wednesdays are fine. If possible, not to exceed 6 hours per month during the work week because of my full time job. I would be able to contribute more time during the weekends if necessary.

Are you aware of any conflicts of interest that would prevent you from serving on the MAC if appointed? NO

END OF FORM

5-12.02

MAC Members Effective 8-26-05

1. Dave Williams- Nominated by Director Skillicorn
2. Dennis Papadopulo- Nominated by Director Spence
3. Donald N. Hagen Jr.- Nominated by Director Tavantzis
4. B. Jefferson LeBlanc- Nominated by Vice-Chair Rotkin
5. R. Paul Marcelin-Sampson- Nominated by Director Norton (Harlan)
6. Mathew Melzer- Nominated by Director Reilly
7. Lesley Wright- Nominated by Director Hinkle
8. Robert Yount- Nominated by Chair Keogh
9. Mara Murphy- Nominated by Director Bustichi
10. Dan Alper- Nominated by Director Stone
11. Stuart Rosenstein- Nominated by Director Beautz

5-12. b1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 26, 2005
TO: Board of Directors
FROM: Tom Stickel, Manager of Fleet Maintenance
SUBJECT: CONSIDERATION OF CONTRACT EXTENSION WITH DEVCO OIL, INC. FOR DIESEL AND GASOLINE FUEL

I. RECOMMENDED ACTION

It is recommended that the Board of Directors authorize the General Manager to enter into a one-year contract extension with Devco Oil, Inc. for diesel and gasoline fuel.

II. SUMMARY OF ISSUES

- The District has had a contract with Devco Oil, Inc. to provide diesel and gasoline fuel for the past three years.
- The current contract, approved by the Board of Directors on September 21, 2001, was for a term of three years with two (2) one-year options for renewal.
- Devco Oil has provided excellent service and a one-year extension of the contract is recommended.

III. DISCUSSION

The Santa Cruz Metropolitan Transit District requires the supply of diesel and gasoline fuel for use in its fleet. The estimated monthly requirements for this contract are 80,000 gallons of diesel fuel and 2,000 gallons of unleaded gasoline fuel per month. The District does not have its own diesel or gasoline fueling facilities, so it is necessary for the fueling to be done off-site at the facilities of the provider of the fuels. Since each vehicle will have to be transported to the contractor's facility on a daily basis, it is imperative that the facility used for the delivery of fuel be within a 10-block radius of the District's Operations Facility at 1200 River Street.

On September 21, 2001, the Board of Directors authorized the General Manager to execute a three-year contract with the option of two (2) one-year extensions with Devco Oil, Inc. The selection of Devco Oil, Inc. was the result of an Invitation for Bid (IFB) process, which was issued on July 30, 2001. Devco Oil, Inc. has provided excellent service. District staff recommends that the Board of Directors authorize the General Manager to sign a one-year contract extension on behalf of the District.

5-13.1

IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in the Operating Budget. The annual budget for diesel and gasoline fuel is \$ 1,750,000.

V. ATTACHMENTS

Attachment A: Letter from Devco Oil, Inc

Attachment B: Contract Amendment

5-13.2



DEVCO OIL, INC.

Fuel & Lubricants Jobber • Cardlock
139 Encinal Street
P O Box 473
Santa Cruz, CA 95060
Phone 831 423-2121
Fax 831 423-4128

Chevron Lubricants



member of



Attachment **A**

July 29, 2005

Mr. Lloyd Longnecker
District Buyer
Santa Cruz Metropolitan Transit District
110 Vernon St. Suite B
Santa Cruz, Ca. 95060

Dear Sir:

Re: Renewal of contract for supply of Diesel and Gasoline fuels to Santa Cruz Metro for a period of one year (Oct. 1, 2005 to Sept. 30, 2006.)

All conditions and terms to remain the same as prior agreement.

If you have any questions, you may contact me at 831-423-2121.

Sincerely,

Jerry Belcher
Manager

5-13.91

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
SECOND AMENDMENT TO CONTRACT NO. 01-03
FOR SUPPLY OF DIESEL AND GASOLINE FUELS**

This Second Amendment to Contract No. 01-03 for supply of diesel and gasoline fuels is made effective October 1, 2005 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and Devco Oil, Inc. ("Contractor").

I. RECITALS

1.1 District and Contractor entered into a Contract for supply of diesel and gasoline fuels ("Contract") on October 1, 2001.

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

Therefore, District and Contractor amend the Contract as follows:

II. TERM

2.1 Article 3.02 is amended to include the following language:

This contract shall continue through September 30, 2006. This Contract may be mutually extended by agreement of both parties.

III. COMPENSATION

3.1 Article 4.01 is amended to include the following language:

Effective October 1, 2004, Contractor shall reduce the price of diesel fuel by 0.0155 cents per gallon.

IV. REMAINING TERMS AND CONDITIONS

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

V. AUTHORITY

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

SIGNATURES ON NEXT PAGE

5-13. b1

Signed on _____

DISTRICT
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Leslie R. White
General Manager

CONTRACTOR
DEVCO OIL, INC.

By _____

Jerry Belcher
General Manager, CFO

APPROVED AS TO FORM:

Margaret R. Gallagher
District Counsel

5-13. b2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 12, 2005 (ACTION REQUESTED)
TO: Board of Directors
FROM: Margaret Gallagher, District Counsel
SUBJECT: CONSIDER AUTHORIZING THE GENERAL MANAGER TO EXECUTE A NEW LEASE WITH ABDO AZZUBAIDI FOR SUITE C AT PACIFIC STATION

I. RECOMMENDED ACTION

Authorize the General Manager to execute a New Lease with Abdo Azzubaidi for Suite C at Pacific Station.

II. SUMMARY OF ISSUES

- The former tenants, Andrew and Alicia Franaszek dba Storti's Pizzeria, vacated the Pacific Station, Suite C space on July 31, 2005. Their lease expired on 12/31/04. They were unable to renew the lease because they were in arrears with regard to the rent. They subsequently filed for Bankruptcy, making it difficult and time-consuming to evict them from the premises.
- Santa Cruz METRO staff issued a Request for Proposals and interviewed three parties for a new Lease, to begin September 1, 2005. The recommendation is for METRO to enter into a new Lease Agreement with Abdo Azzubaidi for a semi-fast food restaurant serving American and Middle Eastern foods and beverages.

