



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA
REGULAR MEETING
NOVEMBER 18, 2016 – 8:30 AM
WATSONVILLE CITY COUNCIL CHAMBERS
275 MAIN STREET
WATSONVILLE, CA 95076**

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

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BOARD ROSTER

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

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

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

AMERICANS WITH DISABILITIES ACT

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

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

SECTION I: OPEN SESSION

NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER

1 SWEAR IN EX-OFFICIO DIRECTOR LIBER McKEE, CABRILLO COLLEGE

2 CALL TO ORDER

3 ROLL CALL

4 ANNOUNCEMENTS

4-1. Spanish language interpretation will be available during "Oral Communications" and for any other agenda item for which these services are needed.

4-2. Today's meeting is being broadcast by Community Television of Santa Cruz County.

5 BOARD OF DIRECTORS COMMENTS

6 COMMUNICATIONS TO THE BOARD OF DIRECTORS

This time is set aside for Directors and members of the general public to address any item not on the Agenda which is within the subject matter jurisdiction of the Board. No action or discussion shall be taken on any item presented except that any Director may respond to statements made or questions asked, or may ask questions for clarification. All matters of an administrative nature will be referred to staff. All matters relating to Santa Cruz METRO will be noted in the minutes and may be scheduled for discussion at a future meeting or referred to staff for clarification and report. Any Director may place matters brought up under Communications to the Board of Directors on a future agenda. In accordance with District Resolution 610-2-1, speakers appearing at a Board meeting shall be limited to three minutes in his or her presentation. Any person addressing the Board may submit written statements, petitions or other documents to complement his or her presentation. When addressing the Board, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

7 WRITTEN COMMUNICATIONS FROM MAC (if applicable)

8 LABOR ORGANIZATION COMMUNICATIONS

9 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

CONSENT AGENDA

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

10-01 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF OCTOBER 2016

[Angela Aitken, Finance Manager](#)

10-02 ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF JULY 31, 2016

[Angela Aitken, Finance Manager](#)

10-03 ACCEPT AND FILE: YEAR TO DATE MONTHLY FINANCIAL REPORT AS OF AUGUST 31, 2016

[Angela Aitken, Finance Manager](#)

10-04 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF OCTOBER 28, 2016

[Alex Clifford, CEO/General Manager](#)

10-05 ACCEPT AND FILE: METRO SYSTEM RIDERSHIP REPORTS FOR THE FIRST QUARTER OF FY17

[Barrow Emerson, Planning and Development Manager](#)

10-06 ACCEPT AND FILE: METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST AND SEPTEMBER 2016

[April Warnock, Paratransit Superintendent](#)

10-07 ACCEPT AND FILE: QUARTERLY STATUS REPORT OF ACTIVE GRANTS, GRANT APPLICATIONS AND OPPORTUNITIES FOR JULY - SEPTEMBER 2016

[Thomas Hiltner, Grants/Legislative Analyst](#)

10-08 APPROVE: CONSIDER RATIFICATION OF A 5-YEAR LEASE AGREEMENT WITH JIANBIN MO, DBA BETTY'S NOODLE HOUSE

[Angela Aitken, Finance Manager](#)

10-09 APPROVE: CONSIDERATION OF DECLARING ONE (1) 2003 ORION BUS, ONE (1) SPARC 5 COMPUTER, AND ONE (1) GESTETNER COPIER/PRINTER/SCANNER AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION

[Angela Aitken, Finance Manager](#)

10-10 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH GIRO, INC. FOR HASTUS SOFTWARE MAINTENANCE AND SUPPORT

[Isaac Holly, IT Manager](#)

- 10-11 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 4TH AMENDMENT EXTENDING THE CONTRACT WITH KIMBALL MIDWEST FOR FASTENERS, ELECTRICAL TERMINALS AND MISCELLANEOUS ITEMS INCREASING THE CONTRACT TOTAL BY \$35,000**
Al Pierce, Maintenance Manager
- 10-12 APPROVE: CONSIDERATION OF ISSUING A FORMAL INVITATION FOR BIDS FOR SEALING AND PAINTING OF STAIRS AT THE JUDY K. SOUZA OPERATIONS FACILITY**
Al Pierce, Maintenance Manager
- 10-13 ACCEPT: CONSIDERATION OF METROBASE MONTHLY CHANGE ORDER REPORT**
Alex Clifford, CEO/General Manager
- 10-14 ACCEPT: CONSIDERATION OF A RESOLUTION AMENDING CHAPTER 2 OF THE SANTA CRUZ METRO ADMINISTRATIVE CODE**
Angela Aitken, Finance Manager and DBE Liaison Officer

REGULAR AGENDA

- 11 ACCEPT: CONSIDERATION OF RESPONSES TO THE RECOMMENDATIONS CONTAINED IN THE FY2013-2015 TRANSPORTATION DEVELOPMENT ACT TRIENNIAL PERFORMANCE AUDIT**
Angela Aitken, Finance Manager
- 12 ACCEPT: CONSIDER RATIFICATION OF A COOPERATIVE AGREEMENT FOR TRANSPORTATION COORDINATION SERVICES WITH CABRILLO COLLEGE**
Barrow Emerson, Manager of Planning and Development
- 13 ACCEPT: ORAL COA UPDATE**
Barrow Emerson, Manager of Planning and Development
- 14 ESTABLISHMENT OF A BOARD LEGAL SERVICES INTERVIEW AD HOC COMMITTEE**
Mike Rotkin, Board Chair
- 15 CEO TO GIVE ORAL REPORT**
Alex Clifford, CEO/General Manager
- 16 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION**
Leslyn K. Syren, General Counsel
- 17 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, DECEMBER 9, 2016 AT 8:30AM, METRO ADMIN OFFICES, 110 VERNON STREET, SANTA CRUZ, CA**
Chair Mike Rotkin

18 RECESS TO CLOSED SESSION

SECTION II: CLOSED SESSION

19 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Government Code Section 54956.9 (b) – two cases

20 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pending litigation pursuant to Government Code Section 54956.9 (a) – one case (State Farm Mutual Automobile Insurance Company v. Santa Cruz Metropolitan Transit District, et al., Case No. 16CV01585)

SECTION III: RECONVENE TO OPEN SESSION

21 REPORT OF CLOSED SESSION ITEMS

[Leslyn K. Syren, General Counsel](#)

22 ADJOURNMENT

[Chair Mike Rotkin](#)

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmtd.com subject to staff's ability to post the document before the meeting.

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DATE: November 18, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: ACCEPT AND FILE PRELIMINARY APPROVED CHECK JOURNAL
DETAIL FOR THE MONTH OF OCTOBER 2016**

I. RECOMMENDED ACTION

That the Board of Directors accept and file the preliminary approved Check Journal Detail for the month of October 2016.

II. SUMMARY

- This staff report provides the Board with a preliminary approved Check Journal Detail for the month of October 2016.
- The Finance Department is submitting the check journal for Board acceptance and filing.

III. DISCUSSION/BACKGROUND

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

All invoices submitted for the month of October 2016 have been processed, checks issued and signed by the Finance Manager.

IV. FINANCIAL CONSIDERATIONS/IMPACT

None. The check journal is a presentation of invoices paid in October 2016 for purposes of Board review, agency disclosure, accountability and transparency.

V. ALTERNATIVES CONSIDERED

N/A

VI. ATTACHMENTS

Attachment A: Check Journal Detail for the Month of October 2016

Prepared By: Holly Riley, Senior Accounting Technician

VII. APPROVALS:

Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



Attachment A

DATE 10/31/16 14:02

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

PAGE 1

DATE: 10/01/16 THRU 10/31/16

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57133	10/28/16		-2,073.01	YANCY, TERRY		73846	OCT 16 COBRA	-2,073.01	**VOID
57207	10/03/16	T294	1,167.55	ABC BUS INC		74146	INVENTORY ORDER	426.51	
		003151				74149	INVENTORY ORDER	217.50	
						74150	INVENTORY ORDER	523.54	
57208	10/03/16	E930	46.08	ALMANZA, CANDIS		74102	PROMO ITEM CNTY FAIR	46.08	
57209	10/03/16	580	247.80	BLOCK AND COMPANY, INC.		74142	OFFICE SUPPLIES	247.80	
57210	10/03/16	502	791,354.89	CA PUBLIC EMPLOYEES'		74176	OCT 16 MEDICAL	791,354.89	
57211	10/03/16	914	859.93	CALTRONICS BUSINESS SYSTEMS		74179	OFFICE SUPPLIES	859.93	
57212	10/03/16	003211	482.83	CAPITOLA PUMP COMPANY INC		74174	BUS WASHER SBF	482.83	
57213	10/03/16	002929	84.59	CHEVROLET OF WATSONVILLE LLC	7	74160	SUN VISOR VEH#2800PC	84.59	
57214	10/03/16	001124	43,869.26	CLEAN ENERGY		74111	REPLACE 6 GASGET	2,438.91	
						74169	LNG 8/22/16	8,693.81	
						74170	LNG 8/24/16	8,319.69	
						74171	LNG 8/26/16	8,277.40	
						74172	LNG 8/29/16	8,350.05	
						74173	LNG 8/31/16	7,789.40	
57215	10/03/16	003102	240.11	CLEVER DEVICES LTD		74115	INVENTORY ORDER	240.11	
57216	10/03/16	075	85.91	COAST PAPER & SUPPLY INC.		74124	CUSTODIAL SUPPLIES	85.91	
57217	10/03/16	003256	1,500.00	COMCAST HOLDINGS CORPORATION		74118	326 PSA SPOTS	774.00	
						74119	290 PSA SPOTS	726.00	
57218	10/03/16	001329	1,631.97	DOC AUTO LLC		74112	RPR VEH #503	870.02	
						74113	RPR VEH #301	137.50	
						74166	RPR VEH #712	624.45	
57219	10/03/16	003274	2,455.97	EAST BAY TIRE CO.		74131	TIRES	1,973.15	
						74132	TIRES	482.82	
57220	10/03/16	002962	1,753.47	FIS		74117	AUG 16 MERCHANT FEES	1,753.47	
57221	10/03/16	282	576.36	GRAINGER		74164	INVENTORY ORDER	3.66	
						74165	INVENTORY ORDER	80.71	
57222	10/03/16	001097	268.22	GREENWASTE RECOVERY, INC.		74168	INVENTORY ORDER	491.99	
						74105	AUG 16 TRASH MTHERMO	20.27	
57223	10/03/16	166	285.60	HOSE SHOP, THE INC		74110	AUG 16 GARBAGE PC	247.95	
57224	10/03/16	575	1,407.00	JAUQA OF CALIFORNIA		74145	INVENTORY ORDER	285.60	
57225	10/03/16	1117	1,131.55	KELLEY'S SERVICE INC.		74107	BUS BENCH LEGS	1,407.00	
						74155	INVENTORY ORDER PC	103.87	
						74157	INVENTORY ORDER PC	40.00	
57226	10/03/16	001233	1,960.28	KIMBALL MIDWEST		74158	NON INVENTORY	61.07	
						74159	INVENTORY ORDER PC	77.45	
57227	10/03/16	039	359.60	KINKO'S INC.		74163	RPR VEH #2404 PC	635.98	
57228	10/03/16	852	759.00	LAW OFFICES OF MARIE F. SANG	7	74167	INVENTORY ORDER	213.18	
						74134	CREDIT	-171.66	
57229	10/03/16	001145	643.50	MANAGED HEALTH NETWORK		74191	INVENTORY ORDER	2,131.94	
57230	10/03/16	001342	105.00	MCW ASSOCIATES, INC.		74185	2016 FALL POSTERS	359.60	
						74185	CL# 1999103213	247.50	
						74137	CL# 2010226708	511.50	
						74175	OCT 16 EAP	643.50	
						74116	AUG 16 SERVICES	105.00	

Attachment A

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

PAGE 2

DATE: 10/01/16 THRU 10/31/16

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57231	10/03/16	105.88 004		NORTH BAY FORD LINC-MERCURY		74156	INVENTORY ORDER PC	26.47	
57232	10/03/16	1,741.38 003115		OFFICE TEAM		74162	INVENTORY ORDER	79.41	
57233	10/03/16	1,039.94 043		PALACE ART & OFFICE SUPPLY		74183	TEMP W/E 9/9/16	815.85	
						74184	TEMP W/E 9/9/16	925.53	
						74114	OFFICE SUPPLIES	146.60	
						74123	OFFICE SUPPLIES	5.98	
						74140	OFFICE SUPPLIES	292.62	
						74141	OFFICE SUPPLIES	579.81	
						74143	OFFICE SUPPLIES	6.99	
						74144	OFFICE SUPPLIES	7.94	
57234	10/03/16	65.00 481		PIED PIPER EXTERMINATORS, INC.		74127	SEPT 16 PEST GOLF	65.00	
57235	10/03/16	161.81 R659		RANKIN STOCK HEABERLIN		74178	FILE #15-0022	161.81	VOIDED
57235	10/03/16	-161.81 R659		RANKIN STOCK HEABERLIN		74178	FILE #15-0022	-161.81	**VOID
57236	10/03/16	58.74 536		RIVERSIDE LIGHTING & ELECTRIC		74106	COMPRESSOR DRAIN	58.74	
57237	10/03/16	52.45 107A		PROBUILD COMPANY LLC		74125	RPR COVER	23.29	
						74126	RPR COVER	29.16	
57238	10/03/16	72.82 E989		SANCHEZ, VICKI		74177	FAIR REIMBURSEMENT	72.82	
57239	10/03/16	56.20 135		SANTA CRUZ AUTO PARTS, INC.		74161	SAFETY SUPPLIES	56.20	
57240	10/03/16	420.68 079		SANTA CRUZ MUNICIPAL UTILITIES		74189	8/12-9/12 PARACRUZ	420.68	
57241	10/03/16	313.95 003117		SANTA CRUZ SENTINEL	0	74190	9/28-9/26/17 RENEWAL	313.95	
57242	10/03/16	342.11 149		SANTA CRUZ SENTINEL	0	74180	COA ADVERTISING	125.00	
						74181	COA ADVERTISING	125.00	
						74182	IFB 16-20	92.11	
57243	10/03/16	150.00 E967		SILVA, SUZANNE		74182	IFB 16-20	150.00	
57244	10/03/16	2,527.31 003292		SLINGSHOT CONNECTIONS LLP		74101	SPHR RECERTIFICATION	1,428.48	
						74186	TEMP W/E 9/4/16	1,098.83	
57245	10/03/16	654.50 003037		TYCO INTEGRATED SECURITY		74187	TEMP W/E 9/18/16	272.10	
						74120	10/1-12/31 ALARM PAC	196.99	
						74121	10/1-12/31 ALARM WTC	185.41	
						74122	10/1-12/31 ALARM SVT	14.64	
57246	10/03/16	369.65 003152		UNIFIRST CORPORATION		74109	LAUNDRY SERVICE	27.89	
						74108	LAUNDRY SERVICE	40.42	
						74129	CUSTODIAL SUPPLIES	6.48	
						74130	MATS OPS	6.99	
						74138	CUSTODIAL SUPPLIES	6.99	
						74139	MAT TOWELS	197.23	
						74153	LAUNDRY SERVICE	69.01	
						74154	MATS TOWELS	1,104.98	
57247	10/03/16	1,707.03 002829		VALLEY POWER SYSTEMS, INC.		74133	INVENTORY ORDER	-135.94	
						74147	CREDIT	142.82	
						74148	INVENTORY ORDER	740.62	
						74151	INVENTORY ORDER	-145.45	
						74152	CREDIT	950.25	
57248	10/03/16	950.25 434		VERIZON WIRELESS	0	74188	8/13-9/12 WIFI BUSES	75.00	
57249	10/03/16	75.00 001165		VU, THANH DR. MD	7	74135	DMV EXAM	75.00	
57250	10/03/16	53.00 E329		ZARAGOZA, DANIEL		74103	DMV RENEWAL	10.00	
						74104	DMV REIMBURSEMENT	43.00	

Attachment A

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

DATE: 10/01/16 THRU 10/31/16

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57251	10/03/16	119.15 147	ZEE MEDICAL SERVICE CO.	74128	FIRST AID SUPPLIES	119.15			
57252	10/30/16	950.00 003306	INSTITUTE FOR TRANSIT	74192	10/25-10/28 REGISTRA	950.00			MANUAL
57253	10/04/16	234.00 001272	CITY OF SANTA CRUZ - PLANNING	74193	REVISED PERMIT MBOFS	234.00			MANUAL
57254	10/10/16	289.06 002941	REVISED PERMIT MBOFS	74255	KEY COPIES	63.95			
57255	10/10/16	542.50 003151	AA SAFE & SECURITY CO	74256	KEY COPIES	225.11			
57256	10/10/16	5,808.38 382	ABC BUS INC	74277	INVENTORY ORDER	357.08			
57257	10/10/16	30.60 002861	AIRTEC SERVICE INC.	74287	INVENTORY ORDER	185.42			
57258	10/10/16	282.87 001D	AMERICAN MESSAGING SVCS, LLC	74219	HVAC MAINT MMF	900.00			
57259	10/10/16	962.28 003105	AT&T MOBILITY	74220	HVAC MAINT VERNON	799.00			
57260	10/10/16	4,646.33 001348	ATHENS INSURANCE SERVICE, INC.	74221	HVAC MAINT SVTC	237.00			
57261	10/10/16	56.53 002363	BATTERIES PLUS #314	74222	HVAC MAINT WTC	385.00			
57262	10/10/16	3,262.50 059	BATTERIES USA, INC.	74223	HVAC MAINT PACIFIC	384.38			
57263	10/10/16	735.50 T295	BOULDER CREEK PHARMACY	74224	HVAC MAINT OPS	2,900.00			
57264	10/10/16	4,053.94 001268	BUDGET BLINDS OF SANTA CRUZ	74196	OCT 16 SERVICES	30.60			
57265	10/10/16	5,250.00 001324	CAPITALEGE ADVOCACY, INC.	74248	8/19-9/18 SKY-OCEAN	282.87			
57266	10/10/16	439.09 002627	CDW GOVERNMENT, INC.	74242	8/24-9/23 WIFI BUS	962.28			
57267	10/10/16	850.00 001346	CITY OF SANTA CRUZ-FINANCE	74272	OCT 16 TEA FEES	4,646.33			
57268	10/10/16	81.84 667	CITY OF SCOTT'S VALLEY	74293	BATTERIES	56.53			
57269	10/10/16	1,211.20 130	CITY OF WATSONVILLE UTILITIES	74260	BUS PASS REFUND	735.50			
57270	10/10/16	31,890.04 001124	CLEAN ENERGY	74245	BLINDS OPS	4,053.94			
57271	10/10/16	159.00 002872	CPS EXECUTIVE SEARCH	74195	OFFICE SUPPLIES	439.09			
57272	10/10/16	2,126.25 002946	DAY WIRELESS SYSTEMS	74206	2ND QTR DEF PARK FEE	212.50			
57273	10/10/16	1,163.63 480	DIESEL MARINE ELECTRIC, INC.	74217	7/15-9/15 SEWER SVT	81.84			
57274	10/10/16	484.86 001329	DOC AUTO LLC	74253	9/21/16 WASTE WTC	802.72			
57275	10/10/16	3,595.66 003274	EAST BAY TIRE CO.	74254	8/15-9/19 WATER WTC	367.00			
57276	10/10/16	730.50 E985	EMERSON, WILLIAM BARROW	74258	8/15-9/19 WATER WTC	41.48			
57277	10/10/16	5,087.89 003153	ENVIRONMENTAL LOGISTICS INC	74288	SEPT 16 MAINTENANCE	14,842.00			
				74300	LNG 9/2/16	8,403.15			
				74301	LNG 9/6/16	8,644.89			
				74267	RECRUITMENT TRAINING	159.00			
				74249	SEPT 16 MAINTENANCE	2,126.25			
				74236	INVENTORY ORDER	1,163.63			
				74210	RPR VEH #2701 PC	484.86			
				74228	TIRES	728.65			
				74229	TIRES	369.50			
				74237	TIRES	1,028.11			
				74238	TIRES	482.82			
				74276	TIRES	986.58			
				74225	TRAVEL REIMBURSEMENT	730.50			
				74243	HAZARDOUS WASTE	5,087.89			

Attachment A

DATE 10/31/16 14:02

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

PAGE 4

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57278	10/10/16	EXPRESS SERVICES INC.	610.88	432		74227	TEMP W/E 9/11/16	394.88	
57279	10/10/16	FLYERS ENERGY LLC	8,500.72	002952		74274	TEMP W/E 9/18/16	216.00	
						74275	9/1-9/15 FUEL	6,437.35	
						74307	9/1-9/15 FUEL	2,044.06	
						74310	PROPANE	19.31	
57280	10/10/16	GARDA CL WEST, INC.	253.96	001302		74194	OCT 16 SERVICES	253.96	
57281	10/10/16	GARY KENVILLE LOCKSMITH	275.94	001189	7	74283	RPR LOCK SMC	275.94	
57282	10/10/16	GILLIG LLC	171.91	117		74306	INVENTORY ORDER	171.91	
57283	10/10/16	GRAINGER	186.99	282		74252	CUSTODIAL SUPPLIES	45.37	
						74282	RAIN BOOTS	65.27	
						74285	OFFICE SUPPLIES	55.47	
						74295	EMERGENCY LIGHTS VER	20.88	
57284	10/10/16	HANSON BRIDGETT LLP	52,873.39	003109		74239	M #032117.000004	3,223.66	
						74240	M #032117.000002	2,539.50	
						74241	M #032117.000003	47,110.23	
57285	10/10/16	HARTFORD LIFE AND ACCIDENT INS	15,059.93	001745		74232	OCT 16 LTD	10,942.61	
						74233	OCT 16 AD&D	4,117.32	
57286	10/10/16	HILTNER, THOMAS	187.60	E021		74230	PAC STAT ALT LAYOUT	187.60	
57287	10/10/16	HOSE SHOP, THE INC	1,736.02	166		74214	HOSES	1,715.41	
						74311	INVENTORY ORDER	16.53	
57288	10/10/16	HUNT & SONS, INC.	2,229.27	002979		74312	NON INVENTORY ORDER	4.08	
						74211	INVENTORY ORDER	1,033.02	
57289	10/10/16	JOBBERS EQUIPMENT WAREHOUSE	111.22	003230		74212	INVENTORY ORDER	1,196.25	
57290	10/10/16	KELLEY'S SERVICE INC.	203.63	1117		74289	INVENTORY ORDER	111.22	
						74308	RPR VEH #1119 PC	73.95	
						74309	INVENTORY ORDER	84.66	
57291	10/10/16	LABOR READY, INC.	2,886.92	216		74313	INVENTORY ORDER	45.02	
						74208	TEMP W/E 9/23/16	1,102.40	
						74250	TEMP W/E 9/9/16	892.26	
						74251	TEMP W/E 9/16/16	892.26	
57292	10/10/16	LAW OFFICES OF MARIE F. SANG	412.50	852	7	74266	CL 205105939 164812	412.50	
57293	10/10/16	MAILFINANCE INC	157.10	003059		74226	9/28-10/27 METER ADM	157.10	
57294	10/10/16	MAKAI SOLUTIONS	755.00	003293		74290	INSPECTION OF LIFTS	755.00	
57295	10/10/16	MAXIMUM OIL SERVICE LLC	217.50	003249		74284	WASTE OIL P/U	217.50	
57296	10/10/16	MONTEREY BAY UNIFIED AIR	1,383.00	469		74257	AIR POLLUTION PERMIT	1,383.00	
57297	10/10/16	NEW FLYER IND. CANADA ULC DBA	3,283.21	001063		74279	RPR VEH #1211	277.56	VOIDED
						74280	INVENTORY ORDER	3,005.65	
57297	10/10/16	NEW FLYER IND. CANADA ULC DBA	-3,283.21	001063		74279	RPR VEH #1211	-277.56	**VOID
						74280	INVENTORY ORDER	-3,005.65	
57298	10/10/16	OFFICE TEAM	2,606.46	003115		74202	TEMP W/E 9/16/16	1,017.66	
						74203	TEMP W/E 9/16/16	796.80	
						74269	TEMP W/E 9/16/16	792.00	
57299	10/10/16	PACIFIC GAS & ELECTRIC	14,690.30	009		74197	8/24-9/22 1200B RIVE	1,939.21	
						74198	8/24-9/22 GOLF CLUB	6,452.39	
						74199	8/25-9/23 1200B RIV	32.52	
						74200	8/25-9/23 VERNON	6,266.18	

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57300	10/10/16	433.91 043		PALACE ART & OFFICE SUPPLY		74204	OFFICE SUPPLIES	433.91	
57301	10/10/16	39,184.30 002939		PREFERRED BENEFIT		74235	OCT 16 DENTAL	39,184.30	
57302	10/10/16	200.40 003020		QUEST DIAGNOSTIC INC.		74268	DOT DRUG TESTS	200.40	
57303	10/10/16	210.00 003304		RENNE SLOAN HOLTZMAN SAKAI LLP		74270	HARRASSMENT TRAINING	210.00	
57304	10/10/16	95.65 003024		RICOH USA, INC CA		74278	6/24-9/23 IMAGES FLE	95.65	
57305	10/10/16	431.43 001286		SAFE-CARD ID SERVICES, INC		74247	WHITE CARDS	431.43	
57306	10/10/16	642.70 018		SALINAS VALLEY FORD SALES INC		74302	INVENTORY ORDER	642.70	
57307	10/10/16	13.49 107A		PROBUILD COMPANY LLC		74294	DOOR STOPPERS OPS	13.49	
57308	10/10/16	12,443.63 002917		SANTA CRUZ METRO TRANSIT W/C		74271	9/16-9/30 W/C REPLEN	12,443.63	
57309	10/10/16	143.07 122		SCMTD PETTY CASH - OPS		74231	REPLENISHMENT	143.07	
57310	10/10/16	1.95 002459		SCOTTS VALLEY WATER DISTRICT		74205	SEP16 REC WATER SVT	1.95	
57311	10/10/16	6,061.00 003292		SLINGSHOT CONNECTIONS LLP		74201	TEMP W/E 9/25/16	1,145.32	
						74261	TEMP W/E 8/21/16	1,293.60	
						74262	TEMP W/E 8/28/16	1,293.60	
						74263	TEMP W/E 9/4/16	1,293.60	
						74264	TEMP W/E 9/11/16	1,034.88	
57312	10/10/16	695.78 002245		STAPLES CONTRACT & COMM INC		74259	OFFICE SUPPLIES	695.78	
57313	10/10/16	10,535.81 366		TENNANT COMPANY		74246	WALK BEHIND SCRUBBER	10,535.81	
57314	10/10/16	380.76 003152		UNIFIRST CORPORATION		74291	LAUNDRY SERVICE	14.64	
						74292	LAUNDRY SERVICE	14.64	
						74298	CUSTODIAL SUPPLIES	40.42	
						74299	MATS OPS	6.48	
						74303	LAUNDRY SERVICE	235.57	
						74304	CUSTODIAL SUPPLIES	69.01	
57315	10/10/16	76.57 007		UNITED PARCEL SERVICE		74213	FREIGHT	76.57	
57316	10/10/16	256.00 003200		UPS STORE #1128		74265	FINGERPRINTING	128.00	
						74273	FINGERPRINTING	128.00	
57317	10/10/16	191.18 002829		VALLEY POWER SYSTEMS, INC.		74215	INVENTORY ORDER	79.10	
						74216	INVENTORY ORDER	112.08	
57318	10/10/16	1,354.09 221		VEHICLE MAINTENANCE PROG INC		74286	INVENTORY ORDER	1,354.09	
57319	10/10/16	10,565.28 001043		VISION SERVICE PLAN		74234	OCT 16 VISION	10,565.28	
57320	10/10/16	1,400.14 001506		WESTERN STATES OIL CO.		74305	INVENTORY ORDER	1,400.14	
57321	10/10/16	152.92 147		ZEE MEDICAL SERVICE CO.		74296	FIRST AID REPLENISH	8.16	
						74297	FIRST AID REPL GOLF	144.76	
57322	10/17/16	31.97 002941		AA SAFE & SECURITY CO		74351	KEYS MMF	31.97	
57323	10/17/16	2,340.04 003151		ABC BUS INC		74325	INVENTORY ORDER	400.00	
						74326	INVENTORY ORDER	434.46	
						74337	INVENTORY ORDER	1,477.54	
						74338	INVENTORY ORDER	28.04	
57324	10/17/16	303.94 003089		ACTION AUTO GLASS DBA FOR		74387	RPR VEH #705	303.94	
57325	10/17/16	242.00 382		AIRTEC SERVICE INC.		74318	HVAC MAINTENANCE PC	242.00	
57326	10/17/16	110.52 003019		AMERICAN REPROGRAPHICS CO LLC		74358	DIGITAL PLOT MB	64.04	
						74408	DRAWINGS PARKING MB	46.48	
57327	10/17/16	3,330.07 001D		AT&T		74316	8/19-9/18 CALNET3	3,330.07	
57328	10/17/16	1,239.75 059		BATTERIES USA, INC.		74332	BATTERIES	1,239.75	
57329	10/17/16	942.75 001159		CATTO'S GRAPHICS, INC.		74322	HUMAN TRAFFIC SIGNS	942.75	

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57330	10/17/16	001346	21.00	CITY OF SANTA CRUZ--FINANCE		74352	LANDFILL	21.00	
57331	10/17/16	001124	10,616.91	CLEAN ENERGY		74363	LNG 9/12/16	10,616.91	
57332	10/17/16	001124	2,029.95	COAST PAPER & SUPPLY INC.		74375	INVENTORY ORDER	1,143.66	
		075				74376	INVENTORY ORDER	886.29	
57333	10/17/16	367	147.50	COMMUNITY TELEVISION OF COSTCO		74319	9/23 BOD MEETING	147.50	
57334	10/17/16	002063	90.23			74401	8/26 BOD MEETING	32.95	
						74402	9/23 BOD MEETING	57.28	
57335	10/17/16	480	494.81	DIESEL MARINE ELECTRIC, INC.		74327	RPR VEH #1119 PC	494.81	
57336	10/17/16	003274	986.58	EAST BAY TIRE CO.		74324	TIRES	986.58	
57337	10/17/16	003274	200.00	EUSSE-GIL, ANDREA		74364	TRAVEL ADVANCE	200.00	
57338	10/17/16	001172	239.11	FERGUSON ENTERPRISES INC. #795		74379	SINK FAUCET VERNON	239.11	
57339	10/17/16	647	214.91	GENFARE A DIV OF SPX CORP		74342	RPR TVM #3	214.91	
57340	10/17/16	117	40.78	GILLIG LLC		74359	INVENTORY ORDER	40.78	
57341	10/17/16	282	789.85	GRAINGER		74393	WATER NOZZLE	48.94	
						74394	INVENTORY ORDER	630.31	
						74395	NON INVENTORY ORDER	18.16	
57342	10/17/16	003109	598.50	HANSON BRIDGETT LLP		74399	SAFETY SUPPLIES	92.44	
57343	10/17/16	166	1,208.92	HOSE SHOP, THE INC		74317	M# 032117.000002	598.50	
57344	10/17/16	003308	3,600.00	JSG CONSULTANTS LLC		74380	INVENTORY ORDER	605.85	
57345	10/17/16	1117	586.48	KELLEY'S SERVICE INC.		74382	NON INVENTORY ORDER	603.07	
						74409	ELEVATOR INSPECT MB	3,600.00	
						74368	INVENTORY ORDER	40.52	
						74369	INVENTORY ORDER	98.22	
						74370	INVENTORY ORDER	18.49	
						74371	CREDIT	-20.95	
						74372	INVENTORY ORDER	47.48	
						74384	BATTERY CABLE'S	206.90	
						74385	INVENTORY ORDER	40.00	
						74396	INVENTORY ORDER	154.12	
						74397	INVENTORY ORDER	1.70	
57346	10/17/16	003271	2,133.00	KJRB INC		74343	TOW VEH #1206	900.00	
						74344	TOW VEH #9951	297.00	
						74345	TOW VEH #2229	432.00	
						74346	TOW VEH #2809	504.00	
57347	10/17/16	003017	12,946.40	MANSFIELD OIL CO OF GAINSVILLE		74340	DIESEL 9/19/16	12,946.40	
57348	10/17/16	003061	400.00	NEOFUNDS BY NEOPOST DBA		74403	*****-****-1598	400.00	
57349	10/17/16	002721	109.98	NEXTEL COMMUNICATIONS/SPRINT		74400	8/26-9/25 TVM WIRELE	109.98	
57350	10/17/16	003156	610.63	OCEAN HONDA		74341	RPR VEH #502	610.63	
57351	10/17/16	003115	1,721.33	OFFICE TEAM		74355	TEMP W/E 9/23/16	806.13	
						74356	TEMP W/E 9/23/16	915.20	
57352	10/17/16	009	3,090.89	PACIFIC GAS & ELECTRIC		74353	8/29-9/27 PACIFIC	3,024.02	
						74407	9/2-10/3 SVTC BLDG	66.87	
57353	10/17/16	002947	1,500.00	PEDALERS EXPRESS	7	74320	SEPT 16 COURIER SVC	1,500.00	
57354	10/17/16	481	377.50	PIED PIPER EXTERMINATORS, INC.		74334	SEPT 16 PEST WTC	75.50	
						74388	SEPT 16 PEST VERNON	190.50	
						74389	SEPT16 PEST METROMKT	53.50	

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57355	10/17/16	517.65 882	517.65	PRINT SHOP SANTA CRUZ	7	74390	SEPT 16 PEST BETTYS	58.00	
57356	10/17/16	266.43 215	266.43	RICOH USA, INC. TX		74381	STATIONARY	517.65	
57357	10/17/16	64.53 107A	3.89	PROBUILD COMPANY LLC		74357	9/26-10/25 LEASE C/S	266.43	
57358	10/17/16	58.08 135	60.64	SANTA CRUZ AUTO PARTS, INC.		74328	KEYS	3.89	
57359	10/17/16	436.00 002700	-135.88			74392	ROUTE STICKER TOOLS	60.64	
57360	10/17/16	2,500.00 002267	193.96	SANTA CRUZ COUNTY ENVIROMENTAL		74383	CREDIT	-135.88	
57361	10/17/16	2,760.12 003292	436.00	SHAW / YODER / ANTWIH, INC.		74398	INVENTORY ORDER	193.96	
57362	10/17/16	346.84 115	436.00	SNAP-ON INDUSTRIAL		74321	HEALTH PERMIT VERNON	436.00	
57363	10/17/16	213.00 001232	2,500.00	SPECIALIZED AUTO AND		74404	OCT 16 LEGISLATE SVC	2,500.00	
57364	10/17/16	10,375.90 003285	2,760.12	TRANSIT HOLDINGS INC		74323	TEMP W/E 9/25/16	1,293.60	
57365	10/17/16	5,808.50 057	2,760.12			74354	TEMP W/E 10/2/16	1,466.52	
57366	10/17/16	317.28 003152	-912.88	U.S. BANK		74405	CM CORRECTING DATE	-912.88	
57367	10/17/16	47.33 007	346.84	UNITED PARCEL SERVICE		74406	CORRECTION ON DATE	912.88	
57368	10/17/16	3,944.85 002829	346.84	VALLEY POWER SYSTEMS, INC.		74347	REPLACEMENT TOOL	346.84	
57369	10/17/16	755.80 221	49.85	VEHICLE MAINTENANCE PROG INC		74360	SMOG VEH #2604 PC	79.95	
57370M10/18/16	10/18/16	130.25 001272	41.60	CITY OF SANTA CRUZ - PLANNING		74367	SMOG VEH #709	41.60	
57371M10/19/16	10/19/16	634,327.33 003058	41.60	PERMIT REVI SLAB MB		74386	SMOG VEH #203	41.60	
57372	10/24/16	96.65 002941	50.35	AA SAFE & SECURITY CO		74330	INVENTORY ORDER	50.35	
57373	10/24/16	96.57 002828	1,410.86	ALLED ELECTRONICS		74331	INVENTORY ORDER	1,410.86	
57374	10/24/16	21.75 001112	5,289.98	BRINKS AWARDS & SIGNS		74333	INVENTORY ORDER	5,289.98	
			277.56			74335	RPR VEH #1211	277.56	
			3,005.65			74336	INVENTORY ORDER	3,005.65	
			341.50			74365	INVENTORY ORDER	341.50	
			3,104.35			74314	*****-****-5056	3,104.35	
			2,704.15			74315	*****-****-0811	2,704.15	
			199.39			74373	LAUNDRY SERVICE	199.39	
			65.00			74374	LAUNDRY SERVICE	65.00	
			6.48			74377	MATS	6.48	
			39.42			74378	CUSTODIAL SUPPLIES	39.42	
			6.99			74391	MATS TOWELS	6.99	
			47.33			74350	FREIGHT	47.33	
			523.62			74348	INVENTORY ORDER	523.62	
			116.19			74349	INVENTORY ORDER	116.19	
			58.38			74361	INVENTORY ORDER	58.38	
			3,246.66			74362	INVENTORY ORDER	3,246.66	
			28.78			74329	INVENTORY ORDER	28.78	
			727.02			74339	INVENTORY ORDER	727.02	
			130.25			74410	PERMIT REVI SLAB MB	130.25	MANUAL
			634,327.33			74475	RETENTION RELEASE	634,327.33	MANUAL
			12.10			74540	KEYS	12.10	
			84.55			74553	KEYS	84.55	
			96.57			74470	INVENTORY ORDER	96.57	
			21.75			74445	NAME PLATE	21.75	

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57375	10/24/16	6,671.52 001844		BRINKS INCORPORATED		74425	SEPT 16 SERVICES	4,071.93	
57376	10/24/16	789,607.61 502		CA PUBLIC EMPLOYEES'		74426	SEPT 16 SERVICES	2,599.59	
57377	10/24/16	1,096.20 914		CALTRONICS BUSINESS SYSTEMS		74476	NOV 16 MEDICAL	789,607.61	
						74517	OFFICE SUPPLIES	151.16	
						74518	OFFICE SUPPLIES	125.06	
						74519	OFFICE SUPPLIES	322.99	
						74520	OFFICE SUPPLIES	194.66	
						74521	OFFICE SUPPLIES	302.33	
57378	10/24/16	101.62 M022		CAPELLA, KATHLEEN	0	74488	NOV 16 RETIREE SUPP	101.62	
57379	10/24/16	860.39 002929		CHEVROLET OF WATSONVILLE LLC	7	74549	RPR VEH #504	860.39	
57380	10/24/16	80.00 T297		CITTI, BARBARA		74556	20 TICKETS@ \$4.00/EA	80.00	
57381	10/24/16	10,383.34 909		CLASSIC GRAPHICS		74544	RPR VEH #9819	2,287.75	
						74545	RPR VEH #1301	8,095.59	
						74438	RPR REGULATOR	2,059.14	
						74526	LNG 9/23/16	8,475.02	
						74527	LNG 9/21/16	7,821.67	
						74528	LNG 9/19/16	8,311.68	
						74533	LNG 9/16/16	7,477.57	
						74534	LNG 9/14/16	8,233.28	
57383	10/24/16	1,087.39 163		COMMUNITY PRINTERS, INC.		74499	PARACRUZ COUPONS	1,087.39	
57384	10/24/16	1,929.98 003116		CUMMINS PACIFIC LLP		74434	INVENTORY ORDER	463.36	
						74453	RPR VEH #1203	1,466.62	
57385	10/24/16	50.91 M039		DAVILA, ANA MARIA	0	74482	NOV 16 RETIREE SUPP	50.91	
57386	10/24/16	4,318.48 002946		DAY WIRELESS SYSTEMS		74577	LNR PROJECT	4,318.48	
57387	10/24/16	64.00 002567		DEPARTMENT OF JUSTICE		74428	SEP16 FINGERPRINTING	64.00	
57388	10/24/16	1,218.66 003274		EAST BAY TIRE CO.		74419	TIRES	235.02	
						74420	FLAT REPAIR	18.00	
						74421	TIRES	482.82	
						74469	TIRES	482.82	
57389	10/24/16	2,976.19 432		EXPRESS SERVICES INC.		74450	TEMP W/E 9/25/16	1,162.50	
						74451	TEMP W/E 9/18/16	1,110.00	
						74516	TEMP W/E 9/25/16	703.69	
57390	10/24/16	90.85 372		FEDERAL EXPRESS		74444	FREIGHT	60.67	
						74493	FREIGHT	30.18	
57391	10/24/16	30.00 002295		FIRST ALARM		74500	SEP 16 DISPATCH PC	30.00	
57392	10/24/16	9,173.54 002952		FLYERS ENERGY LLC		74472	9/16-9/30 FUEL PC	6,973.99	
						74539	9/16-9/30 FUEL	2,199.55	
57393	10/24/16	75.00 E961		GARCIA, JAIME P		74501	DMV EXAM	75.00	
57394	10/24/16	1,555.79 647		GENFARE A DIV OF SPX CORP		74433	TVM HARD DRIVE	76.59	
						74504	INVENTORY ORDER	62.38	
						74535	TVM RETROFIT	1,416.82	
57395	10/24/16	101.62 M041		GOUVEIA, ROBERT	0	74483	NOV 16 RETIREE SUPP	101.62	
57396	10/24/16	123.76 282		GRAINGER		74512	CREDIT	-65.27	
						74552	RAIN BOOTS	65.27	
						74554	AIR GREASE GUN	123.76	
57397	10/24/16	1,328.29 001097		GREENWASTE RECOVERY, INC.		74439	SEPT 16 WASTE SVTC	259.94	

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57398	10/24/16					74440	10/1-12/31 FREEDOM	61.56	
57399	10/24/16					74441	10/1-12/31 FREE/BOWK	61.56	
57400	10/24/16					74442	10/1-12/31 SOQ/COTTO	61.56	
57401	10/24/16					74443	10/1-12/31 GREEN/CAR	61.56	
57402	10/24/16					74456	SEPT 16 WASTE PC	247.95	
						74459	10/1-12/31 LOW-HWY9	61.56	
						74460	SEPT 16 MT HERMON	20.27	
						74461	10/1-12/31 BIG BASIN	61.56	
						74462	10/1-12/31 AIR-FREED	123.12	
						74463	10/1-12/31 HWY17-BOU	184.68	
						74464	10/1-12/31 SOQ-COTTO	122.97	
						74496	A/P CHECKS	730.64	
57398	10/24/16		730.64	HARLAND CLARKE CORP		74473	AUG 16 MB PROJ MGMT	57,109.84	
57399	10/24/16		57,109.84	HILL INTERNATIONAL INC		74446	TRAVEL REIMBURSEMENT	31.81	
57400	10/24/16		31.81	HILTNER, THOMAS		74510	NON INVENTORY ORDER	14.44	
57401	10/24/16		14.44	HOSE SHOP, THE INC		74506	INVENTORY ORDER	36.98	
57402	10/24/16		302.11	KELLEY'S SERVICE INC.		74546	INVENTORY ORDER	9.24	
						74547	INVENTORY ORDER	63.40	
						74548	INVENTORY ORDER	40.00	
						74551	INVENTORY ORDER	152.49	
57403	10/24/16		159.84	KINSLOW, DEBBIE		74412	TRAVEL REIMBURSEMENT	159.84	
57404	10/24/16		225.06	KLEEN-RITE PRESSURE WASHERS	7	74511	HYDRO TWISTER PARTS	225.06	
57405	10/24/16		1,267.76	LABOR READY, INC.	7	74447	TEMP W/E 9/30/16	1,267.76	
57406	10/24/16		255.50	LAW OFFICES OF MARIE F. SANG	7	74431	CL#2001103388 103414	255.50	
57407	10/24/16		840.00	MAKAI SOLUTIONS		74458	RPR BAY #7 LIFT	840.00	
57408	10/24/16		1,943.59	MGP XI REIT LLC		74532	NOV 16 RENT CAP MALL	1,943.59	
57409	10/24/16		207.65	MONTEREY BAY SYSTEMS		74436	8/26 RPR COPIER	125.00	
						74437	9/12 RPR COPIER	82.65	
						74427	TEMP W/E 9/23/16	792.00	
						74430	TEMP W/E 9/30/16	792.00	
						74452	TEMP W/E 9/30/16	920.30	
						74498	TEMP W/E 10/7/16	788.71	
57411	10/24/16		7,797.19	PACIFIC GAS & ELECTRIC		74424	8/29-9/27 1200A RIVE	3,538.35	
						74448	9/2-10/3 WTC SVT PNR	3,493.19	
57412	10/24/16		908.80	PALACE ART & OFFICE SUPPLY		74502	9/8-10/6 PARACRUZ	765.65	
						74455	OFFICE SUPPLIES	260.63	
						74523	OFFICE SUPPLIES	34.22	
						74525	OFFICE SUPPLIES	587.75	
						74555	OFFICE SUPPLIES	26.20	
57413	10/24/16		50.91	PEREZ, CHERYL		74484	NOV 16 RETIREE SUPP	50.91	
57414	10/24/16		10.91	PROBUILD COMPANY LLC		74550	OFFICE RPR SMC	10.91	
57415	10/24/16		2,346.98	PROVALOV, IVAN		74514	SC 05-16-18	2,346.98	
57416	10/24/16		200.40	QUEST DIAGNOSTIC INC.		74429	DOT DRUG PANEL	200.40	
57417	10/24/16		399.00	REGISTER PAJARONIAN LLC		74491	COA ADVERTISING	399.00	
57418	10/24/16		444.94	REPUBLIC ELEVATOR COMPANY INC		74541	OCT16 ELEVATOR MAINT	444.94	
57419	10/24/16		31,353.13	RNL/INTERPLAN, INC. A CA CORP		74474	AUG 16 PROF SERVICE	31,353.13	

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DATE: 10/01/16 THRU 10/31/16

CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57420	10/24/16	101.62 M085	ROSSI, DENISE	0	74485	NOV 16 RETIREE SUPP	101.62		
57421	10/24/16	50.91 M030	ROWE, RUBY		74486	NOV 16 RETIREE SUPP	50.91		
57422	10/24/16	276.16 135	SANTA CRUZ AUTO PARTS, INC.		74537	HEAD LIGHT	50.59		
					74538	RPR VEH #203 PC	225.57		
57423	10/24/16	15.00 001944	SANTA CRUZ COUNTY LAW LIBRARY		74489	QTRLY MEMBERSHIP	15.00		
57424	10/24/16	10,562.05 002917	SANTA CRUZ METRO TRANSIT W/C		74480	10/1-10/15 W/C REPLE	10,562.05		
57425	10/24/16	80.00 001292	SANTA CRUZ RECORDS MNGMT INC		74457	OCT 16 SHREDDING PC	80.00		
57426	10/24/16	484.05 149	SANTA CRUZ SENTINEL	0	74477	IFB 16-12/COA ADV	484.05		
57427	10/24/16	21,790.16 977	SANTA CRUZ TRANSPORTATION, LLC		74513	SEPT 16 SERVICES	21,790.16		
57428	10/24/16	2,800.00 768	SCMTD C/S CHANGE FUND		74494	CSR BAGS	300.00		
					74495	CSR BAGS	2,500.00		
57429	10/24/16	45.76 E967	SILVA, SUZANNE		74411	TRAVEL REIMBURSEMENT	45.76		
57430	10/24/16	6,000.00 001277	SJB GLOBALNET, INC.		74413	OCT 16 MAINTENANCE	1,500.00		
					74414	SEPT 16 MAINTENANCE	1,500.00		
					74415	JUL 16 MAINTENANCE	1,500.00		
57431	10/24/16	4,475.42 003292	SLINGSHOT CONNECTIONS LLP		74416	AUG 16 MAINTENANCE	1,500.00		
					74417	TEMP W/E 10/2/16	1,293.60		
					74418	TEMP W/E 10/9/16	1,285.52		
					74432	TEMP W/E 10/9/16	1,896.30		
57432	10/24/16	14,469.87 001075	SOQUEL III ASSOCIATES	7	74531	NOV 16 RENT	14,469.87		
57433	10/24/16	171.35 001232	SPECIALIZED AUTO AND		74471	SMOG VEH #101	41.60		
					74542	SMOG VEH #301	79.90		
					74543	SMOG VEH #805	49.85		
57434	10/24/16	297.52 080A	STATE BOARD OF EQUALIZATION		74497	JUL-SEP DIESEL FUEL	297.52		
57435	10/24/16	745.12 002675	THOMSON REUTERS BARCLAYS WEST		74490	SEPT 16 SERVICES	441.70		
					74492	9/5-10/4 SERVICES	303.42		
57436	10/24/16	1,261.67 003285	TRANSIT HOLDINGS INC		74465	INVENTORY ORDER	868.03		
					74466	INVENTORY ORDER	96.09		
					74467	INVENTORY ORDER	13.84		
					74468	INVENTORY ORDER	112.90		
					74507	INVENTORY ORDER	44.23		
					74508	INVENTORY ORDER	36.87		
					74509	INVENTORY ORDER	44.23		
					74536	RPR VEH #2220	45.48		
57437	10/24/16	1,144.40 003037	TYCO INTEGRATED SECURITY		74422	11/1-1/31 ALARM GOLF	403.57		
					74423	11/1-1/31 ALARM OPS	740.83		
57438	10/24/16	923.00 653	UCSC REGENTS		74515	SC 04-16-09	923.00		
57439	10/24/16	21.63 003152	UNIFIRST CORPORATION		74522	LAUNDRY SERVICE	14.64		
					74524	MATS TOWELS	6.99		
57440	10/24/16	92.77 007	UNITED PARCEL SERVICE		74435	FREIGHT	92.77		
57441	10/24/16	1,920.48 002829	VALLEY POWER SYSTEMS, INC.		74454	INVENTORY ORDER	1,838.70		
					74505	INVENTORY ORDER	81.78		
57442	10/24/16	1,125.05 434	VERIZON WIRELESS	0	74505	9/2-10/1 PUSH2TALK	332.91		
					74503	9/2-10/1 TELECOM PC	308.92		
					74530	9/2-10/1PUSH2TALK PC	483.22		
57443	10/24/16	27,193.98 003074	WAVE CREST DEVELOPMENT INC.		74529	ENVIRO SVC 135DUBOIS	27,193.98		

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CHECK NUMBER	CHECK DATE	CHECK VENDOR	CHECK AMOUNT	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
57444	10/24/16	003290	32.00	WORKFORCEQA LLC		74479	DOT DRUG TESTS	32.00	
57445	10/24/16	003290	638.00	WORKIN.COM, INC.		74478	JOB PLACEMENT ADV	319.00	
57446	10/24/16	003290	50.91	YAGI, RANDY	0	74481	JOB PLACEMENT ADV	319.00	
57447	10/26/16	003290	807.00	STATE BOARD OF EQUALIZATION		74487	NOV 16 RETIREE SUPP	50.91	
57448	10/31/16	003151	3,960.78	JUL-SEP 16 USE TAX		74659	JUL-SEP 16 USE TAX	807.00	MANUAL
57449	10/31/16	001088	65.00	ABC BUS INC		74660	INVENTORY ORDER	1,882.14	
57450	10/31/16	001088	286.15	ADVANCED MECHANICAL SERVICES	7	74699	INVENTORY ORDER	1,779.88	
57451	10/31/16	002363	43.49	ATCHISON, BARISONE, CONDOTTI & BATTERIES PLUS #314	7	74700	INVENTORY ORDER	298.76	
57452	10/31/16	001356	4,435.54	BRENCO OPERATING-TEXAS, LP		74616	BACKFLOW IRRIG SVT	65.00	
57453	10/31/16	001268	561.23	BUDGET BLINDS OF SANTA CRUZ	7	74571	SC 10-15-31	286.15	
57454	10/31/16	001330	50.73	CITY OF WATSONVILLE UTILITIES		74671	BATTERY FOR ELEVATOR	43.49	
57455	10/31/16	001124	2,866.85	CLASSIC GRAPHICS		74692	INVENTORY ORDER	4,435.54	
57456	10/31/16	001124	23,682.78	CLEAN ENERGY		74572	METROBASE BLINDS	561.23	
57457	10/31/16	E957	281.61	CLIFFORD, ALEX		74591	9/12-10/10 WTC	50.73	
57458	10/31/16	003034	423.04	COAST PAPER & SUPPLY INC.		74640	RPR VEH #1212	932.75	
57459	10/31/16	003034	2,890.00	COASTAL LANDSCAPING INC. DBA		74641	RPR VEH #9810	1,934.10	
57460	10/31/16	163	2,275.83	COMMUNITY PRINTERS, INC.		74633	LNG 9/26/16	7,724.75	
57461	10/31/16	002814	223.83	CREATIVE BUS SALES, INC.		74682	LNG 9/30/16	8,287.72	
57462	10/31/16	003116	7,043.13	CUMMINS PACIFIC LLP		74683	LNG 9/28/16	7,670.31	
57463	10/31/16	002946	2,126.25	DAY WIRELESS SYSTEMS		74615	MEETING REIMBURSEMENT	281.61	
57464	10/31/16	001329	983.78	DOC AUTO LLC		74626	CUSTODIAL SUPPLIES	423.04	
57465	10/31/16	003274	340.00	DOCTORS ON DUTY MEDICAL CLINIC		74656	OCT 16 LANDSCAPING	2,890.00	
57466	10/31/16	003274	5,093.89	EAST BAY TIRE CO.		74581	SEIU MOU 50	470.46	
						74583	CONVENIENCE COUPONS	1,805.37	
						74632	INVENTORY ORDER	157.90	
						74639	RPR VEH #1103 PC	65.93	
						74604	INVENTORY ORDER	2,474.58	
						74605	INVENTORY ORDER	2,027.96	
						74606	RPR VEH #1211 2806	558.47	
						74635	RPR VEH #2226	515.50	
						74678	INVENTORY ORDER	1,466.62	
						74701	OCT 16 MAINTENANCE	2,126.25	
						74662	RPR VEH #1110 PC	983.78	
						74580	DOT DRUG TESTS	340.00	
						74585	TIRES	189.70	
						74586	TIRES	281.35	
						74587	TIRES	287.88	
						74588	TIRES	316.15	
						74693	TIRES	1,029.58	
						74694	TIRES	53.81	
						74695	TIRES	231.03	
						74696	TIRES	1,973.15	
						74697	TIRES	546.49	
						74698	TIRES	184.75	
57467	10/31/16	003209	10,917.50	ELECTRONIC DATA MAGNETICS INC.		74579	INVENTORY ORDER	10,917.50	