III. DISCUSSION

On December 31, 2004, Andrew and Alicia Franaszek's lease expired. They had previously requested an extension, but at the time of the expiration of the Lease, the Franaszeks were \$5,000.00 in arrears with regard to the rent and utility payments to METRO. Therefore, METRO was unable to extend their lease, making it necessary to advertise the space and review proposals for a new Lease.

The space was advertised in February 2005 and interviews of applicants occurred in March. Of the three parties interviewed by the Property and Leasing Committee (consisting of four METRO staff members), Abdo Azzubaidi scored the highest points based on certain criteria pre-selected by the committee. Mr. Azzubaidi also offered the highest rent for the space.

It has taken METRO staff approximately four months to regain possession of the premises, as the Franaszeks immediately filed for bankruptcy when they were notified that they were not chosen to continue to lease the space and METRO gave them a thirty-day notice to vacate the premises. METRO was forced to appear in Bankruptcy court, in order to be relieved of the STAY on all proceedings outside the federal court action. Once the order was obtained allowing METRO to

5-14.1

proceed in state court against the Franaszeks, METRO filed an Unlawful Detainer Action against them. METRO prevailed in this matter, and the Santa Cruz Superior court signed an Order requiring the Franaszeks to vacate the premises by July 31, 2005.

METRO staff inspected the premises on August 1, 2005 and reported that the Franaszeks vacated the premises. The locks have been changed on the doors and preparations are being made to get the space ready to lease.

Abdo Azzubaidi has confirmed that he is committed to going forward with the intention to lease the property for a five-year term with an option to extend the term for an additional five year term. He has offered a monthly rent amount of \$1,500.00.

IV. FINANCIAL CONSIDERATIONS

If the rent for the rent is set at \$1,500.00 per month, a yearly income to METRO would be \$18,000.00 for this Lease.

V. ATTACHMENTS

Attachment A: Draft Lease

5-14.2

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
METRO CENTER LEASE AGREEMENT**

THIS LEASE is made on September 1, 2005, between the **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, a political subdivision of the State of California ("Landlord"), whose address is 370 Encinal Street, Suite 100, Santa Cruz, California, 95060, and **ABDO AZZUBAIDI**, ("Tenant"), whose address is 920 Pacific Avenue, Suite C, Santa Cruz, California 95060, who agree as follows:

RECITALS

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

1. Landlord is the owner of certain real property commonly known as Pacific Station (hereinafter "Center") described in Exhibit "A." Said real property includes, without limitation, "Premises" which consists generally of approximately 300 square feet of the interior space in the building commonly known as Pacific Station, 920 Pacific Avenue, Suite C, Santa Cruz, California.
2. Tenant is willing to lease the Premises from Landlord pursuant to the provisions stated in this lease.
3. Tenant wishes to lease the Premises described below for the purposes of operating, generally a:

**SEMI-FAST FOOD RESTAURANT SERVING AMERICAN AND
MIDDLE EASTERN FOODS AND BEVERAGES**

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

ARTICLE 1: PREMISES

1.1 General

Landlord leases to Tenant and Tenant leases from Landlord the real property located in the City of Santa Cruz, County of Santa Cruz, State of California, outlined in red in Exhibit A in Pacific Station, 920 Pacific Avenue, Suite C, Santa Cruz, CA 95060 ("Premises").

1.2 Airspace Rights

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

5-14. a1

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
METRO CENTER LEASE AGREEMENT**

ARTICLE 2: TERM

2.1 Fixed Term

The term shall commence on September 1, 2005 and shall expire on August 31, 2010, unless sooner terminated in accordance with the provisions herein.

2.2 Inability to Deliver Possession

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

2.3 Option to Extend Term

Tenant shall have one (1) option to extend the term of its lease for an additional five (5) year period under the same terms and conditions specified herein provided Landlord receives written notification from Tenant exercising said option not later than one hundred eighty (180) days prior to the expiration of the initial five (5) year term. Tenant shall have no other right to extend the term beyond the options to extend term as described herein.

2.4 Tenant's Notice and Default

- a. If Tenant fails to give Landlord an option notice at least six (6) months but not more than one (1) year before the expiration of the term, Tenant's rights under this Article 2 shall be deemed to have been waived, and Landlord shall be free (without any further obligation to Tenant) to lease premises to anyone upon the same or any other terms and conditions and without any further obligation to Tenant, whether or not the terms and conditions of such lease are more or less favorable than those offered to Tenant.
- b. Tenant's extended term options shall be suspended during any period in which Tenant is in default under any provision of this Lease until said default has been cured. If Tenant fails to exercise its extension option in any instance when such rights may arise, in writing, prior to the expiration of the applicable time period for the exercise of such rights, Tenant's rights to the extension shall thereafter be deemed null and void and of no further force or effect. The period of time within which the extension option may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise such rights because of the foregoing provisions. All rights of Tenant to the extension option shall terminate and be of no further force or effect even after Tenant's due and timely exercise thereof, if, after such exercise, but prior to the commencement date of the term of the extension

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
METRO CENTER LEASE AGREEMENT**

option: (1) Tenant fails to pay to Landlord a monetary obligation of Tenant for a period of ten (10) days after such obligation becomes due (without any necessity of Landlord to give notice thereof to Tenant); (2) Tenant fails to cure a material non-monetary default within thirty (30) days after Landlord gives written notice to Tenant of such default; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for its cure, the Tenant shall not be in default if it begins such cure within the thirty (30) day period described above and, thereafter, diligently prosecutes such cure to completion; or (3) Landlord gives to Tenant three (3) or more notices of default (and Tenant was in fact in default in such instances), whether or not such defaults are ultimately cured. Landlord's waiver of its right to terminate this Lease due to Tenant's default in any instance shall not be deemed a waiver of the foregoing conditions precedent and conditions subsequent to the exercise of the extension option.

2.5 Extension Option Not Separately Assignable

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

ARTICLE 3: RENT

3.1 Minimum Monthly Rent

Tenant shall pay to Landlord as minimum monthly rent, without deduction, setoff, prior notice, or demand, the sum of One thousand, five hundred dollars (\$1,500), which is subject to adjustment as provided in Section 3.2, per month in advance on the first day of each month commencing on September 1, 2005. Minimum monthly rent for the first month or portion thereof shall be paid on the day that Tenant's obligation to pay minimum monthly rent commences. Minimum monthly rent for any partial month shall be prorated at the rate of 1/30th of the minimum monthly rent per day.

3.2 Periodic Cost-of-Living Adjustment

a. The minimum monthly rent provided for in Section 3.1 shall be subject to adjustment at the commencement of the second year of the term and each year thereafter (the "adjustment date"), including, without limitation, at the commencement of, and for the duration of any extended term, if any, made in accordance with Article 2 herein, as follows:

1. The base for computing the adjustment is the Consumer price Index for All Urban Consumers (base year 1982-84 = 100) for San Francisco-Oakland-San Jose published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), which is in effect on the date of the commencement of the term ("Beginning Index") is to be used in

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
METRO CENTER LEASE AGREEMENT**

determining the amount of the adjustment. If the Index has increased over the Beginning Index, the minimum monthly rent for the following year (until the next rent adjustment) shall be set by multiplying the minimum monthly rent set forth in Section 3.1 by a fraction, the numerator of which is the Current Index and the denominator of which is the Beginning Index. In no case shall the minimum monthly rent be less than a 3% increase over the current minimum monthly rent set forth in Section 3.1 and an increase shall be no greater than 8% of the current minimum monthly rent as provided in 3.1. On adjustment of the minimum monthly rent as provided in this lease, the parties shall immediately execute an amendment to this lease stating the new minimum monthly rent.

2. If the Index changes so that the base year differs from that in effect when the term commences, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Statistics. If the Index is discontinued or revised during the term, such other government index or computation with which it is replaced shall be used in order to obtain substantially the same result as would be obtained if the index had not been discontinued or revised.

3.3 Refund of Prepaid and Unearned Minimum Monthly Rent

If this lease terminates before the expiration date for reasons other than the Tenant's default, minimum monthly rent shall be prorated to the date of termination, and Landlord shall immediately repay to Tenant all minimum monthly rent then prepaid and unearned.

3.4 Due Dates and Delinquent Dates for Rent Payments

- a. Amounts due Landlord for minimum monthly rent (Section 3.1), late rent charges (Section 3.5), "increase in insurance due to use" (Section 5.2.1), "fire and other perils insurance" (Section 10.3), and other rent for which specific payment dates or periods are identified in this lease, are due and payable, without deduction, setoff, prior notice or demand, on the dates indicated herein, and are delinquent on the second business day thereafter. All rent payments for which no specific due dates are specified in this lease, including, without limitation, additional rent (Section 3.6), security deposit (Article 4), maintenance (Article 6), Utilities and Services (Article 9) and insurance (Article 10), are due and payable upon receipt of Landlord's invoice, and are delinquent eight (8) calendar days thereafter, if served personally, or ten (10) calendar days after the date of postmark, if sent by prepaid, first-class mail.

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
METRO CENTER LEASE AGREEMENT**

- b. A "business day" for purposes of this Article is any day on which the administrative office of the Santa Cruz Metropolitan Transit District is open for regular business.

3.5 Late Rent Charges

Rent not paid when due shall bear interest from the first day after it is due until paid at the rate of 10 per cent per annum. Tenant acknowledges that late payment by Tenant to Landlord of any rent shall cause Landlord to incur costs not contemplated by this lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges. Therefore, if any amount of rent due from Tenant is not received by Landlord when due, for any cause, Tenant shall pay to Landlord an additional sum of ten percent (10%) of the overdue rent as a late charge, in addition to the interest charge specified above. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, or prevent Landlord from exercising any of the rights and remedies available to Landlord.

3.6 Taxes Paid by Tenant; Additional Rent

Tenant agrees to pay before delinquency all taxes, assessments, license fees, and other charges which at any time may be levied by the State of California, County of Santa Cruz, City of Santa Cruz (including, without limitation any promotional tax due), or any other tax or assessment, levied upon any interest in this lease or any possessory right which Tenant may have in or to be the Premises covered hereby or to the improvements thereon by reason of its ownership, use, or occupancy thereof or otherwise, as well as all taxes, assessments, fees, and charges on commodities, goods, merchandise, foods, beverages, fixtures, appliances, equipment and property owned by it in, on, or about said Premises. On demand by Landlord, Tenant shall furnish Landlord with satisfactory evidence of these payments. Amounts paid through Landlord for any aforementioned expense (including, without limitation, promotional tax) shall be considered additional rent for purposes of this lease.

If this Lease expires prior to the determination of the amount of such taxes and assessments for the last year in which the Lease expiration occurs, Tenant shall nevertheless promptly pay such percentage following notice from Landlord appropriately prorated for the portion of the Lease term that falls within such last year.

3.7 Payment for Permits

Tenant shall be solely responsible to obtain and pay for use permits, necessary design

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review permits and building permits for any approved Tenant improvements.

3.8 Negation of Partnership

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

3.9 Payment of Rent

All rent shall be paid in United States currency and shall be paid to Landlord at the address below.

Santa Cruz Metropolitan Transit District
370 Encinal Street, Suite 100
Santa Cruz, CA 95060
ATTN: Finance Department

ARTICLE 4: SECURITY DEPOSIT

Tenant has deposited with Landlord \$2,000.00 as a security deposit for the performance by Tenant of the provisions of this lease. If Tenant is in default, Landlord can use the security deposit, or any portion of it, to cure the default or to compensate Landlord for all damages sustained by Landlord resulting from Tenant's default including reasonable attorney's fees. Tenant shall within 10 days on demand pay to Landlord a sum equal to the portion of the security deposit expended or applied by Landlord as provided in this Article so as to maintain the security deposit in the sum initially deposited with Landlord. Tenant's failure to do so shall be a material default under this Lease. If Tenant is not in default at the expiration or termination of this lease, Landlord shall return the security deposit to Tenant within thirty (30) days. Landlord's obligations with respect to the security deposit are those of a debtor and not a trustee. Landlord can maintain the security deposit separate and apart from Landlord's general funds or can commingle the security deposit with Landlord's general and other funds. Landlord shall not be required to pay Tenant interest on the security deposit.