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57468	10/31/16	5,247.19 432		EXPRESS SERVICES INC.		74620	TEMP W/E 9/11/16	864.00	
						74621	TEMP W/E 9/4/16	1,080.00	
						74622	TEMP W/E 7/17/16	202.50	
						74624	TEMP W/E 10/9/16	1,080.00	
						74625	TEMP W/E 10/2/16	1,155.00	
						74685	TEMP W/E 10/2/16	324.00	
						74686	TEMP W/E 10/16/16	354.38	
						74687	TEMP W/E 9/4/16	187.31	
57469	10/31/16	70.69 001172		FERGUSON ENTERPRISES INC. #795		74602	PLUMBING SUPPLIES	70.69	
57470	10/31/16	116.02 003279		FRONTIER COMMUNICATIONS CORP		74573	10/13-11/12 SKY-OCEA	58.01	
57471	10/31/16	1,601.61 647		GENFARE A DIV OF SPX CORP		74627	10/16-11/15 SKY-RIV	58.01	
57472	10/31/16	281.75 117		GILLIG LLC		74691	TVM RETROFIT	1,221.51	
57473	10/31/16	69.50 282		GRAINGER		74609	INVENTORY ORDER	257.87	
57474	10/31/16	16.70 166		HOSE SHOP, THE INC		74634	INVENTORY ORDER	23.88	
57475	10/31/16	3,126.56 R612		HOWIE & SMITH, L.L.P.		74669	SAFETY & NON INVENTO	23.80	
57476	10/31/16	3,596.51 002979		HUNT & SONS, INC.		74657	SMC CLOSET KIT	45.70	
57477	10/31/16	405.80 1117		KELLEY'S SERVICE INC.		74676	PARTS FOR HYDRO	16.70	
						74677	FILE #15-42201	3,126.56	
						74614	INVENTORY ORDER	1,794.38	
						74651	INVENTORY ORDER	1,802.13	
						74661	INVENTORY ORDER	7.34	
						74709	INVENTORY ORDER	55.61	
						74710	INVENTORY ORDER	82.37	
						74711	INVENTORY ORDER	76.05	
						74564	INVENTORY ORDER	140.90	
						74559	RPR VEH #1121 PC	12.47	
						74565	TOW VEH #2309	31.06	
						74566	PC 08-16-05	684.00	
						74567	NOV 16 EAP	1,161.60	
						74574	DIESEL 10/5/16	643.50	
						74575	DMV REIMBURSEMENT	14,511.48	
						74619	OFFICE SUPPLIES	73.00	
						74642	SEPT 16 SERVICES	92.43	
						74707	INVENTORY ORDER	122.29	
						74708	RPR VEH #1119 PC	152.92	
						74613	INVENTORY ORDER	41.33	
						74623	RPR VEH #1119 PC	145.77	
						74603	TEMP W/E 10/14/16	1,742.15	
						74648	OFFICE SUPPLIES	800.41	
						74658	OFFICE SUPPLIES	221.10	
						74674	OFFICE SUPPLIES	159.67	
						74716	OFFICE SUPPLIES	230.29	
						74665	OFFICE SUPPLIES	133.74	
							OCT 16 PEST BETTYS	29.56	
57489	10/31/16	302.00 481		PIED PIPER EXTERMINATORS, INC.				58.00	

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57490	10/31/16	567.34 R675		PINON, LEONARD J JR	7	74667	OCT 16 PEST METROMKT	53.50	
57491	10/31/16	430.65 882		PRINT SHOP SANTA CRUZ		74667	OCT 16 PEST VERNON	190.50	
57492	10/31/16	498.14 107A		PROBUILD COMPANY LLC		74560	SC 07-16-07	567.34	
						74576	BUSINESS CARDS	430.65	
						74643	C/S CALL CENTER	10.67	
						74645	LEAK RPR WTC	219.91	
						74646	WTC PREP PAINTING	26.86	
						74647	WTC PREP PAINTING	13.92	
						74672	CAULK WTC	31.77	
						74673	RPR WTC	195.01	
57493	10/31/16	151.81 R659		RANKIN STOCK HEABERLIN		74569	FILE #15-0022	151.81	
57494	10/31/16	1,335.00 003304		RENNE SLOAN HOLTZMAN SAKAI LLP		74628	MATTER 3018/002	1,335.00	
57495	10/31/16	985.09 003024		RICOH USA, INC CA		74631	7/1-9/30 IMAGES OPS	985.09	
57496	10/31/16	29.47 135		SANTA CRUZ AUTO PARTS, INC.		74715	INVENTORY ORDER	29.47	
57497	10/31/16	8,376.05 079		SANTA CRUZ MUNICIPAL UTILITIES		74592	9/7-10/5 1200A RIVER	223.28	
						74593	9/7-10/5 1200 RIVER	367.79	
						74594	9/7-10/5 OCEAN	952.95	
						74595	9/7-10/5 GOLF CLUB	49.62	
						74596	9/7-10/5 PACIFIC	50.51	
						74597	9/7-10/5 PACIFIC	2,497.29	
						74598	9/7-10/5 1200B RIVER	2,383.21	
						74599	9/7-10/5 GOLF CLUB	1,299.84	
						74600	9/7-10/5 VERNON	501.77	
						74601	9/7-10/5 VERNON	49.79	
57498	10/31/16	240.00 001292		SANTA CRUZ RECORDS MNGMT INC		74668	OCT 16 SHREDDING	240.00	
57499	10/31/16	3,085.16 003292		SLINGSHOT CONNECTIONS LLP		74567	TEMP W/E 10/16/16	1,791.56	
						74568	TEMP W/E 10/16/16	1,293.60	
57500	10/31/16	68.16 E988		SOLORIO, RINA		74558	TRAVEL REIMBURSEMENT	68.16	
57501	10/31/16	2,568.45 001232		SPECIALIZED AUTO AND		74589	SMOG VEH #711	42.60	
						74590	SMOG VEH #505	42.60	
						74610	RPR VEH #709	1,047.63	
						74611	SMOG VEH #602	41.60	
						74612	SMOG VEH #807	42.60	
						74636	SMOG VEH #504	41.60	
						74637	SMOG VEH #951	79.90	
						74675	RPR VEH #401	1,229.92	
57502	10/31/16	542.42 001976		SPORTWORKS NORTHWEST, INC.		74680	INVENTORY ORDER	542.42	
57503	10/31/16	2,097.63 003285		TRANSIT HOLDINGS INC		74563	INVENTORY ORDER	683.97	
						74607	INVENTORY ORDER	94.07	
						74608	INVENTORY ORDER	74.58	
						74670	RPR VEH #2306	107.91	
						74681	INVENTORY ORDER	89.36	
						74684	INVENTORY ORDER	44.23	
						74688	INVENTORY ORDER	472.46	
						74689	INVENTORY ORDER	10.85	
						74690	RPR VEH #2303	520.20	

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57504	10/31/16	385.25 003037		TYCO INTEGRATED SECURITY		74617	SVC ELEVATOR MMF	385.25	
57505	10/31/16	1,025.48 003152		UNIFIRST CORPORATION		74582	LAUNDRY SERVICE	14.64	
						74649	MATS TOWELS	6.99	
						74650	LAUNDRY SERVICE	21.99	
						74652	LAUNDRY SERVICE	303.42	
						74653	CUSTODIAL SUPPLIES	69.01	
						74654	CUSTODIAL SUPPLIES	40.42	
						74655	MATS	6.48	
						74663	LAUNDRY SERVICE	203.31	
						74664	CUSTODIAL SUPPLIES	65.01	
						74713	LAUNDRY SERVICE	229.20	
						74714	CUSTODIAL SUPPLIES	65.01	
						74566	FREIGHT	84.65	
57506	10/31/16	84.65 007		UNITED PARCEL SERVICE		74562	INVENTORY ORDER	126.11	
57507	10/31/16	4,551.76 002829		VALLEY POWER SYSTEMS, INC.		74679	CREDIT	-135.94	
						74702	ENGINE REBUILD	3,843.12	
						74703	INVENTORY ORDER	154.95	
						74704	ENGINE REBUILD	281.76	
						74705	ENGINE REBUILD	281.76	
57508	10/31/16	950.25 434		VERIZON WIRELESS	0	74618	9/13-10/12 WIFI BUS	950.25	
57509	10/31/16	300.00 001165		VU, THANH DR. MD	7	74578	DMV EXAM	75.00	
						74584	DMV EXAM	75.00	
						74629	DMV EXAM	75.00	
						74630	DMV EXAM	75.00	
57510	10/31/16	130.55 002291		WINCHESTER AUTO		74638	INVENTORY ORDER	130.55	
57511	10/31/16	136.60 147		ZEE MEDICAL SERVICE CO.		74577	FIRST AID KIT PC	136.60	
57512	10/28/16	970.09 E671		NOLEN, GREG		74717	TRAVEL REIMBURSEMENT	970.09	MANUAL
							TRAVEL REIMBURSEMENT		
TOTAL			3,060,978.28	ACCOUNTS PAYABLE			TOTAL CHECKS	309	3,060,978.28



DATE: November 18, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL
REPORT AS OF JULY 31, 2016**

I. RECOMMENDED ACTION

**That the Board of Directors accept and file the Year to Date Monthly
Financial Report as of July 31, 2016.**

II. SUMMARY OF ISSUES

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.
- This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of July 31, 2016."
- Staff recommends that the Board of Directors accept and file the attached report.

III. DISCUSSION/BACKGROUND

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of July 31, 2016. The fiscal year has elapsed 8%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of July 31, 2016

Slide 2

FY17 Operating Revenue and Expenses For the Month Ending July 31, 2016

- **Operating Revenues** for the month are unfavorable by \$85K
- **Operating Expenses** –
 - Labor Regular - favorable by \$91K
 - Labor OT - unfavorable by \$118K
 - Fringe Benefits - favorable by \$96K
 - Non-Personnel - favorable by \$54K

- **Total Operating Expenses** – favorable by \$123K
- **Total Budget to Actual Variance** for the month is favorable by \$38K

Slide 3

FY17 Operating Revenue and Expenses Year to Date as of July 31, 2016

- **Operating Revenues** Year to Date are unfavorable by \$85K
- **Operating Expenses** –
 - Labor Regular - favorable by \$91K
 - Labor OT - unfavorable by \$118K
 - Fringe Benefits - favorable by \$96K
 - Non-Personnel - favorable by \$54K
- **Total Operating Expenses** – favorable by \$123K

Total Budget to Actual Variance Year to Date is favorable by \$38K

Slide 4

FY17 Operating Revenue by Major Funding Source - Year to Date as of July 31, 2016

- **Passenger Fares:** actual is \$542K while budget is \$635K
- **Sales Tax Revenue:** actual is \$1,315K while budget is \$1,286K
- **Other Revenue:** actual is \$28K while budget is \$49K

Slide 5

Favorable/ (Unfavorable) Revenue Variance to Budget Year to Date as of July 31, 2016

- **Passenger Fares** variance to budget is unfavorable by **\$93K** primarily due to Special Transit Fares and the anticipated budgeted increase from the contract with Cabrillo College. The FY17 Special Transit Fares Budget currently includes \$944K for Cabrillo oriented services (12-month commitment from Cabrillo College). The funding commitment, however, was subsequently aligned with the school year, hence will cover 10-month period of the 2016 – 17 school year (Fall and Winter semester). Payments will be received later in the fiscal year.
- **Sales Tax Revenue** variance to budget is favorable by **\$29K** due to higher than anticipated sales.
- **Other Revenue** variance to budget is unfavorable by **\$21K** primarily due to seasonal fluctuations in the Advertising Income, while the budget has been straight-lined.

Slide 6

FY17 Operating Expenses by Major Expense Category Year to Date as of July 31, 2016

- **Labor - Regular:** actual is \$1,260K while budget is \$1,351K
- **Labor - OT:** actual is \$254K while budget is \$136K
- **Fringe Benefits:** actual is \$1,627K while budget is \$1,723K
- **Services:** actual is \$193K while budget is \$234K
- **Mobile Materials & Supplies:** actual is \$255K while budget is \$234K
- **Other Expenses:** actual is \$150K while budget is \$184K

Slide 7

FY17 Operating Expenses by Major Expense Category Year to Date as of July 31, 2016

- **Labor – Regular** variance to budget is favorable by **\$91K** due to
 - 14 vacant funded positions, of which 3 are on hold
 - Extended unpaid leaves of absence
- **Labor – OT** variance to budget is unfavorable by **\$118K** due to vacant positions in various departments.
- **Fringe Benefits** variance to budget is favorable by **\$96K** primarily due to the 14 vacant funded positions and extended unpaid leaves of absence referenced above.
- **Services** variance to budget is favorable **\$41K** due to Prof & Tech Fees and Repair – Rev Vehicle under budget.
- **Mobile Materials & Supplies** variance to budget is unfavorable by **\$21K** due to increased inventory orders in Rev Vehicle Parts.
- **Other Expenses** are favorable by **\$34K** primarily due to lower Settlement Costs, Purchased Transportation, and Miscellaneous expenses.

Slide 8

FY17 Capital Budget Spending Year to Date as of July 31, 2016

- **Total Capital Projects** spending year to date is **\$125K**; FY17 budget is **\$5.2M**
 - Construction Related Projects account for 99.8% of the spending

Slide 9

FY17 Capital Budget – Excludes MetroBase Project – JKS Ops Bldg. - Spending Year to Date as of July 31, 2016

- **Total Capital Projects** spending year to date is **\$1K**; FY17 budget without JKS Ops Bldg. is **\$2.3M**. Spending %'s are as follows:
 - Construction Related Projects (excluding-JKS Ops Bldg) are 85%
 - IT Projects are 15%

Slide 10

(Cover Sheet) – Metrobase Phase II Operations Building Life of Project – Budget Adopted September 23, 2016

Spending as of November 3, 2016

Slide 11

MetroBase Phase II – Life of Project - Spending as of November 3, 2016

- **Total Project Budget** is **\$27.3M**; spending is at **\$25.6M**; project is **94%** spent

Slide 12

(Cover Sheet) – Additional Information

Slide 13

Additional Information for the Month of **July 2016**

- **Unemployment Rate % in Santa Cruz County** is 6.2%
- **\$ Gasoline per Gallon for the San Francisco-Oakland-San Jose** area is \$2.87
- **Monthly Ridership – Without UCSC** (Highway 17 and Fixed Route) has slightly declined in July to approximately 225K riders

IV. FINANCIAL CONSIDERATIONS/IMPACT

Total Budget to Actual Variance for the month and year to date is favorable by \$38K.

V. ALTERNATIVES CONSIDERED

- There are no alternatives to consider, as this is an accept and file Year to Date Monthly Financial Report.

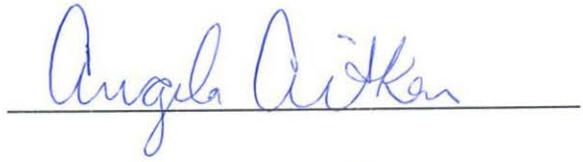
VI. ATTACHMENTS

Attachment A: Year to Date Monthly Financial Report as of July 31, 2016
Presentation

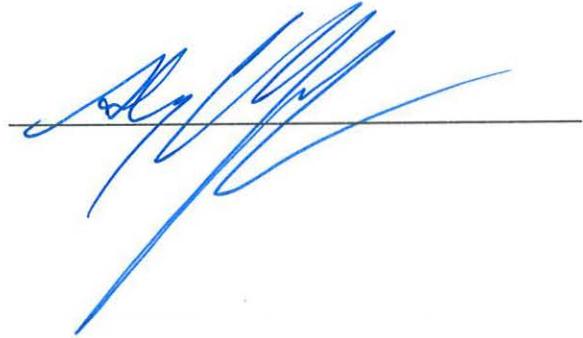
Prepared By: Kristina Mihaylova, Sr. Financial Analyst

VII. APPROVALS:

Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager





Year to Date Monthly Financial Report as of July 31, 2016

Santa Cruz METRO Board of Directors

November 18, 2016

Angela Aitken, Finance Manager

FY17 Operating Revenue and Expenses

For the Month Ending July 31, 2016

8% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual
Operating Revenue:	\$1,884	\$1,969	(\$85)
Operating Expenses:			
Labor - Regular	\$1,260	\$1,351	\$91
Labor - Overtime	\$254	\$136	(\$118)
Fringe Benefits	\$1,627	\$1,723	\$96
Non-Personnel Expenses	\$598	\$652	\$54
Total Operating Expenses:	\$3,739	\$3,862	\$123
Operating Budget Favorable/ (Unfavorable):			\$38

10-02A.2



FY17 Operating Revenue and Expenses

Year to Date as of July 31, 2016

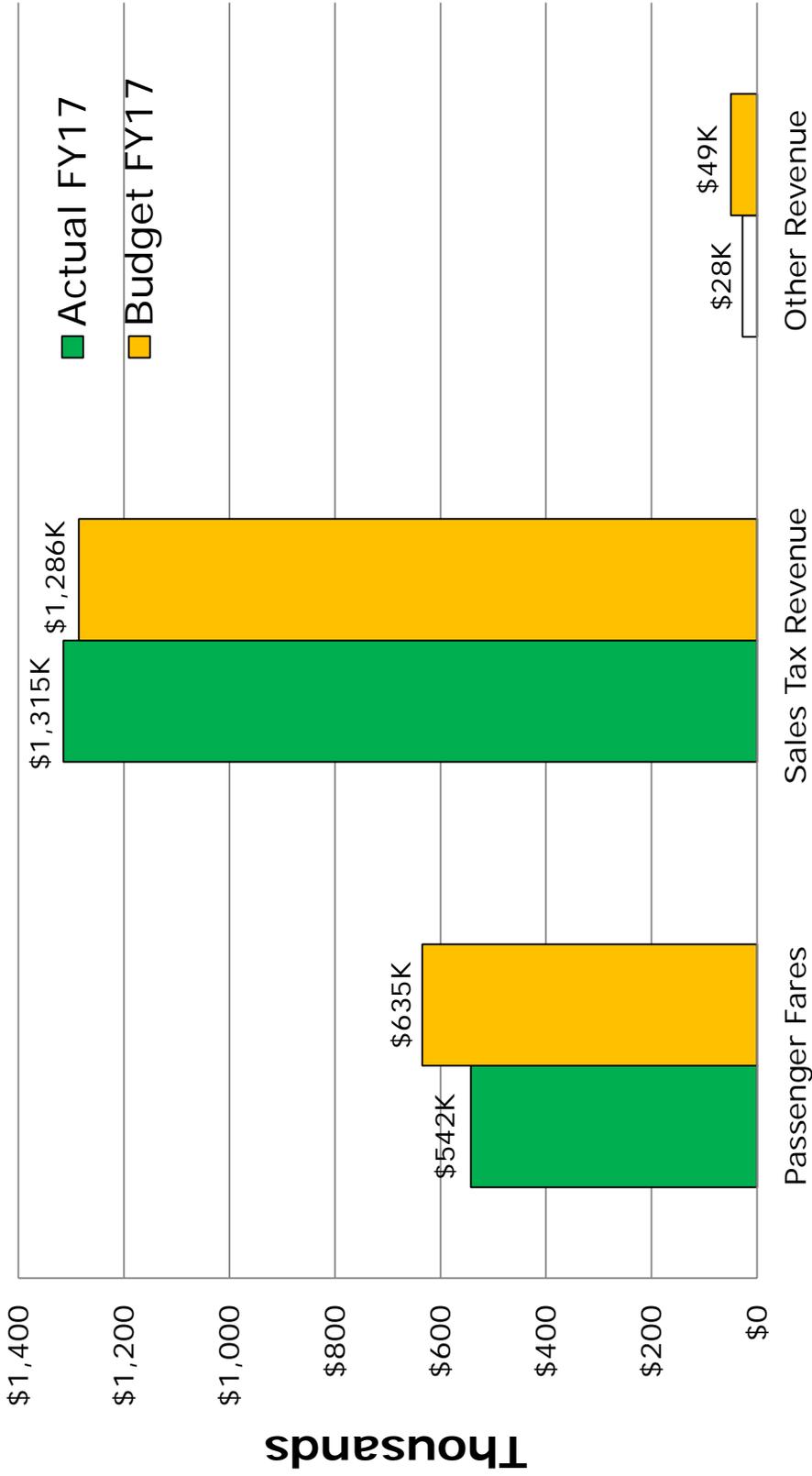
8% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual
Operating Revenue:	\$1,884	\$1,969	(\$85)
Operating Expenses:			
Labor - Regular	\$1,260	\$1,351	\$91
Labor - Overtime	\$254	\$136	(\$118)
Fringe Benefits	\$1,627	\$1,723	\$96
Non-Personnel Expenses	\$598	\$652	\$54
Total Operating Expenses:	\$3,739	\$3,862	\$123
Operating Budget Favorable/ (Unfavorable):			\$38

10-02A.3

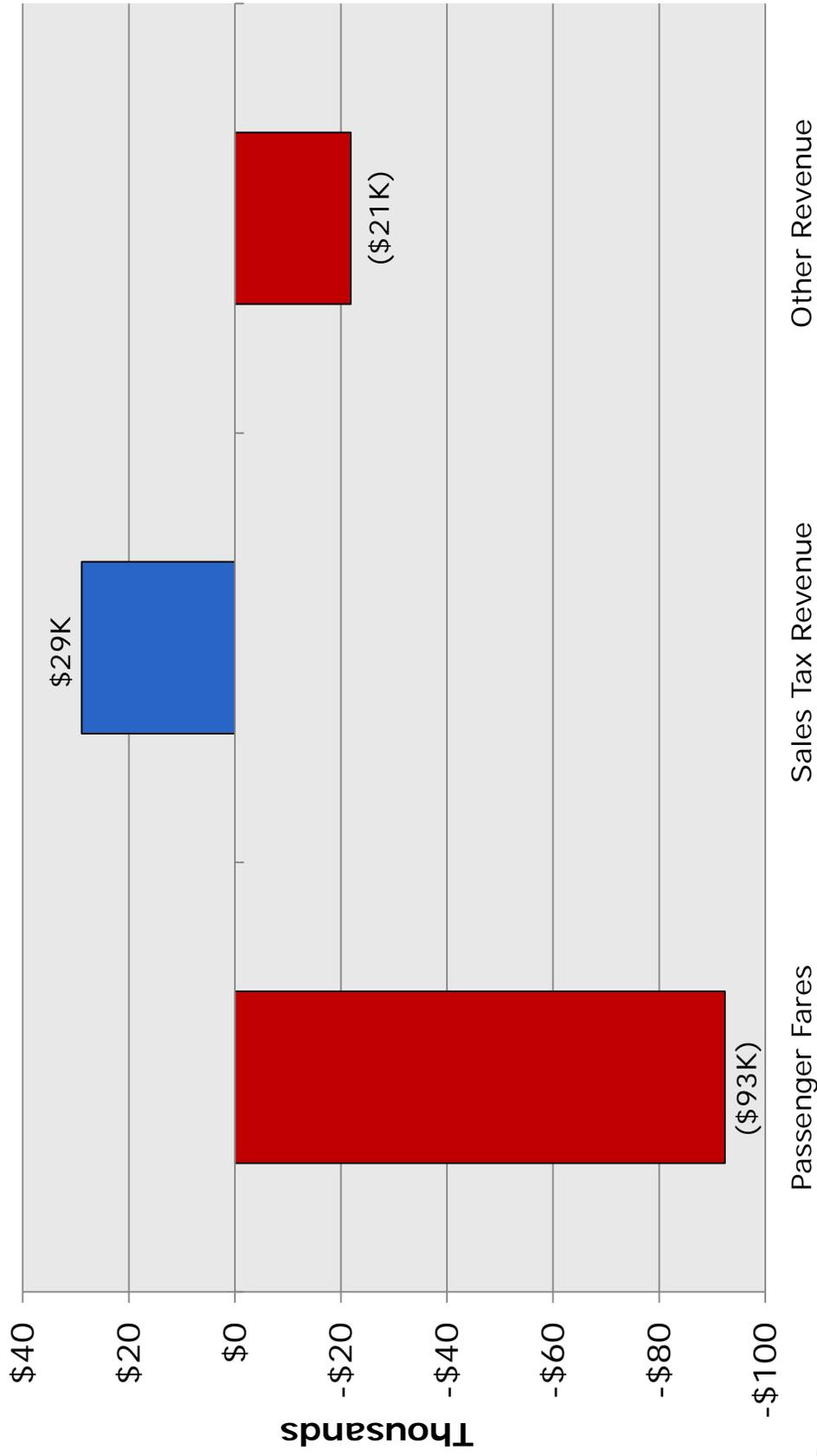


FY17 Operating Revenue by Major Funding Source Year to Date as of July 31, 2016 8% of Fiscal Year Elapsed

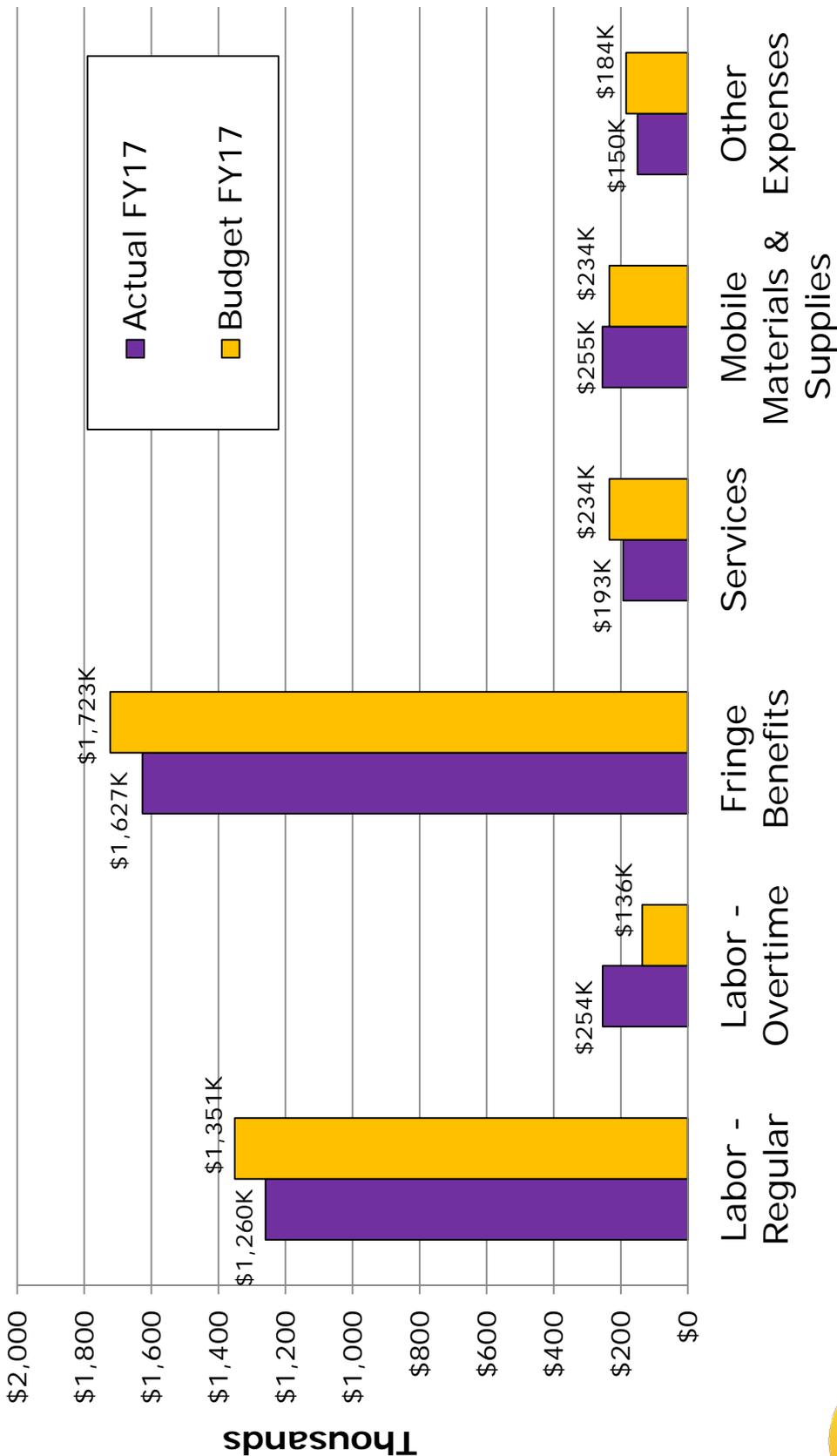


Favorable/(Unfavorable) Revenue Variance to Budget Year to Date as of July 31, 2016

8% of Fiscal Year Elapsed



FY17 Operating Expenses by Major Expense Category Year to Date as of July 31, 2016 8% of Fiscal Year Elapsed

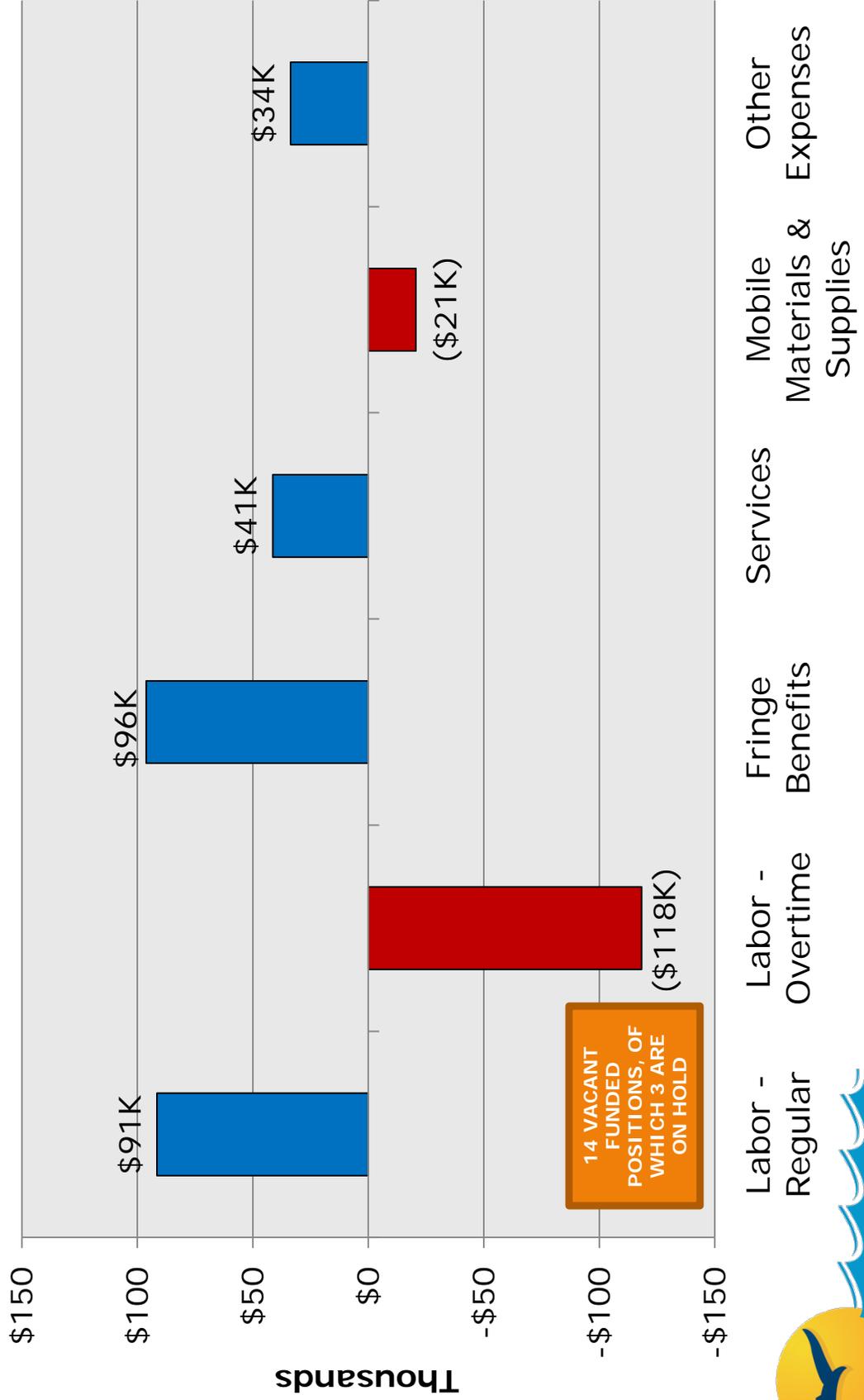


10-02A.6



Favorable/(Unfavorable) Expense Variance to Budget Year to Date as of July 31, 2016

8% of Fiscal Year Elapsed

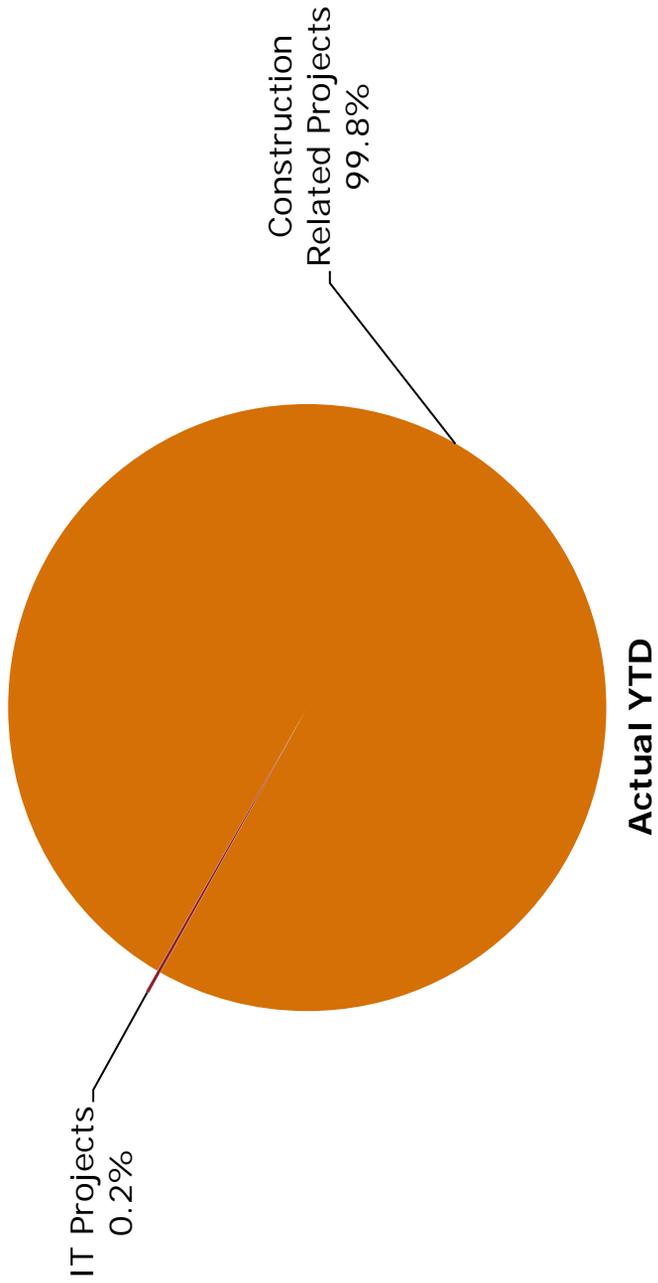


FY17 Capital Budget

Spending Year to Date as of July 31, 2016

8% of Fiscal Year Elapsed

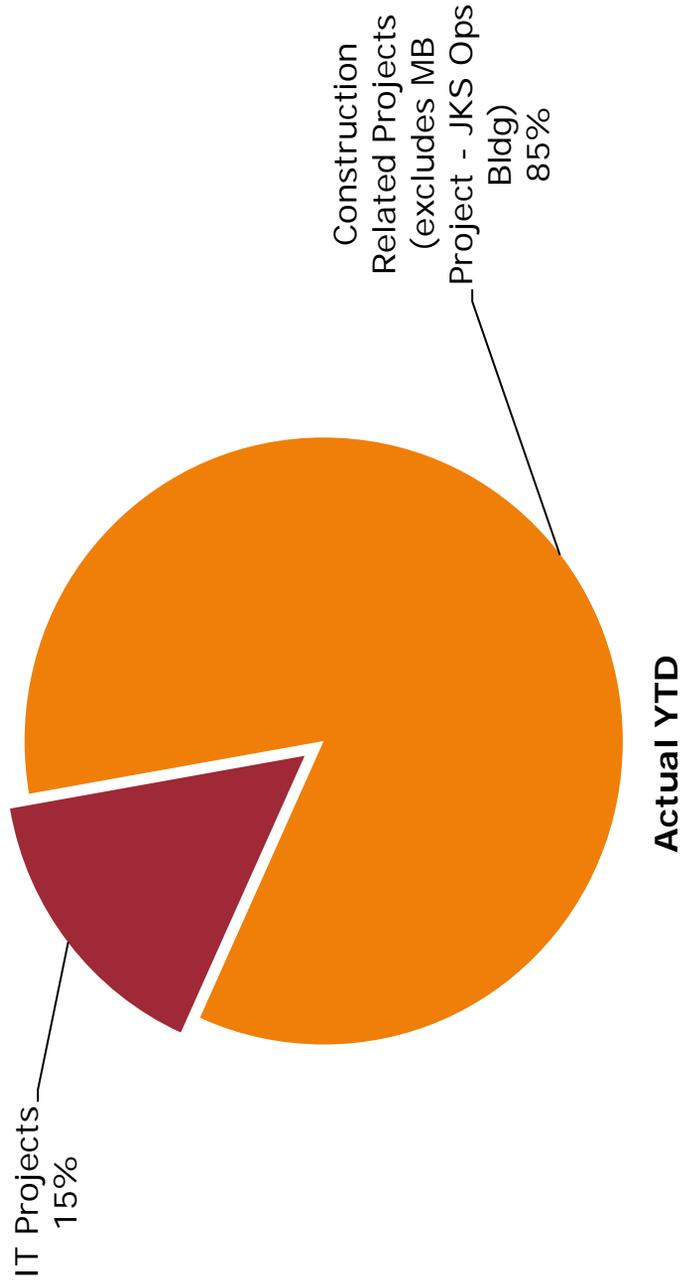
	Actual YTD	Total FY17 Budget	% Spent YTD
Total Capital Projects:	\$125,478	\$5,210,832	2%



FY17 Capital Budget - Excludes MetroBase Project - JKS Ops Bldg.
 Spending Year to Date as of July 31, 2016
 8% of Fiscal Year Elapsed

Actual YTD	Total FY17 Budget	% Spent YTD
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Total Capital Projects: \$1,419 \$2,340,832 0.1%



**MetroBase Phase II
Operations Building
Life of Project
Budget Adopted September 23, 2016
Spending as of November 3, 2016**

MetroBase Phase II - Life of Project Spending as of November 3, 2016

Attachment A

\$ In Thousands	Budget	Actual	Remaining	% Spent
LCN – Prime Construction Contract	\$13,572	\$13,513	\$59	100%
Construction Contract Contingency	\$2,272	\$2,141	\$131	94%
In-House Project Management	\$643	\$643	\$0	100%
Consultant Costs (Hill Int'l., TRC and RNL)	\$6,902	\$6,461	\$441	94%
Non-Construction Contingencies	\$0	\$0	\$0	0%
Contracted Professional Services – prior to 9/26/14	\$150	\$150	\$0	100%
Additional Cost and Services (VSWs, Security, Dubois, etc.)	\$3,802	\$2,673	\$1,129	70%
Total:	\$27,340	\$25,580	\$1,761	94%

10-02A.11

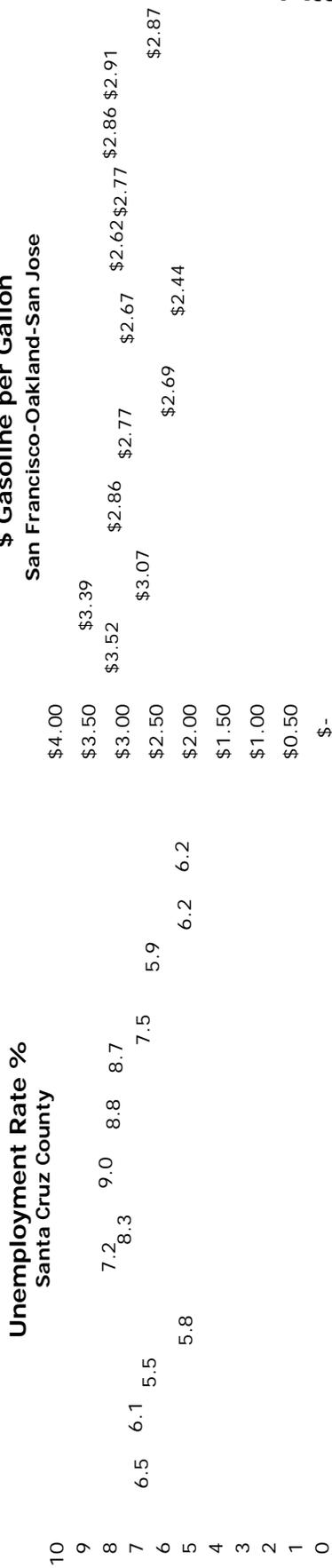


Additional Information

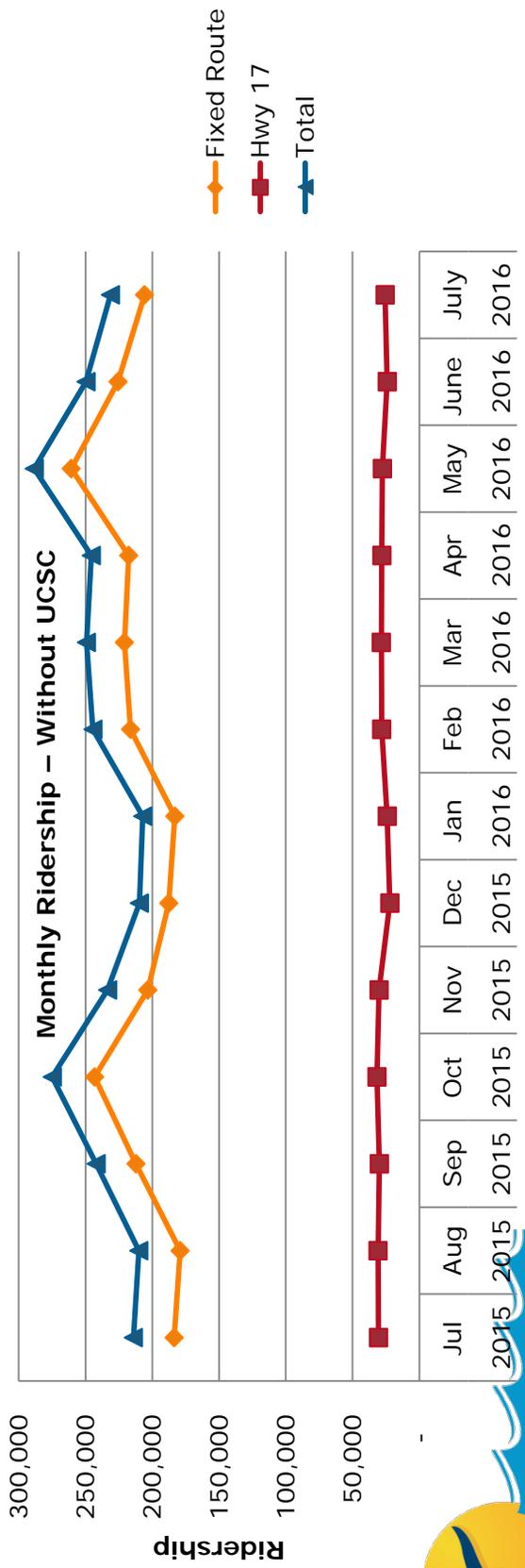
10-02A.12



Additional Information



Unemployment Rate % Santa Cruz County
 \$ Gasoline per Gallon San Francisco-Oakland-San Jose



Monthly Ridership - Without UCSC
 Fixed Route
 Hwy 17
 Total



Questions





DATE: November 18, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: ACCEPT AND FILE THE YEAR TO DATE MONTHLY FINANCIAL
REPORT AS OF AUGUST 31, 2016**

I. RECOMMENDED ACTION

**That the Board of Directors accept and file the Year to Date Monthly
Financial Report as of August 31, 2016.**

II. SUMMARY OF ISSUES

- An analysis of Santa Cruz Metropolitan Transit District's (METRO) financial status is prepared monthly in order to inform the Board of Directors regarding METRO's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year.
- This staff report is the web-accessible companion document to the attached PowerPoint presentation titled "Year to Date Monthly Financial Report as of August 31, 2016."
- Staff recommends that the Board of Directors accept and file the attached report.

III. DISCUSSION/BACKGROUND

Below are the written explanations of the various charts and graphs in the attached Year to Date Monthly Financial Report as of August 31, 2016. The fiscal year has elapsed 17%.

Slide 1

(Cover) Year to Date Monthly Financial Report as of August 31, 2016

Slide 2

FY17 Operating Revenue and Expenses For the Month Ending August 31, 2016

- **Operating Revenues** for the month are favorable by \$110K
- **Operating Expenses** –
 - Labor Regular - unfavorable by \$71K
 - Labor OT - unfavorable by \$175K
 - Fringe Benefits – unfavorable by \$70K
 - Non-Personnel - favorable by \$71K

- **Total Operating Expenses** – unfavorable by \$246K
- **Total Budget to Actual Variance** for the month is unfavorable by \$136K

Slide 3

FY17 Operating Revenue and Expenses Year to Date as of August 31, 2016

- **Operating Revenues** Year to Date are favorable by \$24K
- **Operating Expenses** –
 - Labor Regular - favorable by \$21K
 - Labor OT - unfavorable by \$294K
 - Fringe Benefits - favorable by \$26K
 - Non-Personnel - favorable by \$125K
- **Total Operating Expenses** – unfavorable by \$122K

Total Budget to Actual Variance Year to Date is unfavorable by \$98K

Slide 4

FY17 Operating Revenue by Major Funding Source - Year to Date as of August 31, 2016

- **Passenger Fares:** actual is \$1,130K while budget is \$1,307K
- **Sales Tax Revenue:** actual is \$3,067K while budget is \$3,000K
- **Other Revenue:** actual is \$74K while budget is \$99K
- **Fuel Tax Credit:** actual is \$159K while the budget is \$0

Slide 5

Favorable/ (Unfavorable) Revenue Variance to Budget Year to Date as of August 31, 2016

- **Passenger Fares** variance to budget is unfavorable by **\$177K** primarily due to:
 - Special Transit Fares and the anticipated budgeted increase from the contract with Cabrillo College. The FY17 Special Transit Fares Budget currently includes \$944K for Cabrillo oriented services (12-month commitment from Cabrillo College). The funding commitment, however, was subsequently aligned with the school year, hence will cover 10-month period of the 2016 – 17 school year (Fall and Winter semester). Payments will be received later in the fiscal year.
 - Passenger Fares – Bulk Purchase and the decrease in bulk purchases of discounted passes from Cabrillo College.

- **Sales Tax Revenue** variance to budget is favorable by **\$67K** due to higher than anticipated sales.
- **Other Revenue** variance to budget is unfavorable by **\$25K** primarily due to
 - Seasonal fluctuations in the Advertising Income, while the budget has been straight-lined
 - Other Operating Assistance – AMBAG Funding and the Bus of Shoulder Study grant budgeted, but not awarded.
- **Fuel Tax Credit** variance to budget is favorable by \$159K as the total budget for Fuel Tax Credit is entered at the end of the fiscal year. Fuel Tax Credit is transferred to Reserves at year-end.

Slide 6

FY17 Operating Expenses by Major Expense Category Year to Date as of August 31, 2016

- **Labor - Regular:** actual is \$2,682K while budget is \$2,703K
- **Labor - OT:** actual is \$566K while budget is \$272K
- **Fringe Benefits:** actual is \$3,420K while budget is \$3,446K
- **Services:** actual is \$388K while budget is \$486K
- **Mobile Materials & Supplies:** actual is \$500K while budget is \$468K
- **Other Expenses:** actual is \$326K while budget is \$385K

Slide 7

FY17 Operating Expenses by Major Expense Category Year to Date as of August 31, 2016

- **Labor – Regular** variance to budget is favorable by **\$21K** due to
 - 15 vacant funded positions, of which 2 are on hold
 - Extended unpaid leaves of absence
 - Incentive and Termination Payout payments for employees that retired in July and August 2016
- **Labor – OT** variance to budget is unfavorable by **\$294K** due to vacant positions in various departments.
- **Fringe Benefits** variance to budget is favorable by **\$26K** primarily due to the 15 vacant funded positions, extended unpaid leaves of absence, and termination payouts referenced above.
- **Services** variance to budget is favorable **\$99K** due to Prof & Tech Fees and Repair – Rev Vehicle under budget.

- **Mobile Materials & Supplies** variance to budget is unfavorable by **\$32K** due to increased inventory orders in Rev Vehicle Parts.
- **Other Expenses** are favorable by **\$58K** primarily due to lower Settlement Costs, Purchased Transportation, and Miscellaneous expenses.

Slide 8

FY17 Capital Budget Spending Year to Date as of August 31, 2016

- **Total Capital Projects** spending year to date is **\$236K**; FY17 budget is **\$5.2M**
 - Construction Related Projects account for 99.9% of the spending

Slide 9

FY17 Capital Budget – Excludes MetroBase Project – JKS Ops Bldg. - Spending Year to Date as of August 31, 2016

- **Total Capital Projects** spending year to date is **\$15K**; FY17 budget without JKS Ops Bldg. is **\$2.3M**. Spending %'s are as follows:
 - Construction Related Projects (excluding-JKS Ops Bldg) are 98%
 - IT Projects are 2%

Slide 10

(Cover Sheet) – Metrobase Phase II Operations Building Life of Project – Budget Adopted September 23, 2016

Spending as of November 3, 2016

Slide 11

MetroBase Phase II – Life of Project - Spending as of November 3, 2016

- **Total Project Budget** is **\$27.3M**; spending is at **\$25.6M**; project is **94%** spent

Slide 12

(Cover Sheet) – Additional Information

Slide 13

Additional Information for the Month of **August 2016**

- **Unemployment Rate % in Santa Cruz County** is 5.7%
- **\$ Gasoline per Gallon for the San Francisco-Oakland-San Jose** area is \$2.71
- **Monthly Ridership – Without UCSC** (Highway 17 and Fixed Route) has increased in August to approximately 260K riders

IV. FINANCIAL CONSIDERATIONS/IMPACT

Total Budget to Actual Variance for the month and year to date is unfavorable, by \$136K and \$98K, respectively, primarily due to the incentive and termination payouts for employees that retired in July and August 2016. The budget impact of the payouts will be mitigated by budget savings from the vacant funded positions over the next few months.

V. ALTERNATIVES CONSIDERED

- There are no alternatives to consider, as this is an accept and file Year to Date Monthly Financial Report.