ARTICLE 5: USE; LIMITATIONS ON USE

5.1 Use

- a. Premises shall be used for a **Semi-Fast Food Restaurant serving American and Middle Eastern Foods and Beverages** as more particularly set forth herein, and for no other use without Landlord's written consent. Said use (including, without

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limitation, limitations on use) is further described in Exhibit C attached hereto and made a part hereof.

- b. No other business shall be conducted on the Premises by Tenant except upon the prior written consent of the Landlord. Landlord shall not be a guarantor or otherwise liable to Tenant for Landlord's exercise of discretion in allowing any type of business to lease space at the Metro Center or in consenting to a change of any other Tenant's business use located at the Metro Center. Landlord shall not be a guarantor of Tenant's business or of insuring that individuals who ride landlord's buses patronize tenant's business.
- c. Tenant shall continuously use the Premises for the uses specified in this lease and shall continuously merchandise the Premises, during the hours specified in Exhibit C. If the Premises are destroyed or partially condemned and this lease remains in full force and effect, Tenant shall continue operation of its business at the Premises to the extent reasonably practicable from the standpoint of good business judgment during any period of reconstruction. Tenant shall not use any space in the restaurant/lobby area of the Premises for office, clerical, and other non-service or non-selling purposes.
- d. Tenant specifically agrees that the premises are not to be used for any interior or exterior storage of toxic or hazardous chemicals or materials other than those associated with Tenant's business subject to Landlord's approval. The business conducted by the Tenant on the Premises shall be of a character and nature that will not be detrimental to the value of the Premises. No use shall be made or permitted to be made of the Premises, nor acts done in or about the Premises, which will in any way conflict with any law, ordinance, rule or regulation affecting the occupancy or use of the Premises, which are or may hereafter be enacted or promulgated by any public authority, or which will increase the existing rate of insurance upon the building or cause a cancellation of any insurance policy covering the building or any part thereof. Nor shall Tenant permit to be kept, or use in or about the Premises, any article which may be prohibited by the standard form of fire insurance policy maintained by Landlord. Tenant shall not commit, or suffer to be committed, any waste upon Premises, or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant in the Metro Center, nor, without limiting the generality the foregoing, shall Tenant allow said Premises to be used for an improper, immoral, unlawful, or unethical purpose or for sleeping or residential purposes, including washing clothes.

5.2 Limitations on Use

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

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5.2.1 Cancellation of Insurance; Increase in Insurance Rates

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

5.2.2 Deliveries

- a. Tenant shall not allow deliveries of any kind on the Metro Center bus lanes. Additionally, Tenant's employees shall be restricted to park in areas other than the Metro Center bus lanes. Nothing contained in this lease confers on Tenant or its employees any parking space at any of landlord's facilities.

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5.2.3 Waste; Nuisance

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

5.2.4 Overloading

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

5.2.5 Hours of Operation

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

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5.2.6 Rules and Regulations/Common Area

- a. Tenant acknowledges that this lease is made on property owned by Landlord and under Landlord's exclusive control. Said property is primarily devoted to the provision of transit services for the public and is commonly known as the Metro Center. Tenant agrees that it shall do nothing to interfere with Landlord's transit services. Tenant further acknowledges that the primary duties of Landlord are to operate transit services safely; and Tenant hereby agrees to abide by all laws, ordinances, directives, rules and regulations promulgated by the Board of Directors of Landlord now existing or hereafter made for the government, management, maintenance, and operation of the Metro Center, including such directives as to usage of the Metro Center as may be promulgated by the officers or representatives of the Landlord in their official or departmental capacity. Tenant further agrees that such directives, rules, regulations, ordinances and conditions as may be imposed by Landlord through its Board of Directors, administrative officers, department heads or duly authorized representatives, shall be subject to immediate compliance by Tenant. Tenant acknowledges that it has read and reviewed the Metro Center Rules and Regulations, which are attached hereto as Exhibit D and incorporated herein by reference and agrees to follow them.
- b. Certain areas have been constructed by Landlord within the Premises for the general use, convenience and benefit of the occupants of the Metro Center and their customers and employees, including the lobby, sidewalks, landscaped areas and other areas for pedestrian use (herein called the "Common Area"). Except as may be limited herein, Tenant shall have the non-exclusive right for itself and for its customers, invitees, employees, contractors, subtenants and licensees to use the Common Area in common with Landlord and other persons permitted to use the same for pedestrian ingress, egress and access.
- c. Tenant shall be responsible for its proportionate share for the payment of the cost of the Common Area, and all improvements and facilities situated thereon and required in connection therewith. Any increases to common area charges shall be assessed based upon the useful life of the improvement taking into account the remaining term of the lease.

5.2.7 Limitation

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

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ARTICLE 6: MAINTENANCE

6.1 Landlord's Maintenance

- a. Landlord shall not be liable for any damage or injury to the person, business (or any loss of income therefrom), goods, wares, merchandise or other property of Tenant, Tenant's employees, invitees, customers or any other person in or about the Premises; whether such damage or injury is caused by or results from: 1) fire, steam, electricity, water, gas or rain; 2) the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures or any other cause; 3) conditions arising in or about the Premises or upon other portions of any building which the Premises is part, or from other sources or places; or 4) any act or omission of the Tenant, Landlord shall not be liable for any such damage or injury even though the cause of or the means of repairing such damage or injury are not accessible to Tenant. Tenant, as a material part of the consideration to be rendered to Landlord, hereby waives all claims against Landlord for the foregoing damages from any cause arising at any time.

6.2 Tenant's Maintenance

- a. Tenant at its cost shall maintain, in good condition, all portions of the Premises, both inside and out, including, without limitation, all signs, storefronts, plate glass, show windows, all Tenant's personal property, restrooms (plugged up toilets, leaking faucets, etc.), fixture maintenance (light bulbs, etc.), and periodic services of heating and ventilation, electric and electronic equipment as recommended by the manufacturer (HVAC system, door maintenance etc.). Tenant is responsible for building upkeep including cleaning of interior paint, exterior and interior graffiti and broken plate glass.
- b. Tenant shall be liable for any damage to the building in which the Premises are located, resulting from the acts or omissions of Tenant or its authorized representatives, or its employees or its customers. Landlord is not responsible for the repair of the Premises for damage caused by third parties, including Tenant, its employees, its representatives, or its customers.