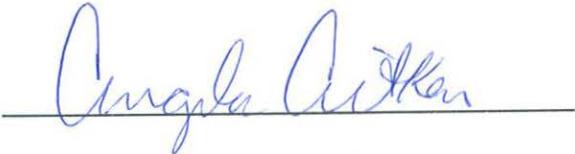
VI. ATTACHMENTS

Attachment A: Year to Date Monthly Financial Report as of August 31, 2016 Presentation

Prepared By: Kristina Mihaylova, Sr. Financial Analyst

VII. APPROVALS:

Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager





Year to Date Monthly Financial Report as of August 31, 2016

Santa Cruz METRO Board of Directors

November 18, 2016

Angela Aitken, Finance Manager

FY17 Operating Revenue and Expenses

For the Month Ending August 31, 2016

17% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual
Operating Revenue:	\$2,546	\$2,436	\$110
Operating Expenses:			
Labor - Regular	\$1,422	\$1,351	(\$71)
Labor - Overtime	\$311	\$136	(\$175)
Fringe Benefits	\$1,793	\$1,723	(\$70)
Non-Personnel Expenses	\$616	\$687	\$71
Total Operating Expenses:	\$4,143	\$3,897	(\$246)
Operating Budget Favorable/ (Unfavorable):			(\$136)

10-03A.2



FY17 Operating Revenue and Expenses

Year to Date as of August 31, 2016

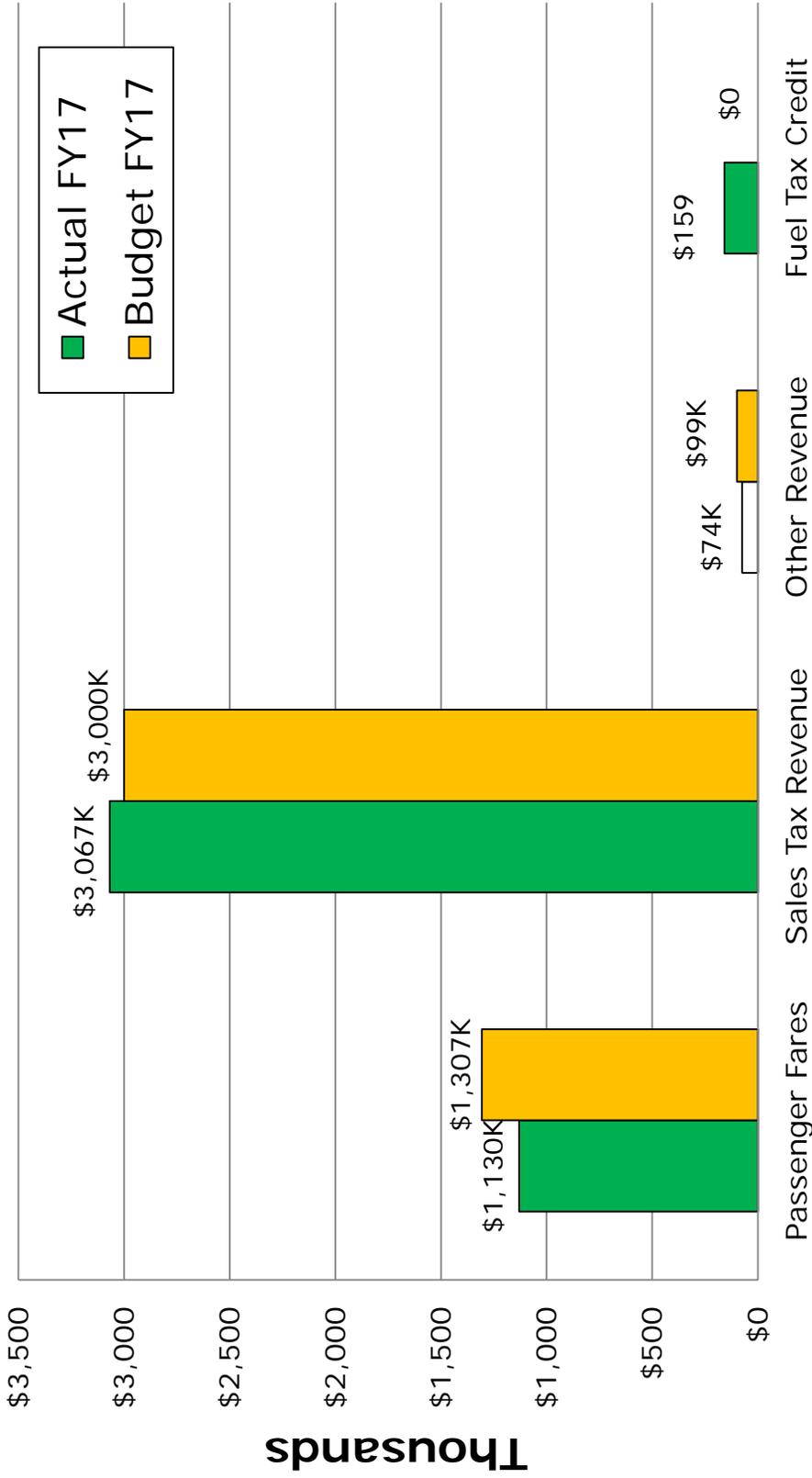
17% of Fiscal Year Elapsed

\$ In Thousands	Actual	Budget	Budget to Actual
Operating Revenue:	\$4,430	\$4,406	\$24
Operating Expenses:			
Labor - Regular	\$2,682	\$2,703	\$21
Labor - Overtime	\$566	\$272	(\$294)
Fringe Benefits	\$3,420	\$3,446	\$26
Non-Personnel Expenses	\$1,214	\$1,339	\$125
Total Operating Expenses:	\$7,882	\$7,760	(\$122)
Operating Budget Favorable/ (Unfavorable):			(\$98)

10-03A.3

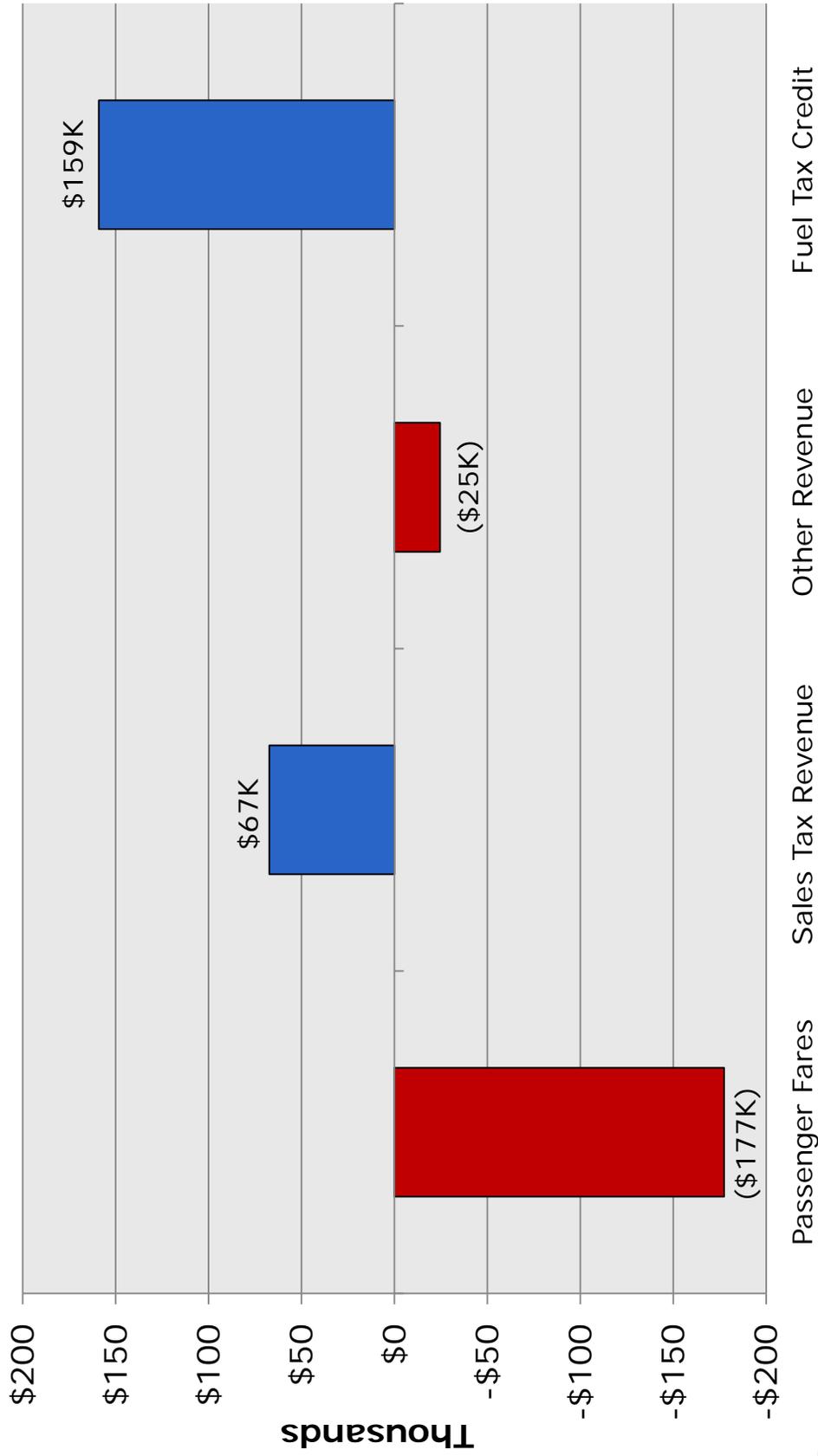


FY17 Operating Revenue by Major Funding Source Year to Date as of August 31, 2016 17% of Fiscal Year Elapsed



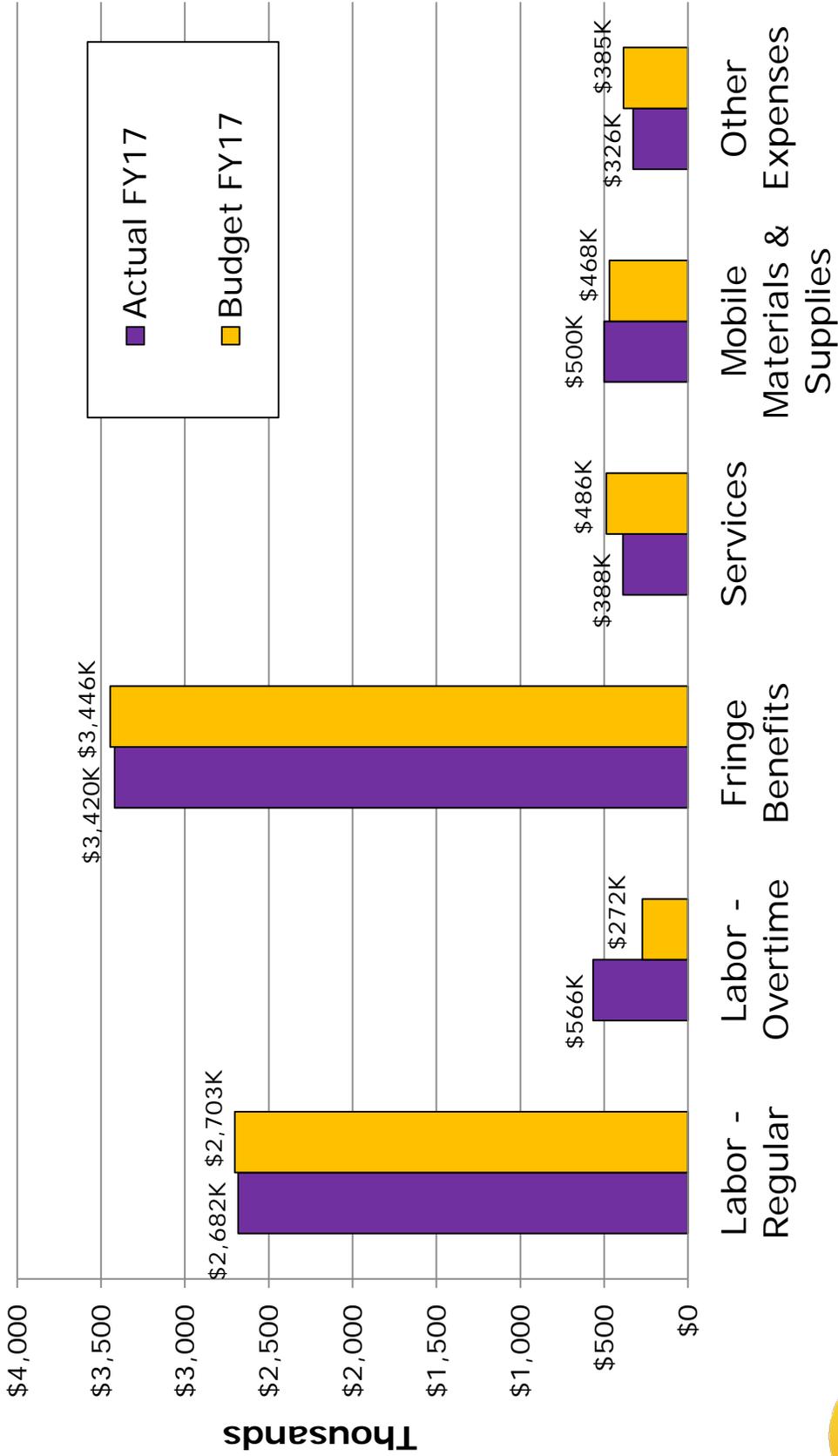
Favorable/(Unfavorable) Revenue Variance to Budget Year to Date as of August 31, 2016

17% of Fiscal Year Elapsed



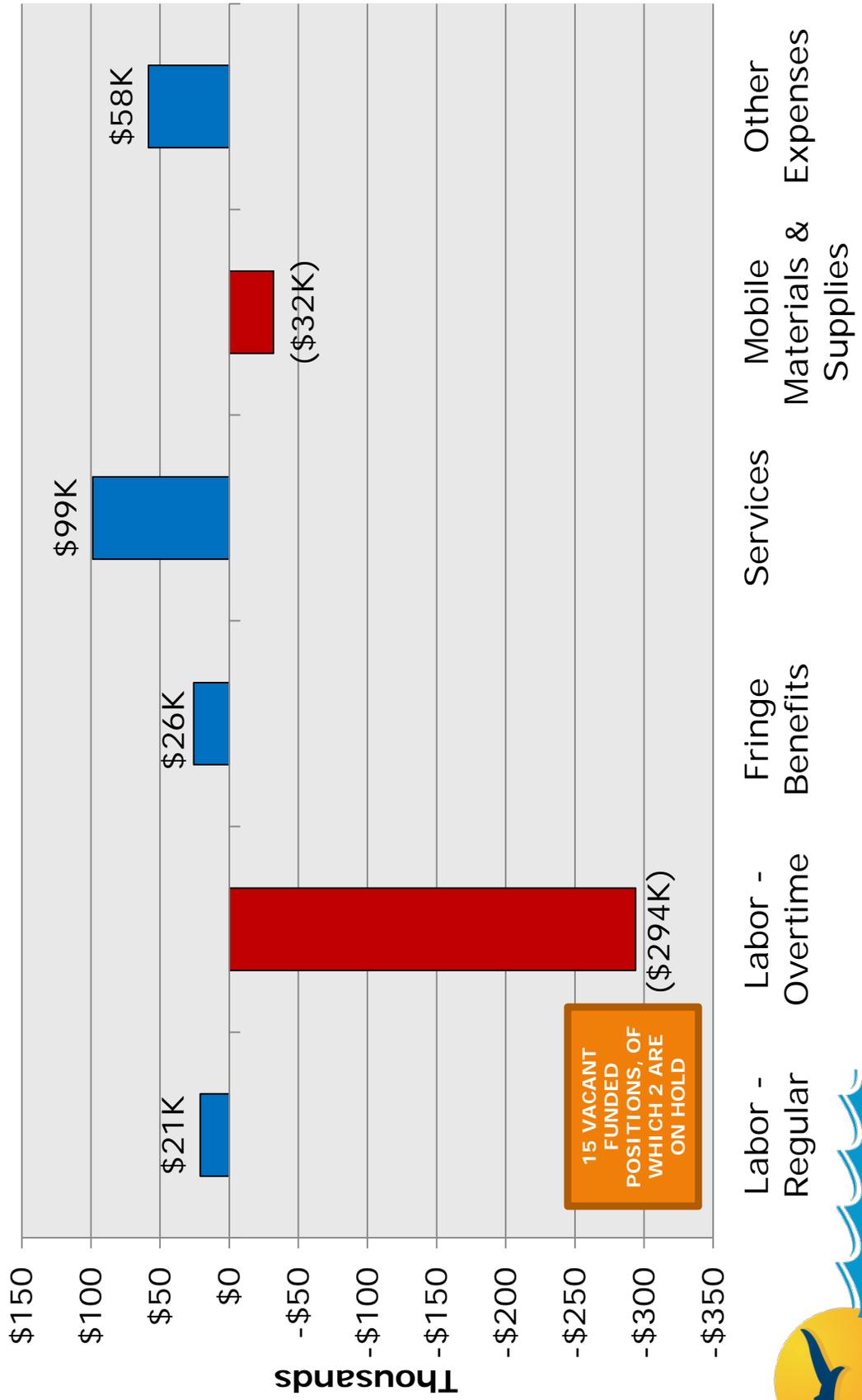
FY17 Operating Expenses by Major Expense Category Year to Date as of August 31, 2016

17% of Fiscal Year Elapsed



Favorable/(Unfavorable) Expense Variance to Budget Year to Date as of August 31, 2016

17% of Fiscal Year Elapsed

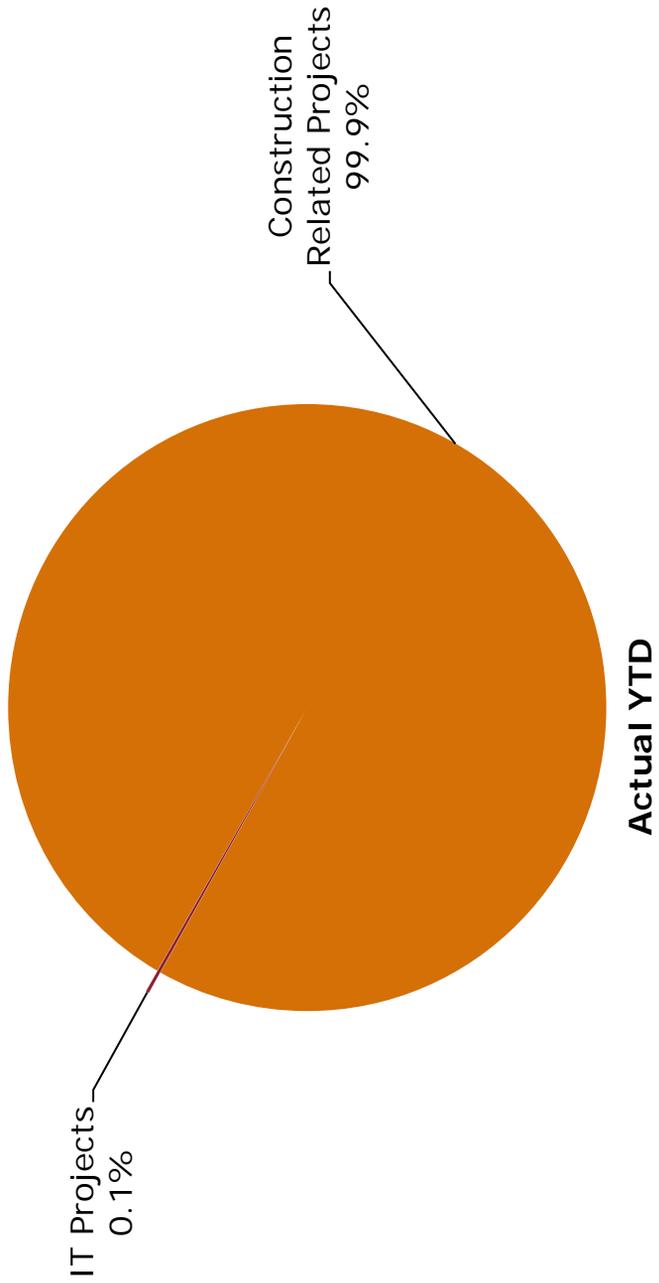


FY17 Capital Budget

Spending Year to Date as of August 31, 2016

17% of Fiscal Year Elapsed

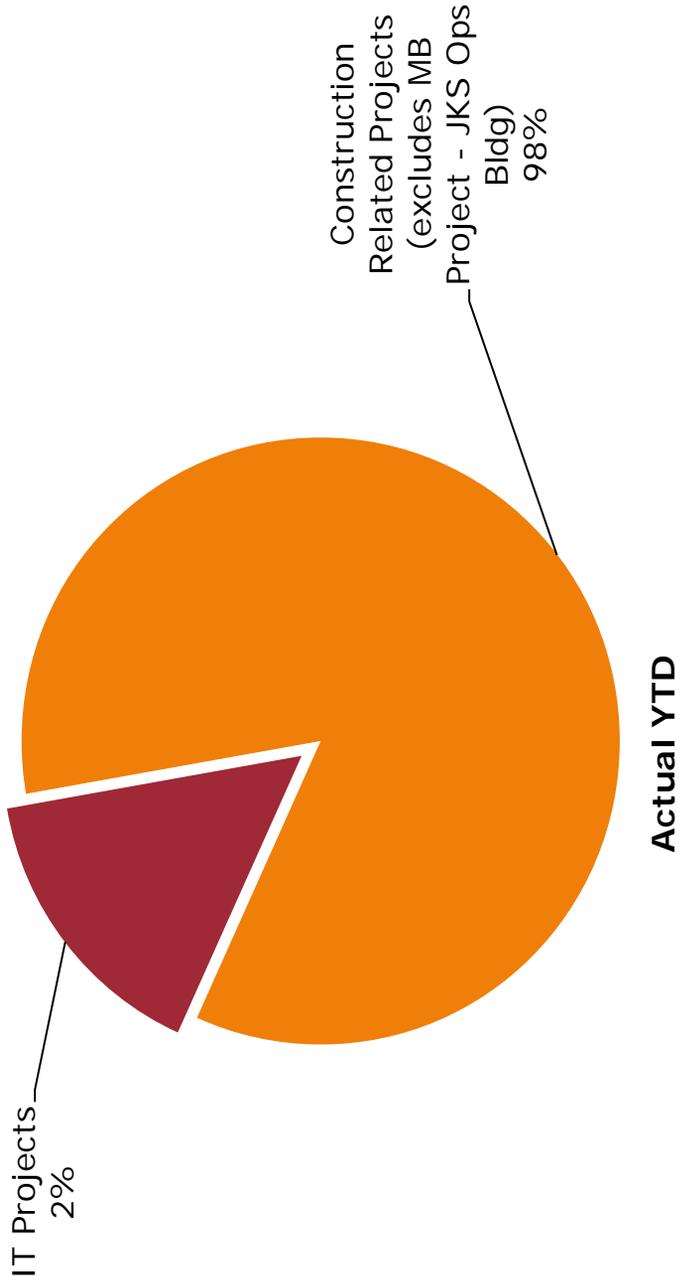
	Actual YTD	Total FY17 Budget	% Spent YTD
Total Capital Projects:	\$236,368	\$5,210,832	5%



FY17 Capital Budget - Excludes MetroBase Project - JKS Ops Bldg.
 Spending Year to Date as of August 31, 2016
 17% of Fiscal Year Elapsed

Actual YTD	Total FY17 Budget	% Spent YTD
------------	-------------------	-------------

Total Capital Projects: \$15,094 \$2,340,832 0.6%



**MetroBase Phase II
Operations Building
Life of Project
Budget Adopted September 23, 2016
Spending as of November 3, 2016**

MetroBase Phase II - Life of Project

Spending as of November 3, 2016

Attachment A

\$ In Thousands	Budget	Actual	Remaining	% Spent
LCN – Prime Construction Contract	\$13,572	\$13,513	\$59	100%
Construction Contract Contingency	\$2,272	\$2,141	\$131	94%
In-House Project Management	\$643	\$643	\$0	100%
Consultant Costs (Hill Int'l., TRC and RNL)	\$6,902	\$6,461	\$441	94%
Non-Construction Contingencies	\$0	\$0	\$0	0%
Contracted Professional Services – prior to 9/26/14	\$150	\$150	\$0	100%
Additional Cost and Services (VSWs, Security, Dubois, etc.)	\$3,802	\$2,673	\$1,129	70%
Total:	\$27,340	\$25,580	\$1,761	94%

10-03A.11

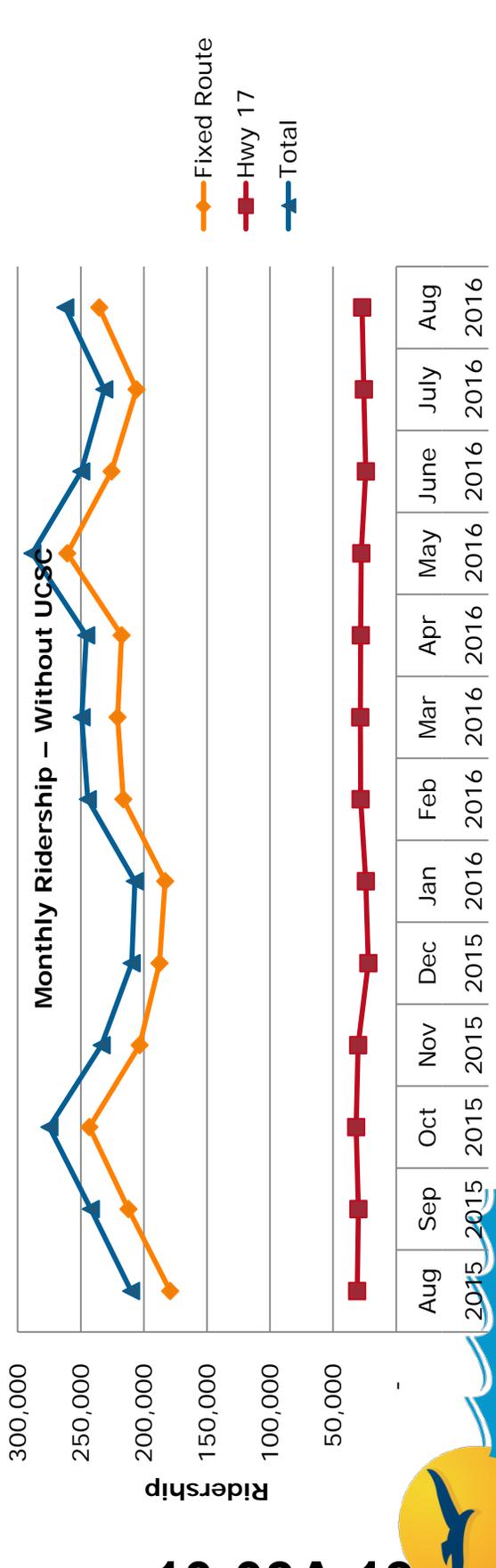
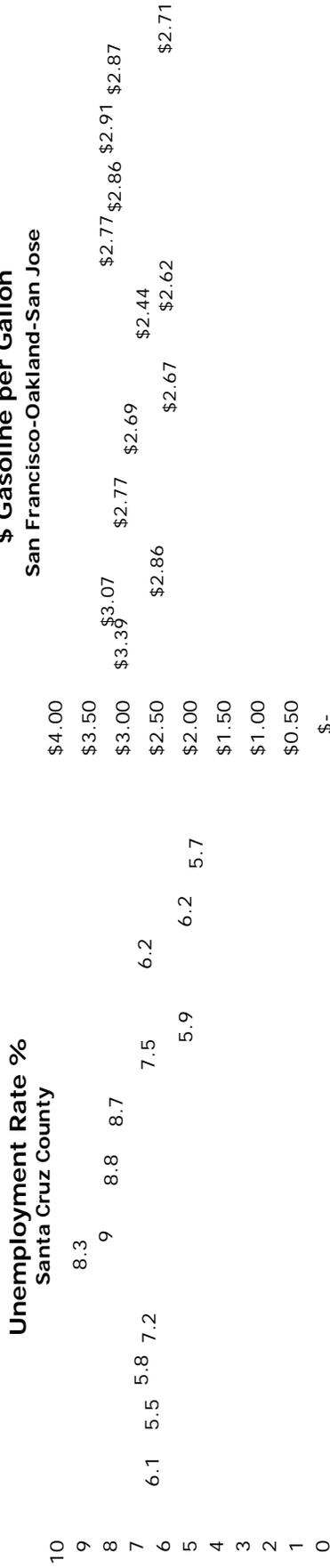


Additional Information

10-03A.12



Additional Information



Questions





DATE: November 18, 2016
TO: Board of Directors
FROM: Alex Clifford, CEO/General Manager
SUBJECT: ACCEPT AND FILE MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF OCTOBER 28, 2016

I. RECOMMENDED ACTION

That the Board of Directors Accept and File the Minutes for the Santa Cruz Metropolitan Transit District (METRO) Board of Directors Meeting of October 28, 2016

II. SUMMARY

- Staff is providing minutes from the Santa Cruz Metropolitan Transit District (METRO) Board of Directors Meeting of October 28, 2016.
- Each meeting, staff will provide minutes from the previous METRO Board of Directors meeting.

III. DISCUSSION/BACKGROUND

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

IV. FINANCIAL CONSIDERATIONS/IMPACT

None

V. ALTERNATIVES CONSIDERED

None

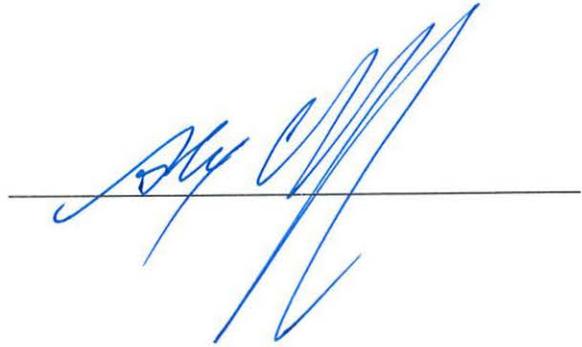
VI. ATTACHMENTS

Attachment A: Draft minutes for the Board of Directors Meeting of October 28, 2016

Prepared by: Gina Pye, Executive Assistant

VII. APPROVALS:

Alex Clifford, CEO/General Manager

A handwritten signature in blue ink, appearing to read "Alex Clifford", is written over a solid horizontal black line. The signature is stylized and cursive.

Attachment A



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
BOARD OF DIRECTORS AGENDA MEETING MINUTES
OCTOBER 28, 2016 – 8:30 AM
CAPITOLA CITY COUNCIL CHAMBERS
407 CAPITOLA AVENUE
CAPITOLA, CA 95010**

A regular meeting of the Board of Directors of the Santa Cruz Metropolitan Transit District (METRO) was convened on Friday, October 28, 2016 at the Capitola City Council Chambers, 420 Capitola Avenue, Capitola, CA.

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

This document has been created with accessibility in mind. With the exception of certain 3rd party and other attachments, it passes the Adobe Acrobat XI Accessibility Full Check. If you have any questions about the accessibility of this document, please email your inquiry to accessibility@scmttd.com

SECTION I: OPEN SESSION

1 CALL TO ORDER at 8:45AM by Chair Rotkin.

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

Director Ed Bottorff	City of Capitola	
Director Dene Bustichi	City of Scotts Valley	
Director Karina Cervantez	City of Watsonville	
Director Cynthia Chase	City of Santa Cruz	
Director Jimmy Dutra, Vice Chair	City of Watsonville	<i>Arrived 8:46AM</i>
Director Don Lane	City of Santa Cruz	
Director Bruce McPherson	County of Santa Cruz	<i>Arrived 9:01AM</i>
Director Mike Rotkin, Chair	County of Santa Cruz	

Directors Friend, Director Hagen, Director Leopold and Ex Officio Director Blitzer were absent.

STAFF PRESENT:

Alex Clifford	METRO CEO/General Manager
Julie Sherman, Esq. for Leslyn K. Syren	METRO District Counsel

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

Heather Adamson, AMBAG	Angela Aitken, METRO
Erron Alvey, METRO	Debbie Kinslow, METRO
Beverly Steumbaugh, Citizen	Tom Stumbaugh, Citizen
Daniel Zaragoza, METRO	

DRAFT

10-04A.1

Attachment A

3 ANNOUNCEMENTS

Chair Rotkin introduced Carlos Landaverry and his Spanish Language Interpretation services. He then announced:

- This meeting is being televised by Community Television of Santa Cruz County with technician, Alex Saidi.
- Director Norm Hagen and Ex Officio Director Blitzer were not able to attend today's meeting.

4 BOARD OF DIRECTORS COMMENTS

Chair Rotkin pulled Item 9-11, Consideration of Authorizing the CEO to execute a Cooperative Agreement for Transportation Coordinator Services with Cabrillo College, so staff can make changes to the report.

Chair Rotkin talked about the Metrobase Ad Hoc Committee which was in existence at the time of the recent establishment of a new set of Standing Committees at the September 2016 meeting. The Metrobase Ad Hoc Committee was developed to advise the Board with regard to the MetroBase project which is now in the process of closing out. Rather than disbanding or folding this advisory role into a new Standing Committee, it was determined the best course of action would be to allow this Ad Hoc Committee to continue to function in its capacity through close out of the Metrobase project. There were no objections to this decision.

Director Rotkin said the public continue to express their opinions in letters published in the Santa Cruz Sentinel that Measure D does not provide enough money for public transit services. This Board has unanimously endorsed Measure D as we believe it is the best option for funding in support of METRO at this time.

Hearing no further comments, Chair Rotkin moved to the next agenda item.

5 COMMUNICATIONS TO THE BOARD OF DIRECTORS

Hearing none, Chair Rotkin moved to the next agenda item.

6 COMMUNICATIONS FROM MAC

Having none, Chair Rotkin moved to the next agenda item.

7 LABOR ORGANIZATION COMMUNICATIONS

Mr. Eduardo Montesino, representing Bus and Paratransit Operators, said Measure D is not perfect but it provides resources which we desperately need to provide the best bus and Paratransit service to the community. People are wondering what they will get for their money. The public should be aware that this would fund service on the streets.

As a separate issue, Mr. Montesino voiced concerns about there having been more retirees than anticipated and unaddressed corrections to the contract, bidding, etc.

Ms. Olivia Martinez, Union representative for SEIU-SEA members, expressed her concern over the retirements of METRO's General Counsel and Human Resources Manager. She hopes the Board will support the transition to hire an HR Manager with labor relationship and meet and confer process experience.

Mr. Michael Rios, Transit Supervisor, introduced himself, saying he is assuming the Union role vacated by the retirement of Mr. Manny Martinez.

8 ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

Chair Rotkin announced the following items were distributed to Board Members and are available at the back of the room for public viewing:

Attachment A

- Item 9-03A, September 23, 2016 METRO Board of Director Meeting Minutes, corrected page 9-03A.3. Corrected to reflect the correct dollar amount in Item 9-07 on page 9-03A.3.
- Item 13, Oral COA Update: 2 pages of additional documentation to accompany Barrow Emerson's oral presentation
- News clips of interest

CONSENT AGENDA

- 9-01 APPROVE: RECOMMENDED ACTION ON TORT CLAIMS
- 9-02 ACCEPT AND FILE: PRELIMINARY APPROVED CHECK JOURNAL DETAIL FOR THE MONTH OF SEPTEMBER 2016
- 9-03 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS MEETING OF SEPTEMBER 23, 2016
- 9-04 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS CAPITAL PROJECTS STANDING COMMITTEE MEETING OF SEPTEMBER 20, 2016
- 9-05 ACCEPT AND FILE: MINUTES OF THE SANTA CRUZ METRO BOARD OF DIRECTORS PERSONNEL/HUMAN RESOURCES STANDING COMMITTEE MEETING OF SEPTEMBER 21, 2016
- 9-06 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 2ND LEASE AMENDMENT WITH WAVE CREST DEVELOPMENT FOR SOIL REMEDIATION, INCREASING THE CONTRACT TOTAL BY \$75,203
- 9-07 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 2ND AMENDMENT EXTENDING THE CONTRACT WITH COASTAL LANDSCAPING, INC. FOR LANDSCAPING MAINTENANCE AND SERVICES, INCREASING THE CONTRACT TOTAL BY \$40,000
- 9-08 APPROVE: CONSIDERATION OF AWARD OF CONTRACT TO ALANIZ CONSTRUCTION, INC. FOR RESEALING AND RESTRIPIING PARKING LOTS, NOT TO EXCEED \$55,000
- 9-09 ACCEPT AND FILE: RATIFY THE SEVENTH AMENDEMENT FOR A ONE-YEAR EXTENSION OF THE MEMORANDUM OF UNDERSTANDING FOR THE HIGHWAY 17 CONSOLIDATED TRANSIT SERVICE
- 9-10 APPROVE: CONSIDERATION OF A CONTRACT AMENDMENT WITH THE LAW FIRM OF HANSON BRIDGETT IN AN AMOUNT NOT TO EXCEED \$150,000
- 9-11 APPROVE: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A COOPERATIVE AGREEMENT FOR TRANSPORTATION COORDINATOR SERVICES WITH CABRILLO COLLEGE – **PULLED FROM AGENDA BY CHAIR ROTKIN**

Public comment:

Mr. John Bartholomew, referring to Item 9-06, asked what soil is being remediated and at what cost.

CEO Clifford referred Mr. Bartholomew to Section IV of the board report. Additional soil remediation was required, the total amount is approximately \$125K, and, the property referred to is where we previously parked the buses.

Attachment A

Mr. Montesino, referring to Item 9-05, expressed his concern about possible management wage increases.

ACTION: MOTION TO ACCEPT THE CONSENT AGENDA, WITHOUT ITEM 9-11, AS PRESENTED.

MOTION: DIRECTOR BUSTICHI

SECOND: DIRECTOR LANE

MOTION PASSED WITH 8 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Lane, McPherson and Rotkin.) Directors Friend, Hagen, and Leopold were not present.

REGULAR AGENDA

10 PRESENTATION OF EMPLOYEE LONGEVITY AWARDS FOR EFRAIN HERNANDEZ, MARIA P. HERNANDEZ AND ROBYN SLATER

Chair Rotkin recognized the following retirees in their absence, noting all employees are important:

- Efrain Hernandez, Vehicle Service Worker II, 15 years of service with METRO
- Maria P. Hernandez, Customer Service Representative, 20 years of service with METRO

Vice Chair Dutra presented Robyn Slater, Human Resources Manager, with her certificate for 15 years of service with METRO. Ms. Slater thanked the assembly and said it was nice to have spent 15 years with METRO.

11 ORAL STATE LEGISLATIVE UPDATE

Mr. Josh Shaw, Shaw Yoder and Antwih, provided a brief summary of some of the legislative efforts, successes and failures of the past year as he and his team have worked to frame legislation to access state cap and trade funds.

He thanked METRO and the Board for their support of SB824 (Beall) which allowed agencies to bank their annual allocation for up to four years toward the funding of larger programs and allowed for reimbursement of local funds, paving a path to planning a four-year capital need program.

Ongoing efforts include a comprehensive multimodal transportation proposal (Beall and Frazier); however, it seems to be on hold until after the November elections. There is a chance it may be successful during a lame duck session. They are also looking into rates paid to utilities as the State requires public transportation to move to zero emission vehicles.

12 ORAL FEDERAL LEGISLATIVE UPDATE

Mr. Chris Giglio, Capital Edge, provided a look back at 2016. A year in which Congress passed a five-year reauthorization of transit funding under the FASTAct. It doesn't come close to meeting all the funding needs with its average of 2% increases every year over the life of the bill. We will continue to look for better funding sources. METRO was victorious in receiving a LoNo Emissions Grant for electric buses.

He thanked Chair Rotkin, Vice Chair Dutra and Director McPherson for their visit to DC. Educating the legislators on the State of Good Repair was fruitful and good for them to see small to medium size transportation system issues. APTA and others tend to be dominated by the needs of larger systems. It was helpful to learn that local communities which help themselves are rewarded with government funding. The successful passing of Measure D will demonstrate this.

Attachment A

Both presidential candidates have expressed interest in funding infrastructure in the early months of their terms. We are not sure if Congress will go for this; but, talking about infrastructure investment will be important next year. METRO should be ready with a list of projects to be funded.

Senator Boxer and Assemblyman Farr's transportation support will be missed when they retire. We will need to educate our new representatives in terms of our priorities early and often.

13 **ACCEPT: ORAL COA UPDATE**

Mr. Barrow Emerson, Planning and Development Manager, provided an update on the September 2016 service changes and referenced two pages which had been distributed to the Board members and available to the public at the back of the room:

- Page 1: Route By Route Effect of Service Changes
- Page 2: Fall Ridership by Route (includes 6 weeks' UCSC usage and 8 weeks' elsewhere); will be distributed monthly

Changes have been made to address on-time performance and missed connections in the upcoming Winter bid. All changes will be available on the website in advance of the paper edition of the "Headways".

Chair Rotkin was impressed with the changes made to accommodate peak and off-peak trips serving UCSC.

Vice Chair Dutra thanked Mr. Emerson and team for their efforts and noted the bonus addition of five trips after the implementation of the initial service changes. He was surprised to learn that Watsonville is second in ridership after UCSC. It is important for the public to know how important Measure D is in terms of moving people throughout Santa Cruz County.

Director McPherson added that the importance of Measure D cannot be overstated. It is necessary for Santa Cruz County's stance as a self-help county and to METRO to sustain what we have and hopefully provide additional service.

Public comment:

Ms. Beverly Stumbaugh, Aptos resident, expressed her concerns regarding Route 71 and the relocation of the Aptos Village bus stop. There is not enough parking and visibility is poor. Chair Rotkin said Mr. Emerson would look into this.

Mr. Bartholomew expressed his opinions about various routes: 69, 10, 34, etc. He suggested Route 34 be cut and that Operator reassigned to Route 10.

Mr. Montesino responded that Route 34 is needed for Paratransit; they cannot be without the services. METRO continues to work and meet weekly to deal with the relatively few complaints and issues.

Vice Chair Dutra requested that Mr. Emerson's report include Cabrillo ridership going forward. Mr. Emerson replied that Cabrillo will be fully addressed at the November meeting.

Attachment A

14 APPROVE: BUS STOP SIGNAGE BRANDING REDESIGN WITH UNIQUE 4-DIGIT STOP ID

Harlan Glatt, Sr. Database Administrator, introduced Jaron West, the newest member of the IT Department. He then circulated vinyl copies of the bus stop stickers (pages 14A.2 and 14A.3 of the board packet) to the Board members and provided commentary to the report. He also provided a live demonstration of the website, featuring the many improvements.

Chair Rotkin thanked Mr. Glatt and Mr. West for their work saying he was very impressed with the navigation and accessibility.

Director Lane echoed his appreciation and asked if we would be able to track the number of system users.

Mr. Glatt responded yes. We also have the ability to track stops by popularity, etc.

Director Bottorff asked if there is a way we would know if an approaching or next bus would be full and, if not, what technology would be required to do this.

Mr. Glatt responded the work done to date lays the foundation for Automatic Vehicle Location (AVL) and Automatic Passenger Counting (APC). With these combined resources, we would know when we reach capability and could provide that information to dispatch. We are striving to acquire an AVL system, but they are expensive.

Chair Rotkin added AVL also opens up the possibility for next bus technology.

Director Chase said knowing that METRO has the in-house skills and talent to develop this is exciting and she appreciates the attention to detail. This is a move to increasing ridership, accessibility and exciting the public about transit.

Mr. Glatt noted that this has also been tested with users of assisted devices. They can now use this service.

Public comment:

Unidentified female public citizen, ham radio operator, voiced her support of the information and suggested METRO look into AVRS, a system used to track vehicle location. She suggested METRO contact Rosemary Anderson at the EEOC for more info. She expressed her concerns with the physical height of the signs saying it is not always easy for non-standing riders to read.

Mr. Isaac Holly, METRO's IT Manager, asked if she would speak with him today regarding the software ideas. He also thanked his staff, management, SEIU, UTU and others involved in the project for making this possible.

Mr. Glatt added that our stops are all very different. There may be more than one plate per stop, dependent upon how many routes that particular stop serves. This affects the height considerations.

Mr. John Bartholomew asked if there would be more than one sign per bus stop.

Chair Rotkin responded yes.

Attachment A

Mr. Montesino said we are going in the right direction. He is excited about the changes.

CEO Clifford thanked Mr. Glatt, Mr. West and Mr. Holly for their efforts, adding METRO is on a journey to bring recommendations to the Board to discontinue stickers at bus stops due to cost and physical labor required each time a service change is made.

ACTION: MOTION TO APPROVE THE BUS STOP SIGNAGE BRANDING REDESIGN WITH UNIQUE 4-DIGIT STOP ID AS PRESENTED.

MOTION: DIRECTOR DUTRA

SECOND: DIRECTOR CHASE

MOTION PASSED WITH 8 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Lane, McPherson and Rotkin.) Directors Friend, Hagen, and Leopold were not present.

15 APPROVE: APPROVAL OF REVISED CLASS SPECIFICATIONS & RETROACTIVE WAGE SCALES FOR POSITIONS WITHIN THE FINANCE, FLEET AND OPERATIONS DEPARTMENTS

Robyn D. Slater, Human Resources Manager, asked that Items 15 and 16 be combined due to their similar natures. Chair Rotkin approved this request.

16 APPROVE: RECLASSIFICATION OF ADMINISTRATIVE ASSISTANT WITHIN THE PURCHASING DEPARTMENT TO ADMINISTRATIVE SPECIALIST

Robyn D. Slater, Human Resources Manager, asked that Items 15 and 16 be combined due to their similar natures. Chair Rotkin approved this request.

Ms. Slater went on to provide a bit of history and commentary to the reports. She thanked Ms. Suzanne Silva, Assistant HR Manager, and SEIU for their support and contributions to the process.

Public comment:

Ms. Olivia Martinez, expressed concerns regarding the length of time this process took. She stressed the importance of the next HR Manager understanding PERP, negotiations and bargaining with SEIU. She asked that the Board take the benchmark results (which show many members below market) into consideration as they move forward with the class and compensation study. This affects the retirement of the SEIU members.

Mr. Bartholomew asked who would receive a salary adjustment and if they were union. He asked that the Board remember him when the contract comes around.

Chair Rotkin, referring to the staff report, said yes, they are union members within the Finance, Fleet and Operations Departments.

ACTION: MOTION TO APPROVE THE REVISED CLASS SPECIFICATIONS & RETROACTIVE WAGE SCALES FOR POSITIONS WITHIN THE FINANCE, FLEET AND OPERATIONS DEPARTMENTS AS PRESENTED.

MOTION: DIRECTOR BUSTICHI

SECOND: DIRECTOR LANE

DRAFT

10-04A.7

Attachment A

MOTION PASSED WITH 8 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Lane, McPherson and Rotkin.) Directors Friend, Hagen, and Leopold were not present.

ACTION: MOTION TO APPROVE THE RECLASSIFICATION OF ADMINISTRATIVE ASSISTANT WITHIN THE PURCHASING DEPARTMENT TO ADMINISTRATIVE SPECIALIST AS PRESENTED.

MOTION: DIRECTOR BUSTICHI

SECOND: DIRECTOR LANE

MOTION PASSED WITH 8 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Lane, McPherson and Rotkin.) Directors Friend, Hagen, and Leopold were not present.

17 APPROVE: REQUEST TO ISSUE A FORMAL REQUEST FOR PROPOSALS FOR CONTRACTED LEGAL SERVICES FOR GENERAL COUNSEL AND OTHER LEGAL SUPPORT SERVICES

Julie Sherman, Esq. left room for the duration of this discussion.

Chair Rotkin, Legal Services Board Ad Hoc Committee Chair, provided a brief history of this agenda item noting that the Ad Hoc Committee met and looked at various models to determine how they handle their legal services. All of the surveyed agencies contract out their legal services; none have in-house counsel. The model they devised is reflected in the staff report. He asked CEO Clifford to provide additional information.

CEO Clifford said he had surveyed 15 small to mid-size California transit agencies, spending 45-60 minutes with each CEO asking questions such as: How much do you spend and budget for legal services? What is your total budget? Response ranged from 0.13% to 1.44% of their total budget. The properties with lower labor issues had lower costs while higher labor issues resulted in higher specialized labor costs. There was also some variance due to scheduled work which was presented to their respective law firm(s).

Chair Rotkin noted the report includes detailed information provided by Leslyn Syren, METRO's District Counsel. He believes METRO will receive 3-4 responses to the RFP which will provide real alternatives.

Director Dutra urged sensitivity to the staff within the department.

CEO Clifford responded the scope of work mandates the chosen firm work with METRO's Paralegal.

Director Dutra went on to ask, without getting into specifics, for an example of when staff had been directed differently.

Chair Rotkin answered that there were no major crises; it was a different sense of contract intention. It worked out in every case.

Director Cervantez asked that the chosen firm have experience with labor negotiations.

Public comment:

Attachment A

Mr. Montesino said the current system has worked with in-house counsel. He didn't see any consideration given to a model similar to the RTC/County arrangement.

Chair Rotkin said the Ad Hoc Committee did consider the RTC/County arrangement. RTC legal needs are different. The Ad Hoc Committee felt this was the best route to go at this time.

ACTION: MOTION TO APPROVE THE REQUEST TO ISSUE A FORMAL REQUEST FOR PROPOSALS FOR CONTRACTED LEGAL SERVICES FOR GENERAL COUNSEL AND OTHER LEGAL SUPPORT SERVICES AS PRESENTED WITH THE ADDITION OF 3.3.6: PUBLIC AGENCY LABOR RELATIONS

MOTION: DIRECTOR LANE

SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 8 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Lane, McPherson and Rotkin.) Directors Friend, Hagen, and Leopold were not present.

18 CONSIDERATION OF A RESOLUTION TO ESTABLISH THE BOARD OF DIRECTORS' MEETING SCHEDULE AND LOCATIONS FOR 2017

Alex Clifford, CEO/General Manager, provided brief commentary to the staff report.

ACTION: MOTION TO APPROVE THE CONSIDERATION OF A RESOLUTION TO ESTABLISH THE BOARD OF DIRECTORS' MEETING SCHEDULE AND LOCATIONS FOR 2017 PRESENTED.

MOTION: DIRECTOR BOTTORFF

SECOND: DIRECTOR ROTKIN

MOTION PASSED WITH 8 AYES (Directors Bottorff, Bustichi, Cervantez, Chase, Dutra, Lane, McPherson and Rotkin.) Directors Friend, Hagen, and Leopold were not present.

19 CEO ORAL REPORT

Alex Clifford, CEO/General Manager, acknowledged the outstanding work of METRO's Bus Operator who pulled the bus over and got everyone off in a safe fashion with public assistance during a recent bus fire. A commendation is planned for the Operator. The bus is a total loss; it had been scheduled to be retired upon the acquisition of one of our three electric buses. Mechanics, investigating the fire, determined the cause to be a worn electrical cable. They are now in the process of investigating all the buses of this type to ensure this metal to insulation contact/friction won't happen going forward.

20 REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION

Julie Sherman, Esq. for Leslyn Syren, General Counsel, announced the closed session item below and said they would return with an announcement.

21 ANNOUNCEMENT OF NEXT MEETING: FRIDAY, NOVEMBER 18, 2016 AT 8:30AM, WATSONVILLE CITY COUNCIL CHAMBERS, 275 MAIN STREET, WATSONVILLE, CA

Chair Mike Rotkin announced the next meeting as above.

22 RECESS TO CLOSED SESSION

Chair Mike Rotkin recessed the meeting at 10:48AM to the Closed Session.

Attachment A

Board of Directors Meeting Minutes
October 28, 2016
Page 10 of 10

SECTION II: CLOSED SESSION

- 23 CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION** (Government Code Section 54956.9(b) – 1 case)

SECTION III: RECONVENED TO OPEN SESSION AT 11:08AM

- 24 REPORT OF CLOSED SESSION ITEMS**
Julie Sherman, Esq. for Leslyn Syren, General Counsel, announced there was no reportable action taken during the closed session.
- 25 ADJOURNMENT**
Chair Rotkin adjourned the meeting at 11:09AM.

Respectfully submitted,

Gina Pye
Executive Assistant

DRAFT

10-04A.10



DATE: November 18, 2016
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Manager
**SUBJECT: ACCEPT AND FILE METRO SYSTEM RIDERSHIP REPORTS FOR THE
FIRST QUARTER OF FY17**

I. RECOMMENDED ACTION

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

II. SUMMARY

- This report contains ridership summaries and ridership by route for Santa Cruz Metropolitan Transit District (METRO) fixed route bus service for the first quarter (Q1) of FY17 (July 1 – September 30, 2016).
- Quarterly ridership reports are provided to keep the Board of Directors apprised of METRO's ridership statistics and ridership trends.

III. DISCUSSION/BACKGROUND

Attachment A shows system-wide and UCSC ridership statistics for Q1 of FY17, while making comparisons with Q1 of FY16. This report also displays the use of Discounted Fares and Pass Usage by seniors and people with disabilities.

- Q1 system-wide ridership decreased 0.7%.
Reason(s) that Fixed-Route quarterly and YTD ridership decreased include:
 - Service reduction implemented after September 8th decreased overall trips operated system-wide by 13%
 - Decreased Hwy 17 ridership
- Hwy 17 quarterly ridership decreased 11.5%.
Reason(s) that Hwy 17 quarterly and YTD ridership decreased include:
 - Fares increased in Fall 2015
 - 10-15% lower fuel prices in Summer 2016 than Summer 2015
 - Reduced on-time performance, primarily a result of increased congestion
 - Service reduction implemented September 8, 2016 decreased overall trips operated system-wide by 13%

- UCSC ridership increased 7% in Q1 of FY17.
Reason(s) that quarterly UCSC ridership and revenue increased include:
 - Additional trips purchased for UCSC routes by the university
 - Increased UCSC enrollment in FY16

- Quarterly and YTD Discounted Fare and Pass totals decreased 2.7%.
Reason(s) that quarterly and YTD discounted fare and pass usage increased include:
 - Service reduction implemented after September 8th decreased overall trips operated system-wide by 13%
 - Increased use of alternative transportation for seniors and people with disabilities, such as Paracruz or Lift Line.

Attachment B shows average ridership per trip for all weekday and weekend routes in Q4 of FY16. System-wide, there are 22 riders per trip on weekdays and 20 riders per trip on weekends.

- The weekday route with the highest ridership average is route 19.
 - This route serves UCSC via Lower Bay

- The weekend route with the highest ridership average is route 71
 - This route serves both Santa Cruz and Watsonville.

- The weekday route with the lowest ridership average is route 34.
 - This route serves South Felton during the SLVUSD school term.

- The weekend route with the lowest ridership average is route 72.
 - This route serves Watsonville Hospital and Pinto Lake.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Revenue derived from passenger fares and passes is reflected in the FY17 operating budget.

V. ALTERNATIVES CONSIDERED

There are no alternatives to consider.

VI. ATTACHMENTS

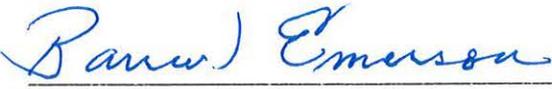
Attachment A: Quarterly System Ridership Summary for FY17 Q1 (July 1–
September 30, 2016)

Attachment B: Quarterly Average Ridership by Route Report for FY17 Q1 (July 1-
September 30, 2016)

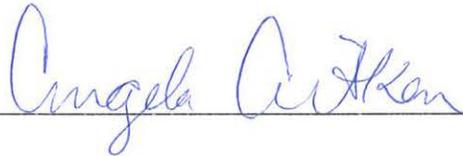
Prepared By: Cayla Hill, Administrative Specialist

VII. APPROVALS:

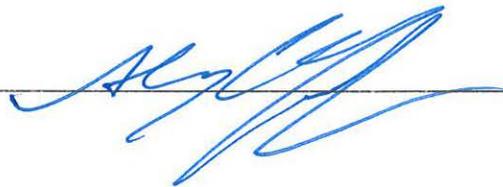
Barrow Emerson,
Planning and Development Manager



Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager

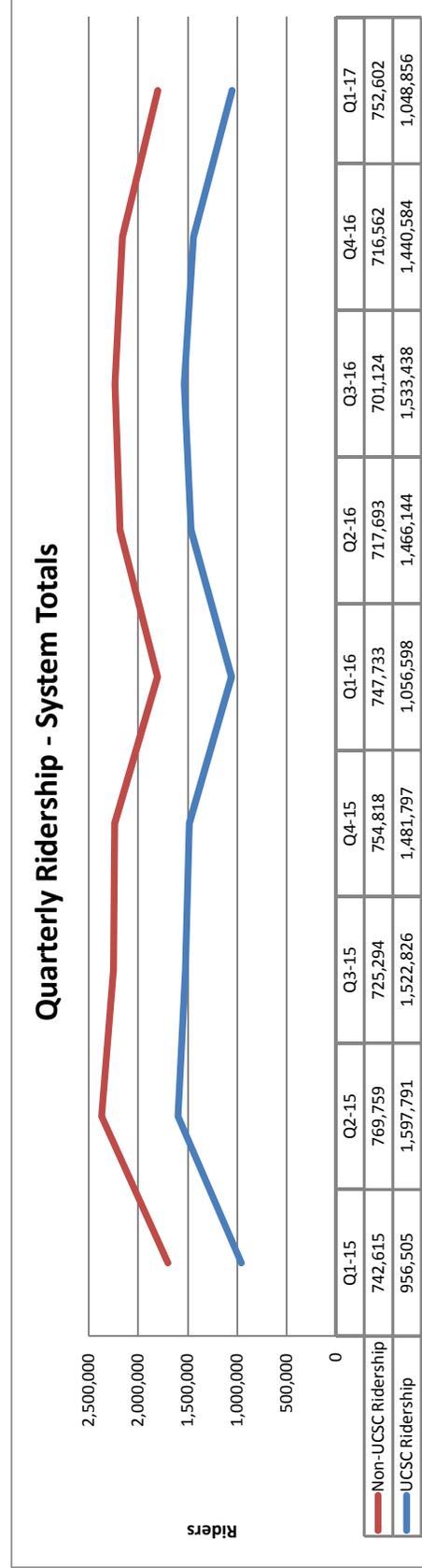


Quarterly System Ridership Summary

FY17 Q1 (July 01, 2016 - September 30, 2016)*

Calendar Operating Days		Discounted Fare and Pass Usage (Senior/Disabled)				
	This Year	Last Year	Quarterly Totals (Q1)		% Change	
			This Year	Last Year		Difference
Weekdays	66	66	63,233	67,367	-4,134	-6.1%
Saturdays	13	13	6,974	7,272	-298	-4.1%
Sundays	13	13	121,762	122,738	-976	-0.8%
UCSC School Days	10	8	191,969	197,377	-5,408	-2.7%

Quarterly System Totals		Quarterly UCSC Totals			
	This Year	Last Year	Quarterly Ridership Totals (Q1)		% Change
			This Year	Last Year*	
Local Fixed Route	968,018	965,275	2,743	0.3%	7%
Highway 17 Express	80,838	91,323	-10,485	-11.5%	1%
System Total	1,048,856	1,056,598	-7,742	-0.7%	7%



10-05A.1

* The ridership data presented here contains ridership statistics from the previous service level and the reduced service level implemented on September 8, 2016.

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CORRECTED Attachment B

Quarterly Average Ridership by Route

July 01-September 30, 2016		Average Weekday Ridership			Average Weekend Ridership		
Route	Corridor	Riders per Trip	UCSC Riders per Trip	Discount Fare and Pass Usage per Trip	Riders per Trip	UCSC Riders per Trip	Discount Fare and Pass Usage per Trip
3	Mission/Beach	27	4	8	9	3	3
4	Harvey West/Emeline	19	1	9			
10	UCSC via High St.	21	18	1	27	21	2
15	UCSC via Laurel West	9	9	0			
16	UCSC via Laurel East	24	22	1	25	22	0
16ST	UCSC via Laurel East Supp.				31	29	0
19	UCSC via Lower Bay	39	34	2	28	22	2
20	UCSC via West Side	31	23	2	33	25	2
20D	UCSC via West Side Supp.	9	9	0			
33	Lompico SLV/Felton Faire	11	0	0			
34	South Felton	1	0	0			
35/35A	Santa Cruz/Scotts Valley/SLV	19	1	5	26	1	7
40	Davenport/North Coast	27	2	5			
41	Bonny Doon	23	6	3			
42	Davenport/Bonny Doon	7	1	1	10	1	3
55	Rio Del Mar	10	0	4	2	0	0
66	Live Oak via 17th	16	2	5	26	3	8
68	Live Oak via Broadway/Portola	16	2	4	17	2	5
69A	Capitola Road/Watsonville	31	2	9	25	2	7
69W	Cap. Road/Cabrillo/Watsonville	30	2	8	29	2	8
71	Santa Cruz to Watsonville	34	1	9	47	2	14
72	Watsonville Hospital/Pinto La	14	0	5	3	0	1
74S	PVHS/Watsonville Hospital	43	0	10			
75	Green Valley Road	19	0	7	23	0	9
79	Pajaro/East Lake	8	0	3	18	0	2
91X	Santa Cruz/Watsonville Expre	17	1	3			
Hwy 17	Hwy 17 Express/AMTRAK	34	0	3	20	0	1
System-wide Average Riders per Trip		22	7	4	20	14	11

6 Weeks of SJSU

5 Weeks of Cabrillo

7 Days of UCSC

* The ridership data presented here contains ridership statistics from the previous service level and the reduced service level implemented on September 8, 2016.

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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

DATE: November 18, 2016

TO: Board of Directors

FROM: April Warnock, Paratransit Superintendent

SUBJECT: ACCEPT AND FILE THE METRO PARACRUZ OPERATIONS STATUS REPORT FOR JULY, AUGUST AND SEPTEMBER 2016

I. RECOMMENDED ACTION

That the Board of Directors accept and file the Metro ParaCruz Operations Status Report for July, August and September 2016.

II. SUMMARY OF ISSUES

- Summary review of monthly operational statistics for ParaCruz.
- Summary of monthly operational information about ParaCruz.

III. DISCUSSION/BACKGROUND

Comparing June 2016 statistics to July 2016, ParaCruz rides decreased by 580 rides. Comparing July 2016 statistics to August 2016, ParaCruz rides increased by 303 rides. Comparing August 2016 statistics to September 2016, rides increased by 637.

Comparing the monthly statistics of FY16 to the monthly statistics of FY17:

- In July the number of ParaCruz rides decreased by 1,708.
- In August the number of ParaCruz rides decreased by 1,384.
- In September ParaCruz number of rides decreased by 1,191.

On-time performance has declined for the months of July, August, and September, as Santa Cruz Transportation (SCT) has been struggling with their ability to retain Operators. Lyft and Uber operations in Santa Cruz County have steadily eroded SCT's revenue stream, thus causing their Operators to look for work elsewhere.

ParaCruz has been impacted by SCT's situation, resulting in SCT being unable to sustain the amount of overflow work ParaCruz has available. ParaCruz Operators have been diligently working longer shifts and overtime to help abate the situation, but late rides have been excessive, especially in the month of September, when several ParaCruz Operators retired.

Fortunately, ParaCruz has recruited and hired four new Operators, who will be beginning training later this month, and will begin revenue service with the coming of the New Year.

METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Santa Cruz Metropolitan 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.

IV. ALTERNATIVES

- Not applicable.

V. COORDINATION

This staff report has been coordinated with statistics provided by the Finance and Fleet Departments. Additional data was provided by the Eligibility Coordinator.

VI. FINANCIAL CONSIDERATIONS

There are no financial considerations for this report.

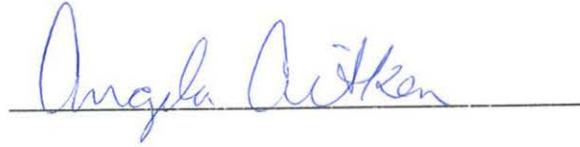
VII. ATTACHMENTS

- Attachment A:** ParaCruz On-time Performance Charts for July, August and September 2016
- Attachment B:** Comparative Operating Statistics Tables for July, August and September 2016
- Attachment C:** Number of Rides Comparison Chart
- Attachment D:** Total vs. Shared Rides Chart
- Attachment E:** Annual Miles Comparison Chart
- Attachment F:** Monthly Assessments

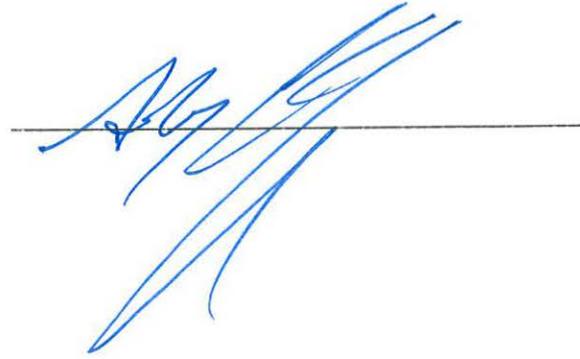
Prepared by: April Warnock, Paratransit Superintendent

VIII. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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Attachment A

Board Meeting November 18, 2016

ParaCruz On-time Performance Report

	July 2015	July 2016
Total pick ups	7563	5855
Percent in “ready window”	88.88%	88.11%
1 to 5 minutes late	4.40%	5.00%
6 to 10 minutes late	2.79%	3.02%
11 to 15 minutes late	1.66%	1.45%
16 to 20 minutes late	.93%	.75%
21 to 25 minutes late	.58%	.72%
26 to 30 minutes late	.33%	.39%
31 to 35 minutes late	.16%	.26%
36 to 40 minutes late	.10%	.20%
41 or more minutes late (excessively late/missed trips)	.04%	.09%
Total beyond “ready window”	11.12%	11.89%

During the month of July 2016, ParaCruz received five (5) Customer Service Reports. Two (2) of the reports were not verifiable; three (3) of the reports were compliments.

	August 2015	August 2016
Total pick ups	7542	6158
Percent in “ready window”	89.82%	88.49%
1 to 5 minutes late	3.61%	5.21%
6 to 10 minutes late	2.58%	2.84%
11 to 15 minutes late	1.43%	1.81%
16 to 20 minutes late	.84%	1.20%
21 to 25 minutes late	.53%	.55%
26 to 30 minutes late	.26%	.27%
31 to 35 minutes late	.20%	.14%
36 to 40 minutes late	.14%	.07%
41 or more minutes late (excessively late/missed trips)	.04%	.03%
Total beyond “ready window”	10.18%	11.51%

During the month of August 2016, ParaCruz received eight (8) Customer Service Reports. Two of the reports were valid; two of the reports were not verifiable; four (4) of the reports were compliments.

Attachment A

Board Meeting November 18, 2016

	Sept 2015	Sept 2016
Total pick ups	7986	6795
Percent in “ready window”	88.54%	85.03%
1 to 5 minutes late	4.22%	5.68%
6 to 10 minutes late	2.75%	4.45%
11 to 15 minutes late	1.98%	2.70%
16 to 20 minutes late	.94%	1.53%
21 to 25 minutes late	.71%	1.09%
26 to 30 minutes late	.41%	.37%
31 to 35 minutes late	.23%	.29%
36 to 40 minutes late	.19%	.15%
41 or more minutes late (excessively late/missed trips)	.03%	.26%
Total beyond “ready window”	11.46%	14.97%

During the month of September 2016, ParaCruz received twelve (12) Customer Service Reports. Four (4) of the reports were valid; five of the reports were not verifiable; three (3) of the reports were compliments.

In March of 2014, METRO ParaCruz received an upgrade to their scheduling software, Trapeze. The upgrade was needed to prepare Trapeze for the addition of Mobile Data Computers (MDC's) to the system, those installations happened in mid-May. July 2014 was the first full month of real-time data entered by Operators into the MDC's. Recognizing that data was manually entered previously, from handwritten manifests, by Operators and Reservationists, it is not surprising that there is a shift in the data being gathered and compiled. The 'on-time' statistics reflected utilizing the 'real-time' equipment reflects a lower level of 'on time' performance than previously realized, as shown in the chart above.

This more accurate data is providing staff the opportunity to focus on the late pick-ups and to work incrementally towards achieving a target of 95% in “ready window” with an initial goal of achieving 92% by the end of FY16.

Attachment B

Board Meeting November 18, 2016

Comparative Operating Statistics through July 2016.

	July 2015	July 2016	Fiscal 15-16	Fiscal 16-17	Performance Averages	Performance Goals
Requested	8,302	6,626	8,302	6,626	7,913	
Performed	7,563	5,855	7,563	5,855	7,005	
Cancel	19.67%	21.6%	19.67%	21.6%	21.61%	
No Shows	3.25%	3.74%	3.25%	3.74%	3.23%	Less than 3%
Total miles	62,287	48,777	62,287	48,777	55,824	
Av trip miles	6.04	5.96	6.04	5.96	5.78	
Within ready window	88.88%	88.11%	88.88%	88.11%	89.23%	92.00% or better
Call center volume	6496	N/A	6231	N/A	N/A	
Hold times less than 2 minutes	95.6%	N/A	92.0%	N/A	N/A	Greater than 90%
Distinct riders	837	699	807	699	761	
Most frequent rider	58 rides	53 rides	58 rides	53 rides	53 rides	
Shared rides	67.8%	61.7%	63.7%	61.7%	62.2%	Greater than 60%
Passengers per rev hour	2.07	1.78	1.90	1.78	1.90	Greater than 1.6 passengers/hour
Rides by supplemental providers	11.35%	2.90%	4.84%	2.90%	3.15%	No more than 25%
Vendor cost per ride	\$23.82	\$25.44	\$22.00	\$25.44	\$24.20	
ParaCruz driver cost per ride (estimated)	\$26.30	\$25.74	N/A	\$25.74	N/A	
Rides < 10 miles	65.38%	67.30%	67.30%	65.72%	66.03%	
Rides > 10	34.62%	32.70%	32.70%	34.28%	33.97%	
Denied Rides	0	0	0	0	0	Zero
Missed Trips	2	5	2	5	3.42	
Excessively Long Trips	N/A	0	N/A	0	N/A	

Attachment B

Board Meeting November 18, 2016

Comparative Operating Statistics through August 2016.

	Aug 2015	Aug 2016	Fiscal 15-16	Fiscal 16-17	Performance Averages	Performance Goals
Requested	8,193	6,741	16,495	13,367	7,792	
Performed	7,542	6,158	15,105	12,013	6,890	
Cancel	19.32%	19.63%	19.5%	20.60%	21.63%	
No Shows	3.08%	2.91%	3.16%	3.32%	3.21%	Less than 3%
Total miles	61,555	52,513	123,842	101,290	55,071	
Av trip miles	5.91	6.06	5.97	6.01	5.79	
Within ready window	89.82%	88.49%	89.35%	88.30%	89.11%	92.00% or better
Call center volume	6446	N/A	12,677	N/A	N/A	
Hold times less than 2 minutes	94.9%	N/A	93.5%	N/A	N/A	Greater than 90%
Distinct riders	803	721	1,014	922	754	
Most frequent rider	62 rides	49 rides	106 rides	93 rides	52 rides	
Shared rides	63.0%	59.3%	63.3%	60.5%	61.94%	Greater than 60%
Passengers per rev hour	1.93	1.72	1.93	1.75	1.88	Greater than 1.6 passengers/hour
Rides by supplemental providers	4.93%	3.54%	4.89%	3.23%	3.04%	No more than 25%
Vendor cost per ride	\$24.17	\$27.64	\$23.09	\$26.68	\$24.49	
ParaCruz driver cost/ride (estimated)	N/A	\$26.14	N/A	\$25.94	N/A	
Rides < 10 miles	65.50%	66.00%	64.24%	64.24%	66.07%	
Rides > 10	34.50%	34.00%	35.76%	35.76%	33.93%	
Denied Rides	0	0		0	0	Zero
Missed Trips	3	2	5	7	3.67	
Excessively Long Trips	N/A	1	N/A	1	N/A	

Attachment B

Board Meeting November 18, 2016

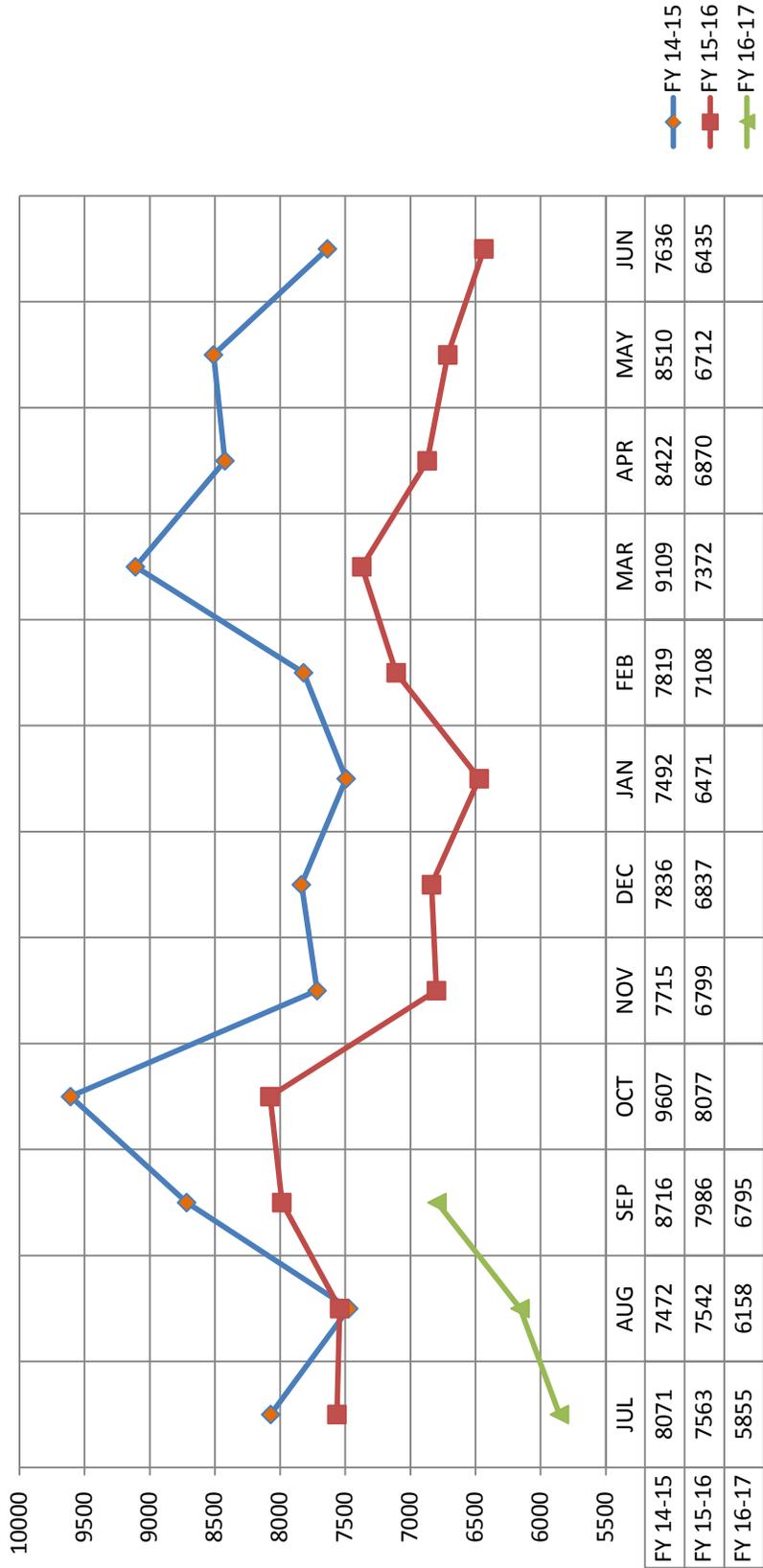
Comparative Operating Statistics through September 2016.

	Sept 2015	Sept 2016	Fiscal 15-16	Fiscal 16-17	Performance Averages	Performance Goals
Requested	8,882	7,497	25,377	20,864	7,677	
Performed	7,986	6,795	23,091	18,808	6,791	
Cancel	20.13%	19.86%	19.72%	20.34%	21.61%	
No Shows	3.32%	3.49%	3.22%	3.38%	3.23%	Less than 3%
Total miles	61,139	53,982	185,008	155,272	54,474	
Av trip miles	5.62	6.00	5.85	6.01	5.83	
Within ready window	88.54%	85.03%	89.07%	87.12%	88.82%	92.00% or better
Call center volume	6332	N/A	19,009	N/A	N/A	
Hold times less than 2 minutes	94.0%	N/A	93.6%	N/A	N/A	Greater than 90%
Distinct riders	824	717	1,180	1,086	745	
Most frequent rider	45 rides	44 rides	165 rides	130 rides	52 rides	
Shared rides	64.8%	61.3%	63.8%	62.6%	61.65%	Greater than 60%
Passengers per rev hour	1.97	1.95	1.97	1.82	1.88	Greater than 1.6 passengers/hour
Rides by supplemental providers	7.16%	13.25%	5.62%	6.85%	3.55%	No more than 25%
Vendor cost per ride	\$24.84	\$24.20	\$23.86	\$24.95	\$24.44	
ParaCruz driver cost/ride (estimate)	N/A	\$26.32	N/A	\$26.01	N/A	
Rides < 10 miles	67.57%	64.88%	65.37%	65.68%	65.85%	
Rides > 10	32.43%	35.12%	34.63%	34.32%	34.15%	
Denied Rides	0	0	0	0	0	Zero
Missed Trips	2	16	7	23	3.75	
Excessively Long Trips	N/A	0	N/A	1	N/A	

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Attachment C

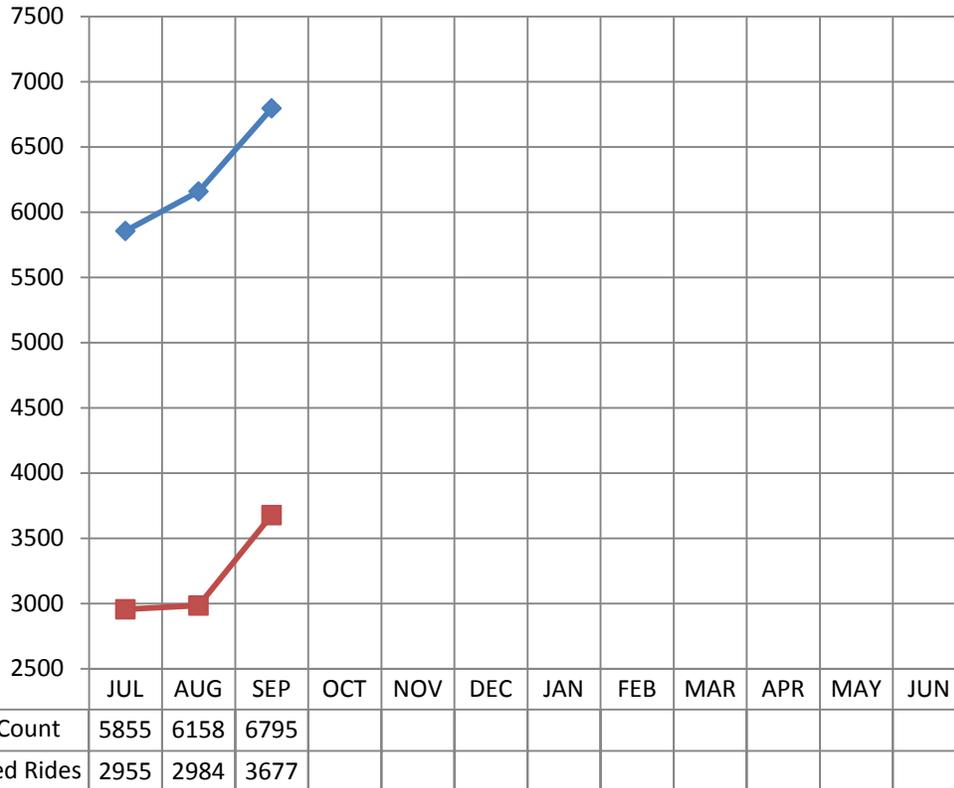
Number of Rides Comparison



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Attachment D

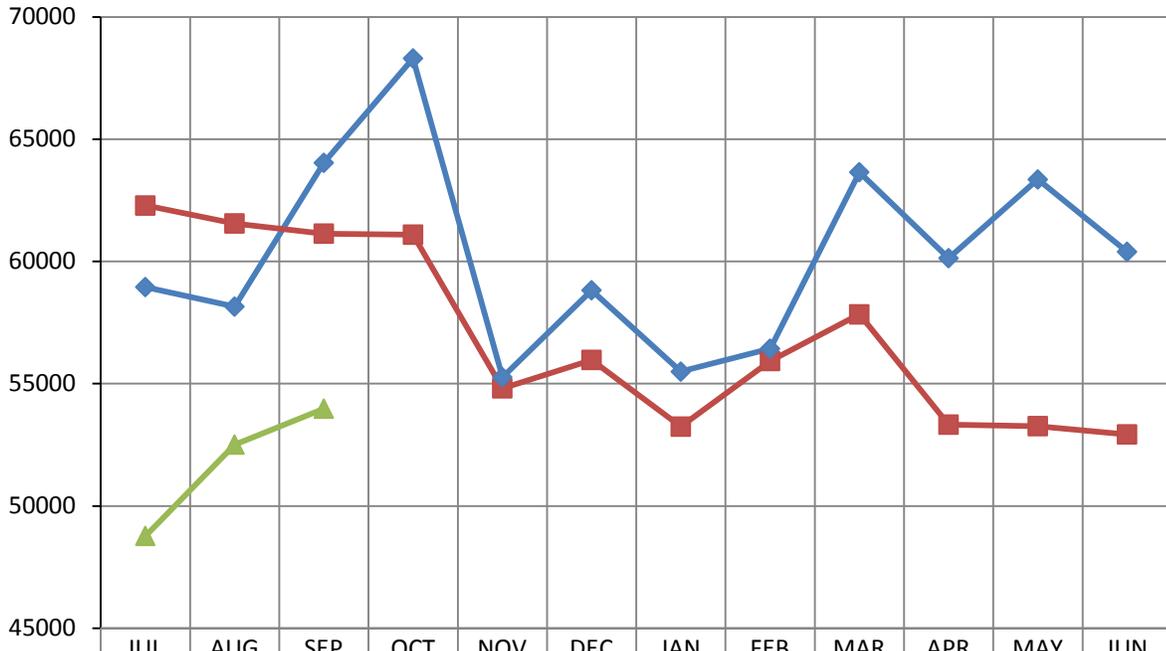
Total Ride vs. Shared Ride Count



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Attachment E

Annual Miles Comparison



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
FY 14-15	58954	58154	64034	68305	55269	58823	55495	56434	63651	60135	63353	60397
FY 15-16	62287	61555	61139	61097	54813	55974	53246	55930	57836	53328	53267	52928
FY 16-17	48777	52513	53982									

◆ FY 14-15
■ FY 15-16
▲ FY 16-17

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Attachment F

Board Meeting November 18, 2016

Monthly Assessments

	UNRESTRICTED	RESTRICTED CONDITIONAL	RESTRICTED TRIP BY TRIP	TEMPORARY	DENIED	TOTAL
OCTOBER 2015	51	4	0	4	0	59
NOVEMBER 2015	23	0	1	4	0	28
DECEMBER 2015	43	0	1	5	1	50
JANUARY 2016	45	0	1	11	1	58
FEBRUARY 2016	41	0	1	1	0	43
MARCH 2016	51	2	0	5	1	59
APRIL 2016	32	0	2	3	0	37
MAY 2016	38	0	1	3	0	42
JUNE 2016	37	1	1	5	1	45
JULY 2016	43	1	1	4	2	51
AUGUST 2016	40	2	3	6	0	51
SEPTEMBER 2016	28	0	1	5	0	34

Number of Eligible Riders for the month of July 2016 = 3,642

Number of Eligible Riders for the month of August 2016 = 3,678

Number of Eligible Riders for the month of September 2016 = 3,737

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DATE: November 18, 2016
TO: Board of Directors
FROM: Thomas Hiltner, Grants/Legislative Analyst
SUBJECT: ACCEPT AND FILE QUARTERLY STATUS REPORT OF ACTIVE GRANTS, GRANT APPLICATIONS AND OPPORTUNITIES FOR JULY - SEPTEMBER 2016

I. RECOMMENDED ACTION

That the Board receive and file the status report on grants and applications. This is for information only. No action is required

II. SUMMARY

- In the last quarter, the Santa Cruz County Regional Transportation Commission (RTC) awarded Santa Cruz Metropolitan Transit District (METRO) \$500,000 in discretionary funds to purchase one CNG replacement bus.
- Staff submitted two competitive grant applications to Caltrans: one for a feasibility study of transit signal prioritization and one for an on-board survey.
- METRO staff continuously seeks grants and currently has active applications for \$6,345,808 in operating and capital assistance.
- METRO has active grant awards totaling \$34,068,379 for ongoing operations and capital improvements
- A list of METRO's grant applications (Attachment A), active grants (Attachment B) and a grant-funding outlook (Attachment C) are provided quarterly in order to apprise the Board of the status of grants funding.
- No action is required; this report is for information only.

III. DISCUSSION/BACKGROUND

On 9/1/16, the RTC awarded METRO \$500,000 in competitive grant funds from the Surface Transportation Block Grant Program to purchase one new CNG replacement bus.

Staff submitted two new applications to Caltrans for planning projects. One project would study the feasibility of a transit signal priority system to improve bus performance through the Laurel-Mission-Bay corridor between Pacific Station and UCSC; the other would conduct an on-board survey to measure customer satisfaction and system performance.

METRO currently has active grant applications seeking \$6,345,808 in discretionary and formula funds for capital improvements, planning and operations.

During the next three months, staff will prepare grant applications for the Low Carbon Transit Operations Program, the Transit Security Grant Program, FY17 operating assistance and discretionary capital funding for rural transit improvements. METRO staff continuously submits grants for formula funds and pursues opportunities for discretionary grants.

METRO received \$34,068,379 in grants which are funding active operating and capital improvement projects.

This staff report is to apprise the Board of progress in applying for new grants (Attachment A), the awarded grants which fund METRO's operations and capital improvements (Attachment B) and foreseeable opportunities for new grant solicitations (Attachment C) anticipated to arise based upon previous grant-seeking experience, new programs and pending legislation which could produce future grant opportunities.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Current grant applications (Attachment A) request \$6,345,808 for new projects. When grants are awarded, the Board will need to amend the operating and capital budgets accordingly.

Active operating and capital improvement grants (Attachment B) total \$34,068,379. The unspent balance of active grants is \$13,989,562.

V. ALTERNATIVES CONSIDERED

This is for information only and there are no alternatives to consider.

VI. ATTACHMENTS

Attachment A: Grant Applications as of November 2016

Attachment B: Active Grants as of November 2016

Attachment C: Future Grant Opportunities as seen in November 2016

Prepared By: Thomas Hiltner, Grants/Legislative Analyst

VII. APPROVALS:

Barrow Emerson, Planning
and Development Manager



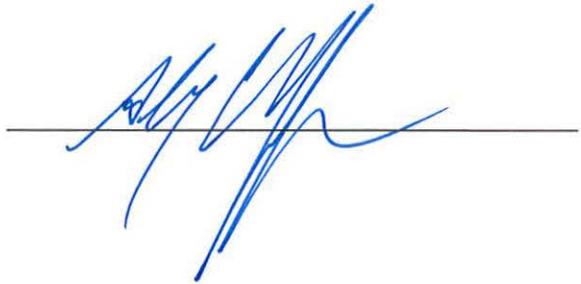
Approved as to form:
Leslyn K. Syren, District Counsel



Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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Attachment A

Santa Cruz METRO
Grant Applications November 2016

#	Project Description	Grant Funding Source	\$ Project Total	\$ Grant	Local Match/Source	Project Status
1	12 ParaCruz Vans; Bus Stops; multiple Facilities	FTA FY15/FY16 5339(a) Bus and Bus Facilities Formula Program Application: 9/30/18 Award: TBD	\$ 1,042,100	\$ 889,380	\$ 152,720 Fuel Tax Credit; PTMISEA	Maangers to select final of 3 alts for AC's approval Nov. 9. Submit application in TrAMS. Request formal MTIP amendment by January.
2	San Lorenzo Valley High School bus stop access improvement	Caltrans 2016 Active Transportation Program Application: 6/15/2016 Award: 12/8/16	\$ 1,539,000	\$ 1,539,000	- None	Not Awarded
3	Vouchers for 3 Lo No electric buses	CARB Heavy-duty zero-emission Vehicle Incentive Program (HVIP) Application: Continuous	\$ 1,066,608	\$ 101,000	\$ 709,432 LoNo; Alt Fuel Tax	Draft Voucher request is to be submitted by vendor when METRO issues PO.

Attachment A

Santa Cruz METRO
Grant Applications November 2016

#	Project Description	Grant Funding Source	\$ Project Total	\$ Grant	Local Match/Source	Project Status
4	Voucher for LCTOP electric bus	CARB Heavy-duty zero-emission Vehicle Incentive Program (HVIP) Application: Continuous	\$ 961,508	\$ 105,000	\$ 856,508	Draft Voucher request is to be submitted by vendor when METRO issues PO.
5	FY16 Rural area operating assistance	FY16 FTA 5311 Rural Operating Assistance Formula administered by Caltrans Application: 4/15/16 Award: 1/31/17	\$ 305,132	\$ 168,738	PTMISEA [\$357,216]; LCTOP [\$709,292] \$ 136,394	Caltrans approved application. Standard Agreement with subsequent drawdown anticipated in November 2016.
6	Comprehensive Security and Surveillance CCTV, Lighting, fences, generators at any facility	FY16 CA Transit Security Grant Program (CTSGP) funds from Cal-OES Application: 1/15/16 Award: 9/30/16	\$ 440,505	\$ 440,505	Sales Tax \$ -	Application complete. Monitor receipt of advance payment.
7	Mechanics Sink	FY14 FTA 5339 Formula Allocation Application: 10/10/16 Award: TBD	\$ 9,548	\$ 7,638	None \$ 1,910	Application to be resubmitted to FTA in TrAMS 10/15/16.
					STA	

10-07A.2

Attachment A

Santa Cruz METRO
Grant Applications November 2016

#	Project Description	Grant Funding Source	\$ Project Total	\$ Grant	Local Match/Source	Project Status
8	Exhaust Evacuation System	FY14 FTA 5339 Formula Allocation Application: 10/10/16 Award: TBD	\$ 8,000	\$ 6,400	1,600 STA	Application to be resubmitted to FTA in TrAMS 10/15/16.
9	Propane Mule	FY14 FTA 5339 Formula Allocation Application: 10/10/16 Award: TBD	\$ 58,253	\$ 46,602	11,651 STA	Application to be resubmitted to FTA in TrAMS 10/15/16.
10	Bus Mid-Life Overhaul, 7 @ \$39,513.70 ea.	FY14 FTA 5339 Formula Allocation Application: 10/10/16 Award: TBD	\$ 276,596	\$ 221,277	55,319 STA	Application to be resubmitted to FTA in TrAMS 10/15/16.
11	Bucket truck	FY14 FTA 5339 Formula Allocation Application: 10/10/16 Award: TBD	\$ 94,148	\$ 75,318	18,830 STA	Application to be resubmitted to FTA in TrAMS 10/15/16.
12	Bus Repaint, 36 @ 3,628.10 ea.	FY14 FTA 5339 Formula Allocation Application: 10/10/16 Award: TBD	\$ 131,834	\$ 105,467	26,367 STA	Application to be resubmitted to FTA in TrAMS 10/15/16.

10-07A.3

Attachment A

Santa Cruz METRO
Grant Applications November 2016

#	Project Description	Grant Funding Source	\$ Project Total	\$ Grant	Local Match/Source	Project Status
13	Transit Signal Priority Feasibility Study	Caltrans FY2017-18 Sustainable Transportation Planning Grant Program Application: 11/4/16 Award: 3/31/17	\$ 179,091	\$ 158,549	20,542	Draft Application in circulation.
14	O-D + Customer satisfaction survey, model	Caltrans FY2017-18 Sustainable Transportation Planning Grant Program Application: 11/4/16 Award: 3/31/17	\$ 233,485	\$ 206,704	UCSC \$4.14 26,781	Draft Application out for review 10/28.
		Total	\$ 6,345,808	\$ 4,071,578	Reserves	

Attachment B

Santa Cruz METRO
Active Grants November 2016

#	Project Description	Funding Source	\$ Grant	Local Match Source	Project Total	\$ Grant Balance	Local Match Balance	Project Balance	Project Status/ Legislation
1	Bus and Facilities Improvements	FY15 PTMISEA	\$ 1,002,244	\$ 4,869,640	\$ 5,519,808	\$ 1,002,244	\$ 4,869,640	\$ 5,519,808	PTMISEA Bond office approved moving FY15 PTMISEA funds from Pacific Station to Rolling Stock and Facilities on 10/19/16. \$ Grant Balance 10/27/16
2	3 Electric replacement buses for Highway 17 Express	FTA FY16 \$5339(c) LoNo Application: 5/13/16 Award: 9/30/16	\$ 3,810,348	LCTOP; 5339(a); \$147,500 undesignated \$ 1,126,164	\$ 4,936,512	\$ 3,810,348	\$ 1,126,164	\$ 4,936,512	Awarded 7/26/16. Project kick-off 11/10 w/CTE. \$ Grant Balance 10/27/16
3	1 CNG Bus	2016 Surface Transportation Block Grant Program (STBG) Application: 7/14/16 Award: 9/1/16.	\$ 500,000	Fuel Tax Credit 70,000	\$ 570,000	\$ 500,000	\$ 70,000	\$ 570,000	SCCRTC awarded funds and issued project start notice on 9/1/16. \$ Grant Balance 10/27/16

10-07B.1

Santa Cruz METRO
Active Grants November 2016

Attachment B

#	Project Description	Funding Source	\$ Grant	Local Match Source	Project Total	\$ Grant Balance	Local Match Balance	Project Balance	Project Status/ Legislation
4	Battery-electric bus for Watsonville Disadvantaged Community and new downtown circulator service	FY16 Cap & Trade Low Carbon Transit Operations Program Formula Application: 2/1/16 Award: 6/30/16	\$ 709,392	\$ 357,216	\$ 1,066,608	\$ 709,392	\$ 357,216	\$ 1,066,608	Advance payment received. Options available in Gardena and Long Beach. E-Bus strategy mtg. set 11/2. \$ Grant Balance 10/27/16
5	Comprehensive Security and Surveillance: CCTV, Lighting, fences, generators at any facility	FY13 Prop 1B California Transit Security Grant Program (CTSGP) from Cal-OES Expires 3/31/17	\$ 440,505	-	\$ 440,505	\$ 204,832	-	\$ 204,832	Cal-OES granted a project deadline extension until 3/31/17. Bowman Williams designing emergency generator pads. \$ Grant Balance 10/27/16
6	Comprehensive Security and Surveillance: CCTV, Lighting, fences, generators at any facility	FY14 Prop 1B California Transit Security Grant Program (CTSGP) from Cal-OES Expires 3/31/17	\$ 440,505	-	\$ 440,505	\$ 440,505	-	\$ 440,505	Received advance payment in full on 10/2015 and project is active. Rena, Erron, AMG to update programming for DK & CH. \$ Grant Balance 10/27/16

10-07B.2

Santa Cruz METRO
Active Grants November 2016

Attachment B

#	Project Description	Funding Source	\$ Grant	Local Match Source	Project Total	\$ Grant Balance	Local Match Balance	Project Balance	Project Status/ Legislation
7	Comprehensive Security and Surveillance: CCTV, Lighting, fences, generators at any facility	FY15 Prop 1B California Transit Security Grant Program (CTSGP) from Cal-OES Expires 3/31/18	\$ 440,505	\$ -	\$ 440,505	\$ 440,505	\$ -	\$ 440,505	Received advance payment in full on 10/2015 and project is active. Rena, Erron, AMG to update programming for DK & CH. \$ Grant Balance 10/27/16
8	MetroBase: Judy K. Souza Operations Facility construction	Proposition 1B State and Local Partnership Program (SLPP) California Transportation Commission	\$ 5,812,000	None \$ 5,812,000	\$ 11,624,000	\$ -	\$ -	\$ -	All SLPP grant funds have been spent. Reconstruction of ADA access thru 9/30/16; LCN punch list, building acceptance thru 12/31/16. METRO to submit a final report by 2/28/17. \$ Grant Balance 10/27/16
9	MetroBase development, Judy K. Souza Operations Facility	FY10 - 13 Public Transportation Modernization, Infrastructure and Service Enhancement Act (PTMISEA) Expires: 6/30/20	\$ 13,421,394	None Sales Tax	\$ 13,421,394	\$ 1,411,247	\$ -	\$ 1,411,247	FY15 PTMISEA CAP added \$1,411,247 on 10/23/16. Reconstruction of ADA access thru 9/30/16; LCN punch list, building acceptance thru 12/31/16. METRO to submit a final report by 2/28/17. \$ Grant Balance 10/27/16

10-07B.3

Santa Cruz METRO
Active Grants November 2016

Attachment B

#	Project Description	Funding Source	\$ Grant	Local Match Source	Project Total	\$ Grant Balance	Local Match Balance	Project Balance	Project Status/ Legislation
10	Pacific Station right-of-way acquisition and Construction	FY15 Public Transportation Modernization, Infrastructure and Service Enhancement Act (PTMISEA) Expires: 6/30/20	\$ 3,576,333	\$ -	\$ 3,576,333	\$ 3,576,333	\$ -	\$ 3,576,333	Corrective Action Plans approved: MetroBase (\$1,411,247); Rolling Stock and Facilities Improvement (\$1,002,244) Explore windows and roof construction at Pacific Station. \$ Grant Balance 10/27/16
11	Pacific Station expansion and renovation architectural services	FY06 FTA 5309 CA-04-0021 No Expiration	\$ 396,000	None	\$ 495,000	\$ 91,581	None	\$ 114,476	Continued alternative site analysis. Consider existing roof/window redesign. Expend funds by 9/30/17. \$Grant Balance as of 10/27/16.
12	Pacific Station expansion and renovation architectural services	FY08 FTA 5309 CA-04-0102 No Expiration	\$ 490,000	Reserves	\$ 612,500	\$ 67,245	Reserves	\$ 84,056	Continued alternative site analysis. Consider existing roof/window redesign. Expend funds by 9/30/17. \$Grant Balance as of 10/27/16.

10-07B.4

Santa Cruz METRO
Active Grants November 2016

Attachment B

#	Project Description	Funding Source	\$ Grant	Local Match Source	Project Total	\$ Grant Balance	Local Match Balance	Project Balance	Project Status/ Legislation
13	Provide student internships in public transit planning.	FY14 FTA 5304 Planning Grant AMBAG OWP WE 673 Expires 12/31/16	\$ 40,281	\$ 5,219 Staff Labor	\$ 45,500	\$ 6,152	\$ 797 Staff Labor	\$ 6,949	AMBAG awarded Internship grant 8/13/13 for \$40,281. Six-month extension granted February 2016. \$ Grant Balance as of 10/27/16.
14	ParaCruz Van Replacements	SCCRTC Surface Transportation Improvement Program (STIP) Expires 2/21/18	\$ 345,000	\$ 86,000 Reserves	\$ 431,000	\$ 251,484	\$ 86,000 Reserves	\$ 337,484	Procurement contracted 4 ParaCruz vehicles. Two have been accepted and paid. Two vans have been returned. 16 months remain to obligate the balance in a new purchase contract. \$ Balance as of 10/27/16.
15	FY16 Operating Assistance.	SCCRTC State Transit Assistance (STA) Diesel Fuel Sales Tax revenue No expiration	\$ 1,973,568	\$ -	\$ 1,973,568	\$ 1,029,017	\$ - Sales Tax	\$ 1,029,017	SCO reapportioned FY16 3rd, 4th quarter; Annual amount reduced from \$2,832,152 to \$1,029,017. RTC to approve claim 11/3. \$ Grant Balance as of 10/27/16.

10-07B.5

Santa Cruz METRO
Active Grants November 2016

Attachment B

#	Project Description	Funding Source	\$ Grant	Local Match Source	Project Total	\$ Grant Balance	Local Match Balance	Project Balance	Project Status/ Legislation
16	FY15 Rural Operating Assistance	FTA 5311 Expires 6/30/16	\$ 177,787	\$ 143,708 Sales Tax	\$ 321,495	\$ -	\$ -	\$ -	Reimbursed 10/27/16. Grant Closed.
17	Purchase One ParaCruz Expansion Van for Elderly/Disabled program beyond ADA requirements.	FY15 Caltrans FTA 5310 Elderly & Handicapped mobility program Expires: 3/1/26	\$ 63,000	\$ - Sales Tax	\$ 63,000	\$ 63,000	\$ -	\$ 63,000	Contract executed w/Caltrans 3/15/16. Specs for Ford Transit to procure from the State bid list. \$ Grant Balance as of 8/8/16.
18	Non-Revenue Vehicles.	FY13 Caltrans 5339 Formula Allocation Expires: NA	\$ 171,023	\$ 42,756 Toll Credits	\$ 213,779	\$ 171,023	\$ 42,756	\$ 213,779	SA 64GC17-00352 amendment approved 10/21/16. \$ Grant Balance 10/27/16
19	Repaint 20 Buses	FY13 Caltrans 5339 Formula Allocation Expires: NA	\$ 58,453	\$ 14,613 STA	\$ 73,066	\$ 14,613	\$ 58,453	\$ 73,066	SA 64GC17-00352 amendment approved 10/21/16. \$ Grant Balance 10/27/16

10-07B.6

Santa Cruz METRO
Active Grants November 2016

Attachment B

#	Project Description	Funding Source	\$ Grant	Local Match Source	Project Total	\$ Grant Balance	Local Match Balance	Project Balance	Project Status/ Legislation
20	Repair Transit Center Roof	FY13 Caltrans 5339 Formula Allocation Expires: NA	\$ 12,000	\$ 3,000 Reserves	\$ 15,000	\$ 12,000	\$ 3,000	\$ 15,000	Administered by Caltrans. \$ Grant Balance 10/27/16
21	Resurface Scotts Valley, Vernon, Soquel P&R Lots	FY13 Caltrans 5339 Formula Allocation Expires: NA	\$ 60,000	\$ 15,000 Reserves	\$ 75,000	\$ 60,000	\$ 15,000	\$ 75,000	Out to bid. \$ Grant Balance 10/27/16
22	Watsonville Transit Center Repaint	FY13 Caltrans 5339 Formula Allocation Expires: NA	\$ 63,040	\$ 15,760 Reserves	\$ 78,800	\$ 63,040	\$ 15,760	\$ 78,800	Contract executed 9/28/16 for \$78,800 with A Plus Painting. \$ Grant Balance 10/27/16

10-07B.7

Attachment B

Santa Cruz METRO
Active Grants November 2016

#	Project Description	Funding Source	\$ Grant	Local Match Source	Project Total	\$ Grant Balance	Local Match Balance	Project Balance	Project Status/ Legislation
23	Collaborate with MST, Caltrans, CHP to study bus operations on state highway shoulders to give travel time advantage to transit.	AMBAGFY16 FHWA Planning Funds Bus on Shoulder Feasibility Study Application: 12/31/15 Award: 9/30/16	\$ 65,000	\$ 9,079	\$ 74,079	\$ 65,000	\$ 9,079	\$ 74,079	MST to contract w/CDM Smith on 10/1. MST will receive, administer and invoice grant funds (Remove from METRO list?). \$ Grant Balance 10/27/16
		Total	\$ 34,068,379	\$ 12,791,655	\$ 46,507,957	\$ 13,989,562	Reserves \$ 6,693,571	\$ 20,331,057	

Attachment C

Santa Cruz METRO Future Grant Opportunities as seen November 2016

#	Proposed Project	Funding Source	\$ Grant Request	Local Match Amount/Source	Project Status/ Legislation	Stakeholders Supporters
1	Electric Buses for AMTRAK Bus Feeder network from Santa Cruz to San Jose	FY18 Transit & Intercity Rail Capital Program (TIRCP) Application: 4/5/2018	\$ 8,000,000	\$ - None	Competitive program; ~\$100 million statewide. NOFA January '17. Requires new/expanded transit service and disadvantaged community service.	SCCRTC; TAMC; MST; Caltrans; AMBAG; MBUAPCD; CARB
2	Discounts for electric bus purchase	CARB Heavy-duty zero-emission Vehicle Incentive Program (HVIP) Application: Continuous	~\$100,000 per new electric bus	\$ - None	Solicitation is open. Requires committed funds for bus purchase.	SCCRTC; AMBAG; Legislative Coalition
3	Comprehensive Security and Surveillance to purchase CCTV, lighting, fences at all METRO facilities	FY17 Proposition 1B California Transit Security Program(CTSGBP) Fixed Formula to METRO Application: 3/15/2017	\$ 440,505	\$ - None	Project solicitation in January 2017. This is the final installment from the Prop 1B CTSGP of 2006.	Santa Cruz County Public Works; Santa Cruz Police Department;
4	ADA access & bus stop improvements in Rural Area only.	Caltrans 5311(f) Rural discretionary Program Application: 4/15/2017	\$150,000 - \$250,000	\$37,500 - \$62,500 Reserves	Propose revised Caltrans Urban Area Service Boundary to allow SLV qualification.	SCCRTC; AMBAG; District 5 Supervisor; CTA; STA

Attachment C

Santa Cruz METRO Future Grant Opportunities as seen November 2016

#	Proposed Project	Funding Source	\$ Grant Request	Local Match Amount/Source	Project Status/ Legislation	Stakeholders Supporters
5	Affordable housing, Pacific Station or Watsonville; Expanded transit service w/electric buses	Cap & Trade: Affordable Housing and Sustainable Communities Program (AHSC); \$150 Million Statewide Proposal: Jan '17 Application: Jun '17	\$1,000,000 - \$8,000,000	\$ None	Form partnership w/affordable housing non-profit. Requires new/expanded transit service.	Watsonville City Council; Santa Cruz Economic Development Department; Chamber of Commerce; Planning, Public Works; Jimmy Dutra; METRO BOD; AMBAG; RTC; County Economic Development
6	FY17 Urbanized Area transit operating assistance	FY17 FTA 5307 Urbanized Area Operating Assistance Formula Application: 2/28/17	~\$6,200,000	~6,200,000 Sales Tax	Submit when total FY17 apportionment is known.	BOD; Finance; CEO
7	FY17 Rural area operating assistance	FY17 FTA 5311 Rural Operating Assistance Formula administered by Caltrans Application: 4/15/17	~\$200,000	~\$161,664 Sales Tax	Submit when total FY17 apportionment is known.	BOD; Finance; CEO
8	Purchase electric buses and associated charging infrastructure for revenue service.	California Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program Application: 9/30/16	\$2,000,000 - \$5,000,000	Unknown TBD	Monitor	MBUAPCD; AMBAG; SCCRTC; CTA; Resource Conservation District of Santa Cruz County; CARB; Santa Cruz County Public Works; Legislative Coalition

Attachment C

Santa Cruz METRO Future Grant Opportunities as seen November 2016

#	Proposed Project	Funding Source	\$ Grant Request	Local Match Amount/Source	Project Status/ Legislation	Stakeholders Supporters
9	Purchase electric buses and associated charging infrastructure for revenue service.	SB 862 Low Carbon Transit Operations Program, \$25 Million Statewide Application: 11/1/2016	\$ 750,000	Unknown	METRO apportionment based upon statewide allocation of \$100 million. Application due 11/1/16.	SCRTC; TAMC; MST; Caltrans; AMBAG; MBUAPCD; CARB
10	Pacific Station renovation	FY17 US DOT TIGER program \$500 Million Nationwide Pre-Proposal: 3/4/2017 Application: 6/5/2017	\$ 12,000,000	TBD	Nationwide budget est. ~\$500 million	Santa Cruz Planning /Public Works; Downtown Business Association; Greyhound; Pacific Station Tenants; FTA; Chamber of Commerce

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DATE: November 18, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: CONSIDER RATIFICATION OF A 5-YEAR LEASE AGREEMENT WITH
JIANBIN MO, DBA BETTY'S NOODLE HOUSE**

I. RECOMMENDED ACTION

That the Board of Directors ratify a 5-year lease agreement with Jianbin Mo, dba Betty's Noodle House, and authorize the CEO/General Manager to execute the lease.

II. SUMMARY

- On August 1, 2010, Hui Chang Du, dba New China Express began a five-year lease with Santa Cruz Metropolitan Transit District (METRO) for the restaurant space located at Pacific Station.
- Mr. Du sold his business to Jianbin Mo, dba Betty's Noodle House in 2012.
- A one year lease extension for Betty's Noodle House was approved in June of 2015.
- Prior to the expiration of the current lease on August 1, 2016, Mr. Mo expressed an interest in continuing the lease in his name alone.
- The tenant has been paying month-to-month as a hold over tenant since August 2, 2016.
- Mr. Mo presented a proposal to renew his lease term for a 5-year period, with one option to extend the term of the lease for an additional 5-year period.
- Staff recommends ratification of this new market rate 5-year lease, with one 5-year option.

III. DISCUSSION/BACKGROUND

On August 1, 2010, Hui Chang Du, dba New China Express, entered into a five-year lease with METRO for the restaurant area located at Pacific Station. The lease had a five-year term, with an option to extend the term on all the provisions contained in the lease.

Mr. Du sold his business to Jianbin Mo, dba Betty's Noodle House in 2012. On October 16, 2012, a lease transfer was executed to transfer the business from Mr. Du to Jianbin Mo. A one year lease extension for Betty's Noodle House was approved in June of 2015.

Prior to the expiration of the current lease on August 1, 2016, Mr. Mo expressed his interest in continuing to lease the Betty's Noodle House space.

Mr. Mo presented a proposal to lease the existing Betty's Noodle house for a 5-year term, with one option to extend the term of the lease for an additional 5-year period.

METRO, with the help of an outside firm, performed a survey on "fair market value" for lease spaces within all of the transit centers. As the leases come up for renewal, this type of survey will be used prior to entering into a long term lease with the tenant. For the space that Betty's Noodle House occupies at Metro Center, the fair market values came in more than what they were currently paying.

Staff has negotiated the final terms of the lease agreement, which includes incorporating the "fair market value" of the leased space, charging back for utility costs based on square footage percentage of the Transit Center and/or actual billing costs, along with recapturing METRO maintenance costs of the Transit Center through yearly common area maintenance (CAM) fees.

Betty's Noodle House is a business that has offered Chinese food to customers for many years, and has been a popular tenant for METRO customers and employees.

Staff recommends ratification of this market rate 5-year lease, with one 5-year option.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The annual base rent for the first year of this lease will be approximately \$44,000. Additional Common Area Maintenance (CAM) fees are being calculated and will be charged at a later date, in accordance with the lease terms.

V. ALTERNATIVES CONSIDERED

An alternative would be to seek another tenant for this space. This is not recommended by staff as METRO has been pleased with the performance of the current tenant.

VI. ATTACHMENTS

Attachment A: Betty's Noodle House Lease Agreement, including Exhibits A - D

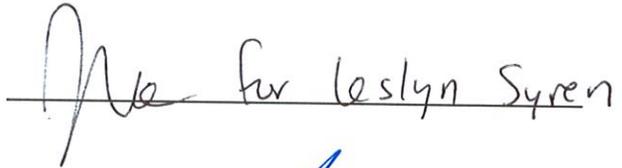
Prepared by: Angela Aitken, Finance Manager

VII. APPROVALS:

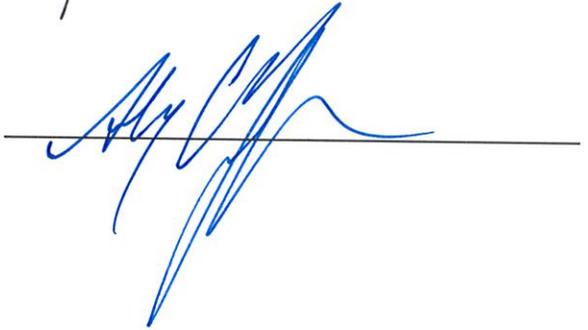
Angela Aitken, Finance Manager



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



Alex Clifford, CEO/General Manager



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Attachment A

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

THIS LEASE is made on November 1, 2016, between the **SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**, a political subdivision of the State of California ("Landlord"), whose address is 110 Vernon Street, Santa Cruz, California, 95060, and, **Jianbin Mo, dba Betty's Noodle House**, ("Tenant"), whose address is 1390 30th Ave, #126, Santa Cruz, CA 95062, who agrees 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 the Pacific Station, (hereinafter "Center") at 920 Pacific Avenue, Santa Cruz, California. Said real property includes, without limitation, "Premises" which consists generally of approximately 1,770 sq ft:
 - Kitchen – 345 sq ft
 - Indoor eating area – 782 sq ft
 - Outdoor eating area – 643 sq ft
2. Tenant is willing to lease the Premises from Landlord pursuant to the provisions stated in this lease.
3. Tenant wishes to lease the 1,770 square feet of restaurant space for the purposes of operating a Chinese Restaurant selling Chinese food 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, identified as the "Premises" above, in Exhibit A at the Center at 920 Pacific Ave., Santa Cruz, Ca 95060.

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

ARTICLE 2: TERM

2.1 Fixed Term

The term shall commence on November 1, 2016 and shall expire at 12:01 a.m. on October 31, 2021 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 ninety (90) days prior to the expiration of the initial five (5)

year term. Tenant shall have no other right to extend the term beyond the option to extend the term as described herein unless otherwise agreed by landlord.

2.4 Tenant's Notice and Default

- a. If Tenant fails to give Landlord an option notice, Tenant's rights under this Article 2 shall be deemed 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 option 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, Tenant's rights to the extension shall thereafter be deemed null and void and of no further force or effect. The period of time within which the extension option may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise such rights because of the foregoing provisions. All rights of Tenant to the extension option shall terminate and be of no further force or effect even after Tenant's due and timely exercise thereof, if, after such exercise, but prior to the commencement date of the term of the extension option: (1) Tenant fails to pay to Landlord a monetary obligation of Tenant for a period of thirty (30) 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 all inclusive rent, without deduction, setoff, prior notice, or demand, and including all utilities the sum of Three thousand, nine hundred forty one dollars (\$3,941), per month in advance on the first day of each month commencing on November 1, 2016. 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 base monthly rent of \$3,682 included in the amount set forth in Section 3.1 shall be reviewed for 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, 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 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 2.5% increase over the current minimum monthly rent set forth in Section 3.1 and an increase shall be no greater than 4% of the current minimum monthly rent as provided in 3.1. On adjustment Landlord will notify tenant in writing of the minimum monthly rent as provided in this lease, stating the new base 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 s 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, 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.
- 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

- a. 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.
- b. 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.
- c. This lease may create a possessory interest subject to property taxation. Tenant is hereby notified that the lease may be subject to property taxes. (See California Revenue and Tax Code § 107.7)

3.7 Payment for Permits

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

3.8 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
ATTN.: Finance Department
110 Vernon Street
Santa Cruz, CA 95060

ARTICLE 4: SECURITY DEPOSIT

Tenant has deposited with Landlord Four thousand dollars (\$4,000), as a security deposit for the performance by Tenant of the provisions of this lease upon execution 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 of 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 funds. Landlord shall not be required to pay Tenant interest on the security deposit.