ARTICLE 7: REPAIRS AND ALTERATIONS

- a. Tenant will take good care of the Premises and promptly notify the Landlord in writing of any damage caused thereto by Tenant, its employees or invitees and will not make any repairs or alterations without written permission of Landlord first had and obtained, and consent for same shall not be unreasonable withheld by Landlord. Any alterations or improvements made shall remain on and be surrendered with the Premises on expiration or termination of the term, except that Landlord can elect

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within thirty (30) days before expiration of the term, or within five (5) days after termination of the term, to require Tenant to remove any alterations or improvements that Tenant has made to the Premises. If Landlord so elects, Tenant at its cost shall restore the Premises to the condition designated by Landlord in its election before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later, and Tenant shall be liable for rent during any such period. Tenant shall keep the premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.

- b. Landlord shall be under no obligation to make any repairs, alterations or improvements to or upon the Premises, or any part thereof, at any time except as provided in this Lease. Landlord shall at its sole cost and expense, at all times during the term hereof, repair and maintain the roof and exterior walls (other than plate glass, and doors, and roll-up doors) and foundations of the building in which the Premises are located; provided that Tenant shall reimburse Landlord for the cost and expense of repairing any and all damage to the roof, foundation or exterior walls of the Premises resulting from the acts or omissions of Tenant, Tenant's agents, employees, customers or other invitees.
- c. Tenant shall, except for the intentional or negligent acts or omissions of Landlord, its agents, or employees, or third parties at its sole cost and expense, at all times during the term hereof, keep and maintain the Premises, the improvements thereof and every part thereof (including but not limited to plate glass, heating, ventilating, and air conditioning equipment, store fronts and doors, awnings and roll-up doors) in good and sanitary order, condition and repair and in compliance with all laws and regulations applicable thereto.
- d. Landlord may, at any time and for any reason during the term and any extensions thereof, remodel all or any part of Metro Center. Landlord's rights to remodel include, without limitation, the right to enclose, cover, re-configure, reposition or otherwise modify any part of the building in which the Premises are a part. Landlord shall not unreasonably interfere with Tenant's business as a result of alterations or improvements.

ARTICLE 8: TRADE FIXTURES

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

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Tenant at the expense of Tenant. If not so removed by Tenant within thirty (30) days of the expiration or sooner termination of this Lease, said trade fixtures shall, at Landlord's option, become the property of Landlord or Landlord, at its option, may remove said trade fixtures and any damage to the Premises caused by such installation, alteration or removal of such trade fixtures and the cost of such removal shall be paid by Tenant to Landlord upon demand.

ARTICLE 9: UTILITIES AND SERVICES

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

- a. Tenant shall make all arrangements for and pay for all utilities and services furnished to or used by it, including, without limitation, gas, water and telephone service, and for all connection charges and taxes;
- b. If Landlord is required to construct new or additional utility installations, including, without limitation, wiring, plumbing, conduits, and mains resulting from Tenant's changed or increased utility requirements, Tenant shall on demand pay to Landlord the total cost of these items;
- c. Landlord shall not be liable for failure to furnish utilities or services to the premises, but in case of the failure, Landlord will take all reasonable steps to restore the interrupted utilities and services;
- d. Tenant shall reimburse Landlord on a monthly basis (or other period as may be established by Landlord) for Landlord's costs in furnishing trash collection services to the premises at the rate of eleven (11) per cent of Landlord's cost, which shall be billed to Tenant. Tenant shall pay for such services within ten (10) calendar days from the date Landlord bills Tenant;
- e. Tenant agrees to keep premises free and clear of any lien or encumbrance of any kind whatsoever created by Tenant's acts or omissions.
- f. Utility charges may be separately determined by Landlord based on utility rating of Tenant's use of premises and the common areas, as a percentage of total utility use by those sharing the same meter, or as metered use. Tenant shall pay directly to the appropriate supplier the cost of all heat, light, power, and other utilities and services supplied to the premises. If Landlord authorizes Tenant's premises to be separately metered, then Tenant shall pay for the full cost of the installation of the meter.

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- g. Landlord can discontinue, without notice to Tenant, any of the utilities or services furnished to the premises for which Tenant fails to reimburse Landlord on a prompt basis as provided in this Article, and no such discontinuance shall be deemed an actual or a constructive eviction.

ARTICLE 10: INDEMNITY AND EXCULPATION; INSURANCE

10.1 Tenant's Indemnification of District

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

10.2 Liability Insurance

- a. Tenant further agrees to take out and keep in force during the life hereof, at Tenant's expense, insurance, and products liability insurance, with a company or companies satisfactory to Landlord to protect Landlord against any liability incident from the use of, or resulting from, any accident or occurrence in or about said Premises, with a single combined public and products liability and property damage limit of at least ONE MILLION DOLLARS (\$1,000,000) for any one accident or occurrence.
- b. All public liability insurance, products liability insurance, and property damage insurance shall insure performance by Tenant of the indemnity provisions of Section 10.1. Said policy or policies shall require that in the event of cancellation of any policy, the insurance carrier shall notify Landlord in writing at least thirty (30) days prior thereto, and Tenant agrees, if Tenant does not keep such insurance in full force and effect, that Landlord may, at its option either terminate this lease, or take out the necessary insurance and pay the premium, and the repayment thereof shall be deemed to be part of the rental and payable as such on the next day upon which rent

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becomes due. Tenant shall have the insurance carrier(s) also notify Landlord thirty (30) days in advance of any modifications reducing the coverage of said policy(ies), and in the event that any of said insurance carriers do not notify Landlord of any modification, Tenant shall do so upon receiving notice of such modification. Tenant agrees that Landlord shall be named on said insurance coverage as an additional insured party in accordance with the foregoing covenants, and that cross-liability coverage in favor of Landlord shall be provided. Tenant shall furnish Landlord with evidence of insurance satisfactory to Landlord. Said policy or policies shall further provide that any other insurance carrier by Landlord shall be excess insurance only, as to the liability insured thereby.

- c. Landlord may increase or decrease the amount of public liability, products liability, and property damage insurance required, based upon a general review by Landlord of the standard insurance requirement as determined by the Board of Directors of Landlord to be in the public interest and required for all other Premises on said Metro Center. Changes in insurance amounts shall occur not more frequently than once a year.

10.3 Fire and Other Perils Insurance

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

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

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

10.4 Tenant's Fire and Malicious Mischief Insurance

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

10.5 Plate Glass Insurance

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

10.6 Tenant's Business Interruption Insurance

Tenant at its cost shall maintain business interruption insurance insuring that the minimum monthly rent will be paid to Landlord for a period of up to two (2) years if the Premises are destroyed or rendered inaccessible by a risk insured against by a policy of standard fire and extended coverage insurance, with vandalism and malicious mischief endorsements.

10.7 Proof of Insurance

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

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10.8 Other Insurance Matters

All insurance required under this lease shall:

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

ARTICLE 11: DESTRUCTION

DAMAGE OR DESTRUCTION

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

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insurance proceeds. Should Tenant not elect to pay said excess costs, either party may terminate this Lease by giving written notice of same to the other party.

ARTICLE 12: ASSIGNMENT

12.1 ASSIGNMENT AND SUBLETTING

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

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ARTICLE 13: DEFAULT

13.1 Tenant's Default

- a. The occurrence of any of the following shall constitute a default by Tenant:
1. Failure to pay rent when due if the failure continues for three (3) days after a notice has been sent to Tenant
 2. Failure to occupy the Premises and/or operate the Tenant's business as described herein on the Premises; (Tenant shall be conclusively presumed to have defaulted if Tenant leaves the Premises closed or unoccupied continuously for fifteen (15) days.
 3. Failure to perform any other provision of this lease if the failure to perform is not cured within three (3) days after notice has been given to Tenant. If the provisions of the lease violated by the Tenant cannot be performed within the three-day notice period described herein, Landlord shall not be required to give notice demanding the performance of the violated provisions of the lease.
- b. Notices given under this Article shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, as the case may be, within applicable period of time, or quit the Premises. No such notice shall be deemed forfeiture or a termination of this lease unless Landlord so elects in the notice.

13.2 Landlord's Remedies

13.2.1 Cumulative Nature of Remedies

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

13.2.2 Tenant's Right to Possession Not Terminated

- a. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and re-let them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in re-letting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the re-

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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letting, and like costs. Re-letting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any relating. No act by Landlord allowed by this Article shall terminate this lease. After Tenant's default and for as long as Landlord does not terminate Tenant's right to possession of the Premises, if Tenant obtains Landlord's consent Tenant shall have the right to assign or sublet its interest in this lease, but Tenant shall not be released from liability. Landlord's consent to a proposed assignment or subletting shall not be unreasonably withheld.

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

13.2.3 Termination of Tenant's Right to Possession

- a. Landlord can terminate Tenant's right to possession of the Premises at any time. No act by Landlord other than giving written notice to Tenant shall terminate this lease. Acts of maintenance, efforts to re-let the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord has the right to recover from Tenant:
1. The worth, at the time of the award, of the unpaid rent that had been earned at the time of termination of this lease;

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2. The worth, at the time of the award, of the amount by which the unpaid rent that would have been earned after the date of termination of this lease until the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided;
 3. The worth, at the time of the award, of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of the loss of rent that Tenant proves could have been reasonably avoided; and,
 4. Any other amount, and court costs, necessary to compensate Landlord for all detriment proximately caused by Tenant's default.
- b. "The worth, at the time of the award," as used in items "1" and "2" of this Section 13.2.3, is to be computed by allowing interest at the maximum rate an individual is permitted by law to charge. "The worth at the time of the award," as referred to in item "3" of this Section 13.2.3, is to be computed by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award, plus 1%.

13.2.4 Landlord's Right to Cure Tenant's Default

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

ARTICLE 14: SIGNS

- a. Tenant shall not have the right to place, construct, or maintain on the glass panes or supports of the show windows of the Premises, the doors, or the exterior walls or roof of the building in which the Premises are located or any interior portions of the Premises that may be visible from the exterior of the Premises, any signs, advertisements, names, insignia, trademarks, descriptive material, or any other similar item without Landlord's written consent and any necessary approval from the City of Santa Cruz required. Any signs approved by Landlord and placed on the Premises shall be at Tenant's sole cost. Landlord at Tenant's cost can remove any item placed, constructed, or maintained that does not comply with the provisions of this paragraph.

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- b. Tenant shall not, without Landlord's written consent, place, construct, or maintain on the Premises any advertisement media, including, without limitation, searchlights, flashing lights, loudspeakers, phonographs, or other similar visual or audio media. Tenant shall not solicit business in, on, or about the public areas, or distribute handbills or other advertising or promotional media in, on, or about the public areas at Metro Center without written consent of landlord, except that Tenant shall be entitled to engage in radio, television, and newspaper advertising as is customarily used for the type of business in which Tenant is engaged.
- c. Any sign that Landlord grants Tenant the right to place, construct, and maintain shall comply with all laws and Tenant shall obtain any approval required by such laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.
- d. Landlord shall have the right to use for its signs the exterior walls and roof of the building in which the Premises are located.

ARTICLE 15: LANDLORD'S ENTRY ON PREMISES

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

ARTICLE 16: SUBORDINATION AND OFFSET STATEMENT

Tenant agrees that this Lease is subordinate to any mortgage, trust deed or like

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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encumbrance heretofore or hereafter placed upon said Premises by Landlord or his successors in interest to secure the payments or moneys loaned, interest thereon and other obligations. Tenant also agrees to promptly execute and deliver to Landlord from time to time, as demanded by Landlord, an offset statement or estoppel certificate containing such acts: as are within the knowledge of and are available to Tenant pertaining to this Lease, as a purchaser of the leased property or a lender may reasonably require if said statement is prepared for signing by Landlord. Failure to deliver the executed offset statement or estoppel certificate to Landlord within ten (10) days from receipt of same, shall be conclusive upon Tenant for the benefit of the party requesting the statement or certificate, or his successor, that this Lease is in full force and effect and has not been modified except as may be represented by Landlord in the statement or certificate delivered to Tenant.