ARTICLE 5: USE; LIMITATIONS ON USE

5.1 Use

- a. Tenant shall use premises for a Chinese Restaurant selling Chinese food and beverages as set forth herein, and for no other use without Landlord's written consent. Said use (including, without limitation, limitations on use) is further described in Exhibit B attached hereto and made a part hereof.
- b. No other business shall be conducted on the Premises by Tenant except upon the prior written consent of the Landlord. Landlord shall not be a guarantor or otherwise liable to Tenant for Landlord's exercise of discretion in allowing any type of business to lease space at the Center or in consenting to a change of any other Tenant's business use located at the Center. Landlord shall not be a guarantor of Tenant's business or of insuring that individuals who ride landlord's buses shop or utilize tenant's business.
- c. Tenant shall continuously use the Premises for the uses specified in this lease and shall continuously merchandise the Premises, during the hours specified in Exhibit B. If the Premises are destroyed or partially condemned and this lease remains in full force and effect, Tenant shall continue operation of its business at the Premises to the extent reasonably practicable from the standpoint of good business judgment during any period of reconstruction.
- d. 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 the Premises, or any public or private nuisance, or other act or thing which may disturb the quiet enjoyment of any other tenant(s) in the Center, nor, without limiting the generality of 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:

5.2.1 Cancellation of Insurance; Increase in Insurance Rates

- a. Tenant shall not do, bring, or keep anything in or about the Premises that will cause a cancellation of any insurance or an increase in the rate of any insurance covering the Premises.
- b. If the rate of any insurance (including, without limitation, any fire, casualty, liability, or other insurance policy insuring Landlord, Landlord's property, and Tenant at the Center, or any of Tenants' property) carried by Landlord is increased as a result of Tenant's changed 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 a changed activity of Tenant on the Premises as permitted in this lease, whichever date is later.

- c. Tenant shall comply at its 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 or is include in another section of this lease as an obligation of Tenant. 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

Tenant shall not allow deliveries of any kind to use the bus lanes at the Center. Additionally, Tenant's employees and customers shall be restricted to park in areas other than the bus lanes. Nothing contained in this Lease confers to Tenant, or its employees, any designated parking space at any of Landlord's facilities.

5.2.3 Waste; Nuisance

- a. Tenant shall not use the Premises or common 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 Center.
- b. Tenant shall not use the Premises or common area for sleeping, for residential purposes or washing clothes, or the preparation, manufacture, or mixing of anything that might emit any objectionable odor or objectionable noises or lights into the Center.
- c. No secondhand store, auction, distress or fire sale, or bankruptcy or going-out-of-business sale may be conducted on the Premises or common area without Landlord's written consent. Tenant shall not sell or display merchandise outside the confines of the Premises or in the common area.

5.2.4 Overloading

- a. Tenant shall not do anything on the Premises that will cause damage to the Premises or to the Center.
- 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 Center including the parking areas.

5.2.5 Hours of Operation

- a. Tenant agrees not to leave the Premises unoccupied or vacant during regular business hours as defined by the Landlord. Tenant shall continuously during the entire term hereof

conduct and carry on Tenant's aforesaid business on the Premises, and shall keep said Premises open for business and cause such business to be conducted thereon, during each and every day and for such number of hours each day, as is established in Exhibit B of this Lease.

- b. Landlord may, at its option, change the hours of operation for Tenant's business, which are set forth in Exhibit B. 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 CEO/GM of Landlord for any change or to temporarily close its business. The decision of the CEO/GM shall be final and binding.

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. 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 existing or hereafter made for the government, management, maintenance, and operation of the Center, including such directives as to usage of the Center as may be promulgated by any government agency including the Board of Directors, 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 any governmental agency or 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 Santa Cruz Pacific Station Rules and Regulations, which are attached hereto as Exhibit C 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 users and occupants of the Center and their customers and employees, including the lobby, sidewalks, landscaped areas and other areas for pedestrian use (herein called the "Common Area"). Except as may be limited herein, Tenant shall have the non-exclusive right for itself and for its customers, invitees, employees, contractors, subtenants and licensees to use the Common Area in common with Landlord and other persons permitted to use the same for pedestrian ingress, egress and access. Tenant shall do nothing to interfere with anyone's use of the common area.
- c. Tenant shall be responsible for its proportionate share of the costs of the Common Area including the maintenance costs, 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

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

ARTICLE 6: MAINTENANCE

6.1 Landlord's Maintenance

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, fixture maintenance (I i.e. light bulbs.), 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 unreasonably withheld by Landlord. If Tenant performs any fixturing or alterations of the Premises such work shall be done in accordance with Landlord's permission. Any alterations or improvements made shall remain on and be surrendered with the Premises on expiration or termination of the term, except that Landlord can elect within thirty (30) days before expiration of the term, or within five (5) days after termination of the term, to require Tenant to remove any alterations or improvements that Tenant has made to the Premises. If Landlord so elects, Tenant at its cost shall restore the Premises to the condition designated by Landlord in its election before the last day of the term, or within thirty (30) days after notice of election is given, whichever is later, and Tenant shall be liable for rent during any such period. Tenant shall keep the premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.
- b. Landlord shall be under no obligation to make any repairs, alterations or improvements to or upon the Premises, or any part thereof, at any time except as provided in this Lease. Landlord shall at its sole cost and expense, at all times during the term hereof, repair and maintain the roof and exterior walls (other than plate glass, and doors, and roll-up doors) and foundations of the building in which the Premises are located; provided that Tenant shall reimburse Landlord for the cost and expense of repairing any and all damage to the roof, foundation or exterior walls of the Premises resulting from the acts or omissions of Tenant, Tenant's agents, employees, customers or invitees.
- c. Tenant shall, except for the intentional or negligent acts or omissions of Landlord, its agents, or employees, at its sole cost and expense, at all times during the term hereof, keep and maintain the Premises, the improvements thereon 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 the Center. Landlord's rights to remodel include, without limitation, the right to enclose, cover, re-configure, reposition or otherwise modify any part of the building in which the Premises are a part. Landlord shall not unreasonably interfere with Tenant's business as a result of alterations or improvements.

ARTICLE 8: TRADE FIXTURES

Subject to the provisions of Paragraph 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 Center or Premises. Tenant, if not in default hereunder, may at any time or from time to time during the term hereof, or upon the expiration or termination of this Lease, alter or remove any such trade fixtures so installed by Tenant, and any damage to the Premises caused by such installation, alteration or removal of such trade fixtures shall be promptly repaired by Tenant at the expense of Tenant. If not so removed by Tenant within thirty (30) days of the expiration or sooner termination of this Lease, said trade fixtures shall, at Landlord's option, become the property of Landlord or Landlord, at its option, may remove said trade fixtures and any damage to the Premises caused by 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

Landlord and Tenant shall be responsible for all utilities and services, as follows:

- a. Tenant shall make all arrangements for and pay for electric and gas services furnished to or used by it, and for all connection charges and taxes.
- b. Tenant shall be responsible for a pro rata share of the following:
- | | |
|--------------|----------------------|
| Pest Control | - \$58.00 per month |
| Garbage | - \$201.00 per month |
- c. Tenants all inclusive rent, set forth in section 3.1, includes the charges mentioned above. All the above utility charges will be reviewed and adjusted prior to the beginning of the next lease year, to reflect actual or average costs as depicted above, in conjunction with the CPI adjustments to your base rent
- d. 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
- e. 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
- f. Tenant agrees to keep premises free and clear of any lien or encumbrance of any kind whatsoever created by Tenant's acts or omissions.
- g. 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 to the appropriate supplier the cost of all heat, light, power, and other utilities and services supplied to the premises. If the Landlord authorizes Tenant's premises to be separately metered, then Tenant shall pay for the full cost of the installation of the meter.
- h. 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 or use of the Premises under the terms of this Lease 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 this lease.

10.2 Liability Insurance

- a. Tenant further agrees to take out and keep in force during the life hereof, at Tenant's expense, public liability insurance, property damage 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 due and owing to landlord on the next day upon which rent becomes due. Tenant shall have the insurance carrier(s) also notify Landlord thirty (30) days in advance of any modifications reducing the coverage of said policy (ies), and in the event that any of said insurance carriers do not notify Landlord of any modification, Tenant shall do so upon receiving notice of such modification. Tenant agrees that Landlord shall be named on said insurance coverage as an additional insured party in accordance with the foregoing covenants, and that cross-liability coverage in favor of Landlord shall be provided. Tenant shall furnish Landlord with evidence of insurance satisfactory to Landlord upon execution of this Lease and at such times as Landlord deems appropriate. Said policy or policies shall further provide that any insurance carrier of Landlord's 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 Tenant's at the Center. Changes in insurance amounts shall occur not more frequently than once a year.

10.3 Fire and Other Perils Insurance

- a. Landlord shall provide Fire and Other Insurance with respect to the Premises, except that Landlord shall not provide earthquake and flood insurance. Insurance shall be obtained in the name of Landlord covering said leased Premises and all fixtures therein against loss by reason of the perils of fire, lightning, vandalism and malicious mischief, and endorsed to include extended

coverage, said policy to be on a replacement cost basis, and to be maintained in full force and effect throughout the term of this lease. Said policy or policies shall provide that the loss payable shall be paid to Landlord.

- b. The "full replacement value" of the building and other improvements to be insured shall be determined by the company issuing the insurance policy at the time the policy is initially obtained. Not more frequently than once every three (3) years, either party shall have the right to notify the other party that it elects to have the replacement value determined by an insurance company. The determination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the determination.
- c. The pro rata cost (based on the percentage of Tenant's Premises square footage in the Center) 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 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 insurance at 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.
- e. Landlord is not responsible for the acts or omissions of third parties against Tenant.

10.4 Tenant's Fire and Malicious Mischief Insurance

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

10.5 Plate Glass Insurance

Tenant at its cost shall maintain full coverage plate glass insurance on the Premises. Both parties shall be named as insureds on any such policy and a copy of the same provided to Landlord.

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 of coverage described herein on or before the date of execution of this lease and thereafter on an annual basis or at such times as Landlord requests such proof of insurance.

10.8 Other Insurance Matters

All insurance required under this lease shall:

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

ARTICLE 11: DAMAGE OR DESTRUCTION

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

ARTICLE 12: ASSIGNMENT AND SUBLETTING

- a. Tenant shall not, either voluntarily or by operation of law, assign, sell, encumber, pledge or otherwise transfer all or any part of Tenant's leasehold estate hereunder, or permit the Premises to be occupied by anyone other than Tenant or Tenant's employees, or sublet the Premises or any portion thereof, without Landlord's prior written consent. Landlord's consent shall not be unreasonably withheld provided:
1. The same quality of business and financial soundness of ownership and management is maintained and will continue to be maintained in a manner compatible with the high standards contemplated by this Lease.
 2. That each and every covenant, condition or obligation imposed upon Tenant by this Lease, and each and every right, remedy or benefit afforded Landlord by this Lease is not thereby impaired or diminished;
 3. Tenant remains liable for performance of each and every obligation under this Lease to be performed by Tenant;
 4. As to subletting, Landlord shall receive One Hundred Percent (100%) of the gross rent paid by any assignee/sub-tenant in excess of the gross rent otherwise payable to Landlord pursuant to this Lease;
 5. Tenant reimburses Landlord for Landlord's reasonable costs and professional fees (legal and/or accounting) incurred in conjunction with the processing and documentation of any such requested assignment or subletting of this Lease by Tenant.
- b. 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.

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 and in the manner provided in the lease if the failure continues for three (3) business days after a notice has been sent to Tenant; or additional rent or any other monetary sums required to be paid;
 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) business days, whether or not the Tenant is in default as to its rental obligation;
 3. Failure to perform any other provision of this lease if the failure to perform is not cured within three (3) business days after notice has been given to Tenant. If the provisions of the lease violated by the Tenant cannot be performed within the three-day notice period described herein, Landlord shall not be required to give notice demanding the performance of the violated provisions of the lease;

4. The filing or commencement of any proceeding by or against Tenant under the Federal Bankruptcy code whether voluntary or involuntary, if not dismissed within sixty (60) days from the date of filing, shall constitute a default under this Lease.
 5. Either the appointment of a receiver to take possession of all, or substantially all, of the assets of any Tenant or garnishment of or levy or writ of execution on, all or substantially all of the assets of any Tenant which remains in effect for more than sixty (60) days, or a general assignment by any Tenant for the benefit of creditors, shall constitute a default of this Lease by Tenant.
- b. Notices given under this Article shall specify the alleged default and the applicable lease provisions, and shall demand that Tenant perform the provisions of this lease or pay the rent that is in arrears, as the case may be, within applicable period of time, or quit the Premises. No such notice shall be deemed forfeiture or a termination of this lease unless Landlord so elects in the notice.

13.2 Landlord's Remedies

13.2.1 Cumulative Nature of Remedies

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

13.2.2 Tenant's Right to Possession Not Terminated

- a. Landlord can continue this lease in full force and effect, and the lease will continue in effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect rent when due. During the period Tenant is in default, Landlord can enter the Premises and re-let them, or any part of them, to third parties for Tenant's account. Tenant shall be liable immediately to Landlord for all costs Landlord incurs in re-letting the Premises, including, without limitation, brokers' commissions, expenses of remodeling the Premises required by the re-letting, and like costs. Re-letting can be for a period shorter or longer than the remaining term of this lease. Tenant shall pay to Landlord the rent due under this lease on the dates the rent is due, less the rent Landlord receives from any reletting. 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 under the lease terms. 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;
 - 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 Article 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. Any signs approved by Landlord and placed on the Premises shall be at Tenant's sole cost. Landlord at Tenant's cost can remove any item placed, constructed, or maintained that does not comply with the provisions of this paragraph.
- b. Tenant shall not, without Landlord's written consent, place, construct, or maintain on the Premises any advertisement media, including, without limitation, searchlights, flashing lights, loudspeakers, phonographs, or other similar visual or audio media. Tenant shall not solicit business in, on, or about the public areas, or distribute handbills or other advertising or promotional media in, on, or about the public areas at Center without written consent of landlord, except that Tenant shall be entitled to

engage in radio, television, and newspaper advertising as is customarily used for the type of business in which Tenant is engaged.

- c. Any sign that Landlord grants Tenant the right to place, construct, and maintain shall comply with all laws and Tenant shall obtain any approval required by such laws. Landlord makes no representation with respect to Tenant's ability to obtain such approval.
- d. Landlord shall have the right to use for its signs the exterior walls and roof of the building in which the Premises are located.

ARTICLE 15: LANDLORD'S ENTRY ON PREMISES

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

ARTICLE 16: SUBORDINATION AND OFFSET STATEMENT

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

Attachment A

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

Landlord: Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
ATTN: Legal Department

Tenant: Jianbin Mo
1390 30th Avenue #126
Santa Cruz, CA 95062

ARTICLE 18: WAIVER

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

ARTICLE 19: SURRENDER OF PREMISES; HOLDING OVER

19.1 Surrender of Premises

- a. On expiration of the term, Tenant shall surrender to Landlord the Premises and all Tenant's improvements and alterations to the Premises in good condition (except for ordinary wear and tear occurring after the last necessary maintenance made by Tenant and destruction to the Premises, except for alterations that Tenant has the right to remove or is obligated to remove under the provisions herein. 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 made by a succeeding tenant resulting from Tenant's failure to surrender the Premises.

19.2 Holding Over

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

ARTICLE 20: MISCELLANEOUS PROVISIONS

20.1 General Conditions

20.1.1 Time of Essence

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

20.1.2 Corporate Authority

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

20.1.3 Successors

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

20.1.4 Rent Payable in U.S. Money

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

20.1.5 Real Estate Brokers; Finders

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

20.1.6 Status of Parties on Termination of Lease

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

20.1.7 Exhibits--Incorporation in Lease

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

20.1.8 Licenses and Permits

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

20.1.9 Pest Control

Landlord shall contract with a licensed pest control firm for the control of pests in the Premises. The duration, extend, and frequency of pest control measures shall be determined by Landlord. The cost of pest control is a part of the all inclusive monthly rent as provided in Article 9.

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 Center or at any District facility, or distribute same to Landlord's employees, passengers, or the general public.

20.1.11 Smoke Free

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

20.1.12 Information Form

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

20.1.13 Termination for Convenience

The lease may be terminated by either party with a six month notice, at any time without cause, for any reason, in whole or in part, whenever the party giving the notice determines that it is in their best interest. Such notice shall conform to the notice provisions contained in Article 17.

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 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 compliance with all applicable laws, statutes, 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 and all claims, demands, liabilities, damages, including punitive damages, costs and expenses, including reasonable attorney's fees caused by Tenants actions, herein collectively referred to as "Claims":

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

Any Claim by a successor in interest of Tenant (including a mortgagee who acquires title to the Premises through foreclosure or by accepting a deed in lieu of foreclosure), or by any subtenant licensee, or invitee of Tenant arising out of or in any way connected with the environmental condition of the Premises caused by Tenants or Subtenants actions.

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 or furniture used by Tenant, or any of its employees, even though such equipment or furniture 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, furniture or keys within five days of the conclusion of the tenant use of the premises the Landlord shall deduct the actual costs to repair or replace the equipment not returned from the final payment owed to tenant or take other appropriate legal action at the discretion of the Landlord.

20.1.21 Nondiscrimination

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

20.1.22 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.

20.1.23 Applicable Laws

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

20.1.24 Integrated Agreement; Modification

This lease including all exhibits constitutes the entire understanding and agreement between the Landlord and the Tenant and supersedes, revokes, and cancels any and all previous negotiations, representations, and understanding between the parties and cannot be amended or modified except by a written agreement.

20.1.25 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.

20.1.26 Use of Definitions

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

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

- p. PROVISION: Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulations the lease that defines or otherwise controls, establishes, or limits the performance required or permitted by either party.
- q. PUBLIC AREA: Any area outside Premises in Center to which the public commonly is allowed access by Landlord. Public area is the common area.
- 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 D.
- y. TERM: The period of time during which Tenant has a right to occupy the Premises.
- z. TERMINATION: The ending of the term for any reason before expiration, as defined here.

20.1.28 Captions

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

20.1.29 Singular and Plural

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

20.1.30 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.

20.1.31 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

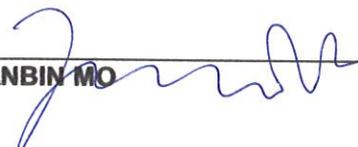
Each party has full power and authority to enter into and perform this lease, and the person(s) signing this lease on behalf of each has been properly authorized and empowered to enter into this lease. Each party further acknowledges that it has read this lease, understands it, and agrees to be bound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

IN WITNESS WHEREOF, Landlord and Tenant execute this lease and affix his/her signature(s) the day and year first herein above written.

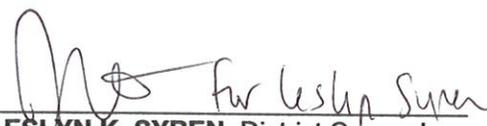
LANDLORD-SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

BY: _____
ALEX CLIFFORD, CEO/General Manager Date _____

TENANT – JIANBIN MO, DBA BETTY'S NOODLE HOUSE

BY: 
JIANBIN MO Date 11/01/16.

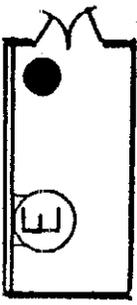
Approved as to Form:

BY: 
LESLYN K. SYREN, District Counsel Date 11/8/16

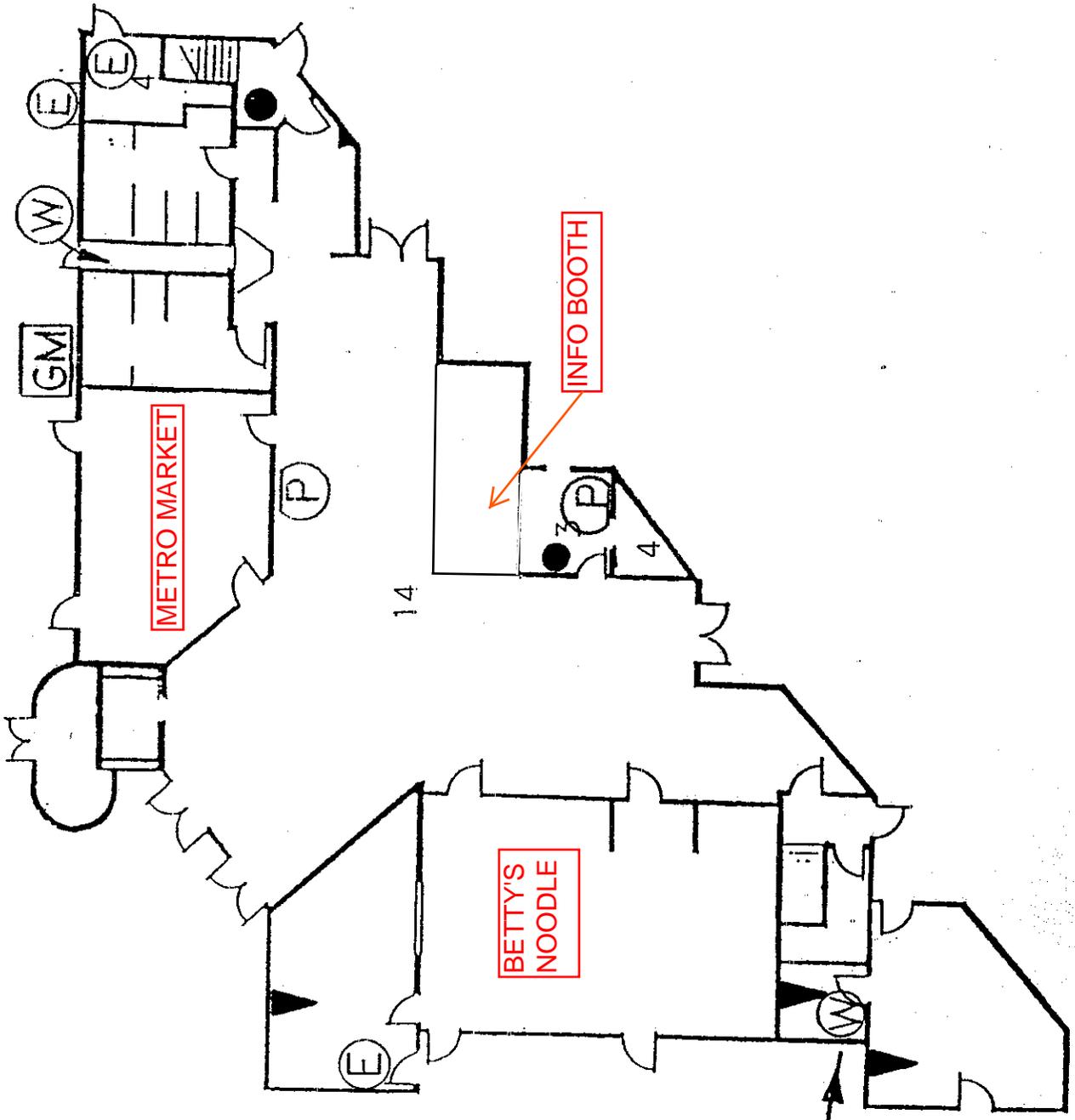
Attachments:

- Exhibit A - Premises - Diagram
- Exhibit B - Use-Menu, hours of operation
- Exhibit C - Santa Cruz Pacific Station Rules and Regulations for Tenants
- Exhibit D - Tenant Personal Property List

Exhibit A



920 Pacific Avenue
METRO CENTER



10-08A.Exhibit A.1



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EXHIBIT B

USE: HOURS OF USE

Tenant's business shall be that of operating a Chinese Food Restaurant.

The following items and products are approved by landlord for sale by Tenant:

- Chinese food

Tenant shall not be permitted to sell the items listed below nor will Landlord give permission to Tenant for sale of the items listed below:

- Pre-packaged food
- Convenience Store items
- Mexican food or beverages
- Drip Coffee specialty beverages
-

Tenant's business hours shall be as follows:

- 11 a.m. – 3:30 p.m. Tuesday – Sunday
- 5 p.m. – 8:30 p.m. Tuesday – Sunday
- Closed Mondays and all holidays observed by Metro Center

Tenant shall notify Landlord prior to changing its proposed hours of business. Landlord shall have the right to object to such hours, however, landlord shall agree to tenant's proposal if it is reasonable and does not interfere with Landlord's transit services.

Tenant shall not change business hours without Landlord's consent.

INITIALS

Landlord: _____ Date: _____

Tenant:  _____ Date: 11/01/16

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EXHIBIT C
SANTA CRUZ PACIFIC STATION
RULES AND REGULATIONS FOR TENANTS

1. SIGNS AND ADVERTISEMENTS

No sign, placard, picture, advertisement, name or notice shall be inscribed, displayed or printed or affixed on or to any part of the outside or inside of the Pacific Station building or any Kiosk including on windows or doors without the prior written consent of Landlord, and Landlord shall have the right to remove any non-complying sign, placard, picture, advertisement, name or notice without notice to and at the expense of Tenant.

2. BUSINESS NAME OR LOGO ON WINDOWS; SUNSCREENS

All approved signs or lettering on doors shall be printed, painted, affixed or inscribed at the expense of Tenant by a person approved of by Landlord. Landlord intends to maintain design continuity, and Tenant shall not place anything or allow anything to be placed near the glass of any window, door, partition, balcony or wall, which may appear unsightly from outside the Premises. Tenant shall not without prior written consent of Landlord cause or otherwise sunscreen any window.

3. FREE MOVEMENT

The sidewalks, halls, passages, exits, entrances, driveways, and stairways shall not be obstructed by Tenant or used by Tenant for any purpose other than for ingress and egress from the premises.

4. LOCKS

Tenant shall not alter any lock or install any new or additional locks or any bolts on any doors or windows of the Premises without landlord's written permission.

5. USE OF RESTROOMS

The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed and no foreign substance or objects of any kind whatsoever shall be thrown therein and the expense of any breakage, stoppage or damage resulting from the violation of this rule shall be born by the Tenant who, or whose employees or invitees shall have caused it.

6. CARE OF PREMISES

Tenant shall not overload the floor of the Premises or in any way deface the Premises or any part thereof.

7. FURNITURE; EQUIPMENT; SAFES

No furniture or equipment of any kind shall be brought into the Pacific Station without prior notice to Landlord and all moving of the same into or out of the premises shall be

done at such time and in such manner as Landlord shall designate. Landlord shall have the right to prescribe the weight, size and position of all safes and other heavy equipment brought into the premises and also the times and manner of moving the same in and out of the Premises. Safes or other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property from any cause and all damage done to Pacific Station, the Premises or any building or area related thereto by moving or maintaining any such safe or other property shall be repaired or replaced at the expense of Tenant.

8. USE OF PREMISES; PETS

Tenant shall not use, keep or permit to be used or kept any foul or noxious gas or substance in the Premises, or permit or suffer the Premises to be occupied or used in a manner offensive or objectionable to the Landlord or other occupants of Pacific Station or any kiosk by reason of noise, odors, and/or vibrations, or interfere in any way with other tenants or those having business therein, nor shall any animals or birds be brought in or kept in or about the Pacific Station, the Premises or any kiosk or area related thereto, except service dogs are allowed in accordance with Federal and State law.

No cooking shall be done or permitted by Tenant except as part of Tenant's approved business, nor shall the Premises be used for the exterior storage of merchandise, for washing clothes, for lodging, or for any improper, objectionable or immoral purposes.

9. HAZARDOUS FLUIDS, HVAC

Tenant shall not use or keep in Pacific Station, the Premises, any kiosk or any area related thereto; any kerosene, gasoline or inflammable or combustible fluid or material, or use any method of heating or air conditioning other than that supplied or otherwise approved by Landlord.

10. ELECTRICAL WORK; LOCATION OF EQUIPMENT

Landlord will direct electricians as to where and how electrical outlets, telephone, computer and telegraph wires and cables are to be introduced onto the Premises. No boring or cutting for wires will be allowed without the consent of the Landlord. The location of electrical outlets, telephones, call boxes and other business equipment affixed to the Premises shall be subject to the approval of Landlord.

11. RESTRICTION OF BUILDING ACCESS FOR PUBLIC GOOD

In case of invasion, mob, riot, public excitement, or other commotion, the Landlord reserves the right to prevent access to Pacific Station, including the Premises and any area related thereto during the continuance of the same by closing of the doors or otherwise, for the safety of the tenants and protection of property in the Building.

12. RIGHT TO EXCLUDE OR EXPEL

Landlord reserves the right to exclude or expel from Pacific Station, including the Premises and any area related thereto, any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of the rules and regulations of Pacific Station or Federal, State, Municipal or Transit District law, ordinance or resolution.

13. INSTALLATION OF MACHINES

No vending machine or machines of any description shall be installed, or maintained or operated upon the Premises without the written consent of the Landlord.

14. RIGHT TO CHANGE NAME AND STREET ADDRESS

Landlord shall have the right, exercisable without notice and without liability to Tenant, to change the name and street address of Pacific Station of which the Premises are a part.

15. QUIET ENJOYMENT

Tenant shall not disturb, solicit, or canvass any occupant of Pacific Station or any Kiosk and shall cooperate to prevent it.

16. USE OF BUILDING NAME

Without the written consent of Landlord, Tenant shall not use the name of Pacific Station, The Santa Cruz Metropolitan Transit District in connection with or in promotion or advertising the business of Tenant except as Tenant's address or unless Tenant has received Landlord's written permission.

17. CONTROL AND OPERATION OF PREMISES FOR PUBLIC GOOD

Landlord shall have the right to control and operate the public portions of Pacific Station, and the public facilities and heating and air conditioning, as well as facilities furnished for the common use of tenants, in such manner as it deems best for the benefit of the tenants and public generally.

18. DOOR SECURITY

All entrance doors in the Premises shall be left locked when the Premises are not in use, and all doors opening to public corridors shall be closed except for normal ingress and egress from the Premises.

19. DISTRICT BUSINESS; CARE OF PATRONS

Landlord's primary business and public purpose is public transit, and Tenant shall cooperate with Landlord's bus operating policies at Pacific Station. Tenant shall take care in preparing, packaging and serving food and beverages to assure that buses, bus operators, and bus passengers are not endangered, damaged, or inconvenienced. No food or beverage shall be sold, and no food or beverage shall be packaged in such a way that, in Landlord's sole opinion, may unduly soil, litter, stain, create a visual nuisance or increase Landlord maintenance costs on or about Landlord equipment, buses, or property.

20. VEHICLE RESTRICTION

No vehicles shall be operated, parked or otherwise driven onto Pacific Station's bus driveways by Tenant or its employees or agents. Any vehicles in Pacific Station may be towed immediately by Landlord or Landlord's agent, at the violator's expense.

21. PICK UP AND DELIVERIES

Pick up and deliveries of goods, merchandise, supplies, equipment, or service to Tenant's Premises shall be before 7:00 a.m. and after 5:30 p.m. Pick-up and deliveries of any type in Pacific Station bus lanes or driveways are strictly forbidden. Tenant is responsible to inform all of Tenant vendors and distributors of these restrictions.

22. NO SMOKING

The entire Pacific Station is a smoke-free facility. Tenant shall refrain from smoking at any location within Pacific Station and shall inform its employees and patrons that the Center is smoke-free.

23. BIKE USE AND ABANDONMENT

Neither Tenant nor its employees or patrons shall operate bicycles at the Pacific Station. If Tenant observes anyone riding a bicycle at the Center he/she shall notify such individual of this rule.

If a bicycle is abandoned at Pacific Station, Tenant shall have it removed in accordance with California State law.

24. LOITERING

Tenant shall not allow or permit loitering in or about the Premises.

25. SKATEBOARDING/BIKE RIDING/ROLLER BLADING

Skateboarding, bike riding and roller-blading are prohibited at Pacific Station and in its parking lot. Neither Tenant nor its employees shall skateboard, operate a bicycle or roller-blade at any location at Pacific Station.

26. GARBAGE

No trash or garbage generated off the premises of Pacific Station shall be placed into dumpsters designated for Pacific Station tenants.

All trash or garbage generated on the premises of Pacific Station shall be placed inside the appropriate dumpster by tenants.

If any tenant leaves trash or garbage on, around or near the dumpster, or if any tenant places garbage generated off-site into a dumpster designated for Pacific Station tenants, then a \$50.00 fine will be assessed per occurrence to the tenant responsible for such action.

Tenants shall be subject to compliance of Santa Cruz Municipal Code 16.19.100 "Prohibited Discharges from Industrial or Commercial Activity" with regard to all trash or garbage placed in, on or around Pacific Station garbage receptacles. No substance may be dumped that is listed as a prohibited discharge in the Code Section (attached). Violations to this Section will be assessed a \$100.00 per occurrence to the tenant responsible for such action. Additionally, such action will be grounds for immediate termination of the Lease Agreement with Santa Cruz METRO.

INITIALS

Landlord: _____

Date: _____

Tenant: jm

Date: 01/01/16

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DATE: November 18, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
SUBJECT: CONSIDERATION OF DECLARING ONE (1) 2003 ORION BUS, ONE (1) SPARC 5 COMPUTER, AND ONE (1) GESTETNER COPIER / PRINTER / SCANNER AS EXCESS FOR PURPOSES OF DISPOSAL OR AUCTION

I. RECOMMENDED ACTION

That the Board of Directors approve a resolution declaring one Orion bus, one computer, and one copier as ready for disposal or auction and direct the CEO to dispose of the surplus items in conformance with METRO's Administrative Policy Number AP-2020 - Fixed Assets and Inventoried Items.

II. SUMMARY

- In accordance with Santa Cruz Metropolitan Transit District's (METRO) policy on disposal of fixed assets, at least once per year the Finance Manager shall recommend to the Board of Directors a list of items to be declared excess with appropriate action for disposal.
- The Orion bus, Sparc 5 computer, and Gestetner copier have all exceeded their useful life and are no longer needed by METRO.
- Staff recommends that the Board of Directors approve the resolution for the disposal or auction of excess property (Attachment A) and declare the items listed in Exhibit A as excess and direct staff to use appropriate action for disposal.

III. DISCUSSION/BACKGROUND

The following equipment identified in the Excess Vehicle & Equipment Listing (Exhibit A) has surpassed its useful life expectancy.

- Orion bus # 2309 is 13 years old and suffered damage as the result of an engine compartment fire rendering it too costly to repair. Because the cost to repair this bus outweighs its value it is recommended for disposal. The bus is fully depreciated, so there is no financial obligation to a granting agency with regard to the recommended disposal.
- The computer was purchased in 1996, and is currently obsolete.
- The Gestetner copier was purchased in 2005, and has reached the end of its useful life.

FTA Spare Ratio: The FTA requires METRO to maintain a maximum allowed ratio of twenty percent (20%) Fixed Route spare buses to peak run assigned buses. The exceptions are the Highway 17 buses which are considered “Commuter type” and not subject to the 20% spare ratio. For example, if 100 buses are assigned to fixed route at peak runs, the maximum amount of spare buses would be 20 buses, for a total of 120 buses.

In March of 2016 METRO achieved a 20% Spare Ratio, thereby meeting FTA’s Spare Ratio Requirement.

Disposal of these assets has been coordinated with management and staff in processing them for disposal and auction if appropriate.

Staff recommends that the Board of Directors approve a resolution (Attachment A) and declare the items listed in Exhibit A as excess and direct staff to use appropriate action for disposal.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The estimated gross market value of the vehicle is approximately \$4,900; it has reached the end of its useful life and is in poor condition. The computer and copier are no longer needed; computers and copiers cannot be auctioned therefore they will be donated.

Any revenue generated from the sale of this vehicle will be recorded as income in the current fiscal year’s operating budget to ‘Gain / Loss Disposal on Assets’ budget account 407090-100.

V. ALTERNATIVES CONSIDERED

- Store the vehicle - This alternative is not recommended because the bus has exceeded its useful life, and it is cost prohibitive to repair.
- Retain the computer and copy machine; the computer is 20 years old and is technologically obsolete. The copier lost its ability to print and copy long ago. There is no longer any use for this equipment, therefore, no alternative is recommended at this time.

VI. ATTACHMENTS

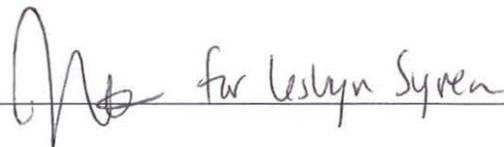
Attachment A: Resolution to Approve for the Disposal or Auction of Excess Property

Exhibit A: Excess Vehicle & Equipment Listing – as of November 18, 2016

Prepared By: Debbie Kinslow, Assistant Finance Manager
Al Pierce, Maintenance Manager

VII. APPROVALS:

Angela Aitken, Finance Manager 

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

Approved as to fiscal impact:
Angela Aitken, Finance Manager 

Alex Clifford, CEO/General Manager 

Attachment A



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

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

RESOLUTION TO APPROVE FOR THE DISPOSAL OR AUCTION OF EXCESS PROPERTY PURSUANT TO TITLE 49 OF THE CODE OF FEDERAL REGULATIONS, PART 24 (49CFR 24)

WHEREAS, the Santa Cruz Metropolitan Transit District (District), receives federal financial assistance from the Federal Transit Administration (FTA) to acquire real property; and

WHEREAS, all real property, equipment and supplies, rolling stock, and facilities purchased or constructed for project purposes must be managed, used, and disposed of in accordance with applicable laws and regulations; and

WHEREAS, the FTA prescribes the method and delivers guidance to public transit operators to comply with grant management requirements in accordance with the regulations in *Title 49 Code of Federal Regulations, part 24 (49CFR 24)* and FTA Circular 5010.1D; and

WHEREAS, the fair market value of each property item is less than \$5,000; and

WHEREAS, the District has determined that it is necessary to either dispose of the property, and/or to place the items up for auction;

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

1. The following real property assets are declared excess property on the Excess Vehicle & Equipment Listing as of 11/18/16, "Exhibit A" and may be disposed of or auctioned as such:
 - a. "One (1) 2003 Orion Bus, vehicle no. 2309";
 - b. "One (1) Sparc 5 Computer";

Attachment A

c. "One (1) Gestetner Copier / Printer / Scanner";

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on November 18, 2016, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

ABSENT: DIRECTORS –

ABSTAIN: DIRECTORS –

MIKE ROTKIN
Chairperson

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

LESLYN K. SYREN
District Counsel

Attachment A

**EXHIBIT A, SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
RESOLUTION NO. _____**

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT
EXCESS VEHICLE & EQUIPMENT LISTING AS OF 11/18/16

(Attached)

Exhibit A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT										
EXCESS VEHICLE & EQUIPMENT LISTING AS OF 11/18/16										
Vehicle or Asset Tag #	Description	Acquisition Date	Cost	Accumulated Depreciation	Net Book Value	Est. Market Value	Reason for Disposal	Condition	VIN / SN	License #
2309	2003.40FT CNG ORION V	12/18/2003	\$ 492,175	\$ 492,175	\$ -	\$ 4,900	END USEFUL LIFE	POOR	1VHAH6A2136502148	1179164
3409	COMPUTER, SPARC 5	5/31/1996	\$ 12,969	\$ 12,969	\$ -	\$ -	OBSOLETE	POOR	611F0048	N/A
4794	COPIER/PRINTER/SCANNER	8/29/2005	\$ 9,914	\$ 9,914	\$ -	\$ -	END USEFUL LIFE	POOR	K2855501501	N/A

10-09A.Exhibit A.1



DATE: November 18, 2016
TO: Board of Directors
FROM: Isaac Holly, I.T. Manager
SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A CONTRACT WITH GIRO, INC. FOR HASTUS SOFTWARE MAINTENANCE AND SUPPORT

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a contract with GIRO, Inc. to renew Hastus (Version 2009) maintenance and support services in the amount of \$80,125 for the 2017 calendar year.

II. SUMMARY

- On November 13, 2015, the Board of Directors approved a contract renewal with Giro, Inc. for Hastus software maintenance and support for the 2016 calendar year.
- This maintenance contract needs to be renewed annually in order to continue to receive the following for this mission-critical Santa Cruz Metropolitan Transit District (METRO) system:
 - Unlimited support via telephone and email
 - Bug fixes and customization for the current Hastus version
 - Eligibility for new Hastus versions at a reduced license cost

III. DISCUSSION/BACKGROUND

Hastus is a unified software environment that enables METRO to:

- Report monthly and annual service stats to the National Transit Database (NTD) to remain eligible for FTA funding
- Plan new service changes accurately and efficiently
- Assign work to Operators and deploy them to and from the field
- Accurately compute Operator pay and schedule leave
- Track Operator performance and track license and medical certificate renewal
- Publish accurate timetables to print and web media
- Provide a data feed to the Google Transit Trip Planner

Prior to the current Hastus version, METRO was running an earlier version of Hastus with just the scheduling related modules. METRO identified a need to replace its aging, text-based dispatch system so in 2009 a grant opportunity became available via ARRA (American Reinvestment and Recovery Act). This grant funded the upgrade and expansion to the current Hastus version at the time with additional modules to allow for a complete scheduling and dispatch management system. METRO was then able to retire the legacy dispatch system. The cost for this new unified system, licensed for a fleet of 80 peak vehicles (the number of buses in service at one time) including integration and customization was \$1.4M.

Giro's maintenance schedule is based on calendar year and needs to be renewed on a yearly basis. On November 13, 2015, the Board of Directors approved a contract with Giro, Inc. which allowed the execution of a Hastus maintenance and support contract for the 2016 calendar year which expires at the end of December 2016. The 2017 maintenance and support contract currently being presented is based on the following deployed software modules:

- Hastus-Vehicle (Service schedules)
- Hastus-Crew (Operator work creation)
- CrewOpt (Automated crew scheduling)
- Hastus-Roster (Period rosters for personnel)
- Minbus (Automated vehicle blocking)
- Hastus-ATP (Run-time analysis environment)
- Geo (Geocoding of stops and route itineraries)
- Bid (Operator work selection)
- Hastus-Daily (Operations daily vehicle and crew management)
- Hastus-Rider & Checker (ridership analysis and survey tool)
- SelfService (Operator web access to their work assignments)
- EPM (Operator Discipline and award management)

This maintenance contract includes five days worth of software development time to allow for further customizations as new needs are identified. If these days are not used, they may be carried over into the next year.

Staff recommends that the Board of Directors authorize the CEO to execute a maintenance and support contract with Giro, Inc. for Hastus software in the amount of \$80,125 for the 2017 calendar year.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The funding in the amount of \$80,125 is included in the FY17 current fiscal year's IT Department Operating budget within the Maintenance Fees (503352) account.

V. ALTERNATIVES CONSIDERED

- Do nothing. There is no alternative recommended at this time. Hastus is a critical foundation to the core functions of the scheduling and deployment of METRO service. Not renewing this contract for maintenance and support services would result in losing the eligibility to receive technical support and updates, as well as incurring additional cost towards the purchase of future versions of Hastus.
- Going out to bid for a new system of this magnitude is not feasible at this time due to the lack of a viable alternative and budget to support it. METRO is in the process of evaluating alternative systems that offer similar functionality.

VI. ATTACHMENTS

Attachment A: Giro Hastus Maintenance and Support Contract

Prepared By: Isaac Holly, I.T. Manager

VII. APPROVALS:

Isaac Holly, I.T. Manager



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



Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



Attachment A

HASTUS
MAINTENANCE AND SUPPORT CONTRACT
(Reference number: 617-10)

ENTERED INTO BETWEEN:

GIRO INC./LE GROUPE EN INFORMATIQUE ET RECHERCHE OPÉRATIONNELLE, having its principal place of business at 75, Port-Royal Street East, Suite 500, in the city of Montreal, Province of Quebec, Canada, H3L 3T1.

(hereinafter referred to as "GIRO")

AND:

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, having its principal place of business at 110 Vernon Street, Santa Cruz, California, USA 95060.

(hereinafter referred to as the "Client")

FOR:

The software *HASTUS-Vehicle*, *HASTUS-Crew*, *CrewOpt*, *HASTUS-Roster*, *Minibus*, *HASTUS-ATP*, *Geo*, *Bid*, *HASTUS-DailyCrew*, *HASTUS-DailyVehicle*, *HASTUS-Rider*, *Checker*, *SelfService*, and *EPM* version 2009 (hereinafter referred to as "Software") used by the Client for the operation of a maximum of eighty (80) peak vehicles (for *EPM* module, allows management of a maximum of ninety (90) non-driving employees).

Starting on January 1, 2017 (the "Commencement Date") for one (1) year.

1. SERVICES PROVIDED

GIRO will provide the Client with the following services beginning on the Commencement Date of this Agreement specified above and conditionally on payment of annual charges for support and maintenance as defined in Section 2:

1.1 GIRO will assign, in a maximum delay of twenty-four (24) hours, an employee to correct a Software defect, once the Client has provided GIRO with a detailed description of the said defect. For the purposes of this Agreement, a defect is considered to exist when the Software does not perform according to the description given in the appropriate version of the User Guide and online help and when the said defect affects the performance of the Software. Correction of any problems due to one or several of the following causes is excluded from this Agreement: an accident, a disaster, faulty use of Software, inappropriate use of the Software, additions and/or modifications (including changes to system setting files) which are made to the Software by other than GIRO's personnel except if these additions and/or modifications have been done with prior approval by GIRO, a change to an unsupported version of the operating system or database management system, and failure to supply the necessary facilities for correct operation of the Software.

1.2 Electronic mail and telephone support are available from Monday to Friday inclusively from 9 a.m. to 5 p.m. (Eastern Standard Time) excluding Québec public holidays.

1.3 When the *Geo* module is included in the Software, the support required to assist in one annual conversion of the geographical data is included. However, any Software modification required for the data conversion is not covered by this Agreement and the additional costs will be invoiced.

1.4 GIRO will provide the Client with a bank of five (5) person-days of GIRO staff time. This time can be used to perform tests on system operation, to make minor modifications to the Software, to train personnel on the Client's premises, and to approve additions and/or modifications made by the Client. The use of these staff days is determined by the Client. Non-used days can be accumulated and used in subsequent years as long as this Agreement is renewed by the Client without interruption. The time needed by GIRO personnel to perform modifications requested by the Client under this Agreement and that are not defects as defined in the present Agreement will be deducted from this bank. If there are no remaining person-days available in the bank, therefore the time necessary to perform any work requested by the Client under this Agreement except for work required for defects as defined in this Agreement, will be charged to the Client by GIRO according to current rates for GIRO personnel.

Attachment A

1.5 Availability for the Client, without additional licence fees, of all additions and improvements made to the Software by GIRO for other customers, excluding new modules or new products. These improvements or additions to the Software could be a new report, a new command or a new function. If requested by the Client, they can be adapted and/or installed by GIRO on the Client's version of the Software without any additional licence fees related to their purchase. New versions of the Software up to release 2011 are also available without additional licence fees. Charges relative to the installation of these additions, improvements or new version by GIRO, if applicable, will be payable by the Client and invoiced separately. Any charges relative to third party software licences are also payable by the Client.

1.6 A 20% discount on the licence fee is accorded to the Client when a new module of *HASTUS* is added to *HASTUS-Vehicle* and *HASTUS-Crew*. This discount is valid only if the Client has maintained a Maintenance and Support Contract without interruption since the initial installation of the Software.

2. TERMS AND CONDITIONS

2.1 For services specified in Section 1, the Client will pay GIRO a fee of \$80,125 US. The total amount is payable when the Agreement comes into effect.

2.2 The annual fee includes the following direct expenses: telephone charges, fax and courier incurred by GIRO during the provision of the services specified in this Agreement. Travel and living expenses that may be incurred are not included.

2.3 All charges quoted or understood in the present Agreement will be increased as necessary to reflect any applicable taxes in effect at the time that the monies become due.

2.4 The Client will supply GIRO with a method to access the installed Software remotely for maintenance and support purposes.

2.5 GIRO undertakes not to reveal any of the Client's confidential information acquired during product installation and support activities without the express authorization of the Client.

2.6 Any *HASTUS* maintenance and support contract previously signed between the Client and GIRO is hereby rescinded.

The Client acknowledges that he has read this Agreement, understood it, and has agreed to be bound by its terms and conditions. Further, he agrees that it is the complete and exclusive statement of the Agreement between the parties and that it supersedes all proposals or prior Agreements, oral or written, and all other communications between the parties relating to its subject matter.

At _____, this ____ day of _____.

GIRO INC./LE GROUPE EN INFORMATIQUE ET RECHERCHE OPÉRATIONNELLE

Per:

Name: Annie Gagné

Title: Director, Business Relations

Signature: _____

Duly authorized, as she so declares.

At _____, this ____ day of _____.

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Per:

Name: _____

Title: _____

Signature: _____

Duly authorized, as he/she so declares.

APPROVED AS TO FORM



Leslyn K. Syren, District Counsel

By Julie A. Sherman for Leslyn K. Syren



DATE: November 18, 2016

TO: Board of Directors

FROM: Al Pierce, Maintenance Manager

SUBJECT: CONSIDERATION OF AUTHORIZING THE CEO TO EXECUTE A 4TH AMENDMENT EXTENDING THE CONTRACT WITH KIMBALL MIDWEST FOR FASTENERS, ELECTRICAL TERMINALS AND MISCELLANEOUS ITEMS, INCREASING THE CONTRACT TOTAL BY \$35,000

I. RECOMMENDED ACTION

That the Board of Directors authorize the CEO to execute a 4th amendment extending the contract for one year with Kimball Midwest for Fasteners, Electrical Terminals and Miscellaneous Items, increasing the contract total by \$35,000 for the additional one-year period, thereby increasing the total contract authority from \$90,000 to \$125,000.

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) has a contract with Midwest Motor Supply d/b/a Kimball Midwest for Fasteners, Electrical Terminals and Miscellaneous Items that will expire on January 31, 2017.
- Kimball Midwest has requested no changes for the new contract period.
- Kimball Midwest has performed its duties very well under this contract, and therefore a one-year contract extension is recommended.

III. DISCUSSION/BACKGROUND

METRO's Maintenance department requires a wide variety of fasteners and electric terminals for use in repairing revenue and non-revenue fleets, as well as in facilities repairs. Through its participation in Regional Transit Coordinating Council (RTCC) procurements, on February 1, 2013 METRO entered into a contract with Kimball Midwest for Fasteners, Electrical Terminals and Miscellaneous Items. The current one year extension term of this contract is due to expire on January 31, 2017. Per Al Pierce, Maintenance Manager, over the past year the quality of service provided by Kimball Midwest has been very good. Kimball Midwest has reviewed the contract and requested no changes.

Staff recommends that the Board of Directors authorize the CEO to execute a 4th amendment to the contract with Kimball Midwest to extend the term of the contract to January 31, 2018, and to increase the contract total by \$35,000. Al

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

IV. FINANCIAL CONSIDERATIONS/IMPACT

This contract has a total not to exceed of \$90,000. Additional funds in an amount of \$35,000 are requested for approval at this time. The new contract total not to exceed would be \$125,000.

Funds to support this contract are included in the Fleet Maintenance FY17 & FY18 Parts & Supplies (Non-Inv) (504421) Operating Budgets.

V. ALTERNATIVES CONSIDERED

- Do not renew this contract. Staff does not recommend this option, as participating in RTCC joint procurements for commodities that are commonly used by RTCC member agencies ensures better pricing than METRO could likely negotiate on its own.

VI. ATTACHMENTS

Attachment A: Renewal letter from Kimball Midwest

Attachment B: Fourth Amendment to the Contract with Kimball Midwest

Prepared By: Joan Jeffries, Administrative Specialist

VII. APPROVALS:

Al Pierce, Maintenance Manager



Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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



By Julie A. Sherman for Leslyn K. Syren

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November 9, 2016

Santa Cruz Metro
110 Vernon Street
Santa, Cruz, CA 95060

RE: Contract No. 13-17 for Fasteners, Electrical Terminals and Misc. Items - Renewal Request

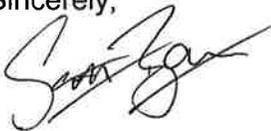
Dear Ms. Alvey,

I am responding to your e-mail communication dated November 8, 2016 regarding Contract No. 13-17 for Fasteners, Electrical Terminals and Misc. Items. Kimball Midwest is in favor of extending the contract for the additional 1 year term proposed – February 1, 2017 through January 31, 2018.

We appreciate your past business and look forward to our continued relationship as we provide Santa Cruz METRO our high quality products and services.

If you need anything else please contact me via e-mail or call me at 800-233-1294, extension 2176.

Sincerely,



Scott Basinger
Marketing Services Manager

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Attachment B

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT FOURTH AMENDMENT TO CONTRACT NO. 13-17 FOR FASTENERS, ELECTRICAL TERMINALS AND MISCELLANEOUS ITEMS

This Fourth Amendment to Contract No. 13-17 for Fasteners, Electrical Terminals and Miscellaneous Items is made effective February 1, 2017 between the Santa Cruz Metropolitan Transit District (“Santa Cruz METRO”), a political subdivision of the State of California, and Midwest Motor Supply d/b/a Kimball Midwest (“Contractor”).

I. RECITALS

- 1.1 Santa Cruz METRO and Contractor entered into a Contract for Fasteners, Electrical Terminals and Miscellaneous Items (“Contract”) on February 1, 2013.
- 1.2 The Contract allows for extension upon mutual written consent.
- 1.3 Santa Cruz METRO and Contractor desire to amend the Contract to extend the Contract term.

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

II. TERM

- 2.1 Article 3.02 is replaced in its entirety by the following:

The term of this Contract shall be from February 1, 2013 to January 31, 2018.

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

III. COMPENSATION

- 3.1 Article 4.01 is amended to include the following language:

Under the terms of the Fourth Amendment, the Contract total not-to-exceed amount is increased by \$35,000.

The new Contract total not-to-exceed amount is \$125,000. Contractor understands and agrees that if it exceeds the \$125,000 maximum amount payable under this Contract, it does so at its own risk.

IV. REMAINING TERMS AND CONDITIONS

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

Attachment B

V. ACCEPTANCE OF ELECTRONIC SIGNATURES AND COUNTERPARTS

5.1 The parties agree that this Contract, agreements ancillary to this Contract, and related documents to be entered into this Contract will be considered executed when the signature of a party is delivered by scanned image as an attachment to electronic mail. Such scanned signature must be treated in all respects as having the same effect as an original signature. Each party further agrees that this Contract may be executed in two or more counterparts, all of which constitute one and the same instrument.

VI. AUTHORITY

6.1 Article 6 is amended to include the following language:

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

Signed on _____

Santa Cruz METRO –
SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

Alex Clifford, CEO/General Manager

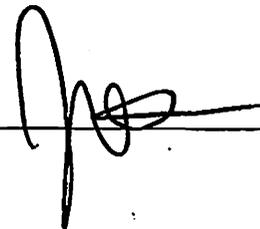
Contractor –
MIDWEST MOTOR SUPPLY d/b/a
KIMBALL MIDWEST

Pat McCurdy, President



Approved as to Form:

Leslyn Syren, District Counsel

 for Leslyn Syren



DATE: November 18, 2016
TO: Board of Directors
FROM: Al Pierce, Maintenance Manager
SUBJECT: CONSIDERATION OF ISSUING A FORMAL INVITATION FOR BIDS FOR SEALING AND PAINTING OF STAIRS AT THE JUDY K. SOUZA OPERATIONS FACILITY

I. RECOMMENDED ACTION

That the Board of Directors authorize the Purchasing Manager to issue a formal Invitation for Bids for Sealing and Painting of Stairs at the Judy K. Souza Operations Facility.

II. SUMMARY

- The three exterior staircases at the Judy K. Souza Operations Facility (OPS) show rusting in several areas. It has been determined that the stairs were not properly prepared or painted when installed.
- The Santa Cruz Metropolitan Transit District (METRO) requires the services of a licensed contractor to clean the existing rusted areas, properly seal the areas, and repaint the stairs at OPS.

III. DISCUSSION/BACKGROUND

Shortly after the three metal staircases were installed at the new Operations Facility, rust was observed to be seeping out of several seams. Additional rusting was noted on numerous treads where metal shavings from grinding the handrails were not cleaned up and rusted into the paint. METRO notified the contractor of the problem and hired its own consultant to evaluate the cause of the rusting and test the thickness of the paint applied against the related specifications. The consultant determined that the metal on the individual sections of the stairs had been prepared properly; however, the welds had not been properly performed when the staircases were erected and installed on site. These welds in the seams are where the rust is coming from. In addition to this, testing revealed that there was not sufficient paint applied to achieve the thickness required by the specifications, adding to the metal exposure and further allowing the rust.

Staff is recommending the issuance of a formal Invitation for Bids for Sealing and Painting of Stairs at the Judy K. Souza Operations Facility in order to avoid major ongoing maintenance and early replacement of the stairs.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Based on an independent cost estimate of the required repairs, a reasonable amount of funds in the amount of \$150,000 have been withheld from the contractor in order to remedy this issue. Should the actual cost of the repairs be either more or less than the amount withheld, an equitable adjustment will be pursued with the contractor.

This action will authorize the initiation of a procurement estimated to result in a contract with a value of \$150,000. Funds to support the resulting contract are included in the MetroBase Phase II Project Budget.

V. ALTERNATIVES CONSIDERED

- METRO could have in-house maintenance staff seal up the seams without the rust remediation. This is not recommended as the rust will continue to develop due to water seepage through the concrete.
- METRO could only paint the staircases. This is not recommended as repainting would be superficial and would have to be done often, which is costly. The staircases would continue to degrade and would have to be replaced much sooner.

VI. ATTACHMENTS

Attachment A: Authorizing Resolution

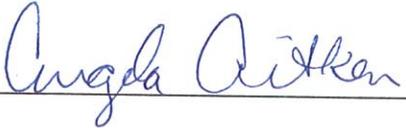
Prepared By: Erron Alvey, Purchasing Manager

VII. APPROVALS:

Al Pierce, Maintenance Manager



Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager





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

By Julie A. Sherman for Leslyn K. Syren

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Attachment A



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

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

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT AUTHORIZING THE PURCHASING MANAGER TO SOLICIT BIDS FOR SEALING AND PAINTING OF STAIRS AT THE JUDY K. SOUZA OPERATIONS FACILITY

WHEREAS, the Santa Cruz Metropolitan Transit District has a need for sealing and painting of stairs at the Judy K. Souza Operations Facility;

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

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

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

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District this 18th day of November, 2016 by the following vote:

AYES: Directors -

NOES: Directors -

ABSTAIN: Directors -

ABSENT: Directors -

Approved:
Mike Rotkin, Board Chair

Attachment A

Resolution No. _____
Page 2

Attest:

Alex Clifford, CEO/General Manager

Approved as to form:

Leslyn K. Syren, District Counsel



DATE: November 18, 2016
TO: Board of Directors
FROM: Alex Clifford, CEO
SUBJECT: CONSIDERATION OF METROBASE MONTHLY CHANGE ORDER REPORT

I. RECOMMENDED ACTION

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

II. DISCUSSION/BACKGROUND

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

Per the Board's request, the Project Manager is to provide a monthly summary of change orders. Since the last Monthly Change Order Report to the Board on May 27, 2016, METRO has issued two new unilateral change orders to Lewis C. Nelson and Sons, Inc.

III. FINANCIAL CONSIDERATIONS/IMPACT

Since the Board Meeting on May 27, 2016, two unilateral change orders have been issued to Lewis C. Nelson and Sons, Inc., for a total of \$6,480.00.

CCO #	Description	Amount
171	Elevator Remob and FA Corrections	\$ 5,257.00
172	Light Pole Coordination	\$ 1,223.00
Total		\$ 6,480.00

Total CEO CCO Authority NTE (Cap)	\$1,641,562
History:	
CEO CCOs Approved through 5/27/2016 Board Report	\$1,360,414
Additional COOs Approved through 11/18/2016 Board Report	\$ 6,480
New CEO CCO Cumulative Amount Approved	\$1,366,894
CEO CCO Authority Remaining	\$ 274,668

IV. ATTACHMENTS

Attachment A: Executed Change Orders Table

Prepared by: Joan Jeffries, Administrative Specialist

V. APPROVALS:

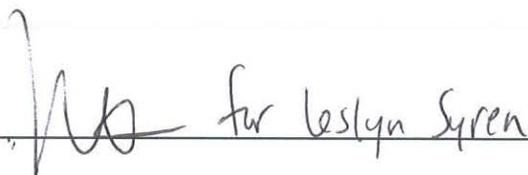
Alex Clifford, CEO/General Manager



Approved as to fiscal impact:
Angela Aitken, Finance Manager



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



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Attachment A

Executed Change Orders

Contract No. 12-23

Original Contract Amount:	\$13,572,000.00	Revised Contract Amount:	\$15,663,821.44
Original Contract Time (Days):	668	Revised Contract Time (Days):	1096
Total Construction Contingency:	\$2,324,773.20	Contingency Remaining:	\$232,951.76

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
001	5/16/13	Site improvements at 135 Dubois	\$ 200,586.00	-0-	Board/Les White
002	6/4/13	Extend completion date by 49 days	\$ -	49	Board/Les White
003	6/4/13	Additional site improvements at 135 Dubois	\$ 36,369.00	-0-	Les White
004	6/4/13	Demolish concrete sound wall; Provide Pile Driving Notification	\$ 17,297.00	-0-	Les White
005	6/4/13	Demolish CPU planter wall, trees, shrubs, and chain link fencing	\$ 8,905.00	-0-	Les White
006	7/25/13	Expose tops of overdriven piles	\$ 2,324.00	-0-	Les White
007	8/7/13	Cut off prestressed concrete piles 54 ft. long or less	\$ 50,000.00	-0-	Les White
007.S1	4/21/15	Cut off prestressed concrete piles 54 ft. long or less	\$ -	16	Board/Alex Clifford
007.S2	11/16/15	Pile Cutoff (Time Related Overhead)	\$ 24,208.00	-0-	Board/Alex Clifford
008	9/26/13	Cut off prestressed concrete piles longer than 54 ft. to achieve correct elevation	\$ 26,000.00	-0-	Les White
009	9/26/13	Provide labor, equipment, and materials to modify pile caps	\$ 18,994.00	-0-	Les White
010	9/15/14	Fire Service Backflow Preventor (FD #17)	\$ 10,621.00	-0-	Alex Clifford
011	2/25/14	Weather & Misc. Delay	\$ -	13	Board/Alex Clifford
012	11/20/14	Differing site condition encountered during parking lot demolition.	\$ 49,777.00	-0-	Alex Clifford
013	11/20/14	Modification of parking deck storm drain piping at grid lines E/1 on ground floor	\$ 1,920.00	-0-	Alex Clifford
014	3/17/15	Add battery backups/delete overhead coils	\$ -	-0-	Alex Clifford
015	12/8/14	Partnering sessions (METRO's one half share of cost)	\$ 10,000.00	-0-	Alex Clifford
016	1/6/15	Furnishing and installing of epoxy-coated rebar dowels	\$ 3,798.68	-0-	Alex Clifford
017	1/14/15	Additional vehicular PCC pavement	\$ 15,182.00	-0-	Alex Clifford
018	6/16/15	Aluminum Brake Metal	\$ 28,280.50	deferred	Alex Clifford
018.S1	11/16/15	Aluminum Brake Metal	\$ -	-0-	Ad Hoc/Alex Clifford

Attachment A

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
019	6/26/15	CalTrans Encroachment Permit	\$ 23,523.00	deferred	Alex Clifford
019.S1	11/16/15	CalTrans Encroachment Permit	\$ -	-0-	Ad Hoc/Alex Clifford
020	6/16/15	Relocate Firewall - Door Louvers and FSDs	\$ (803.00)	deferred	Alex Clifford
020.S1	11/16/15	Relocate Firewall - Door Louvers and FSDs	\$ -	-0-	Ad Hoc/Alex Clifford
021	11/16/15	Room A303 and Room A404 Changes	\$ (858.00)	-0-	Ad Hoc/Alex Clifford
022	6/16/15	Elevator Penthouse	\$ 23,870.00	deferred	Alex Clifford
022.S1	11/16/15	Elevator Penthouse	\$ -	-0-	Ad Hoc/Alex Clifford
023	5/4/15	Stair Gate	\$ 4,446.00	-0-	Alex Clifford
024	11/16/15	Transformer Enclosure	\$ 17,034.00	-0-	Ad Hoc/Alex Clifford
025	6/16/15	Illuminated Handrail	\$ 21,668.00	deferred	Alex Clifford
025.S1	11/16/15	Illuminated Handrail	\$ -	-0-	Ad Hoc/Alex Clifford
026	6/16/15	Plumbing Changes	\$ 6,740.00	deferred	Alex Clifford
026.S1	11/16/15	Plumbing Changes	\$ -	-0-	Ad Hoc/Alex Clifford
027	6/8/15	Security Camera Conduits	\$ 55,616.00	deferred	Board/Alex Clifford
027.S1	11/16/15	Added Security Camera Infrastructure (Conduits)	\$ -	-0-	Ad Hoc/Alex Clifford
028	6/8/15	Future Car Charging Conduits	\$ 21,399.00	deferred	Alex Clifford
028.S1	11/16/15	Future Car Charging Conduits	\$ -	-0-	Ad Hoc/Alex Clifford
029	6/16/15	Contaminated Soil Abatement	\$ 32,011.00	deferred	Alex Clifford
029.S1	11/16/15	Contaminated Soil Abatement	\$ -	-0-	Ad Hoc/Alex Clifford
030	6/16/15	HVAC Revisions - Split System	\$ 14,385.00	deferred	Alex Clifford
030.S1	11/16/15	HVAC Revisions - Split System	\$ -	-0-	Ad Hoc/Alex Clifford
031	3/17/15	Pile Redesign	\$ 62,942.00	12	Board/Alex Clifford
031.S1	11/16/15	Pile Redesign (Time Related Overhead)	\$ 18,156.00	-0-	Board/Alex Clifford
032	3/17/15	Pile Cap Redesign	\$ 31,717.00	21	Board/Alex Clifford
032.S1	11/16/15	Pile Redesign (Time Related Overhead)	\$ 31,773.00	-0-	Board/Alex Clifford
033	3/17/15	Additional Sitework	\$ 12,799.00	-0-	Alex Clifford
035	6/16/15	Provide Cut Metal Letters	\$ 19,467.00	deferred	Alex Clifford
035.S1	11/16/15	Provide Cut Metal Letters	\$ -	-0-	Ad Hoc/Alex Clifford
036	4/8/15	Dwarf Wall & 6 Inch Sill Curb	\$ 6,712.00	-0-	Alex Clifford
037	11/16/15	Added Site Lighting	\$ 30,573.00	-0-	Ad Hoc/Alex Clifford

Attachment A

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
038	11/16/15	Spec 02823 Powder Coating Delta 005 & Orsogrill	\$ 16,045.00	-0-	Ad Hoc/Alex Clifford
039.S1	7/10/15	Buy America FRC Panels	\$ -	deferred	Alex Clifford
039.S2	11/16/15	Buy America FRC Panels (Cost Over Run)	\$ 299,929.00	179	Board/Alex Clifford
039.S3	3/24/16	FRC Panel Modifications [Final Costs]	\$ 36,143.00	-0-	Alex Clifford
039.S4	5/10/16	FRC Panel Modifications [Final Costs]	\$ 7,343.00	-0-	Alex Clifford
040	6/16/15	Added Motor Operated Solar Shades	\$ 20,199.00	deferred	Alex Clifford
040.S1	11/16/15	Added Motor Operated Solar Shades	\$ -	-0-	Ad Hoc/Alex Clifford
041	11/16/15	Shift Parking Lot and Add Steel Handrail	\$ 8,246.00	-0-	Ad Hoc/Alex Clifford
042	11/16/15	Add Beams on Top of Wall	\$ 10,724.00	-0-	Ad Hoc/Alex Clifford
043	6/16/15	PG&E Gas and Electric Substructures	\$ 2,499.00	deferred	Alex Clifford
043.S1	11/16/15	PG&E Gas and Electric Substructures	\$ -	-0-	Ad Hoc/Alex Clifford
044	11/16/15	P-3 Sump Pump	\$ 21,091.00	-0-	Ad Hoc/Alex Clifford
045	11/16/15	Type E Wall at First Floor Column E/6	\$ 4,041.00	-0-	Ad Hoc/Alex Clifford
046	11/16/15	Monitor, Rack and UPS Changes	\$ 9,181.00	-0-	Ad Hoc/Alex Clifford
046.S1	5/10/16	Descope CCO 46 Monitors, Rack and UPS	\$ (9,181.00)	-0-	Alex Clifford
047	7/7/15	Concrete Backfill at Waterline in River Street	\$ 28,444.00	deferred	Alex Clifford
047.S1	11/16/15	Concrete Backfill at Waterline in River Street	\$ -	-0-	Ad Hoc/Alex Clifford
048	6/25/15	Boulder Removal	\$ 632.00	deferred	Alex Clifford
048.S1	11/16/15	Boulder Removal	\$ -	-0-	Ad Hoc/Alex Clifford
049	11/16/15	Relocate Gas and Water Vaults	\$ 16,350.00	-0-	Ad Hoc/Alex Clifford
051	6/16/15	Delete Fixture Type DD at Transformer Enc.	\$ (905.00)	deferred	Alex Clifford
051.S1	11/16/15	Delete Fixture Type DD at Transformer Enc.	\$ -	-0-	Ad Hoc/Alex Clifford
052	6/16/15	Relocate Fixture Type WE	\$ 352.00	deferred	Alex Clifford
052.S1	11/16/15	Relocate Fixture Type WE	\$ -	-0-	Ad Hoc/Alex Clifford
053	7/6/15	Delete Grout Bed	\$ (2,382.00)	deferred	Alex Clifford
053.S1	11/16/15	Delete Grout Bed	\$ -	-0-	Ad Hoc/Alex Clifford
053.S2	3/3/16	Correct Shower Slope to 2%	\$ 7,113.00	deferred	Alex Clifford

Attachment A

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
054	7/10/15	Edge of Slab Revision	\$ 1,297.00	deferred	Alex Clifford
054.S1	11/16/15	Edge of Slab Revision	\$ -	-0-	Ad Hoc/Alex Clifford
055	11/16/15	Underground Conduit	\$ (2,969.01)	-0-	Ad Hoc/Alex Clifford
056	11/16/15	Pre-Action Dry Pipe Fire Suppression System	\$ 24,460.00	-0-	Ad Hoc/Alex Clifford
057	11/16/15	Delta 5 Door and Borrowed Light Changes	\$ 5,470.00	-0-	Ad Hoc/Alex Clifford
058	11/16/15	Demolish Fencing and CMU Wall	\$ 3,035.00	-0-	Ad Hoc/Alex Clifford
059	11/16/15	Revise Wall from 8in to 12in on South Side of Building Entrance	\$ 5,000.00	-0-	Ad Hoc/Alex Clifford
060	11/16/15	Revised Striping Plan	\$ 5,774.00	-0-	Ad Hoc/Alex Clifford
061	1/12/16	Remove Logs and Debris	\$ 4,535.00	-0-	Alex Clifford
061.S1	4/1/16	Remove Rocks 50% Settlement	\$ 6,447.00	-0-	Alex Clifford
062	7/30/15	Chain Link Fence on Retaining Wall	\$ 2,234.00	deferred	Alex Clifford
062.S1	11/16/15	Chain Link Fence on Retaining Wall	\$ -	-0-	Ad Hoc/Alex Clifford
063	11/16/15	PG&E Gas Houseline	\$ 3,568.00	-0-	Ad Hoc/Alex Clifford
064	11/16/15	Roof Screen Detail and End Treatments	\$ 1,444.00	-0-	Ad Hoc/Alex Clifford
065	11/16/15	LED Substitution and Two 30 Foot Poles	\$ 30,585.00	-0-	Ad Hoc/Alex Clifford
066	11/16/15	Electrical Conduit across the Driveway Entrance	\$ 7,706.00	-0-	Ad Hoc/Alex Clifford
067	11/16/15	Install 6in Storm Drain to Connection	\$ 1,163.00	-0-	Ad Hoc/Alex Clifford
068	11/16/15	Install Parapet Gap Closure	\$ 2,195.00	-0-	Ad Hoc/Alex Clifford
069	11/16/15	Add Impervious Material Beneath Line 7 Sub-Drain	\$ 3,646.00	-0-	Ad Hoc/Alex Clifford
070	11/16/15	Revisions to architectural louvers	\$ 8,792.00	-0-	Ad Hoc/Alex Clifford
071	11/16/15	Caulk 2" gap at CMU wall in electrical room A104	\$ 4,389.00	-0-	Ad Hoc/Alex Clifford
072	11/16/15	Revise Installed CMU Clips in the Elevator Shaft	\$ 2,824.00	-0-	Ad Hoc/Alex Clifford
073	11/16/15	Parapet Detail Revisions	\$ 12,993.00	-0-	Ad Hoc/Alex Clifford
074	11/16/15	Added Security Fence	\$ 20,881.00	-0-	Ad Hoc/Alex Clifford
075	11/16/15	Added Ledger	\$ 5,252.00	-0-	Ad Hoc/Alex Clifford
076	11/16/15	Balcony Railing	\$ 9,699.00	-0-	Ad Hoc/Alex Clifford
077	11/16/15	Expansion anchors	\$ 4,015.00	-0-	Ad Hoc/Alex Clifford
078	11/16/15	Generator Room Scupper	\$ 1,678.00	-0-	Ad Hoc/Alex Clifford

Attachment A

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
079	11/16/15	Door and Hardware Revisions	\$ 5,517.00	-0-	Ad Hoc/Alex Clifford
080	11/16/15	½" x 4" Galvanized Flat-bar to Curtain Wall Support Brackets	\$ 2,186.00	-0-	Ad Hoc/Alex Clifford
081	11/16/15	Barbed Wire	\$ 8,555.00	-0-	Ad Hoc/Alex Clifford
082	11/16/15	Provide 2" gap at crash wall and moment frame intersection	\$ 10,184.00	-0-	Ad Hoc/Alex Clifford
083	11/16/15	Provide Specified Dowels at Housekeeping Pads	\$ 1,134.00	-0-	Ad Hoc/Alex Clifford
084	11/16/15	Weather days January - May 2015	\$ -	6	Ad Hoc/Alex Clifford
085	11/16/15	Additional steel - submittal review comments 05511	\$ 10,399.00	-0-	Ad Hoc/Alex Clifford
086	11/16/15	Dewatering	\$ 5,126.00	-0-	Ad Hoc/Alex Clifford
087	11/16/15	ADA Path Modification	\$ 19,552.00	-0-	Ad Hoc/Alex Clifford
088	11/16/15	Stair Tread Nosing	\$ 815.00	-0-	Ad Hoc/Alex Clifford
089	11/16/15	Demolish Existing Concrete Foundation/Slab per FD-47	\$ 1,368.00	-0-	Ad Hoc/Alex Clifford
090	11/30/15	Slope in Bathroom - Ardex Material	\$ 13,087.00	-0-	Alex Clifford
091	11/16/15	Excavate PG&E box per FD-64	\$ 672.00	-0-	Ad Hoc/Alex Clifford
092	11/16/15	Revisions to Room Names, Widen Ramp, Add Door and Sidelight per FD-50 & RFQ-27	\$ 4,388.00	-0-	Ad Hoc/Alex Clifford
096	11/16/15	Antenna Infrastructure	\$ 19,751.00	deferred	Ad Hoc/Alex Clifford
097	11/16/15	Provide Electrical Conduit at Bike Canopy	\$ 1,680.00	-0-	Ad Hoc/Alex Clifford
098	1/8/16	Outfall Construction	\$ 24,002.00	-0-	Alex Clifford
099	11/16/15	RFQ 36 Framing	\$ 28,535.00	deferred	Ad Hoc/Alex Clifford
100	11/16/15	RFQ 36 - Framing, Glazing, Fire Protection, Mechanical, Plumbing, Insulation, Floor Revisions	\$ 42,442.00	deferred	Ad Hoc/Alex Clifford
101	11/16/15	Relocation of HP-20 per RFI #349	\$ 1,473.00	-0-	Ad Hoc/Alex Clifford
102	11/16/15	Mechanical Platform Steel Posts per RFIs #256 and #356.R1	\$ 1,299.00	-0-	Ad Hoc/Alex Clifford
103	11/16/15	Provide and Install Conduit at Card Reader Pedestal per FD-16	\$ 540.00	deferred	Ad Hoc/Alex Clifford
104	11/16/15	Traffic Coating Above Electrical Room A104	\$ 6,347.00	-0-	Ad Hoc/Alex Clifford
106	11/16/15	Relocate Piping for Fixture "FF" at B-4	\$ 1,987.00	-0-	Ad Hoc/Alex Clifford
107	11/16/15	Revise Walls & Add Telecom Outlets at 1st & 2nd Floors	\$ 11,450.00	-0-	Ad Hoc/Alex Clifford

Attachment A

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
108	11/16/15	Quiet Rock at Restrooms per FD-73 & ASI-60	\$ 8,056.00	-0-	Ad Hoc/Alex Clifford
109	11/16/15	Add Temporary Enclosure at W-6 Window	\$ 500.00	-0-	Ad Hoc/Alex Clifford
110	11/16/15	Add Water Heater Condensate Plenum Drains	\$ 1,919.00	-0-	Ad Hoc/Alex Clifford
111	11/16/15	Provide and Install Shaftliner at Elevator Fronts	\$ 2,013.00	-0-	Ad Hoc/Alex Clifford
112	11/16/15	Add Horizontal Window Mullions at Curtain Walls W5, W17, and W18	\$ 6,737.00	-0-	Ad Hoc/Alex Clifford
113	11/16/15	Repaint Bus Parking Blue and Yellow	\$ 8,545.00	-0-	Ad Hoc/Alex Clifford
114	11/16/15	Geo H. Wilson's Added Engineering, Labor, and Material Costs for Delta 5 Revisions	\$ 3,607.00	-0-	Ad Hoc/Alex Clifford
115	11/16/15	Add 6" Bed Gravel for Outfall	\$ 1,635.00	-0-	Ad Hoc/Alex Clifford
116	11/16/15	Bus Parking Lot - Revised Striping and Added Lighting	\$ 2,577.00	-0-	Ad Hoc/Alex Clifford
117	11/16/15	Revise Canopy Roof Parapet Plywood to Densdeck Prime	\$ 1,714.00	-0-	Ad Hoc/Alex Clifford
118	11/16/15	Extend Guardrail @ Bike Canopy	\$ 4,599.00	-0-	Ad Hoc/Alex Clifford
119	1/12/16	Delay Pricing Increase (Cookson)	\$ 8,443.00	-0-	Alex Clifford
120	11/16/15	Added 2 Each Polycarbonate Panels Work due to revision at Stairway #1 Column Spacing	\$ 5,000.00	-0-	Ad Hoc/Alex Clifford
121	11/16/15	Provide and install 25 LF of Curb per RFI 93.R1	\$ 3,969.00	-0-	Ad Hoc/Alex Clifford
122	11/16/15	Lower ACT to Avoid Condensate Pump	\$ 6,562.00	-0-	Ad Hoc/Alex Clifford
123	11/16/15	X-Ray Concrete Roof Beams at Antenna Tower	\$ 1,930.00	-0-	Ad Hoc/Alex Clifford
124	11/16/15	Additional Work at Pile Caps	\$ 5,657.00	-0-	Alex Clifford
125	11/16/15	Relocation of Stormwater Riser at Stair #1	\$ 1,472.00	-0-	Ad Hoc/Alex Clifford
125.S1	2/9/16	Relocation of Fire Riser at Stair #1	\$ 2,898.00	deferred	Alex Clifford
126	11/17/15	Neutral Wires for Six Heat Pumps	\$ 2,069.00	-0-	Alex Clifford
128	11/16/15	Window waterproofing & flashing revision	\$ 49,455.00	-0-	Alex Clifford
129	11/16/15	Parking Deck Level Hose Vault Locations	\$ 2,402.00	-0-	Ad Hoc/Alex Clifford
130	11/16/15	Sinks in Breakrooms A416 and A308	\$ 270.00	-0-	Ad Hoc/Alex Clifford
131	11/16/15	Weather Days Dec 2014	\$ -	38	Ad Hoc/Alex Clifford
132	2/16/16	Revisions to North Sidewalk	\$ 11,462.00	-0-	Alex Clifford

Attachment A

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
133	12/4/15	Add Pony Wall in Dispatch Room A303	\$ 2,418.00	deferred	Alex Clifford
134	12/4/15	Shroud Above CRAC	\$ 2,608.00	deferred	Alex Clifford
135	12/4/15	Modify Deck Drainage	\$ 6,731.00	deferred	Alex Clifford
135.S1	2/9/16	Modify Deck Drainage	\$ (3,886.00)	deferred	Alex Clifford
136	12/4/15	Mechanical Platform Chemical Treatment Modifications	\$ 12,718.00	-0-	Alex Clifford
137	12/24/15	ADA Ramp, Door Infill, Cut Wall	\$ 42,216.00	deferred	Alex Clifford
137.S1	1/26/16	Additional ADA Curb Ramp	\$ 11,003.00	deferred	Alex Clifford
138	1/8/16	Cut Metal Letters	\$ 10,413.00	deferred	Alex Clifford
139	12/16/15	Light Switch Exchange in Elevator Machine Room	\$ 498.00	deferred	Alex Clifford
140	12/29/15	Contract Extension	\$ -	94	Board/Alex Clifford
141	12/24/15	Stair 1 Drains	\$ 12,582.00	deferred	Alex Clifford
142	1/8/16	Caulking at Bike Canopy / Crash Wall	\$ 973.00	deferred	Alex Clifford
143	12/18/15	Handicap Toilet Grab Bar Changes	\$ 835.00	deferred	Alex Clifford
144	2/3/16	Wheel Stop ADA Striping Relocate EV Conduits	\$ 9,869.00	deferred	Alex Clifford
145	5/13/16	Descope Access Control and Interconnect	\$ (70,955.73)	deferred	Alex Clifford
146	1/6/16	Waterproof First Floor Balcony Break Out Area	\$ 7,659.00	deferred	Alex Clifford
147	3/24/16	Descope Sheet Linoleum Flooring	\$ (7,749.00)	deferred	Alex Clifford
148	1/6/16	Water Intrusion Consultant Review	\$ 5,239.00	-0-	Alex Clifford
149	1/8/16	Interior Signage	\$ 2,486.00	deferred	Alex Clifford
150	1/8/16	Cover Exposed Conduit in A321	\$ 2,503.00	deferred	Alex Clifford
151	1/12/16	Delete Fire Shutters and Ceiling Changes	\$ (10,774.00)	deferred	Alex Clifford
152	1/8/16	Stair #1 Roof Drain/Scupper	\$ 6,454.00	deferred	Alex Clifford
153	1/8/16	Revise Heat Pump Wiring	\$ 9,077.00	deferred	Alex Clifford
154	1/19/16	Panic Hardware	\$ 14,133.00	deferred	Alex Clifford
155	1/19/16	Remove Red Concrete	\$ 1,092.00	-0-	Alex Clifford
156	1/19/16	Roof Curb Extensions	\$ 2,785.00	-0-	Alex Clifford
157	1/19/16	Wind Load Clips	\$ 3,580.00	-0-	Alex Clifford
158	1/22/16	Concrete Pavement Joint Layout	\$ 1,110.00	-0-	Alex Clifford
159	1/26/16	Generator Steps	\$ 566.00	-0-	Alex Clifford

Attachment A

No.	Effective Date	Description	Increase in Contract Amount	Increase in Contract Time (in Days)	Approved By
160	1/22/16	Elevator Company Remobilization	\$ 2,500.00	deferred	Alex Clifford
161	2/2/16	Door A501 Modifications	\$ 7,418.00	deferred	Alex Clifford
162	1/26/16	Revisions to Counter Tops	\$ 896.00	-0-	Alex Clifford
163	1/26/16	Revisions to Ardex at Breakout Room	\$ 3,737.00	deferred	Alex Clifford
164	2/16/16	Relocate Fire Extinguisher Cabinets	\$ 1,827.00	deferred	Alex Clifford
165	2/25/16	Exterior Mock Up 50% Share	\$ 5,491.00	-0-	Alex Clifford
167	2/25/16	3 Rows of Bathroom Tile	\$ 3,225.00	deferred	Alex Clifford
168	2/25/16	Handrail Modifications and Cane Detection (Steel)	\$ 4,047.00	deferred	Alex Clifford
168.S1	3/3/16	Handrail Modifications and Cane Detection (Aluminum)	\$ 9,097.00	deferred	Alex Clifford
169	2/25/16	Cane 2 Head Clearance and Cane Detection	\$ 13,164.00	deferred	Alex Clifford
170	5/10/16	Revised Temporary ADA Striping	\$ 2,367.00	-0-	Alex Clifford
171	11/1/16	Elevator Remob and FA Corrections	\$ 5,257.00	deferred	Alex Clifford
172	11/1/16	Light Pole Coordination	\$ 1,223.00	deferred	Alex Clifford

Totals: \$ 2,091,821.44 428

BOLD entries indicate those added since the last report.



DATE: November 18, 2016
TO: Board of Directors
FROM: Angela Aiken, Finance Manager and DBE Liaison Officer
**SUBJECT: CONSIDERATION OF A RESOLUTION AMENDING CHAPTER 2 OF
THE SANTA CRUZ METRO ADMINISTRATIVE CODE**

I. RECOMMENDED ACTION

**Adopt Resolution Amending Chapter 2 to Title II of the Santa Cruz METRO
Administrative Code.**

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has established a Disadvantaged Business Enterprise (DBE) Program in accordance with the regulations of the U.S. Department of Transportation (DOT) (*49 CFR Part 26*).
- The purpose of the DBE Program is to ensure that DBEs have an equal opportunity to participate in U.S. DOT assisted contracts.
- During the recent Triennial Review by the Federal Transit Administration (FTA), Santa Cruz METRO was asked to update its DBE policy to better define the roles of the DBE Committee members.
- In addition, Santa Cruz METRO is amending its Small Business Program element consistent with FTA's findings.
- Santa Cruz METRO's proposed *DBE Program Update* and Small Business Program (*Exhibits A to Attachment A*) complies with the FTA requirements and findings related to these programs.
- Santa Cruz METRO must submit its DBE Program Update and Small Business Element to the FTA by November 30, 2016, in order to remain in compliance with the federal requirements.

III. DISCUSSION

In 1983, the United States Congress enacted the first DBE statute in an effort to end discrimination in the award of federally funded procurements. As a recipient of Department of Transportation (DOT) funding, the Santa Cruz METRO is required to implement, administer and monitor its DBE Program that must meet the requirements set forth in the federal regulations *at 49 Code of Federal Regulations Part 26*. A DBE is a for-profit small business concern that is at least 51 percent owned by one or more socially and economically disadvantaged individuals. A socially and economically disadvantaged individual means any

individual who is a citizen of the United States (or lawfully admitted permanent resident) and who is a member of the following groups: Black American, Hispanic American, Native American, Asian-Pacific American, Subcontinent Asian American, or Women. In addition, an individual can be found to be socially and economically disadvantaged on a case-by-case basis by a certifying agency pursuant to the standards set forth in the regulations.

Earlier this year, FTA completed a review of Santa Cruz METRO's adherence to FTA's requirements, including a review of the Agency's DBE Policy. In the last update to FTA, the Agency's Small Business Program was not uploaded to FTA's website. Consequently, this was an opportunity to create a separate Chapter in the Administrative Code to allow for these provisions to be codified.

The DOT has noted that provisions that help small businesses can also help DBEs, and that by facilitating participation for small businesses, recipients can make possible more DBE participation. The DOT opined that a program element that pulls together the various ways that a recipient reaches out to small businesses and makes it easier for them to compete for DOT-assisted contracts will foster the objectives of the DBE program.

IV. FINANCIAL CONSIDERATIONS

Santa Cruz METRO's DBE Program Update has no direct financial impact; however, contracts funded with FTA assistance will be monitored for DBE goal achievement and DBE participation will be reported quarterly to the FTA.

V. ALTERNATIVES CONSIDERED

Because this action cures Triennial Review findings by the FTA, no alternatives were considered.

VI. ATTACHMENTS

Attachment A: Resolution Amending Chapter 2 to Title II of the Santa Cruz METRO Administrative Code.

Exhibit A: Amendment of Chapter 2 to Title II

Prepared by: Leslyn K. Syren, District Counsel

VII. APPROVALS:

Angela Aiken, Finance Manager/
DBELO



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



By Julie A. Sherman for Leslyn K. Syren

Alex Clifford, CEO/General Manager



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Attachment A



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

Resolution No. _____

On the Motion of Director: _____

Duly Seconded by Director: _____

The Following Resolution is Adopted: _____

A RESOLUTION AMENDING TITLE II, CHAPTER 2 OF THE ADMINISTRATIVE CODE

WHEREAS, the Santa Cruz Metropolitan Transit District was created pursuant to the “Santa Cruz Metropolitan Transit District Act of 1967” as codified in Public Utilities Code sections 9800 et seq; and

WHEREAS, the Board of Directors of the Santa Cruz Metropolitan Transit District may take all actions necessary for the proper administration of the affairs of the District; and

WHEREAS, the Board of Directors desires amend its Disadvantaged Business Enterprise (DBE) Program pursuant to the Code of Federal Regulations, Chapter 49, Part 26, for participation of DBE’s in Santa Cruz METRO’s procurements;

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

Title II, Chapter 2 of the Administrative Code of Santa Cruz Metropolitan Transit District is amended by the Board of Directors as set forth in Exhibit A to this Resolution

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz Metropolitan Transit District on November 18, 2016, by the following vote:

AYES: DIRECTORS –

NOES: DIRECTORS –

Attachment A

ABSTAIN: DIRECTORS –

ABSENT: DIRECTORS-

MIKE ROTKIN
Chair

ATTEST:

ALEX CLIFFORD
CEO/General Manager

APPROVED AS TO FORM:

LESLYN K. SYREN
District Counsel

Exhibit A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

ADMINISTRATIVE CODE

TITLE II - DBE PROGRAM

CHAPTER 2

DISADVANTAGED BUSINESS ENTERPRISE

(This Chapter replaces AR-1028)

Table of Contents:

Article I	General Requirements
Article II	Application of the DBE Program
Article III	Responsibility for DBE Program Implementation
Article IV	Administrative Requirements
Article V	Determining and Achieving the DBE Goal
Article VI	Required Contract Provisions
Article VII	Monitoring and Enforcement Mechanisms
Article VIII	Certification Standards
Article IX	Information Collection and Reporting
Article X	Appendices

Article 1

General Requirements

§ 1.101 Definitions

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

BOARD shall mean the Board of Directors of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO).

DBE shall mean Disadvantaged Business Enterprise in accordance with the Code of Federal Regulations, Chapter 49, Part 26.

EXHIBIT A

10-14A.Exhibit A.1

Exhibit A

DBELO shall mean the DBE Liaison Officer designated by Santa Cruz METRO's GENERAL MANAGER. This individual is responsible for developing, implementing and monitoring all aspects of the DBE Program to ensure that Santa Cruz METRO is in compliance with all provisions of *49 CFR Part 26*.

FTA shall mean the United States Department of Transportation, Federal Transit Administration.

GENERAL MANAGER shall mean the chief executive officer of Santa Cruz METRO appointed by the Board of Directors.

§1.102 Administrative Procedures

The Santa Cruz Metropolitan Transit District (Santa Cruz METRO) is committed to providing a Disadvantaged Business Enterprise (DBE) Program in accordance with the Code of Federal Regulations, Chapter 49, Part 26, <http://www.fta.dot.gov/civilrights/12326.html> for the participation of DBEs in Santa Cruz METRO's procurements. As a condition of receiving Federal financial assistance from the Department of Transportation (DOT), Santa Cruz METRO assures that it will continue to comply with *49 Code of Federal Regulations Part 26. Appendix A* sets forth Santa Cruz METRO's written acknowledgement of the requirements of these federal regulations and its commitment to implement a DBE Program in accordance with those regulations. Commitment Statements will be executed on an annual basis by the Santa Cruz METRO's GENERAL MANAGER and attached to the DBE Program's Administrative Code. Additionally, the executed annual Commitment Statements will be disseminated to all departments within Santa Cruz METRO, DBE and Non-DBE Businesses, and the public.

§1.103 Equitable Conditions for DBEs

It is the intention of Santa Cruz METRO to create equitable conditions in which DBEs can compete fairly and participate fully in the performance of contracts and subcontracts relating to the Santa Cruz METRO's construction and procurement activities.

§1.104 Updates to DBE Program

Santa Cruz METRO's DBE Program will be reviewed and updated, if necessary, with every goal submission, and as required by DOT.

§1.105 Responsibility of Department Managers

Each METRO Department Manager is responsible to administer within his/her department the DBE Program in accordance with this code. Additionally, each Contract Administrator shall ensure that the contracts that he/she is responsible for are administered and managed in accordance with Santa Cruz METRO's DBE Program.

Exhibit A

Article II Applicability of the DBE Program

§2.201 Recipient of Federal Financial Assistance

Santa Cruz METRO, a recipient of federal financial assistance from the Federal Transit Administration (FTA) of the U.S. DOT, is required to implement a DBE Program in accordance with *49 CFR Part 26 et. seq.* (Federal Regulations) which are incorporated herein by reference as if fully set forth herein. In the event of any conflicts or inconsistencies between the Federal Regulations and the Santa Cruz METRO's DBE Program with respect to DOT-assisted contracts, the Federal Regulations shall control. Appendix B sets forth the Santa Cruz METRO's DBE Program Summary.

§2.202 Application to all METRO Contracts

The DBE Program outlined herein applies to all Santa Cruz METRO contracts that are funded, in whole or in part, by U.S. DOT federal financial assistance. To the extent that the Program's policy, objectives and efforts involve race-neutral methods, the DBE Program will apply to all Santa Cruz METRO contracts regardless of the funding source.

§2.203 Program Objectives

The objectives of the Santa Cruz METRO's DBE Program are the following:

- A. Ensure nondiscrimination in the award and administration of DOT-assisted contracts;
- B. Create a level playing field on which DBEs can compete fairly for DOT-assisted contracts;
- C. Ensure the DBE Program is narrowly tailored in accordance with *49 CFR Part 26*;
- D. Ensure that only firms that fully meet the eligibility standards in *49 CFR Part 26* are permitted to participate as DBEs;
- E. Identify and remove barriers to the participation of all small businesses meeting the requisite size standards, including DBEs, in the bidding, award and administration of DOT federally-assisted contracts;
- F. Identify and increase the participation of all small businesses meeting the requisite size standards, including DBEs, in Santa Cruz METRO's procurements of required materials, equipment, supplies and services;
- G. Develop procedures that will acquaint prospective DBEs with the Santa Cruz METRO's contracting procedures, activities and requirements, and receive

Exhibit A

feedback from DBEs on existing barriers to participation and effective procedures to eliminate them.

- H. Assist the development of DBEs so they may compete successfully outside of the DBE Program;
- I. Foster small business participation in Santa Cruz METRO's procurements; and
- J. Successfully facilitate the implementation of the DBE Program using race neutral measures to the maximum extent.

§2.204 Prohibited Discrimination

- A. Santa Cruz METRO shall not exclude any person from participation in, deny benefits to, or otherwise discriminate against any persons in connection with the award and performance of any contract governed by *49 CFR Part 26* on the basis of race, color, sex or national origin.
- B. In administering its DBE Program, Santa Cruz METRO shall not directly, or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of this *DBE Program* with respect to individuals of a particular race, color, sex or national origin. However, in order to foster its overall objectives related to these important issues, Santa Cruz METRO may utilize contractual or other arrangements and may use criteria or methods of administration that support creation of opportunities for State of California certified minority, women-owned and emerging small businesses as allowed by state and federal law.

Article III

Responsibility for DBE Program Implementation

§3.301 Santa Cruz METRO's Board of Directors

The Board of Directors is responsible for adopting the DBE Program and any updates as the official DBE Program Policy at Santa Cruz METRO.

§3.302 General Manager

The General Manager has primary responsibility to implement the Board's policies at Santa Cruz METRO.

§3.303 DBE Liaison Officer

Santa Cruz METRO designated the following individual as its DBE Liaison Officer:

Angela M. Aitken, Finance Manager/Designee
Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
(831) 426-6080 - phone

Exhibit A

(831) 426-6117 - fax
aaitken@scmtd.com (e-mail)

In that capacity, the DBELO is responsible for implementing all aspects of the DBE program and ensuring that the Santa Cruz Metropolitan Transit District complies with all provisions of *49 CFR Part 26*. The DBELO, if other than the General Manager, shall have direct, independent access to the General Manager concerning DBE program matters. Necessary agency staff shall be available to support the DBELO in his/her activities. An organizational chart displaying the DBELO's position within Santa Cruz METRO is found in *Appendix C* to this program.

§3.304 DBELO and DBE Committee Responsibilities

The **DBE Committee** members are as follows; specified in DBE Program:

- **DBE Liaison Officer** (DBELO)
- **Purchasing Manager** (PM)
- **Grants/Legislative Analyst** (GLA)
- **Paralegal** (PARA)

The **DBE Liaison Officer** will lead standing Bi-Monthly **DBE Committee** meetings to discuss:

- DBE contract performance and compliance
- DBE outreach, and oversight of the DBE program

DBE Committee member's duties and responsibilities are defined below:

A. Gathers and reports statistical data and other information as required.

1) **Purchasing Manager** will track all contract award information on an on-going basis, including DBE participation.

2) **Grants/Legislative Analyst** will request that the **Purchasing Manager** provide data semi-annually (*May and November*,) on all procurement contracts and subcontracts awarded.

3) **Grants/Legislative Analyst** will request total payments for contracts which the **Purchasing Manager** reports as contracts closed and/or completed, from the Finance Department.

4) **Grants/Legislative Analyst** will analyze and report performance in achieving DBE goals to the Department of Transportation (DOT), Federal Transit Administration (FTA) and the **DBE Committee**.

B. Reviews third party contracts and purchase requisitions for compliance with this program.

Exhibit A

- 1) **Purchasing Manager** will review purchase requisitions for possible DBE participation.
 - 2) **Purchasing Manager** will send the following *formal solicitation documents* to **DBE Liaison Officer** prior to issuance:
 - Bid/proposal response for the DBE participation statement
 - DBE good faith effort
 - 3) **DBE Liaison Officer** will review formal solicitation documents for DBE compliance, and respond to the **Purchasing Manager** with approval or denial to issue the solicitation with the following:
 - Signed Statement of ComplianceOR
 - Issues not in compliance
 - 4) Upon receipt of the Signed Statement of Compliance from the **DBE Liaison officer**, the **Purchasing Manager** will issue the *formal solicitation documents*.
- C. Works with all departments to determine projected Annual Anticipated DBE Participation Level.
- 1) **Purchasing Manager** will request upcoming types of procurements from Department Managers, and will work with department managers on an ongoing basis, to determine projected annual anticipated DBE participation levels for the coming fiscal year.
 - 2) **Purchasing Manager** will analyze anticipated procurements for potential DBE participation.
- D. Ensures that bid notices and requests for proposals are available to DBEs.
- 1) **Purchasing Manager** will ensure that all bid notices are posted on Santa Cruz METRO's website, and sent out via Gov Delivery, the same day that solicitations are issued.
 - 2) **Purchasing Manager** will ensure that all newspaper advertisements for formal solicitations are published within 3-5 days of the solicitation issuance.
 - 3) **Purchasing Manager** will ensure that solicitation notices are provided to the Business Outreach Community (BOC) for their comprehensive list of bid opportunities in the San Francisco Bay area and participate in BOC outreach.
- E. Analyzes Santa Cruz METRO's progress toward goal attainment and identifies ways to encourage participation through race-neutral means.
- 1) **DBE Committee** will have the following as standing items for review and discussion at the DBE Committee meetings:

Exhibit A

- **Grants/Legislative Analyst** will provide progress reports towards goal attainment
 - Discussion on ways to encourage participation through race-neutral means
 - 2) If DBE participation falls below the DBE goal, the **Grants/Legislative Analyst** will identify and present the finding to the **DBE Committee**, who will discuss ways to encourage additional participation through race-neutral means.
- F. Participates in pre-bid meetings.
- 1) **Purchasing Manager** will schedule and include the **DBE Liaison Officer** in all pre-bid meetings. These meeting invitations are sent out the same day the IFB is issued.
 - 2) If the **DBE Liaison Officer** is not available, the **DBE Liaison Officer** will notify the **Purchasing Manager** of the selected designee to invite in their place. The designee will have direct access to the CEO/GM.
- G. Advises the CEO/General Manager and Santa Cruz METRO's Board of Directors on DBE matters, achievement and DBE race-neutral issues, semi-annually.
- 1) The Semi-Annual Staff report will be compiled by the **Grants/Legislative Analyst** and **Paralegal**.
 - 2) **DBE Liaison Officer** will present the semi-annual staff report to the Board; which corresponds with the FTA DBE reporting requirements.
- H. Provides DBEs with information, assistance and recommends resources to assist in preparing bids, obtaining bonding and insurance.
- 1) **Purchasing Manager** maintains the "Bids & Proposals" section of the Santa Cruz METRO website, which contains all DBE Program information and "How to do business with Santa Cruz METRO" information.
 - 2) **Purchasing Manager** is available for assistance with any DBE related matters.
- I. Plans and participates in DBE training seminars.
- 1) **Purchasing Manager** to plan and organize "How to do Business with Santa Cruz METRO" trainings for DBE's and Small Businesses.
 - 2) **Purchasing Manager** to monitor NTI offerings and other training programs for DBE related offerings.
 - 3) **DBE Liaison Officer** to coordinate group trainings for the **DBE Committee** as these training opportunities present themselves through webinars or printed information.
 - 4) **DBE Committee** members to have working knowledge of:
 - 49 CFR 26
 - FTA Circular 5010
 - Santa Cruz METRO's DBE Program
 - The Role of the California Unified Certification Program

Exhibit A

- J. Semi-annually monitors the California Unified Certification Program (CUCP) for conformance with the criteria set by the DOT.
- 1) **Paralegal** will confirm California Department of Transportation (Caltrans) is in compliance with the CUCP.
- K. Provides outreach to DBEs and community organizations to advise them of opportunities.
- 1) **Purchasing Manager** to make an ongoing effort to identify and contact community organizations for this purpose.
 - 2) **Purchasing Manager** to prepare and send semi-annual newsletter with information on upcoming contracting opportunities to all certified DBE's in the Santa Cruz METRO certified DBE directory.
 - 3) **Purchasing Manager** will proactively engage DBE participation in its contracting opportunities by sending bid notices and RFP's to the specific DBE vendors listed in the DBE vendors list.
 - 4) **Purchasing Manager** will disseminate bids and RFP's through the Bay Area Business Outreach Community (BOC).
 - o The BOC is a consortium of Bay Area Transit Agencies which assists small, disadvantaged, and local firms by:
 - disseminating contracting opportunities to DBE's in the bay area
 - solicits input on the DBE goal setting process
 - conducts training for DBE vendors
- L. Maintains the Santa Cruz METRO's directory of certified DBEs.
- 1) **Paralegal** will assist the **Purchasing Manager** in gathering contact information on Certified DBEs from other transit agencies.
 - 2) As new vendor's sign up to be on Santa Cruz METRO's vendor list, their request is reviewed by the **Purchasing Manager** to see if they are a DBE.
 - 3) If the new vendor is a DBE, the **Purchasing Manager** will check and verify the certification. If the DBE is certified, then they are added to Santa Cruz METRO's certified DBE Directory.
- M. Provide Reports regarding DBE participation required by the federal regulations to the Department of Transportation (DOT) Federal Transit Administration (FTA).
- 1) **Grants/Legislative Analyst** will request that the **Purchasing Manager** provide data semi-annually, in May and November, on all procurement contracts and subcontracts awarded.
 - 2) **Grants/Legislative Analyst** will request total payments for contracts which the **Purchasing Manager** reports as contracts completed and/or closed, from the Finance Department.
 - 3) **Grants/Legislative Analyst** will analyze data provided by the **Purchasing Manager** and the Finance Department, and report the information to the **DBE**

Exhibit A

Committee, the Department of Transportation (DOT), and the Federal Transportation Administration (FTA) in TEAM (or its equivalent).

Article IV Administrative Requirements

§4.401 **Federal Financial Assistance Agreement Assurance (49 CFR §26.13(a))**

Santa Cruz METRO has signed the following assurance, applicable to all DOT-assisted contracts and their administration:

Santa Cruz Metropolitan Transit District shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any DOT-assisted contract or in the administration of its DBE Program or the requirements of 49 CFR parts 26. The recipient shall take all necessary and reasonable steps under 49 CFR part 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts. The recipient's DBE Program, as required by 49 CFR part 26 and as approved by DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the Santa Cruz METRO of its failure to carry out its approved program, the Department may impose sanctions as provided for under part 26, and may in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

§4.402 **DBE Financial Institutions**

It is the policy of the Santa Cruz METRO to investigate the full extent of services offered by financial institutions owned and controlled by socially and economically disadvantaged individuals in the community, to make reasonable efforts to use these institutions, and to encourage prime contractors on DOT-assisted contract to make use of these institutions. Santa Cruz METRO has made the following efforts to identify and use such institutions:

The DBELO has identified DBE financial institutions set forth in Appendix D which offer services in California. A list of socially and economically disadvantaged individuals/firms is available at the website for the Federal Reserve Board at www.federalreserve.gov/releases/mob. Santa Cruz METRO will encourage prime contractors to utilize such services when available.

The State of California, Department of General Services, Office of Small Business Certification and Resources also maintains a directory of financial institutions owned and controlled by socially and economically disadvantaged individuals online at

Exhibit A

www.osmb.dgs.ca.gov. The directory can be queried to locate DBE financial institutions from the *Services* section of the site.

§4.403

DBE Vendor Directory

- A. The State of California's Department of Transportation (Caltrans) maintains the main DBE Directory. The DBE Vendor Directory identifies all firms eligible to participate as DBEs. The DBE Directory is updated weekly and lists the name, address, phone number, certification date, NAIC code and type of work performed for vendors certified by it or by other agencies with which it has reciprocity. The Directory is available on the World Wide Web and can be downloaded from http://www.dot.ca.gov/hq/bep/find_certified.htm. The Santa Cruz METRO will use the Caltrans DBE Directory in its efforts to extend contracting opportunities to DBE Vendors.
- B. Santa Cruz METRO maintains a Directory identifying all firms eligible to participate as DBEs. The Directory includes the firm's name, address, phone number, date of the most recent certification and the type of work the firm has been certified to perform as a DBE. Santa Cruz METRO will revise on a continuing basis. Santa Cruz METRO makes the Directory available as follows: Interested individuals can contact Santa Cruz METRO's Purchasing Manager, Santa Cruz METRO Administrative Offices, 110 Vernon Street, Santa Cruz, CA, or (831) 426-0199 to request a copy. Additionally, Santa Cruz METRO directory information is included in appropriate solicitations with the in-house directory serving as a supplement to the CalTrans Directory.

§4.404

Bidder's List Records

- A. Santa Cruz METRO will create and maintain a Bidders List. The purpose of the list is to provide Santa Cruz METRO as accurate data as possible about the universe of DBE and Non-DBE contractors and subcontractors who seek to work on federally assisted contracts for use in helping Santa Cruz METRO set overall goals. Santa Cruz METRO will obtain the following information about DBE and Non-DBE contractors and subcontractors who bid or quote on Santa Cruz METRO's federally-assisted contracts:
 1. Firm name;
 2. Firm address;
 3. Firm's status as a DBE or non-DBE;
 4. Age of the firm (years in business); and
 5. The annual gross receipts of the firm. Santa Cruz METRO will obtain this information by asking each firm to indicate into what gross receipts bracket they fit (e.g., less than \$500,000; \$500,000-\$1million; \$1-2 million; \$2-5 million; etc) rather than requesting an exact figure from the firm.

Exhibit A

- B. In order to document DBE participation in procurements, Santa Cruz METRO requires all prime contractors and any of its subcontractors responding to Invitations For Bids (IFBs) to submit the above information to Santa Cruz METRO. All prime contractors and subcontractors responding to IFBs will also be asked to provide the scope of work to be performed by the DBE and the related dollar amount. Santa Cruz METRO will require this information when any bid, quote or qualification is submitted to it to be considered responsive. The Bidder's List will become the record of DBE participation Santa Cruz METRO's procurement process.

§4.405 Overconcentration

If the DBELO determines that DBE participation is so over-concentrated in certain types of work or contracting opportunities that it unduly burdens the participation on non-DBEs in that type of work, the DBELO will develop appropriate measures to address the over-concentration. The DBELO will seek approval of such measures from FTA and, at that time, the measures will become a part of this Program. Currently Santa Cruz METRO is unaware of any types of work that have a burdensome over-concentration of DBE participation.

§4.406 Business Development Programs

Santa Cruz METRO does not operate a business or mentor-protégé program at the present time. If Santa Cruz METRO implements such a program in the future, then Santa Cruz METRO will describe the rationale for having the program element, and the specific provisions of the element (e.g., who is eligible to participate, how the program element works, and how interested persons would obtain information about the program element). At the time of a decision to implement a business development or mentor-protégé program, the DBELO will seek approval of such program from FTA and, at that time, the program will become a part of the overall DBE Program.