ARTICLE 17: NOTICE

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

Santa Cruz Metropolitan Transit District
370 Encinal Street, Suite 100
Santa Cruz, CA 95060
ATTN: Secretary/General Manager

Abdo Azzubaidi
920 Pacific Avenue, Suite C
Santa Cruz, CA 95060

ARTICLE 18: WAIVER

- a. No delay or omission in the exercise of any right or remedy of Landlord on any default by Tenant shall impair such a right or remedy or be construed as a waiver.
- b. The receipt and acceptance by Landlord of delinquent rent shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular rent payment involved.

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- c. No act or conduct of Landlord, including, without limitation, the acceptance of the keys to the Premises, shall constitute an acceptance of the surrender of the Premises by Tenant before the expiration of the term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the lease.
- d. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.
- e. Any waiver by Landlord of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of the lease.

ARTICLE 19: SURRENDER OF PREMISES; HOLDING OVER

19.1 Surrender of Premises

- a. On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations to the Premises in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises covered by Article 11), except for alterations that Tenant has the right to remove or is obligated to remove under the provisions of Article 7. Tenant shall remove all its personal property within the above stated time. Tenant shall perform all restoration made necessary by the removal of any alterations or tenant's personal property within the time periods stated in this Article.
- b. Landlord can elect to retain or dispose of in any manner any alterations or Tenant's personal property that Tenant does not remove from the Premises on expiration or termination of the term as allowed or required by this lease by giving at least ten (10) days' notice to Tenant. Title to any such alterations or Tenant's personal property that Landlord elects to retain or dispose of on expiration of the ten (10) day period shall vest in Landlord. Tenant waives all claims against Landlord for any damage to Tenant resulting from Landlord's retention or disposition of any such alterations or tenant's personal property. Tenant shall be liable to Landlord for Landlord's costs for storing, removing, and disposition of any alterations or tenant's personal property.
- c. If Tenant fails to surrender the Premises to Landlord on expiration as required by this Article, Tenant shall hold Landlord harmless from all damages resulting from Tenant's failure to surrender the Premises, including, without limitation, claims

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made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

19.2 Holding Over

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

ARTICLE 20: MISCELLANEOUS PROVISIONS

20.1 General Conditions

20.1.1 Time of Essence

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

20.1.2 Corporate Authority

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

20.1.3 Successors

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

20.1.4 Rent Payable in U.S. Money

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

20.1.5 Real Estate Brokers; Finders

Each party represents that it has not had dealings with any real estate broker, finder, or other person, with respect to this lease in any manner. Each party shall hold harmless

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the other party from all damages resulting from any claims that may be asserted against the other party by any broker, finder, or other person, with whom the other party has or purportedly has dealt.

20.1.6 Status of Parties on Termination of Lease

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

20.1.7 Exhibits—Incorporation in Lease

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

20.1.8 Licenses and Permits

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

20.1.9 Pest Control

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

20.1.10 Drug and Alcohol Policy

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

20.1.11 Smoke Free

Pacific Station is a smoke free facility. Tenant shall comply with the Santa Cruz City Ordinance regarding smoking. Tenant and its employees and customers shall not

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smoke tobacco products on the premises.

20.1.12 Contact Information

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

20.1.13 Termination for Convenience

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

20.1.14 Publicity

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

20.1.15 Consent to Breach Not Waiver

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

20.1.16 Prohibition of Discrimination against Qualified Handicapped Persons

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

20.1.17 Cal OSHA/Hazardous Substances

20.1.17.1 Tenant shall not bring, or permit to be brought, upon the premises, any hazardous or toxic materials or chemicals, except for ordinary and customary cleaning supplies used in Tenant's business. All materials brought onto the premises shall be used, stored, and removed in

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compliance with all applicable laws, statues, ordinances and governmental rules, regulations or requirements.

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

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with the environmental condition of the Premises caused by
Tenants or Subtenants actions.

20.1.18 All Amendments in Writing

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

20.1.19 Responsibility for Equipment

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

20.1.20 Equipment

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

20.1.21 Nondiscrimination

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

20.2.1 Liens

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

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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20.2.2 Integrated Agreement; Modification

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

20.2.3 Provisions are Covenants and Conditions

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

20.2.4 Use of Definitions

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

20.2.5 Definitions

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

- a. ALTERATION: Any addition or change to, or modification of, the Premises made by Tenant after the fixturing period, including, without limitation, fixtures, but excluding trade fixtures as defined here, and tenant's improvements as defined here.
- b. AUTHORIZED REPRESENTATIVE: Any officer, agent, employee, or independent contractor retained or employed and acting within authority given him/her by that party.
- c. CONSENT: Landlord's or Tenant's express, prior, written approval on the party's letterhead.
- d. DAMAGE: Injury deterioration or loss to a person or property caused by another person's acts or omissions. Damage includes death.
- e. DAMAGES: A monetary compensation or indemnity that can be recovered in the courts by any person who has suffered injury to his/her person, property, or rights through another's act or omission.
- f. DESTRUCTION: Damage, as defined here, to or disfigurement of the Premises.
- g. ENCUMBRANCE: Any deed of trust, mortgage, or other written security device or agreement affecting the Premises, and the note or other

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obligation secured by it, that constitutes security for the payment of a debt or performance of an obligation.