§4.407 Fostering Small Business Participation (49 CFR §26.39)

- A. One method of providing race-neutral efforts for DBE participation is through Santa Cruz METRO's small business element, which is incorporated into this DBE Program.
- B. For purposes of this DBE program, a Small Business Enterprise (SBE) is a business that has been certified by the California Department of General Services (DGS) or any other public agency that certified small businesses using substantially the same criteria.
- C. Santa Cruz METRO will rely on the certification/verification processes used by other agencies. Santa Cruz METRO will not use a certification process that allows DBEs or SBEs to self-certify. To avoid fraud, a firm's small business status will be verified when Santa Cruz METRO uses SBE contract goals on a project.

Exhibit A

- D. An important element of Santa Cruz METRO's small business element is its outreach activities. These outreach efforts will include active, effective steps to increase small business participation, such as soliciting bids/proposals from DBEs and SBEs, responding to requests for information, participating at pre-bid and pre-proposal meetings, and participating at outreach and training events for DBEs and SBEs. Santa Cruz METRO will collaborate with regional resources by pooling resources and/or creating joint programs for review and approval.
- E. As time and resources allow, the DBELO will help plan and/or participate in outreach and informational events for DBEs and SBEs that may be coordinated with other DOT recipients, federal agencies, or local organizations. DBELO will provide DBEs and SBEs with information on how to do business with Santa Cruz METRO, and other topics of interest to these businesses.
- F. Santa Cruz METRO will track and report any race-neutral participation by certified DBEs achieved by the small business element in same way it reports race-neutral DBE participation obtained by other methods. To the extent feasible, data on small business participation will be collected and maintained in order to respond to any future questions regarding the results of Santa Cruz METRO's DBE Program.
- G. To facilitate competition by small business concerns, Santa Cruz METRO will take reasonable measures to eliminate obstacles that may preclude small business participation in procurements as prime contractors or subcontractors. The following efforts will be implemented by Santa Cruz METRO:
 - 1. In multi-year design-build contracts or other large contracts, Santa Cruz METRO will require the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all of the work involved.
 - 2. For prime contracts, Santa Cruz METRO will require the prime contractor to provide subcontracting opportunities of a size that small businesses, including DBEs, can reasonably perform, rather than self-performing all of the work involved.
 - 3. Santa Cruz METRO will refrain from any unnecessary bundling of contract requirements that would otherwise prevent small businesses, including DBEs, from participating in Santa Cruz METRO's procurements.
 - 4. Santa Cruz METRO will ensure that a reasonable number of prime contracts are of a size that small businesses, including DBEs, can reasonably perform.

Exhibit A

Article V

Determining and Achieving the DBE Goal

§5.501 Santa Cruz Metropolitan Transit District's DBE Program Goal

The Santa Cruz METRO's DBE Program Goal is developed triennially by the DBELO and the DBE Committee in accordance with 49 CFR Part 26.45 as a stand-alone document which includes a public participation process, including outreach efforts and copies of public notices. The goal and its methodology is described in the Santa Cruz METRO's DBE Program Goal document, submitted triennially to the FTA Region IX Office by August 1st of the submission year and attached in Appendix E. Santa Cruz METRO's overall annual goal represents the amount of ready, willing and able DBEs that are available to participate in contracting opportunities and is reflective of the amount of DBE participation that Santa Cruz METRO would expect absent the effect of discrimination. Santa Cruz METRO intends to meet this goal to the maximum extent feasible through exclusively race-neutral measures.

§5.502 Reaching the Goal

- A. Santa Cruz METRO shall attempt to meet the maximum feasible portion of the overall goal by using race-neutral means of facilitating DBE participation. Santa Cruz METRO will use contract goals adequate to meet any portion of the overall goal it does not project being able to meet using race-neutral means where it is demonstrated through a disparity study that race conscious methodologies would remedy past discrimination.
- B. As allowed by federal and state law, Santa Cruz METRO will establish contract goals only on those U.S. DOT-assisted contracts that have subcontracting possibilities. Santa Cruz METRO will not establish a contract goal on every contract and the size of contract goals will be adapted to the circumstances of each such contract (e.g. type and location of work, availability of DBEs to perform the particular type of work).
- C. If allowed by federal and state law, each solicitation for which a contract goal has been established will require the bidders/offerors to submit the following information:
 1. The names and addresses of DBE firms that will participate in the contract;
 2. A description of the work that each DBE will perform;
 3. The dollar amount of the participation of each DBE firm;
 4. Written and signed documentation of commitment to use a DBE subcontractor whose participation it submits to meet a contract goal;

Exhibit A

5. Written and signed confirmation from DBE that it is participating in the contract as provided in the prime contractor's commitment; and
 6. If the contract goal is not met, evidence of good faith efforts.
- D. The obligation of the bidder/offeror is to make good faith efforts. The bidder/offeror can demonstrate that it has done so either by meeting the contract goal or documenting good faith efforts.
- E. Santa Cruz METRO treats bidder/offerors' compliance with good faith efforts requirements as a matter of responsiveness. The Purchasing Manager/designee is responsible for determining whether a bidder/offeror who has not met the contract goal has documented sufficient good faith efforts to be regarded as a responsive bidder/offeror. The Purchasing Manager/designee will consider all relevant information submitted by the bidder/offeror in making this determination including the following:
1. Advertising and attendance at pre-bid conferences to solicit DBE participation;
 2. Packaging portions of the work to increase the likelihood that DBE vendors could participate;
 3. Instances of negotiations with DBE vendors to make portions of contract work available including names, addresses, phone number of DBEs contacted; and
 4. Use of community organizations, contractors' groups, minority and women business organizations to provide assistance in recruiting DBE firms.
- F. The Purchasing Manager/designee will ensure that all information is complete and accurate and adequately documents the bidder/offeror's good faith efforts before Santa Cruz METRO commits to the performance of the contract by the bidder/offeror.
- G. Within 5 days of being informed by Santa Cruz METRO that it is not responsive because it has not documented sufficient good faith efforts, a bidder/offeror may request administrative reconsideration. Bidders/offerors must make this request in writing to the following reconsideration official: General Manager, 110 Vernon Street, Santa Cruz, CA 95060, or AClifford@scmtd.com. The reconsideration official will not have played any role in the original determination that the bidder/offeror did not document sufficient good faith efforts.
- H. As part of this reconsideration, the bidder/offeror will have the opportunity to provide written documentation or argument concerning the issue of whether it

Exhibit A

met the goal or make adequate good faith efforts to do so. The bidder/offeror will have the opportunity to meet in person with the reconsideration official to discuss the issue of whether it met the goal or made adequate good faith efforts to do so. The General Manager will send a written decision on reconsideration, explaining the basis for finding that the bidder did or did not meet the goal to make adequate good faith efforts to do so. The result of the reconsideration process is not administratively appealable to the Department of Transportation.

§5.503 Transit Vehicle Manufacturer Certification

Each Transit Vehicle Manufacturer (TVM) will certify that they have complied with the requirements of *49 CFR §26.49* as a condition of bidding or proposing on FTA-assisted transit vehicle procurements. TVMs must obtain FTA approval of an annual DBE participation goal and the principles underlying *49 CFR §26.45* shall be used as a guide in setting this goal. TVMs shall provide Santa Cruz METRO a copy of the FTA approval of their annual goal.

§5.504 Quotas, Set-Asides or Preferences

Santa Cruz METRO will not use quotas or set-asides, or preferences in the design or administration of this DBE program.

§5.505 Good Faith Efforts when a DBE is replaced on a contract

- A. The Santa Cruz METRO will require a contractor to make good faith efforts to replace a DBE that is terminated or has otherwise failed to complete its work on a contract with another certified DBE, to the extent needed to meet the contract goal. The Santa Cruz METRO will require the prime contractor to notify the DBE Liaison Officer immediately of a DBE's inability or unwillingness to perform on a contract and will require reasonable documentation of contract non-performance when a DBE is replaced.
- B. In this situation, Santa Cruz METRO requires the prime contractor to obtain Santa Cruz METRO's prior written approval of the substitute DBE and to provide copies of new or amended subcontracts or documentation of good faith efforts when the prime contractor fails to replace a DBE certified contractor with another certified DBE on a contract. Good faith efforts to include advertising to solicit DBE vendors, instances of negotiations with DBE vendors including names, addresses, phone number of DBE contact, and use of community organizations, contractors' groups, minority and women-owned business organizations to provide assistance in identifying and recruiting DBEs. The prime contractor shall not terminate for convenience a DBE subcontractor or an approved substitute DBE firm and then perform the work of the terminated subcontract with its own forces or those of an affiliate without Santa Cruz METRO's prior written consent.

Exhibit A

- C. If the contractor fails to comply with this requirement for DBE replacement on a contract, Santa Cruz METRO will issue a "Stop Work Order" and suspend payments until satisfactory action has been taken. If the contractor still fails to comply, Santa Cruz METRO may initiate a "Termination for Default Proceeding."

§5.506

Determining and Meeting DBE Participation Goals

- A. DBE participation in a contract will be counted as only the value of the work actually performed by the DBE toward DBE goals. Santa Cruz METRO shall count the entire amount of that portion of the contract that is performed by the DBE's own forces. The cost of supplies and materials obtained by the DBE for the work of the contract, including supplies purchased or equipment leased by the DBE (except supplies and equipment the DBE subcontractor purchases or leases from the prime contractor or its affiliates) shall also be included.
- B. The entire amount of fees or commissions charged by a DBE firm for providing a bona fide service, such as professional, technical, consultant, or managerial services or for providing bonds or insurance specifically required for the performance of a DOT-assisted contract toward DBE goals shall be counted provided Santa Cruz METRO determines that the fees are reasonable and not excessive as compared with fees customarily allowed for similar services.
- C. If a DBE subcontracts work to another DBE and not a non-DBE, that work shall be counted toward DBE goals. When a DBE participates in a joint venture, the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the contract that the DBE performs with its own forces shall be counted toward DBE goals. Only expenditures to a DBE contractor that are a commercially useful function of the contract shall be counted toward DBE goals.
- D. Santa Cruz METRO will count all expenditures with DBEs for materials or supplies provided that the materials or supplies are obtained from a DBE manufacturer (100% of the expenditures) or from a DBE regular dealer (60% of the expenditures).
- E. If a firm is not currently certified as a DBE, Santa Cruz METRO will not count the firm's participation toward any DBE goals except as allowed by the DBE regulations. Santa Cruz METRO will not count the dollar value of work performed under a contract with a firm after it has ceased to be certified as a DBE contractor. Santa Cruz METRO will not count participation of a DBE subcontractor toward the prime contractor's DBE achievements or Santa Cruz METRO's overall goal until the amount being counted has been paid to the DBE.

Article VI

Required Contract Provisions

Exhibit A

§6.601 General Conditions of the Contract

Santa Cruz METRO will include the following clause in every DOT-assisted contract and subcontract:

The contractor, sub recipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate.

§6.602 Prompt Progress Payment (49 CFR §26.29)

A. Santa Cruz METRO will include the following clauses in each DOT-assisted prime contract:

A prime contractor or subcontractor shall pay to any subcontractor not later than 10 days of receipt of each progress payment, in accordance with the provision in Section 7108.5 of the California Business and Professions Code concerning prompt payment to subcontractors. The 10-days are applicable unless a longer period is agreed to in writing. Any delay or postponement of payment over 30-days may take place only for good cause and with Santa Cruz METRO prior written approval. Any violation of Section 7108.5 shall subject the violating contractor or subcontractor to the penalties, sanctions, and other remedies of that Section. This clause applies to both DBE and non-DBE subcontractors.

If there is a good faith dispute over all or any portion of the amount due on a progress payment from the prime contractor or subcontractor to a subcontractor, the prime contractor or subcontractor may withhold no more than 150 percent of the disputed amount.

The prime contractor must maintain records of all subcontracts entered into with DBEs and records of materials purchases from DBE suppliers. Such records shall show the name and business address of each DBE subcontractor or vendor and the total dollar amount actually paid to each DBE subcontractor or vendor.

The prime contractor must also submit to the Project Manager's office an affidavit certifying the payment was made to the DBE subcontractor or supplier to be signed by both the prime contractor and the DBE. Such an affidavit must be submitted during the project any time a progress or final payment is made to a DBE, and when any retainage held is returned. A summary certification affidavit must be submitted at the completion of the project.

B. Prime Contractors must include the **prompt payment language** set forth above in all subcontracts, regardless of subcontractor's DBE status.

Exhibit A

- C. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in Santa Cruz METRO withholding reimbursement for completed work.

Article VII Monitoring and Enforcement Mechanisms

§7.701

The Santa Cruz METRO will take the following monitoring and enforcement mechanisms to ensure compliance with 49 CFR Part 26:

- A. Santa Cruz METRO will bring to the attention of the Department of Transportation (DOT) any false, fraudulent, or dishonest conduct in connection with the program, so that DOT can take the steps (e.g., referral to the Department of Justice for criminal prosecution, referral to the DOT Inspector General, action under suspension and debarment or Program Fraud and Civil Penalties rules) provided in 49 CFR 26.109;
- B. Santa Cruz METRO will consider similar action under its own legal authority including responsibility determinations in future contracts.
- C. Santa Cruz METRO will provide a monitoring and enforcement mechanism to verify that work committed to DBEs at contract award is actually performed by the DBEs. This will be accomplished by the Project Manager confirming that the work set forth to be performed by the DBE is actually performed by the DBE through visual observation and firm identity confirmation. The Project Manager/Contract Administrator will keep a running tally of actual payments to DBE firms for work committed to them at the time of contract award. The Project Manager/Contract Administrator shall track the actual DBE participation through contractor and subcontractor reports of payments, and other appropriate monitoring. The DBELO will ensure that DBE participation is counted toward the overall annual goal in accordance with the federal regulations. The DBELO will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

§7.702

Monitoring Payments to DBEs

- A. Santa Cruz METRO will require prime contractors to maintain records and documents of payments to DBEs for three years following the performance of the contract. These records will be made available for inspection upon request by any authorized representative of the Santa Cruz Metropolitan Transit District or DOT. This reporting requirement also extends to any certified DBE subcontractor.

Exhibit A

- B. Santa Cruz METRO will perform interim audits of contract payments to DBEs. The audit will review payments to DBE subcontractors to ensure that the actual amount paid to DBE subcontractors equals or exceeds the dollar amounts stated in the schedule of DBE participation.

Article VIII Certification Standards

§8.801 No In-House Certification Process

Santa Cruz METRO will use the certification standards of Subpart D of 49 CFR Part 26 to determine the eligibility of firms to participate as DBEs in DOT-assisted contracts. To be certified as a DBE, a firm must meet all certification eligibility standards. Santa Cruz METRO is a non-certifying member of the California Unified Certification Program (UCP) administered by the California Department of Transportation (CalTrans). The Caltrans DBE certification program has been approved by the Federal Highway Administration as meeting the standards of 49 CFR Part 26. The Caltrans Office of Civil rights ensures that applicants requesting certified DBE status adequately demonstrate that they are members of a socially and economically disadvantaged group listed in *49 CFR §26.67* and that the firm which they control is an existing small business as defined by the Small Business Administration (SBA) standards. In addition, the bidder/offeror must submit the required application and a signed and notarized statement of personal net worth with appropriate supporting documentation (See Appendix F- California Unified Certification Program for Disadvantaged Business Enterprise (DBE)).

Applications forms for certification as a DBE and a directory of certified DBE firms are available at the Caltrans Office of Civil Rights web page, <http://www.dot.ca.gov/hq/bep/>.

§8.802 Certification Appeals

In the event Santa Cruz METRO proposes removing a DBE's certification, Santa Cruz METRO will coordinate with the Caltrans Office of Civil Rights and follow procedures consistent with *49 CFR §26.87*.

***If a firm's request for certification is denied or a firm is decertified, it may not reapply for certification through Caltrans until twelve months have elapsed from the initial action.**

Any firm or complainant may appeal the decision in a certification matter to the U.S. Department of Transportation. Such appeals may be sent to:

**Department of Transportation
Office of Civil Rights
1200 New Jersey Avenue, SE
Washington, DC 20590**

Exhibit A

(202) 366-4648

Fax: (202) 366-7717

Santa Cruz METRO will promptly implement any DOT certification appeal decisions affecting the eligibility of DBEs for our DOT-assisted contracting (e.g., certify a firm if DOT has determined that the denial of its application or the de-certification was erroneous).

§8.803 Recertification Procedures

Santa Cruz METRO will review the eligibility of DBEs that Santa Cruz METRO certified under former part 23. Santa Cruz METRO will compare its list of previously certified DBEs with the Caltrans vendor directory to verify that a DBE firm meets the standards of Subpart D of 49 CFR Part 26. For vendors not currently listed in the Caltrans DBE vendor directory, Santa Cruz METRO will contact the vendor and request that they pursue certification through Caltrans or that they provide evidence of a current certification established by another California DOT recipient or by the Small Business Administration under the SBA 8(a) or small and disadvantaged business program (SDB).

§8.804 Certification Affidavits and Notices of Change

- A. Santa Cruz METRO requires all DBEs to provide a written affidavit of any change in its circumstances affecting its ability to meet size, disadvantaged status, ownership or control criteria of *49 CFR Part 26* or of any material changes in the information provided with the current certification while participating in DOT-assisted procurement with the Santa Cruz METRO.
- B. Santa Cruz METRO will require owners of certified DBEs under contract to Santa Cruz METRO for DOT-assisted procurement to present, on the anniversary date of their certification, a “no change” affidavit meeting the requirements of *49 CFR §26.83(j)*. The text of this affidavit is the following:

I swear (or affirm) that there have been no changes in the circumstances of NAME of DBE firm affecting its ability to meet the size, disadvantaged status, ownership, or control requirements of 49 CFR Part 26. There have been no material changes in the information provided with NAME of DBE firm 's application for certification, except for any changes about which you have provided written notice to the California Department of Transportation Office of Civil Rights under §26.83(i). NAME of DBE firm meets Small Business Administration (SBA) criteria for being a small business concern and its average annual gross receipts (as defined by SBA rules) over the firm's previous three fiscal years do not exceed \$22.41 million.

- C. Santa Cruz METRO requires DBEs to submit documentation of the firm's size and gross receipts along with the required affidavit.

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- D. Santa Cruz METRO will notify certified DBE firms contracting with Santa Cruz METRO in DOT-assisted procurements of these obligations in August of each year after the new DBE goals have been established. This notification will inform DBEs that in order to submit the “no change” affidavit, their owners must affirm that they meet all regulatory requirements of Part 26, including personal net worth limitations. Likewise, if a firm’s owner knows or should know that he/she, or the firm, fails to meet an eligibility requirement (e.g., personal net worth) under *49 CFR Part 26*, the obligation to submit a notice of change applies.

Article IX Information Collection and Reporting

§9.901 Reporting to DOT

Santa Cruz METRO will continue to provide data about its DBE program to the DOT as directed by the DOT operating administrations. Santa Cruz METRO will report DBE participation to DOT on a semi-annual basis. These reports will reflect payments actually made to DBEs on DOT-assisted contracts.

§9.902 Confidentiality

Santa Cruz METRO will safeguard from disclosure to third parties any information that may reasonably be regarded as confidential business information, consistent with Federal, State, and local law. As allowed by Federal and State law, Santa Cruz METRO will not release personal financial information submitted in response to the personal net worth requirement to a third party (other than DOT) without the written consent of the submitter.

Article X Appendices

- A. Annual Commitment Statement
- B. DBE Program Summary
- C. Santa Cruz METRO’s Organization Chart
- D. Minority-Owned Financial Institutions in California
- E. Santa Cruz METRO’s DBE Goal for FFY15 – FFY17
- F. California Unified Certification Program for Disadvantaged Business Enterprise (DBE)

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DATE: November 18, 2016
TO: Board of Directors
FROM: Angela Aitken, Finance Manager
**SUBJECT: CONSIDERATION OF RESPONSES TO THE RECOMMENDATIONS
CONTAINED IN THE FY2013-2015 TRANSPORTATION
DEVELOPMENT ACT TRIENNIAL PERFORMANCE AUDIT**

I. RECOMMENDED ACTION

That the Board of Directors authorize the Chair to transmit a letter to the Santa Cruz Regional Transportation Commission, responding to the recommendations contained in the FY2013-2015 Triennial Performance Audit.

II. SUMMARY

- Pursuant to Section 99246 of the California Public Utilities Code, the California Transportation Development Act (TDA) requires that a Triennial Performance Audit (TPA) be conducted of public transit entities that receive TDA revenues, of which Santa Cruz METRO is one of those entities.
- The Santa Cruz County Regional Transportation Commission (SCCRTC) contracted with Michael Baker International to conduct a TPA of Santa Cruz County's public transit entities that receive TDA revenues and SCCRTC.
- The Final TPA for Santa Cruz County Transit Operators, of which Santa Cruz METRO is an entity of, is attached to this Staff Report.
- A Proposed Response Letter to the TPA is also attached for transmittal by the Chair.

III. DISCUSSION/BACKGROUND

Pursuant to Section 99246 of the California Public Utilities Code, the California Transportation Development Act (TDA) requires that a Triennial Performance Audit (TPA) be conducted of public transit entities that receive TDA revenues, of which Santa Cruz METRO is one of those entities.

The Santa Cruz County Regional Transportation Commission (SCCRTC) contracted with Michael Baker International to conduct a TPA of Santa Cruz County's public transit entities that receive TDA revenues and SCCRTC. The staff of Michael Baker International reviewed information that was requested of, and provided by, Santa Cruz METRO. Michael Baker International staff also visited Santa Cruz METRO facilities on July 21, 2016.

Santa Cruz METRO staff members were provided with an opportunity to respond to the Draft Audit. The Final TPA for the Santa Cruz County Transit Operators (Attachment A) is attached to this Staff Report.

The Final TPA contains six (6) recommendations; of which three (3) pertain to Santa Cruz METRO. The three (3) recommendations for Santa Cruz METRO are:

- **TPA Recommendation #1: Santa Cruz METRO should prioritize the addition of on-board cameras.**
Cameras on transit vehicles are standard for relatively large transit agencies. Cameras serve multiple purposes including for risk management involving passenger and driver safety, complaint resolution, driver training, and incident capture for public safety. Given that the buses do not have cameras installed, Santa Cruz METRO bus and paratransit operators have been fully instructed on procedures to follow with respect to public safety and personal safety and in proper reporting processes to assist medical, fire, and police responders. As part of its measures to increase the use of technology in achieving efficiencies, Santa Cruz METRO should continue working with the union on the addition of on-board cameras and plan for funding. Both fixed-route and paratransit vehicles could be ideally outfitted with cameras, but in considering funding constraints, a priority list of vehicles should be developed.
- **TPA Recommendation #2: Santa Cruz METRO should prioritize technology investment to continuously track on-time performance**
Delays on the fixed route occur for a variety of reasons, including construction, narrow travel corridors, and congestion. Studies and limited collection methods to date have been employed to track bus on-time performance. Santa Cruz METRO has some technology infrastructure, which is a start to developing tools to automate the collection of on-time performance data. Automated vehicle location and automated passenger counters are priority investments to further automate and expand the collection and organization of on-time performance data, among providing other benefits. Santa Cruz METRO should continue to prioritize these projects for funding as they provide both operational and safety benefits to the riders.
- **TPA Recommendation #3: Santa Cruz METRO should strengthen its marketing program.**
Prior to the development of the SRTP, there was no marketing plan for Santa Cruz METRO. Consequently, there has not been a dedicated marketing manager on staff to coordinate and manage a robust marketing program and integrate customer service with marketing activities. Currently, Santa Cruz METRO departments work together, but no single department is responsible for the overall appearance of Santa Cruz METRO's marketing tools, adherence to any design policies or programs, or management of the marketing function. The SRTP noted that stakeholders indicated very limited

proactive marketing by Santa Cruz METRO, including no specialized efforts targeted to UCSC and Cabrillo College. The recent bus pass program secured with Cabrillo College and UCSC's contribution to new services provide momentum for proactive marketing and better service to the student population. A marketing manager type position would coordinate the various efforts being conducted and design a comprehensive strategy including actions proposed by the SRTP to increase awareness and brand strength. The prevalence of social media and technology in marketing campaigns raises the importance of an experienced transit marketer. Santa Cruz METRO should develop a strategy to centralize marketing functions, whether creating a dedicated marketing management position or designating qualified staff within existing departments. This would have the effect of creating efficiencies in consistent messaging and marketing service across communication channels with riders and the public.

In order to assist the Board of Directors in responding to the recommendations contained in the TPA, attached is a proposed Letter of Response to this Staff Report (Attachment B).

Staff recommends that the Board of Directors review the TPA report for Santa Cruz METRO, review the proposed Letter of Response, and make necessary revisions, so that the Chair can be authorized to send the Letter of Response to the SCCRTC.

IV. FINANCIAL CONSIDERATIONS/IMPACT

This TPA report was funded through the SCCRTC. No immediate financial impact will be experienced by these recommendations. Future funding could be designated in the Operating and Capital budgets to address the above findings.

V. ALTERNATIVES CONSIDERED

This audit is required pursuant to Section 99246 of the California Public Utilities Code. There are no alternatives.

VI. ATTACHMENTS

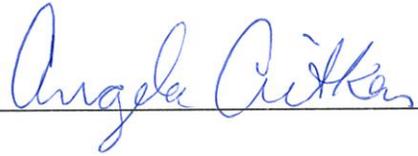
Attachment A: Triennial Performance Audit of Santa Cruz County Transit Operators for Fiscal Years 2013 - 2015

Attachment B: Proposed Triennial Performance Audit Response Letter

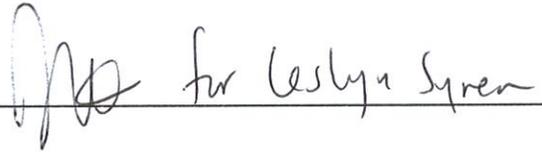
Prepared by: Angela Aitken, Finance Manager

VII. APPROVALS:

Angela Aitken, Finance Manager



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



Alex Clifford, CEO/General Manager





**FY 2013-2015
Triennial Performance Audit of the
Santa Cruz County Transit Operators**

**Submitted to
Santa Cruz County
Regional Transportation Commission**

October 2016

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Section I

Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Santa Cruz County Regional Transportation Commission (SCCRTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Santa Cruz County. This performance audit is conducted for the Santa Cruz Metropolitan Transit District, Community Bridges, and the Volunteer Center covering the most recent triennial period, fiscal years 2012–13 through 2014–15.

The purpose of the performance audit is to evaluate the operators’ effectiveness and efficiency in their use of TDA funds to provide public transportation in their service areas. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the operators’ compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the operators are meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organizations and their operations that otherwise might not be available. The methodology for the audit included in-person interviews with management, telephone interviews with board members, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide the development and conduct of the audit.

Overview of the Transit System

Santa Cruz Metropolitan Transit District (Santa Cruz METRO)

Santa Cruz METRO was created in 1968 by the Santa Cruz Metropolitan District Act of 1967, a special district with taxing authority pursuant to Part 5 of the California PUC. Santa Cruz METRO initially provided public transit services to Santa Cruz, Capitola, and Live Oak. Service was eventually expanded to the San Lorenzo Valley, Scotts Valley, and Watsonville in 1974. In 1979, Santa Cruz County voters approved a measure that changed the district’s local financing structure from a property tax to a one-half cent sales tax. The 1989 Loma Prieta earthquake,

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which resulted in the closure of State Route (SR) 17, prompted Santa Cruz METRO to provide an emergency bus bridge between Santa Cruz, Scotts Valley, and San José. This service eventually evolved into the Highway 17 Express-Amtrak Thruway bus service in partnership with Amtrak California, the Capitol Corridor Joint Powers Authority (CCJPA), the San Joaquin Joint Powers Authority (SJPA), and the Santa Clara Valley Transportation Authority (VTA). Santa Cruz METRO is governed by an 11-member Board of Directors comprising representatives of the cities of Watsonville, Santa Cruz, Capitola, and Scotts Valley, and from the unincorporated areas of the county. In addition, there is one ex officio member representing the University of California, Santa Cruz (UCSC).

Community Bridges

Community Bridges, the designated Consolidated Transportation Services Agency (CTSA) for Santa Cruz County, operates several specialized transportation services under the Lift Line program. The organization was founded in 1977 and offers a variety of human services programs encompassing family resources, nutrition, youth outreach, and transportation. Since 1982, Community Bridges has been offering transportation services through Lift Line and taxi vehicles.

Volunteer Center

The Santa Cruz Volunteer Center offers a variety of community-based programs targeted to seniors, the disabled, families, and youth. The agency also serves as a resource for businesses, nonprofits, schools, government, and faith-based agencies that want to make a difference through effective, meaningful volunteer initiatives. The Volunteer Center Transportation Program provides free rides to ambulatory seniors and the disabled throughout the county. The program matches drivers with seniors aged 55 and older and persons with disabilities for essential trips to access medical appointments, banking, pharmacies, and grocery shopping. The Volunteer Center is governed by a 12-member Board of Directors comprising private citizens from business, health care, and faith-based communities.

Transit Service Area

Santa Cruz County is located in the Central Coast region of California and forms the northern portion of Monterey Bay. The county is bordered by Santa Clara County to the east and northeast, Monterey County to the south, San Benito County to the southeast, and San Mateo County to the north. Established in 1850, the county was one of the original counties in California; the county's name means "holy cross" in Spanish. It has the second smallest geographic area of any county in California after the City and County of San Francisco. Agriculture, education, government services, health care, and tourism are mainstays of the local economy. Major highways traversing Santa Cruz County include State Routes (SR) 1, 9, 17, 35, 129, 152, and 236. SR 1 is the main coastal highway connecting the cities of Capitola, Santa Cruz, and Watsonville. SR 17 is the main north-south highway connecting Santa Cruz and Scotts Valley with San José and the Santa Clara Valley. A demographic snapshot of key cities and the county is presented in Table I-1.

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Table I-1
Santa Cruz County Demographics

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census (percentage)	Population 65 Years & Older (percentage)	Land Area (in square miles)
Capitola	9,918	-0.6%	15.5%	1.59
Santa Cruz	59,946	+9.8%	8.8%	12.74
Scotts Valley	11,580	+1.7%	13.6%	4.60
Watsonville	51,199	+11.9%	8.3%	6.69
Total Santa Cruz County	262,382	+2.6%	11.1%	445.17

Source: 2010 US Census

The city of Santa Cruz is the county seat and the largest city in the county. The county and its four incorporated cities saw modest growth between 2000 and 2010, as recorded in the US Census for each of those years. Watsonville had the highest percentage increase in population. The senior citizen population, comprising residents aged 65 and over, is 11.1 percent countywide. The 2016 population for Santa Cruz County is estimated to be 275,902, as reported by the California Department of Finance.

Transit System Characteristics

Santa Cruz METRO

Santa Cruz METRO operates fixed-route and Americans with Disabilities Act (ADA) paratransit service within Santa Cruz County as well as commuter service to Santa Clara County along the SR 17 corridor. Santa Cruz METRO operates four transit centers, which provide connections between routes and other transit services. The main transit center is the Santa Cruz METRO Center (Pacific Station) located at 920 Pacific Avenue in Santa Cruz. The other three transit centers are Capitola Mall, Cavallaro (Scotts Valley), and Watsonville.

Transit services operate seven days a week with varying service hours based on the mode. Certain routes operate only during the school terms for the San Lorenzo Valley Unified School District, UCSC, and Cabrillo College. Local fixed route does not operate on New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas, but operates on the weekend schedule on the day after Thanksgiving, Christmas Eve, and New Year's Eve. The Amtrak Highway 17 Express operates the weekend schedule on the aforementioned holidays. The METRO ParaCruz operates most holidays except on New Year's Day, Independence Day, Labor Day, Thanksgiving, and Christmas.

Santa Cruz METRO operates 36 fixed routes including the Amtrak Highway 17 Express commuter route. Headways range from 30 minutes to 60 minutes depending on the route, time of day, and day of the week. Certain routes operate during peak periods to serve students attending UCSC and Cabrillo College as well as local middle and secondary schools. It is noted that the service

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provided during the audit period underwent a major restructuring in September 2016 to address a structural deficit over the next few years to increase revenue and decrease costs.

Fares

Santa Cruz METRO fare media comprise cash and several pass options based on the number of days and rides. All Santa Cruz METRO day passes are good for unlimited rides in Santa Cruz County, excluding the Highway 17 Express route. All Amtrak Highway 17 Express passes are good for unlimited rides on all Santa Cruz METRO and VTA local routes. Santa Cruz METRO also offers a cash card with no expiration date that is available in denominations of \$10, \$20, \$30, and \$50. Electronic plastic smart cards including the METRO CRUZ pass and CRUZ Cash cards are reloadable and are read by tapping the GFI Odyssey electronic fareboxes on the Santa Cruz METRO buses. Transfers to Monterey Salinas Transit (MST) buses are available for passengers from certain Santa Cruz METRO routes at the Watsonville Transit Center and the Pacific Station. Fares for the Amtrak Highway 17 Express were increased in September 2015, shortly after the audit period. The current fare structure for Santa Cruz METRO and the Amtrak Highway 17 Express is summarized in Table I-2.

**Table I-2
Santa Cruz METRO and the Amtrak Highway 17 Express Fare Schedule**

Fare Category	Regular Santa Cruz METRO Service						Highway 17 Express (with fare increase)			
	Cash	Day Pass	3-Day Pass	7-Day Pass	31-Day Pass	15-Ride Pass	Cash	Day Pass	31-Day Pass	15-Ride Pass
Adult (Age 18+)	\$2	\$6	\$15	\$32	\$65	\$27	\$7	\$14	\$145	\$94.50
Youth (Through Age 17)	\$2	\$6	\$15	\$32	\$48	\$27	\$7	\$14	\$145	\$94.50
Discount Fare	\$1	\$3	\$7.50	\$16	\$32	\$13.50	\$3.50	N/A	N/A	N/A
Child (Under 46" Tall)	Free, limit of three children with a fare-paying adult									

Source: Santa Cruz METRO

Santa Cruz METRO discount fares and passes are available to eligible seniors and persons with disabilities by presenting the following forms of identification:

- A METRO Discount Photo ID Card
- A METRO ParaCruz ID Card
- A Discount Photo ID Card/Paratransit ID Card issued by another transit agency
- A Senior Citizen ID Card
- A Medicare ID Card
- Current state driver's license or current state ID card
- Government-issued ID that displays date of birth
- A valid ID card for California Disabled Person Parking Placard
- A Disabled Veteran's ID Card

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METRO ParaCruz Paratransit

Through its ParaCruz service, Santa Cruz METRO provides door-to-door paratransit for those passengers unable to use the fixed route. Eligibility for this ADA complementary paratransit service is determined through an in-person interview. METRO ParaCruz operates on days and hours that reflect the local fixed-route bus service in the same area. ParaCruz does not operate on New Year’s Day, Independence Day, Labor Day, Thanksgiving, or Christmas Day. Service is provided to any destination within three-quarters of a mile of an operating Santa Cruz METRO bus route. Rides must be reserved at least one day in advance between the hours of 8:00 a.m. and 5:00 p.m. The ParaCruz fare is \$4.00 per one-way trip equivalent to a single fixed-route bus fare, and \$6.00 maximum per one-way trip if equivalent to two or more fixed-route bus fares. Premium fares are charged for will-call returns and for a re-dispatched vehicle. A personal care attendant (PCA) accompanying a fare-paying passenger rides free.

Santa Cruz METRO Fleet

There were 108 vehicles in the Santa Cruz METRO fixed-route fleet during the audit period. Older vehicles are diesel-powered, whereas most later-model vehicles are powered by compressed natural gas (CNG). A number of older vehicles were replaced during the past three years. All vehicles are wheelchair accessible with tie-downs in compliance with the Americans with Disabilities Act of 1990 (ADA). Table I-3 shows the vehicle fleet information.

Table I-3
Santa Cruz METRO Transit Fleet

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
1998	New Flyer D35LF	14	30	Diesel
1998	New Flyer D40LF	12	39	Diesel
2002	New Flyer C40LF	5	39	CNG
2003	New Flyer D35LFC	15	30	CNG
2003	New Flyer D40LFC	14	39	CNG
2003	Orion V	10	43	CNG
2003	Ford Goshen GCII	1	15	Gas
2006	New Flyer C40LF	2	39	CNG
2008	New Flyer C40LF	8	39	CNG
2008	New Flyer C40LF	5	36	CNG
2010	New Flyer C40LFR	5	39	CNG
2011	New Flyer C40LFR	11	39	CNG
2013	New Flyer C35RX	6	30	CNG
Total		108		

Source: Santa Cruz METRO Revenue Vehicle Listing

ParaCruz operates a fleet of 42 unleaded gasoline-powered vehicles. The fleet varies in type and passenger capacity. All vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-4 summarizes the ParaCruz fleet.

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**Table I-4
ParaCruz Fleet**

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
2001	Chevy Venture Minivan	1	5	Gas
2002	Chevy Venture Minivan	2	5	Gas
2003	Chevy Venture Minivan	1	5	Gas
2003	Ford Goshen GCII	3	17	Gas
2003	Ford Goshen GCII	2	9	Gas
2006	El Dorado Aerotech	1	13	Gas
2006	Ford Braun Transporter	1	7	Gas
2007	Ford Braun Transporter	1	7	Gas
2008	Chevy Type VII	1	21	Gas
2011	Ford E350 - Versa Shuttle	9	4	Gas
2011	Ford E350 – Versa Shuttle	13	5	Gas
2011	Dodge Amerivans	2	3	Gas
2011	Dodge Amerivans	3	5	Gas
2015	Dodge Caravan	2	5	Gas
Total		42		

Source: Santa Cruz METRO Revenue Vehicle Listing

Community Bridges

Community Bridges' Lift Line offers a variety of demand-responsive transit services for the disabled, frail, and elderly throughout Santa Cruz County as well as to the adjacent counties of Monterey, San Mateo, San Benito, San Francisco, and Santa Clara. Lift Life services include:

- Countywide medical transportation
- Out-of-county medical transportation
- Veterans medical transportation
- Taxi scrip
- Elderday Adult Health Care transportation
- Senior dining center transportation (Meals on Wheels)
- Same Day medical transportation

The medical transportation program provides transportation for Santa Cruz County residents who meet age, disability, and/or income criteria. Eligible riders are able to access dental, medical, and prescription appointments free of charge. This service operates Monday through Friday except holidays. There is a one-hour pickup window, but most pickups are within a 20- to 30-minute interval. Trips are prioritized on a first-come, first-served basis.

The out-of-county medical transportation service provides transportation from Santa Cruz County to Palo Alto (Stanford Medical Center), the Veterans Hospital, VA Monterey Bay/Fort Ord, Lucille Packard Children's Hospital, San Jose, Santa Clara, Menlo Park, San Francisco, and

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Gilroy. The service operates Monday through Friday excluding holidays and is available free of charge to Santa Cruz County residents who meet age, disability, and/or income criteria. Due to budget reductions, out-of-county areas are served certain days of the week. Locations closer to Santa Cruz County such as Monterey, Salinas, and San Benito are served Monday, Wednesday, and Friday, while northern locations including San Jose, Santa Clara, and San Francisco are served Tuesday and Thursday.

The veterans medical transportation program provides transport free of charge to veterans who meet residency, income, age, and/or disability criteria. This program provides service to the Veterans Building in Santa Cruz and to the VA Hospital Monterey Bay/Fort Ord. Veterans transportation is combined with the out-of-county medical transportation for days of service.

The taxi scrip program offers discounted coupons or “scrip” to use for taxi fares. This program receives federal and local support through TDA. An eligible person purchases scrip from Lift Line at a discounted rate for use on any one of three designated taxi carriers in Santa Cruz. The participating taxi companies are Santa Cruz Yellow Cab, Deluxe Cab Company, and Courtesy Cab Company of Watsonville. Rides are arranged directly with the taxi companies.

Elderday transportation provides rides to and from Elderday twice a day using seven set routes. The senior dining center transportation program provides coordinated transportation to Meals on Wheels congregate dining centers in Santa Cruz County. The homeless services transportation program provides after-hours transport to emergency shelters during inclement weather conditions for the county’s homeless population, in particular for the disabled. Community Bridges partners with the Homeless Services Center in Santa Cruz to provide transportation for the Interfaith Satellite Shelter Program (ISSP).

Community Bridges also offers bus charter services for outside contracts/private events to help support its free and reduced programming using competitive flat rates.

Fleet

Community Bridges’ Lift Line service operates a fleet of 18 unleaded gasoline-powered vehicles. The fleet varies in type and passenger capacity, with many older vehicles replaced during the audit period. Most vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-5 summarizes the Lift Line fleet.

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**Table I-5
Lift Line Fleet**

Year	Make/Model	Quantity	Seating Capacity	Wheelchair Capacity
2006	Chevy Uplander	2	3	1
2007	Ford E350	2	8	2
2007	Ford E450	1	24	0
2008	Ford E450	4	13/11	1/2
2008	Chevy Uplander	1	5/3	0/1
2013	Dodge Caravan	1	3	1
2013	Ford E450	2	16	2
2013	Ford E450	2	13/11	1/2
2013	Ford E450	2	17/11	0/2
2013	Ford E450	1	17/15/11	0/1/2
Total		18		

Source: Lift Line/Community Bridges CTSA Vehicle List

Volunteer Center

The Santa Cruz Volunteer Center’s transportation program addresses the needs of ambulatory seniors and the disabled by offering free rides throughout the county. The program matches drivers with seniors aged 55 years and older and disabled persons for essential trips to medical appointments, grocery shopping, banking, and pharmacies. One ride per week is available for eligible persons to meet basic needs or get to needed appointments. Rides are provided throughout Santa Cruz County including Watsonville, San Lorenzo Valley, Scotts Valley, and Santa Cruz. Drivers are required to have a good driving record, a reliable automobile, and insurance. The Volunteer Center offers drivers supplemental insurance.

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Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of the Santa Cruz County transit operators' ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008 (third edition)*, developed by Caltrans to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system's efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	Completion/submittal dates: For Santa Cruz METRO: FY 2013: October 14, 2013 FY 2014: October 14, 2014 FY 2015: October 15, 2015 For Santa Cruz METRO-ParaCruz: (specialized service) FY 2013: October 14, 2013 FY 2014: October 14, 2014 FY 2015: October 15, 2015 Reports were filed electronically. Conclusion: Complied.
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-	Public Utilities Code, Section 99245	Completion/submittal dates: For Santa Cruz METRO: FY 2013: December 27, 2013 FY 2014: December 15, 2014 FY 2015: December 22, 2015

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Triennial Performance Audit of Santa Cruz County Transit Operators – FYs 2013–2015

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
day extension by the RTPA allowed by law.		<p>For Community Bridges:</p> <p>FY 2013: December 7, 2013 FY 2014: December 10, 2014 FY 2015: December 7, 2015</p> <p>Conclusion: Complied.</p>
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	<p>Santa Cruz METRO and Community Bridges participate in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>For Santa Cruz METRO:</p> <p>Inspections were conducted at the Santa Cruz METRO facility located at 138 Golf Club Drive in Santa Cruz.</p> <p>Inspection dates applicable to the audit period were June 3, 2013; July 2, 2014; and July 8, 2015.</p> <p>Inspections were found to be satisfactory.</p> <p>For Community Bridges:</p> <p>Inspections were conducted at the Community Bridges facilities located at 240 Ford Street in Watsonville.</p> <p>Inspection dates applicable to the audit period were November 19,</p>

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Table II-1 Operator Compliance Requirements Matrix														
Operator Compliance Requirements	Reference	Compliance Efforts												
		<p>2013; November 6, 2014; and January 21, 2016.</p> <p>Inspections were found to be satisfactory.</p> <p>Conclusion: Complied.</p>												
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the Santa Cruz County transit operators’ annual claims for Local Transportation Funds and State Transit Assistance are submitted in compliance with the rules and regulations adopted by the SCCRTC.</p> <p>Conclusion: Complied.</p>												
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	<p>Santa Cruz METRO is subject to an intermediate ratio of no less than 15 percent, according to the SCCRTC Rules and Regulations. In the annual claims forms, Santa Cruz METRO separately reports its urban and rural farebox recovery ratios. Both sets of ratios exceeded the 15 percent threshold each year and are shown below.</p> <table border="1"> <thead> <tr> <th></th> <th>Urban</th> <th>Rural</th> </tr> </thead> <tbody> <tr> <td>FY 2013</td> <td>24.30%</td> <td>18.00%</td> </tr> <tr> <td>FY 2014</td> <td>23.30%</td> <td>18.60%</td> </tr> <tr> <td>FY 2015</td> <td>21.70%</td> <td>16.90%</td> </tr> </tbody> </table> <p>The annual financial audit for METRO indicates that the agency meets the 50 percent expenditure limitation under TDA in lieu of the</p>		Urban	Rural	FY 2013	24.30%	18.00%	FY 2014	23.30%	18.60%	FY 2015	21.70%	16.90%
	Urban	Rural												
FY 2013	24.30%	18.00%												
FY 2014	23.30%	18.60%												
FY 2015	21.70%	16.90%												

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Triennial Performance Audit of Santa Cruz County Transit Operators – FYs 2013–2015

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		farebox. Conclusion: Complied.
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage increase in the Santa Cruz County transit operators’ operating budgets: For Santa Cruz METRO: FY 2013: 3.3% FY 2014: 11.6% FY 2015: 7.1% For Community Bridges: FY 2013: -4.8% FY 2014: 5.3% FY 2015: 3.2% For Volunteer Center: FY 2013: 3.2% FY 2014: 6.7% FY 2015: 0.3% Source: Santa Cruz County transit operators’ budgets for FYs 2013–2015 Conclusion: Complied.
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour,	Public Utilities Code, Section 99247	The Santa Cruz County transit operators’ definition of performance is consistent with Public Utilities Code Section 99247. Conclusion: Complied.

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Triennial Performance Audit of Santa Cruz County Transit Operators – FYs 2013–2015

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
(d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	Santa Cruz METRO is subject to the intermediate ratio for operators that serve both urbanized and non-urbanized areas. Conclusion: Not Applicable.
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Santa Cruz METRO is subject to the intermediate ratio for operators that serve both urbanized and non-urbanized areas. This PUC section is not applicable to Santa Cruz METRO. Community Bridges and the Volunteer Center are subject to a 10 percent local match requirement established by the SCCRTC. Budgeted data from the agencies show at least a 10 percent local match to TDA allocations. Conclusion: Complied.

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Triennial Performance Audit of Santa Cruz County Transit Operators – FYs 2013–2015

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	<p>Santa Cruz METRO contributes toward its employees’ defined benefit pension plan, the Miscellaneous Plan for the Santa Cruz Metropolitan Transit District. The plan is part of the California Public Employees’ Retirement System (CalPERS). Santa Cruz METRO also offers a deferred compensation plan under IRS Section 457.</p> <p>Community Bridges offers a deferred compensation plan for full-time employees, as described in the Memorandum of Understanding with UTU Local 23.</p> <p>Conclusion: Complied.</p>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	<p>Santa Cruz METRO receives State Transit Assistance Funds in addition to federal funds that are available to the district as reported in the federal NTD reports:</p> <p>FY 2013: Operations (\$5,879,396) Capital (\$1,174,997) FY 2014: Operations (\$6,166,985) Capital (\$3,615,661) FY 2015: Operations (\$6,343,326) Capital (\$641,285)</p> <p>Conclusion: Complied.</p>

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Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to the Santa Cruz County transit operators, the operators fully complied with all 10 applicable requirements. One additional compliance requirement did not apply to the operators (urbanized only farebox recovery ratio).
2. Santa Cruz METRO is subject to a 15 percent systemwide farebox standard pursuant to the rules and regulations of the SCCRTC and the Public Utilities Code. During the audit period, Santa Cruz METRO attained farebox ratios for both urban and rural services that exceeded the standard. Both ridership and fare revenues increased for the three-year period. As an older operator, Santa Cruz METRO was also subject to the ratio of fares plus local support to operating costs during the audit period. As shown in the annual TDA claims, Santa Cruz METRO has met this ratio of no less than 56.9 percent (ratio in FY 1978–79 for services to the general public). Local support includes local sales tax revenue for transit.
3. The Santa Cruz County transit operators (Santa Cruz METRO and Community Bridges' Lift Line) participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period for both agencies. For the Santa Cruz METRO inspection, some vehicles were placed out of service in FYs 2013 and 2014 until repairs were completed for areas such as exhaust system leaks and air bag rupture. No vehicles were placed out of service in the 2015 inspection. No violations were noted for the Community Bridges' CHP inspections.
4. The operating budgets for the operators exhibited modest fluctuations during the audit period, with no budget showing increases of more than 15 percent over the prior year.

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Section III

Prior Triennial Performance Recommendations

The Santa Cruz County transit operators' efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the transit operators' efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Santa Cruz METRO should submit Annual State Controller's Reports to the SCCRTC.

Actions taken by Santa Cruz Operators

At the time when Santa Cruz METRO transmits the annual Transit Operators Financial Transactions Report (State Controller's Report) to the State Controller's Office, it should also transfer a copy of the report to the SCCRTC to comply with the TDA statute (PUC Section 99243) and to provide the SCCRTC with evidence when this state-required report is submitted.

During the audit period, Santa Cruz METRO furnished a copy of the annual State Controller's Report to the SCCRTC to comply with the TDA statute, along with a copy of the submission letter to the State Controller's Office. Additionally, the State Controller's Reports for the past three years were forwarded to the SCCRTC.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Santa Cruz METRO should further promote security aspects of the transit system.

Actions taken by Santa Cruz Operators

It was recommended that Santa Cruz METRO highlight the security systems and conduct outreach and marketing with the communities to emphasize this component of the transit system as a means to stimulate ridership and good customer service.

As an effort to preserve the integrity of the Santa Cruz METRO surveillance system, the agency previously decided that these elements are not to be publicly advertised or promoted. Santa

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Cruz METRO, through its public meeting process, has apprised the public of its intent to install security surveillance and the locations that have received these installations.

Santa Cruz METRO hired a new safety officer responsible for providing education and training on safety elements. Given that the buses do not have cameras installed, bus and paratransit operators have been fully instructed on procedures to follow with respect to public safety and personal safety and in proper reporting processes to assist medical, fire, and police responders. Operators are trained on Department of Homeland Security (DHS) processes and have been instrumental in assisting the police in the identification of missing persons and reporting suspicious activity while providing a safe haven for persons in need. Santa Cruz METRO has actively pursued educating employees and the public involving DHS procedures and processes such as Transit Watch for reporting suspicious behaviors, packages, and conditions that constitute a safety compromise. Security has been established with a high degree of familiarization in areas of public safety, DHS procedures, observation, and reporting of issues that may affect public, employee safety, or district property.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Santa Cruz METRO should develop a method to continuously track on-time performance.

Actions taken by Santa Cruz Operators

The prior recommendation noted that Santa Cruz METRO had limited collection methods to track bus on-time performance, primarily through manual data collection, and that the agency should continue to pursue opportunities to fund advanced methods such as Automated Vehicle Location (AVL) technology, as it provides both operational and safety benefits to the riders. These technologies are being studied for implementation along with all available funding sources for the procurement of the necessary equipment for the technologies.

Santa Cruz METRO continues to seek improved methods of tracking on-time performance. In the interim, Santa Cruz METRO continued with manual on-time check methods to satisfy requirements such as those for the federal National Transit Database. The Santa Cruz METRO Board of Directors adopted a Short Range Transit Plan on June 13, 2014, which includes many recommendations for the improvement of on-time service that will be introduced in future proposed service changes. The assessment of Santa Cruz METRO's systemwide performance, included in the Short Range Transit Plan, found on-time performance to be far short of the industry standard, with some of METRO's most popular main line routes seeing unacceptably low ratios of schedule consistency.

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In response, Santa Cruz METRO completed an on-time performance study using bus surveyors. The surveyors provided data, which staff studied, and made recommendations for route and schedule changes. Santa Cruz METRO used Regional Surface Transportation Program (RSTP) funds to design and implement a point check survey, analyze data points, and collaborate with the operations division and United Transportation Union (UTU) Local 23 to produce adjusted route times for METRO Routes 71, 69A, 69W, and 91X. These recalibrated route times were incorporated into the 2015 Summer Bid and enacted on July 2, 2015.

Conclusion

This recommendation has been partially implemented and is carried forward to full implementation. A more permanent advanced method to continuously monitor on-time performance should be implemented.

Prior Recommendation 4

Community Bridges and the Volunteer Center should work with their respective annual fiscal and compliance auditors to evaluate the transportation-related measures required under the TDA, including annual operating costs and revenues.

Actions taken by Santa Cruz Operators

It was recommended that the respective fiscal auditors separate the transportation component of operating costs and revenues from the aggregate data for Community Bridges' Lift Line and the Volunteer Center. A review of the fiscal audits showed that aggregate cost and revenue figures for each agency are presented, although Community Bridges does show separate costs for its services including Lift Line. Also, TDA revenue obtained by Community Bridges is identified separately in the section labeled "Schedule of State and Federal Financial Assistance" and specifically under "Passed through City of Santa Cruz/Regional Transportation Commission Transportation Development Act-Paratransit CTSA."

Conclusion

This recommendation has been implemented.

Prior Recommendation 5

Develop expanded performance standards for CTSA service efficiency and effectiveness.

Actions taken by Santa Cruz Operators

Additional performance data for CTSA services were recommended for consideration to provide further support of the activities offered by Community Bridges. The agency has begun to develop the following service standards: on-time performance; complaints per 1,000 passenger

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trips; safety incidents per 100,000 vehicle miles; average passenger trip length; and average travel time. In its operating plan submitted as part of the TDA claim to the SCCRTC, Community Bridges calculates and projects TDA funding relative to total CTSA passengers and the funding gap that TDA must fill on a cost per passenger basis. The agency also determines the ratio of other Lift Line revenue to TDA based on line item revenues in its budget. Community Bridges is also reviewing options for return on investment as a measure of effectiveness of meeting community transportation needs.

Conclusion

This recommendation has been implemented.

Prior Recommendation 6

The Volunteer Center should track driver time spent per trip.

Actions taken by Santa Cruz Operators

The prior recommendation was made because the Volunteer Center does not request that drivers record drive time in transporting passengers. While trip length is recorded and used to calculate average trip length, drive time is not. The tracking of time spent to transport riders is another gauge of the value of the volunteer program. Performance measures such as average trip time and operating cost per hour place values on the program and the drivers' and passengers' time in providing and using the service.

A review of annual reports submitted by the Volunteer Center to the SCCRTC shows that drive time is not recorded. Volunteer Center staff are aware of the general time for trips made by the volunteer drivers that include not only drive time but also wait time during the passenger's appointment. Staff can also estimate the cost of the driver's time on an hourly basis using industry figures. These performance estimates should be included in the annual reports to further show the value and cost of the program.