- h. **EXPIRATION:** The coming to an end of the time specified in the lease as its duration, including any extension of the term resulting from the exercise of an option to extend.
- i. **GOOD CONDITION:** The good physical condition of the Premises and each portion of the Premises, including, without limitation, signs, windows, show windows, appurtenances, and tenant's personal property as defined here. "In good condition" means first-class, neat, clean, and broom-clean, and is equivalent to similar phrases referring to physical adequacy in appearance and for use.
- j. **HOLD HARMLESS:** To defend and indemnify from all liability, losses, penalties, damages as defined here, costs, expenses (including, without limitation, attorneys' fees), causes of action, claims, or judgments arising out of or related to any damage, as defined here, to any person or property.
- k. **LAW:** Any judicial decision, statute, constitution, ordinance, resolution, regulation, rule, administrative order, or other requirements of any municipal, county, state, federal, or other government agency or authority having jurisdiction over the parties or the Premises, or both, in effect either at the time of execution of the lease or at any time during the term, including, without limitation, any regulation or order of a quasi-official entity or body (e.g., board of fire examiners or public utilities).
- l. **LENDER:** The beneficiary, mortgagee, secured party, or other holder of an encumbrance, as defined here.
- m. **LIEN:** A charge imposed on the Premises by someone other than Landlord, by which the Premises are made security for the performance of an act. Most of the liens referred to in this lease are mechanics' liens.
- n. **MAINTENANCE:** Repairs, replacement, preventive maintenance, repainting, and cleaning.
- o. **PERSON:** One or more human beings, or legal entities or other artificial persons, including, without limitation, partnerships, corporations, trusts, estates, associations, and any combination of human beings and legal entities.

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
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- z. **TERMINATION:** The ending of the term for any reason before expiration, as defined here.

20.2.6 Captions

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

20.2.7 Singular and Plural

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

20.2.8 Joint and Several Obligations

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

20.2.9 Severability

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

ARTICLE 21: ATTORNEYS' FEES

In the event suit is brought to enforce or interpret any part of this Lease Agreement, the prevailing party shall be entitled to recover as an element of costs of suit, and not as damages, a reasonable attorney's fee to be fixed by the court. The "prevailing party" shall be the party who is entitled to recover his costs of suit, whether or not the suit proceeds to final judgment. A party not entitled to recover his costs shall not recover attorney's fees. No sum for attorney's fees shall be counted in calculating the amount of a judgment for purposes of determining whether a party is entitled to recover his costs of attorney's fees.

ARTICLE 22: AUTHORITY

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
METRO CENTER LEASE AGREEMENT**

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

LANDLORD- SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

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

TENANT- [name of business]

BY: _____
Abdo Azzubaidi, Owner
Date _____

Approved as to Form:

BY: _____
MARGARET GALLAGHER
District Counsel
Date _____

Exhibit A - Floor plan

Exhibit B - Menu, hours of operation; Closure for Transit District Holidays- Thanksgiving, Christmas, New Year's Day

Exhibit C - Rules and Regulations

Exhibit D - Tenant Personal Property

Exhibit E - Federal Transit Administration Requirements for Non-Construction Contracts

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 26, 2005
TO: Board of Directors
FROM: Robyn Slater, Human Resources Manager
SUBJECT: PRESENTATION OF EMPLOYEE LONGEVITY AWARDS

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors recognize the anniversaries of those District employees named on the attached list and that the 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

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EMPLOYEE RECOGNITION

TEN YEARS

None

FIFTEEN YEARS

None

TWENTY YEARS

Darryl S. Juan, Bus Operator
Andrew R. Harris, Bus Operator
Andrew Hill, Bus Operator
Terri D. Crawford, Bus Operator
Manuel Martinez, Transit Supervisor

TWENTY-FIVE YEARS

Thomas E. Stickel, Maintenance Manager

THIRTY YEARS

None

6.21

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 12, 2005 (ACTION REQUESTED)
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR UTU REPRESENTED FIXED ROUTE BUS OPERATORS EFFECTIVE SEPTEMBER 1, 2005

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors implement changes to UTU represented fixed route bus operator wages, hours working conditions, and other conditions of employment as proposed in METRO's Last, Best and Final Offer effective September 1, 2005.

II. SUMMARY OF ISSUES

- Approval of changes to bus operator wages, hours, working conditions, and other conditions of employment will be an Open Session item. The addition of this item to the August 12, 2005 agenda was duly noticed, consistent with the Brown Act.

III. DISCUSSION

Negotiations with UTU concluded on August 2, 2005, when UTU rejected two offers made by the METRO as part of the mediation process. After reaching impasse on August 2, 2005, Santa Cruz METRO's Negotiating Team provided UTU with a Last, Best and Final Offer as authorized by the Board of Directors. The Union has rejected the Last, Best and Final Offer. No further negotiation sessions have been set or held.

IV. FINANCIAL CONSIDERATIONS

The implementation of the Last, Best and Final Offer is within the budgeted amount for the fiscal year.

V. ATTACHMENTS

Attachment A: METRO's Last, Best and Final Offer to UTU (will be distributed later)

10.1

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: August 12, 2005 (ACTION REQUESTED)
TO: Board of Directors
FROM: Leslie R. White, General Manager
SUBJECT: CONSIDERATION OF IMPLEMENTATION OF SANTA CRUZ METRO'S BEST, LAST AND FINAL OFFER OF CHANGES TO WAGES, HOURS, WORKING CONDITIONS, AND OTHER CONDITIONS OF EMPLOYMENT FOR SEIU REPRESENTED EMPLOYEES EFFECTIVE SEPTEMBER 1, 2005

I. RECOMMENDED ACTION

Staff recommends that the Board of Directors implement changes to SEIU represented employee wages, hours working conditions, and other conditions of employment as proposed in METRO's Last, Best and Final Offer effective September 1, 2005.

II. SUMMARY OF ISSUES

- Approval of changes to SEIU represented employees' wages, hours, working conditions, and other conditions of employment will be an Open Session item. The addition of this item to the August 12, 2005 agenda was duly noticed, consistent with the Brown Act.

III. DISCUSSION

Negotiations with SEIU concluded on July 29, 2005, when SEIU rejected offers made by METRO as part of the mediation process. After reaching impasse on July 29, 2005, Santa Cruz METRO's Negotiating Team provided SEIU with a Last, Best and Final Offer as authorized by the Board of Directors. The Union has rejected the Last, Best and Final Offer. No further negotiation sessions have been set or held.

IV. FINANCIAL CONSIDERATIONS

The implementation of the Last, Best and Final Offer is within the budgeted amount for the fiscal year.

V. ATTACHMENTS

Attachment A: METRO's Last, Best and Final Offer to SEIU (will be distributed later)