Conclusion

This recommendation has not been implemented and is carried forward for implementation.

Prior Recommendation 7

The Volunteer Center should regularly review the mileage reimbursement rate.

Actions taken by Santa Cruz Operators

The recommendation was made in part as a means for the Volunteer Center to maintain a qualified pool of volunteer drivers and to account for changes in gasoline prices. Volunteer

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Center staff indicated that newer volunteer drivers have requested the reimbursement for the service, with others electing not to be reimbursed.

With ongoing budget constraints, Volunteer Center staff recognize the need to review the mileage rate, but have also determined that driver behavior in terms of the number of trips they offer will not likely change. Some drivers choose not to take the reimbursement and continue to provide the service out of altruism. An increase in the mileage reimbursement rate will absorb more revenue per trip for the program, but it is uncertain what effect a change in the rate would have on the number of available drivers and/or trips to meet demand. If newer volunteers are electing to receive reimbursement, the mileage rate could have some influence on their willingness to participate in the driver pool.

Conclusion

This recommendation has not been implemented and is carried forward for implementation. It is an action that should be regularly undertaken by the Volunteer Center as operating conditions change and determined whether there is an impact on the pool of qualified drivers.

Section IV

TDA Performance Indicators

This section reviews the Santa Cruz County transit operators' performance in providing transit service to the community in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-5 provide the performance indicators for the Santa Cruz METRO systemwide, fixed route, and paratransit, as well as for Community Bridges and the Volunteer Center. Charts are also included to depict the trends in the indicators. It is noted that the systemwide operating costs and fare revenues are based on audited figures drawn from the financial statements, while modal costs and fare revenues for fixed-route and paratransit costs are unaudited and drawn from the federal National Transit Database (NTD). The annual fiscal audits do not provide a modal breakdown.¹ Also, only operations costs for Community Bridges are audited figures for the small operators, as the fiscal audits do not separate transportation costs and revenues from all programs provided by the nonprofit entities.

¹ The sum of operating expenses by mode reported in the NTD does not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and are not separated by mode.

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Table IV-1
Santa Cruz METRO TDA Performance Indicators
Systemwide

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$40,854,351	\$44,003,815	\$49,448,820	\$49,614,127	21.4%
Total Passengers	5,463,380	5,460,162	5,610,109	5,752,012	5.3%
Vehicle Service Hours	250,133	262,229	272,923	274,342	9.7%
Vehicle Service Miles	3,439,086	3,607,202	3,792,731	3,857,070	12.2%
Employee FTEs	265	368	305	386	45.7%
Passenger Fares	\$8,772,949	\$9,204,063	\$9,511,613	\$9,796,024	11.7%
Operating Cost per Passenger	\$7.48	\$8.06	\$8.81	\$8.63	15.3%
Operating Cost per Vehicle Service Hour	\$163.33	\$167.81	\$181.18	\$180.85	10.7%
Operating Cost per Vehicle Service Mile	\$11.88	\$12.20	\$13.04	\$12.86	8.3%
Passengers per Vehicle Service Hour	21.8	20.8	20.6	21.0	-4.0%
Passengers per Vehicle Service Mile	1.59	1.51	1.48	1.49	-6.1%
Vehicle Service Hours per Employee	943.9	712.6	894.8	710.7	-24.7%
Average Fare per Passenger	\$1.61	\$1.69	\$1.70	\$1.70	6.1%
Fare Recovery Ratio	21.47%	20.92%	19.24%	19.74%	-8.1%

Note: Audited operating costs reflect total Santa Cruz METRO operating expenses.

Source: Annual Fiscal & Compliance Audit Reports, National Transit Database, State Controller's Reports

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Table IV-2
Santa Cruz METRO TDA Performance Indicators
Fixed Route

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$34,605,003	\$34,332,717	\$37,097,475	\$36,879,129	6.6%
Total Passengers	5,371,055	5,369,670	5,513,261	5,653,812	5.3%
Vehicle Service Hours	203,997	215,613	223,898	225,347	10.5%
Vehicle Service Miles	2,990,671	3,172,011	3,325,313	3,325,820	11.2%
Employee FTEs	217	318	251	334	53.9%
Passenger Fares	\$8,476,604	\$8,569,261	\$8,686,561	\$8,955,245	5.6%
Operating Cost per Passenger	\$6.44	\$6.39	\$6.73	\$6.52	1.2%
Operating Cost per Vehicle Service Hour	\$169.63	\$159.23	\$165.69	\$163.65	-3.5%
Operating Cost per Vehicle Service Mile	\$11.57	\$10.82	\$11.16	\$11.09	-4.2%
Passengers per Vehicle Service Hour	26.3	24.9	24.6	25.1	-4.7%
Passengers per Vehicle Service Mile	1.80	1.69	1.66	1.70	-5.3%
Vehicle Service Hours per Employee	940.1	678.0	892.0	674.7	-28.2%
Average Fare per Passenger	\$1.58	\$1.60	\$1.58	\$1.58	0.4%
Fare Recovery Ratio	24.50%	24.96%	23.42%	24.28%	-0.9%

Note: The sum of operating expenses by mode reported in the NTD does not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and are not separated by mode.

Source: National Transit Database, State Controller's Reports

Attachment A

Triennial Performance Audit of Santa Cruz County Transit Operators – FYs 2013–2015

**Table IV-3
ParaCruz TDA Performance Indicators
Paratransit**

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$5,134,470	\$5,181,693	\$5,320,192	\$5,318,477	3.6%
Total Passengers	92,325	90,492	96,848	98,200	6.4%
Vehicle Service Hours	46,136	46,616	49,025	48,995	6.2%
Vehicle Service Miles	448,415	435,191	467,418	531,250	18.5%
Employee FTEs	48	50	54	52	8.3%
Passenger Fares	\$296,345	\$304,536	\$327,498	\$329,050	11.0%
Operating Cost per Passenger	\$55.61	\$57.26	\$54.93	\$54.16	-2.6%
Operating Cost per Vehicle Service Hour	\$111.29	\$111.16	\$108.52	\$108.55	-2.5%
Operating Cost per Vehicle Service Mile	\$11.45	\$11.91	\$11.38	\$10.01	-12.6%
Passengers per Vehicle Service Hour	2.0	1.9	2.0	2.0	0.2%
Passengers per Vehicle Service Mile	0.21	0.21	0.21	0.18	-10.2%
Vehicle Service Hours per Employee	961.2	932.3	907.9	942.2	-2.0%
Average Fare per Passenger	\$3.21	\$3.37	\$3.38	\$3.35	4.4%
Fare Recovery Ratio	5.77%	5.88%	6.16%	6.19%	7.2%

Note: The sum of operating expenses by mode reported in the NTD does not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and are not separated by mode.

Source: National Transit Database, State Controller's Reports

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Triennial Performance Audit of Santa Cruz County Transit Operators – FYs 2013–2015

**Table IV-4
Community Bridges Lift Line TDA Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2012– 2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$1,411,537	\$1,356,470	\$1,451,341	\$1,445,555	2.4%
Total Passengers	73,743	82,154	81,848	84,268	14.3%
Vehicle Service Hours	13,359	17,875	20,685	19,037	42.5%
Vehicle Service Miles	227,447	283,396	288,696	278,757	22.6%
Employee FTEs	14	19	19	18	30.4%
Passenger Fares (donations)	\$6,806	\$6,678	\$5,011	\$5,549	-18.5%
Operating Cost per Passenger	\$19.14	\$16.51	\$17.73	\$17.15	-10.4%
Operating Cost per Vehicle Service Hour	\$105.66	\$75.89	\$70.16	\$75.93	-28.1%
Operating Cost per Vehicle Service Mile	\$6.21	\$4.79	\$5.03	\$5.19	-16.4%
Passengers per Vehicle Service Hour	5.5	4.6	4.0	4.4	-19.8%
Passengers per Vehicle Service Mile	0.32	0.29	0.28	0.30	-6.8%
Vehicle Service Hours per Employee	954.2	935.3	1,074.1	1,042.9	9.3%
Average Fare per Passenger	\$0.09	\$0.08	\$0.06	\$0.07	-28.7%
Fare Recovery Ratio	0.48%	0.49%	0.35%	0.38%	-20.4%

Source: Annual Fiscal Audit for operations costs; Community Bridges TDA Year-End Reports

**Table IV-5
Volunteer Center TDA Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2012–2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$67,479	\$69,671	\$78,537	\$74,592	10.5%
Total Passengers	4,693	4,771	4,786	3,212	-31.6%
Vehicle Service Miles	72,742	76,087	76,087	66,087	-9.1%
Operating Cost per Passenger	\$14.38	\$14.60	\$16.41	\$23.22	61.5%
Operating Cost per Vehicle Service Mile	\$0.93	\$0.92	\$1.03	\$1.13	21.7%
Passengers per Vehicle Service Mile	0.06	0.06	0.06	0.05	-24.7%

Source: Volunteer Center final reports FYs 2012–2015

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Triennial Performance Audit of Santa Cruz County Transit Operators – FYs 2013–2015

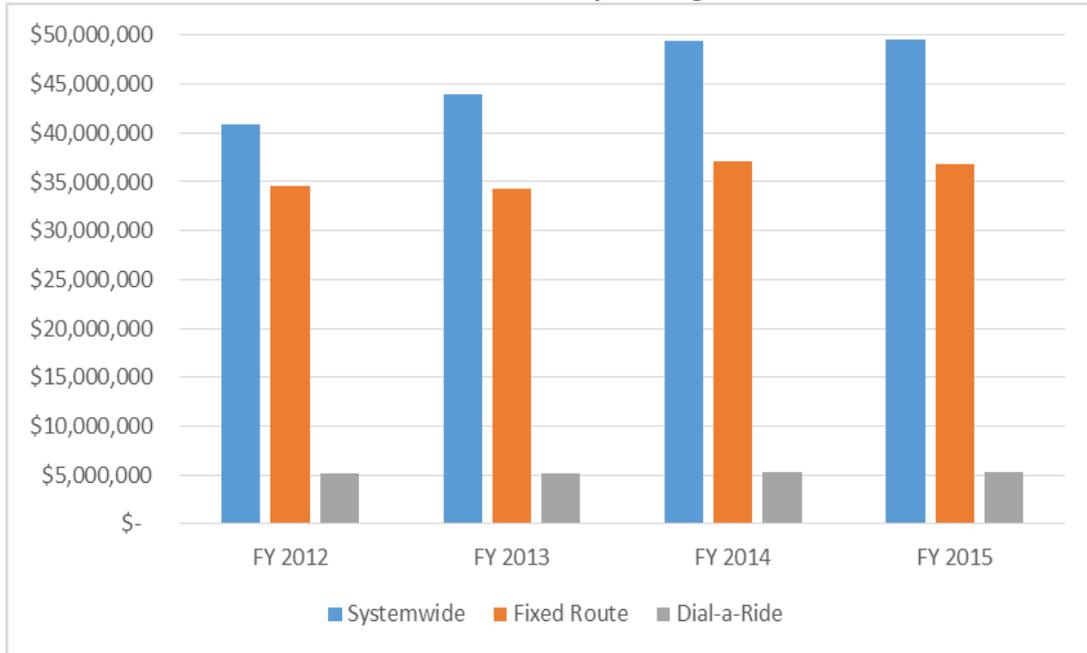
Santa Cruz METRO is defined in the TDA as an older operator, having started service prior to July 1, 1974. Older operators may qualify for TDA under the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). As described in Santa Cruz METRO’s financial compliance audit, the operator has met the 50 percent expenditure limitation in addition to the farebox ratios. The calculation below by the performance auditor in Table IV-6 shows the compliance.

**Table IV-6
50 Percent Expenditure Limitation**

Line#	Description	FY 2013		FY 2014		FY 2015	
		\$ Amount	\$ Subtotal	\$ Amount	\$ Subtotal	\$ Amount	\$ Subtotal
1	Total Operating Cost	\$44,003,815		\$49,448,820		\$49,614,127	
2	Total Depreciation	\$6,767,493		\$5,907,840		\$5,325,348	
3	Total Capital Outlay	\$4,678,956		\$11,503,229		\$9,270,417	
4	Total Lines 1, 2 & 3		\$55,450,264		\$66,859,889		\$64,209,892
5a	Less Federal Ops Grants Received	\$5,879,395		\$6,166,985		\$6,343,326	
5b	Less Federal Capital Grants Received	\$1,174,996		\$3,615,661		\$641,286	
6	Less LTF Capital Intensive	\$0		\$0		\$0	
7	Less STAF Received	\$254,027		\$8,344,763		\$5,388,122	
8	Total Lines 5, 6 & 7		\$7,308,418		\$18,127,409		\$12,372,734
9	Total Line 4 Less Line 8		\$48,141,846		\$48,732,480		\$51,837,158
10	50% of Line 9	\$24,070,923		\$24,366,240		\$25,918,579	
11	Add Amount of LTF Claimed in Excess of Line 9 for Match to Federal Operating Grant	\$1,469,849		\$1,541,746		\$1,585,832	
12	Add LTF Capital Intensive	\$0		\$0		\$0	
13	Total Permissible LTF Expenditure		\$25,540,772		\$25,907,986		\$27,504,411
14	Total LTF Applied to Operations		\$5,507,038		\$6,244,316		\$6,444,515

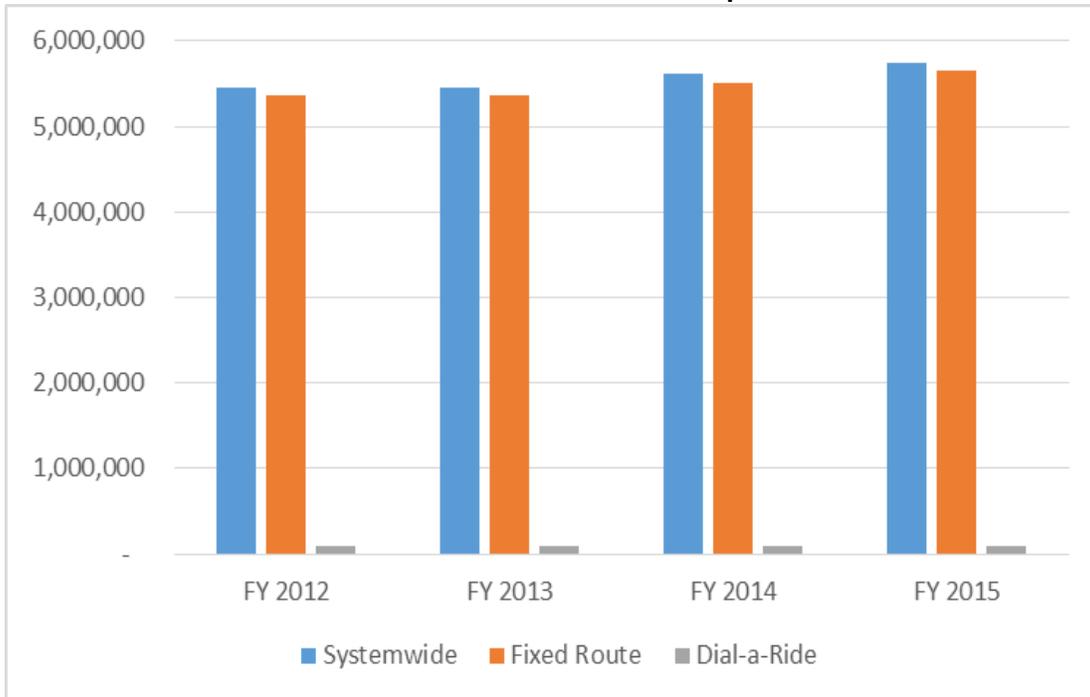
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Graph IV-1
Santa Cruz METRO Operating Costs



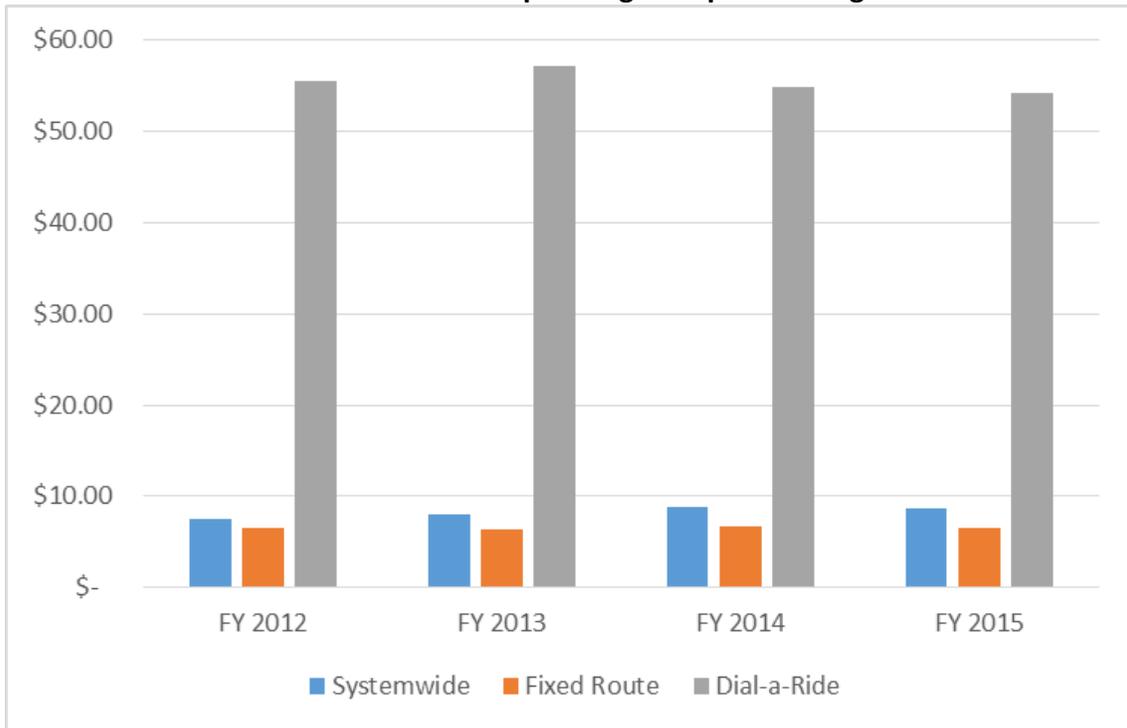
Note: Systemwide operating costs are drawn from audited data, while data by mode are unaudited.

Graph IV-2
Santa Cruz METRO Ridership



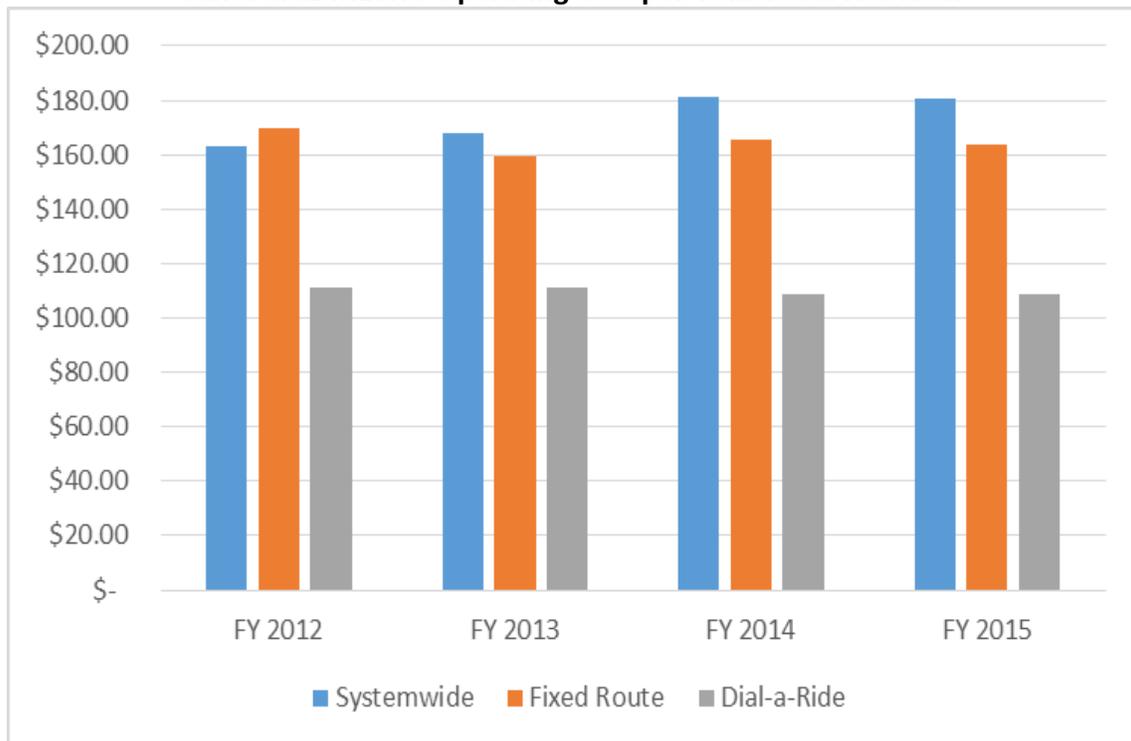
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Graph IV-3
Santa Cruz METRO Operating Cost per Passenger



Note: Systemwide operating costs are drawn from audited data, while data by mode are unaudited.

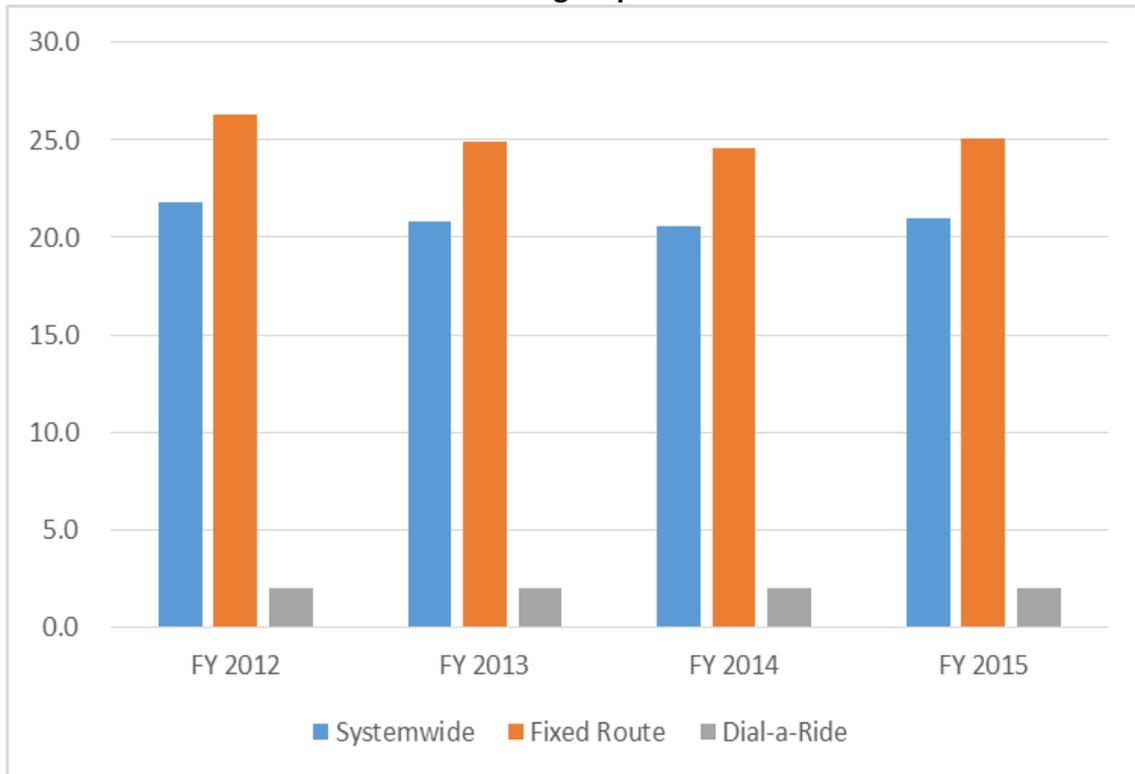
Graph IV-4
Santa Cruz METRO Operating Cost per Vehicle Service Hour



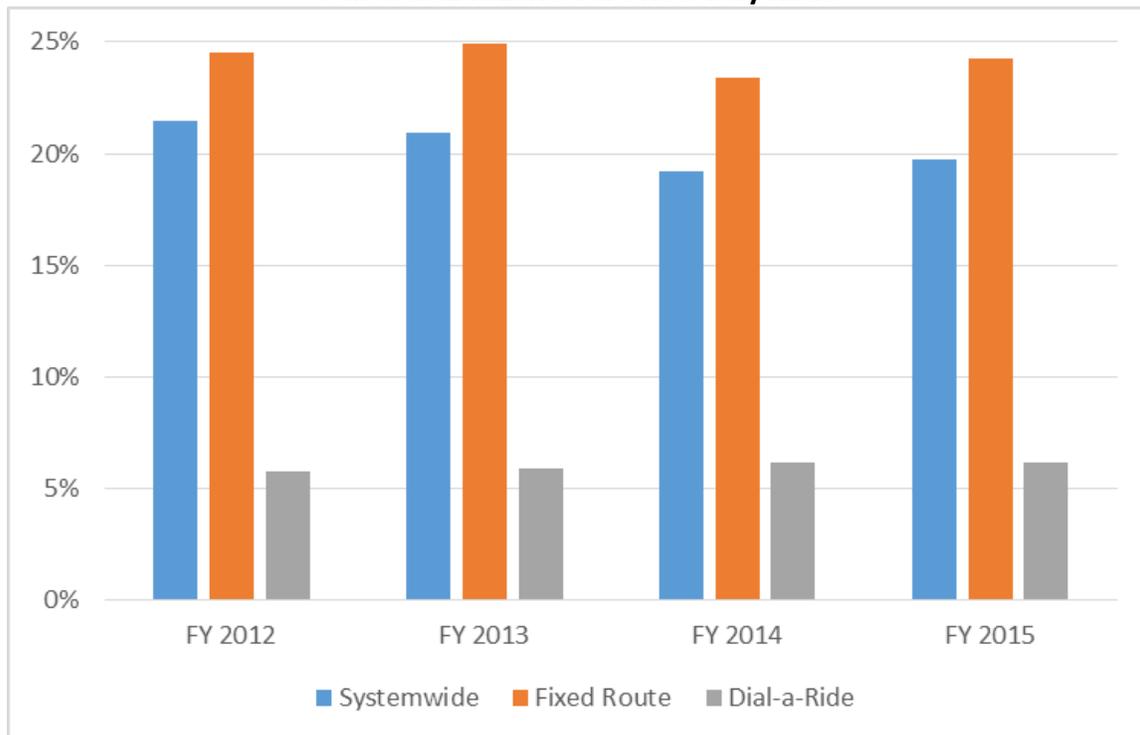
Note: Systemwide operating costs are drawn from audited data, while data by mode are unaudited.

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Graph IV-5
Santa Cruz METRO Passengers per Vehicle Service Hour



Graph IV-6
Santa Cruz METRO Fare Recovery Ratio



Note: Systemwide operating costs are drawn from audited data, while data by mode are unaudited.

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Findings from Verification of TDA Performance Indicators

1. Santa Cruz METRO operating costs increased 21.4 percent systemwide over the period based on audited data from the FY 2012 base year through FY 2015. Systemwide operating costs reflect all costs and exclude depreciation costs. Using unaudited modal operating cost data drawn from the National Transit Database, operating costs increased by 6.6 percent for fixed route and by 3.6 percent for ParaCruz.² According to the annual financial audit, the trend in systemwide operating cost increases was due to increases in employees' wage rates, overtime costs, accrued leave payouts, the provision of other post-employment benefit (OPEB), medical insurance rates, and the CalPERS retirement rate. Community Bridges' Lift Line operating costs were relatively flat for the three-year period, increasing by 2.4 percent. Volunteer Center transportation costs increased by 10.5 percent for the audit period.
2. Ridership on Santa Cruz METRO increased by 5.3 percent systemwide during the audit period. Fixed-route ridership increased by the same percentage, while ParaCruz ridership increased by over 6 percent. Fixed-route ridership increased from 5.37 million to 5.65 million passengers between FY 2012 and FY 2015, while ParaCruz ridership increased from 92,325 to 98,200 riders over the same period. Lift Line ridership increased 14.3 percent during the audit period by about 10,500 passengers. Volunteer Center transportation ridership decreased significantly by close to 32 percent, primarily during FY 2015. The annual report prepared by the Volunteer Center indicated that a large number of trips could not be filled as compared to the previous year.
3. The provision of revenue hours and miles by Santa Cruz METRO increased systemwide during the audit period. Fixed-route revenue hours and miles increased 10.5 and 11.2 percent, respectively, while paratransit revenue hours and miles also increased by 6.4 and 6.2 percent, respectively. Vehicle hours and miles significantly increased for Lift Line for the audit period, increasing by 42.5 and 22.6 percent, respectively. The addition of new drivers funded by a grant starting in FY 2012–13 for Lift Line enabled more service to be provided. Volunteer Services vehicle miles declined by 9.1 percent.
4. Using audited costs, operating cost per passenger increased by 15.3 percent systemwide for Santa Cruz METRO. On a modal basis using NTD costs, cost per passenger held steady on both fixed route and ParaCruz. The trends for these indicators using audited costs reflect growth in operating cost at a pace greater than ridership gains. Operating cost per passenger for Lift Line decreased by 10.4 percent as ridership increased at a higher rate than operations cost.

² The sum of operating expenses by mode reported in the NTD do not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and not separated by mode.

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5. Audited operating cost per hour systemwide increased 10.7 percent for Santa Cruz METRO as operating cost grew at a quicker rate than vehicle hours during the audit period. On a modal basis using NTD costs, the performance trend shows a slight decrease for both fixed route and ParaCruz. As noted in this section, the NTD costs by mode do not show all operations costs compared to the systemwide audited figures. Lift Line operating cost per hour declined by 28.1 percent as the number of vehicle hours increased faster than costs.
6. Systemwide passengers per vehicle service hour was steady on Santa Cruz METRO, averaging between 20 and 22 passengers per hour. This indicator was also relatively stable for fixed route and paratransit, as the small percentage decrease for fixed route did not result in much change in the actual number of passengers served per vehicle hour. For fixed route, passengers per hour remained at between 25 and 26. For ParaCruz, passengers per hour remained at about 2. For Lift Line, with a much smaller rider base, this performance indicator showed a decline of almost 20 percent with the number of passengers per hour decreasing by about 1 passenger per hour during the audit period.
7. The fare recovery ratio remained relatively strong over the audit period for Santa Cruz METRO. The minimum TDA farebox ratio established by the SCCRTC is 15 percent. During the audit period, the systemwide farebox averaged 19.97 percent, which includes both fixed route and ParaCruz. Separately, fixed-route farebox averaged 24.22 percent for the three years, while ParaCruz averaged 6.08 percent. In the TDA claims, Santa Cruz METRO further separates its farebox recovery between urban and non-urbanized services. Both exceeded the 15 percent TDA minimum for the audit period.

As an older operator, Santa Cruz METRO was also subject to the ratio of fares plus local support to operating costs during the audit period. As shown in the annual TDA claims, Santa Cruz METRO has met this ratio of no less than 56.9 percent (ratio in FY 1978–79 for services to the general public). Local support includes local sales tax revenue for transit.³

³ New state legislation passed in October 2015 (SB 508) removed the fare ratio requirement of fares plus local support to operating costs for older operators.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within each of the Santa Cruz County transit operators. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at Santa Cruz METRO, Community Bridges, and the Volunteer Center’s offices in Santa Cruz:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are sub-functions that require review as well, such as Grants Administration that falls under General Administration.

Operations

The operations of Santa Cruz METRO are guided by its mission statement:

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

The majority of Santa Cruz METRO’s ridership is considered transit-dependent. Choice riders are attracted to the Amtrak Highway 17 Express route, which offers a viable alternative to commuters traveling to the Santa Clara Valley and other Bay Area destinations. Students attending UCSC comprise the largest rider group, with many routes designed to accommodate student schedules. On-campus parking at UCSC has been priced at prohibitively high levels that encourages alternative modes of travel, coupled with UCSC’s ingress-egress cap that limits the number of single-occupant vehicles accessing the campus.

Parking permits and employee bus passes are issued through the UCSC Transportation and Parking Services (TAPS). Santa Cruz METRO service for students is funded through the Student Transit Fee. By showing a valid UCSC Student ID Card, a student rider has access to unlimited rides on Santa Cruz METRO buses with no additional fare required, with the exception of the Amtrak Highway 17 Express. UCSC faculty and staff can purchase a subsidized Santa Cruz METRO bus pass (at a fraction of the regular cost) through the TAPS Sales Office. The payment to Santa Cruz METRO by UCSC is on a per ride basis, which is lower than the regular bus fare but allows

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an inflation adjustment. UCSC is also paying for new bus services on a per hour basis and enabling a cost credit back.

Santa Cruz METRO also successfully secured a comparable service contract arrangement with Cabrillo College, a local public community college located in Aptos. Cabrillo College students recently held an election and voted to impose a mandatory transportation fee of \$40 per student per semester. The fee provides each student with a bus pass valid seven days a week. Students simply show their Cabrillo College ID card with a current semester sticker to ride the bus.

Santa Cruz METRO vehicles are not equipped with surveillance cameras. Grants have been obtained to procure other security equipment for use on buses and surveillance equipment at facilities, including upgraded radios and an alert button on the bus that signals dispatch, as well as cameras, videos, and other devices for the transit centers. Santa Cruz METRO has invested in the security of facilities and its personnel through the hiring of a safety and training coordinator to actively work with police departments and emergency service agencies to coordinate the safety of riders and increase driver training in these areas. The safety officer provides security training tailored for the transit environment on the bus and at transit facilities. In the absence of on-board cameras, which are being reviewed for procurement, drivers receive training on how to handle security situations on the bus. Unarmed contracted employees are a presence at the transit facilities.

Schedule adherence and on-time performance for several bus routes have been challenging for a variety of reasons, including construction, narrow travel corridors, and congestion. Santa Cruz METRO's definition of "on-time" departures from timepoints is not early and no more than 5 minutes late. Its systemwide on-time goal is 72 percent of all departures, according to the Short Range Transit Plan (SRTP). As described in a previous section, Santa Cruz METRO staff requested the SRTP consultant to conduct on-time performance checks for several key routes. The consultant noted that the joint SCCRTC on-board transit survey in August 2012 determined that the systemwide weekday on-time performance was 70.4 percent. As part of the SRTP process, METRO staff identified five routes on which they wished to collect additional data on schedule reliability. In June 2013, schedule adherence at timepoints on Routes 66, 68, 69A/69W, 71, and 91X was surveyed in the morning and afternoon peaks. The data showed a large variance in on-time performance among the routes, ranging from 50 percent to 83 percent on time. While this check was conducted for five routes to collect additional data on schedule reliability, staff indicated the need to develop a more active method to determine schedule adherence rather than rely on more passive measures such as customer feedback and driver sheets. On-time checks conducted by transit supervisors including during ride-alongs for driver evaluations are limited because of time constraints.

In response to the on-time performance findings by the SRTP, Santa Cruz METRO undertook the Runtime Recalibration Project in FY 2014–15 to remedy the deficiency. The SCCRTC awarded Santa Cruz METRO \$30,000 for the design and implementation of the Runtime Recalibration Project, which included Santa Cruz METRO staff conducting two point-check survey campaigns in

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February and April 2015 to collect data for Routes 71, 69A, 69W, and 91X, popular routes with schedule adherence issues. Santa Cruz METRO staff partnered with UTU Local 23 to incorporate the findings from the point-check survey data to make significant adjustments to the weekday schedules of the main line routes. This collective effort spanned several months and directly led to the deployment of new schedules to improve on-time performance for these routes starting July 2, 2015.

On-time performance for ParaCruz was consistently in the 90 percent range or better for the audit period. The goal is 92 percent. According to ParaCruz operations status reports, on-time performance for the vehicle arriving within the ready window averaged 95.75 percent in FY 2013, 95.26 percent in FY 2014, and 90.73 percent in FY 2015. Other performance factors for ParaCruz such as the percentage of “no shows” by passengers remained at or slightly above the goal of less than 3 percent of trips requested. Also, there were no denied rides.

Chargeable occurrences, or preventable accidents/incidents, for fixed route remained steady for the three years. The number of chargeable occurrences was 34 in FY 2013, 37 in FY 2014, and 36 in FY 2015. For ParaCruz, the number of chargeable occurrences decreased over the three years, declining from 14 in FY 2013 to 10 in FY 2014 and 9 in FY 2015.

Dispatching and bus scheduling is conducted using the Hastus software system for fixed route and using Trapeze for ParaCruz. Staff are cross-trained in both systems to enable flexibility in staffing and ample shift coverage. ParaCruz reservations can be booked directly into the Trapeze system. Paratransit vans have mobility safety devices to improve ergonomics and safety for both the passenger and the driver.

Customer complaints, compliments, inquiries, and suggestions are managed by Santa Cruz METRO through RSTickets Pro software, which creates a customer service ticket summary report. For FY 2013, a total of 294 entries were made for fixed route including 161 complaints and 31 compliments. In FY 2014, fixed-route entries totaled 340 including 211 complaints and 34 compliments, while for FY 2015, there were 161 total ticket entries including 109 complaints and 19 compliments. Complaints varied and are operational in nature such as wireless Internet issues, driver rudeness, and unsafe driving. The Customer Service Supervisor handles most entries and receives support from other staff if the issue can not be readily addressed.

Community Bridges

The number of specialized transportation programs offered by Community Bridges’ Lift Line remained the same during the audit period. TDA funds are used for the out-of-county transportation program, taxi scrip, transportation to Meals on Wheels senior dining centers, TDA medical appointments, veterans medical transportation, the homeless shelter program, and Elderday Adult Day health center transportation, which is the largest program. Passengers from these different programs may share vehicles; however, Lift Line works to efficiently dedicate trips for each program. Lift Line is also a participant in the City of Santa Cruz emergency resource program list of organizations that can assist during an emergency. As the CTSA for

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Santa Cruz County, Community Bridges coordinates transportation with social service agencies and participates through the SCCRTC Elderly and Disabled Transportation Advisory Group to identify and discuss program issues and needs in addition to providing justification for the TDA claim.

Due to reductions in grant funding, several programs were adjusted during the audit period. The out-of-county transportation program was reduced to serve select areas on weekdays, as the number of drivers was reduced from two to one. From the hours of 8:15 a.m. to 4:00 p.m., on Mondays, Wednesdays, and Fridays, service is provided to neighboring areas to the south such as Monterey, Salinas, and San Benito. On Tuesdays and Thursdays, service is provided to northern locations including San Jose, Santa Clara, and San Francisco.

TDA medical trips can be scheduled two weeks ahead but no later than 24 hours in advance. Trips are scheduled primarily between 10:30 a.m. and 1:30 p.m. and later in the afternoon until 4:00 p.m. FTA 5310 grant provisions consolidated several Lift Line services such as same-day medical trips with TDA medical appointments, and veteran transportation services combined with both out-of-county service and TDA medical trips.

In addition to receiving TDA and donations, Community Bridges has separate contracts with the local jurisdictions that support the transportation services. Contracts are in place with the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville, and the County for services such as transportation for senior and low-income residents to medical appointments and dining centers within their respective jurisdictions.

Lift Line operates door-to-door services with a 30-minute pickup time window and did not report on-time performance information, although the trip must be made to receive reimbursement. Sample driver manifests indicate actual pickup and drop-off times.

A no-show policy was developed and adopted to reduce inefficiencies caused by passengers' failures to meet their assigned trip. The policy defines no shows and identifies ways passengers can avoid this issue. A suspension penalty could occur for a pattern of this behavior.

The CTSA utilizes Trapeze Pass, a computer transportation management system that includes reservations, scheduling, and real-time dispatching to track daily/monthly/annually clients' rides to medical destination, shelters, social service agencies, and dining sites. Full capacity usage of the Trapeze system has yet to be tapped by staff due to staffing resource and time constraints. Mentor Mobile Data Terminals are on-board the vehicles to communicate with dispatch.

Complaints collected by Community Bridges were consistent for the last several years, ranging between 11 and 13 per year. The number of accidents reported in the TDA quarterly report show 5 in FY 2013, 1 in FY 2014, and 5 in FY 2015. The number of incidents which could be any reported activity by Lift Line during operations ranged from 20 to 34 during the audit period.

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Volunteer Center

New clients fill out a registration form and are contacted by the dispatcher to confirm their eligibility through age (55+) or disability. Trips are limited to essential trips such as for medical reasons and could include multiple stops during the trip. Each rider is limited to two trips per week. The primary ridership is seniors who are ambulatory; drivers and their passengers generally stay together and form a bond. Reservations are made between two days and one week in advance. The Volunteer Center will send a letter to riders who fall into a habit of not following general ride guidelines, including canceling their trips or not showing. Drivers will also conduct welfare checks on their passengers.

Because of the difficulty in scheduling rides, shared rides among passengers are not typical. Volunteer Center staff plan to revisit goals for unduplicated riders based on trends in ridership patterns and frequency. Ride scheduling is conducted manually by Volunteer Center dispatchers, although they would like to move a computerized system. Drivers make calls to dispatchers in Santa Cruz as issues arise. Donations are accepted to help support the program.

The Volunteer Center tracks mileage driven through the monthly reports submitted by drivers, whether for mileage reimbursement or not. Typical trips are between 25 and 29 miles round trip. The Volunteer Center does not track the time spent by drivers to transport their clients. There is a value to the time spent by the volunteer to provide the trip, and with the trips being provided free of charge to the rider, it is difficult to quantify the overall value of each trip. Staff supplied an anecdotal value of \$21 per hour, which is shown in the TDA claim, and an average total trip time of 3 hours. It is suggested that drive time be tracked and quantified using a performance measure such as average trip time and operating cost per hour that place values on the program and the drivers' and passengers' time in providing and using the service relative to the revenues generated and received.

Personnel

Santa Cruz METRO

New labor agreements were in place during the audit period. A Memorandum of Understanding between Santa Cruz METRO and Service Employees International Union (SEIU) Local 521 was effective from July 1, 2012, through June 30, 2015. This union represents Santa Cruz METRO employees including the Professional Supervisors Association (PSA), Salaried Employees Association (SEA), and Vehicle Maintenance Unit (VMU). Two separate labor agreements between Santa Cruz METRO and United Transportation Union (UTU) Local 23 representing employees for the coach operators and for the ParaCruz operation, respectively, were also effective from July 1, 2012, through June 30, 2015.

A factor driving the cost of operations is total compensation costs as part of the labor agreements. According to the annual financial audit, the trend in systemwide operating cost increases was due to increases in employees' wage rates, overtime costs, accrued leave payouts,

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the provision of other post-employment benefit, medical insurance rates, and the CalPERS retirement rate. This included longevity adjustments to the base salary dependent on length of continuous service between 10 and 15 years for each of the agreements. Base wage rates were increased by 2 percent per year until the union agreed to defer this increase until 2020 to help the agency address the structural deficit and maintain its union workforce. A new wage scale for ParaCruz consolidates the pay rates for represented classes. Upon commencement of the labor agreement, employees were placed on the new wage scale but were not disadvantaged by a reduction in base wage rate after the wage consolidation. Santa Cruz METRO pays medical premiums depending on bargaining union contract requirements. Union leadership fosters a cooperative relationship between Santa Cruz METRO and the unions as evidenced by the union agreement to defer the cost of living adjustment, which has maintained the number of drivers.

Santa Cruz METRO experienced a shortage of operations supervisors due to retirement, although a transition is in place to promote younger staff into these roles. The shortage had some impact on the agency's ability to conduct regular on-board evaluations and other supervisory duties. The hiring of a safety and training coordinator has improved the training status of the operators. Further, the operations division moved into a new facility in March 2016 (after the audit period) after years of revenue planning, facility design, and construction. The new facility is a modern structure and environment for operations personnel previously housed in temporary buildings until the facility was completed.

The new employee interview process involves management personnel, supervisors, and union representatives. Santa Cruz METRO uses a validated testing system to screen prospective candidates. The agency uses Ergometrics, a behavioral-based approach that encompasses video simulation tests designed to assess applicant abilities in important, hard to test areas, such as situational judgment, human relations, teamwork, listening and communications skills, dealing with difficult and stressful situations, multitasking, problem solving, and safety orientation. Testing also encompasses knowledge of the rules of the road.

Operators undergo 8 hours of recurring Verification of Transit Training (VTT) annually. Employees also undergo sexual harassment and violence in the workplace training every three years as required by Santa Cruz METRO's Sexual and Gender Discrimination, Harassment and Retaliation Prevention Policy.

Community Bridges

Lift Line employs a total of 20 personnel including 14 full-time and 6 part-time/on-call positions. New full-time drivers must have Class B licenses already and go through the requisite orientation and training including drive-alongs, safety training, and general proficiency with the routes. On-call drivers do not need to have a Class B license upon joining but work toward getting the license. Community Bridges staff indicated that drivers must undergo their own DMV-certified training, as there is no longer an in-house trainer because of a funding shortfall. Support staff workloads and delays in drivers earning their Class B license show the continued need for an in-house driver/trainer/supervisor to improve operations. Driver meetings are held

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once a month to review safety and operational procedures and include the use of a driver simulator supplied by the insurance carrier.

Through a FTA 5317 grant, Lift Line hired three new full-time drivers in FY 2013 as well as a new scheduler. Van drivers are represented by United Transportation Union Local 23 based in Santa Cruz. About half the drivers have been with Lift Line for at least 5 years, with little turnover.

Drivers are located in the Watsonville facility, while Lift Line administration including the operations manager is primarily located in Aptos. The operations manager increased the amount of time spent in Watsonville to build a better team concept and has an office at both locations. Quarterly meetings are held for different purposes, including one for all staff, another for safety training, and another for drivers to discuss other issues. Consideration is being given to consolidate the Lift Line facilities into one to improve overall operations. Consolidation is contingent in part on the success of the local transportation sales tax ballot measure before voters in November 2016 to provide the necessary resources.

Volunteer Center

There were between 59 and 71 volunteer drivers through the audit period serving close to 200 unduplicated clients. The number of volunteer drivers declined through FY 2015, primarily from Watsonville, which resulted in fewer rides provided in the southern part of the county. Volunteer Center staff indicated that driver turnover has been at a rate of about 10 percent annually. Drivers have the option of requesting reimbursement on a mileage basis at \$0.31 per mile. Newer drivers have requested the reimbursement. Drivers are required to complete a volunteer registration form, vehicle insurance form, and the authorization to do a background check. Volunteer Center staff also conduct screenings and interviews. Driver background checks are conducted and incur a nominal cost to the agency. The Volunteer Center provides excess general liability and medical insurance above the driver's own insurance coverage.

Maintenance

Santa Cruz METRO's maintenance facility was completed in 2009 and features 11 bays, five in-ground lifts, two aboveground lifts, two pits, one four-post lift, and one aboveground lift located in the pressure wash bay.

There are 19 mechanics (22 budgeted), including three maintenance supervisors, assigned over three weekday and two weekend shifts. New mechanics undergo a three-month training process. About half of the mechanics were hired in the past five to seven years; they work in three shifts on weekdays and one to two on weekends. Mechanics obtain ASC certification for specific technical tasks. The maintenance manager is reviewing the maintenance staff schedules to improve efficiency. Based on staffing ratios for the bus fleet mix with a 20 percent spare ratio, the required number of mechanics is 25.

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Midlife bus engine overhauls for the express route buses were conducted toward the end of 2014; the overhauls extend the life of the vehicles several years beyond the typical 12-year cycle. Warranties on new vehicle procurements have been negotiated, which resulted in a five-year warranty on engines and a two-year warranty on transmissions. Santa Cruz METRO is generally able to receive parts the next day. Every part issued is entered onto a work order for both fleet and facility maintenance.

A Fleet Maintenance Resource Work Plan was developed in December 2015 that revamped the policies and procedures guiding preventive maintenance inspections (PMIs) and other servicing work. All vehicle maintenance for both fixed-route and ParaCruz services are conducted in-house as a cost-saving measure, with only certain major overflow issues and body work contracted out. PMIs are performed per manufacturer’s requirements including in 6,000-mile increments and within a 10 percent mileage window. Pre- and post-vehicle inspection reports were revised and include placing a sticker on the bus wheel indicating maintenance attention. Quality control/quality assurance requirements are documented in the work plan, as are 10 key performance indicators to measure maintenance quality and compliance. These indicators are included in the monthly fleet service summary worksheet.

Road service calls totaled 273 in FY 2013, 323 in FY 2014, and 396 in FY 2015. Among the calls, vehicle failures comprised 121 in FY 2013, 157 in FY 2014, and 226 in FY 2015. These increasing figures were the reason behind the need for new maintenance policies captured in the resource work plan. In addition, Santa Cruz METRO is overdue to replace much of its fixed-route bus fleet because the average age of the fixed-route bus fleet is 12 years, whereas the target average age is 6.5 years.

Community Bridges

A Microsoft Access database is used to manage the maintenance of vehicles based on mileage and days. As a gauge of maintenance, the number of mechanical failures (including lift failure) reported by Community Bridges in the TDA quarterly report ranged between 7 and 13 annually during the audit period, with the higher number of failures occurring at the beginning of the period.

Planning

Santa Cruz METRO planning staff combine ridership data, on-board survey data, and countywide demographic data to analyze the productivity of transit corridors in the county and design service accordingly. Additionally, Santa Cruz METRO partners with SCCRTC, the Association of Monterey Bay Area Governments (AMBAG), UC Santa Cruz Transportation and Parking Services, and the Santa Clara Valley Transportation Authority (VTA), as well as other county and local municipalities in overall transportation improvement planning. The mixture of rural and urban areas, along with geography, topographical landscape, and the diverse needs of the community, provide challenges that Santa Cruz METRO faces when planning transit service.

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Santa Cruz METRO’s “Headways” bus rider’s guide is revised several times a year to reflect the route changes, which are described in the front section of the guide. The 2013 SRTP had an objective to create policies directed at identifying service metrics that guide the decision-making for identifying productive service. This would include specifying service performance targets, designing appropriate bus stop spacing, and maintaining a fiscally sustainable service. A stop-by-stop level of data gathering has been a challenge for Santa Cruz METRO staff to conduct more in-depth planning, although the agency’s adopted budget included a half-time surveyor position, but the position had not been filled for some time. The busy Soquel corridor has been a focus of planning, but significant service adjustments are difficult without in-depth data.

A new planning and development manager was hired to support efforts in the planning and restructuring of service. The agency has limited planning staff and only limited funding for hiring outside contractors to collect data upon which to base planning and scheduling decisions. Santa Cruz METRO’s vehicles also lack key devices to automate collection of on-time performance and ridership data. These devices include automatic vehicle locations and automatic passenger counters. The Runtime Recalibration Project described earlier was an in-depth effort to remedy specific routes with significant on-time issues and to help with service restructuring to occur following the audit period. A comprehensive operations analysis was also conducted after the audit period to lay the foundation for overall service restructuring.

At the beginning of the audit period, Santa Cruz METRO and the SCCRTC received a Rural or Small Urban Transit Planning Studies Grant from Caltrans to conduct an on-board transit ridership study. The three main goals of this project were to (1) collect current ridership data for input into the AMBAG regional travel demand model to more accurately reflect current transit use as well as forecast future transit ridership; (2) assess the limited English proficiency (LEP) population in order to comply with Title VI requirements; and (3) collect transit service and performance data to assist in future service planning. This effort was conducted on the heels of the Watsonville Transit Study in February 2012 to assess the efficiency of transit services provided in Watsonville. The study was used to assess the general equity of services provided between the northern and southern parts of the county including addressing LEP and transit equipment distribution. The consultant’s recommendations were segregated into distinct program segments including Administrative, Capital, and Operational aimed at improving service delivery and sustainability, and focused on increasing ridership.

Transit Performance Monitoring

Each of the transit systems provides performance measures to the SCCRTC on a quarterly and annual basis. The list of performance metrics differs slightly among the transit systems (Community Bridges, Volunteer Center, and Santa Cruz METRO) to reflect their system size and service modes. As several commissioners also serve on Santa Cruz METRO’s board, the performance of Santa Cruz METRO is shared as needed with the SCCRTC. Documentation supplied by the transit systems shows their commitment to provide the information to the SCCRTC as a condition of their receipt of TDA funds. The performance metrics for Santa Cruz METRO are listed in the TDA claims form and include those listed in Table V-1.

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Triennial Performance Audit of Santa Cruz County Transit Operators – FYs 2013–2015

Table V-1
Santa Cruz METRO Performance Measures

1. Annual passengers	16. Vehicle service hours/employee*
2. Rides/passenger trips provided by type (student, senior, adult, pass holders, etc., or however statistics are kept) and amount of TDA funds used for each type of ride	17. Number of routes
3. Annual service hours	18. Average route length
4. Passengers per vehicle service hour*	19. Average travel times/rider
5. Annual service miles	20. Number of bus stops
6. Number of fixed-route miles	21. Number of vehicles in operation
7. Service area – square miles	22. Number of monthly bus passes in circulation
8. Service area population	23. Maximum vehicles in service at any time
9. Passengers per vehicle service mile*	24. Hours of service
10. Average passengers per weekday	25. Approximate number of unduplicated passengers
11. Total operating costs in budget	26. Cost per unit of service plus text about long-range plans to make/keep this low
12. Operating cost per vehicle service hour*	27. Funds and percentage spent on administration/overhead/grantee allocation/etc.
13. Total operating cost per passenger*	28. Actual financials compared with budget
14. Average farebox revenue per passenger (describe what is included)	29. Actual number of rides provided compared with goal and text about whether goal was met and why/why not
15. Number of FTE employees (all employees, not just drivers)	

* Denotes TDA indicator

The performance indicators submitted by Community Bridges are shown in Table V-2.

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Table V-2
Community Bridges Performance Measures

1. Unduplicated passengers per month	10. Total operating cost per passenger *
2. Total passenger trips (units of service) per month	11. Total operating cost per vehicle service hour *
3. Incidents per month	12. Total passengers per vehicle service hour *
4. Accidents per month	13. Total passengers per vehicle service mile *
5. Mechanical failures (including lift failure) per month	14. Fare box recovery level *
6. No-shows per month	15. Van mileage per program
7. Turndowns or referrals per month	16. Percentage of rides performed by subcontractors
8. Cancellations per month	17. Percentage of shared trips/ average vehicle occupancy
9. Donations per month	18. Percentage of cancellations of total rides

* Denotes TDA indicator

The performance indicators submitted by the Volunteer Center are shown in Table V-3.

Table V-3
Volunteer Center Performance Measures

1. Number of rides provided	7. Number of unduplicated passengers
2. Trip destinations	8. Number of requests for service
3. Mileage claimed	9. Number of turndowns
4. Estimated mileage donated	10. Reason for turndowns
5. Estimated total mileage	11. Number of active volunteers
6. Average length of trip	12. Geographic distribution of clients

Community Bridges expressed interest in assessing additional performance metrics that could measure CTSA services. The prior performance audit included recommendations on measures above the current indicators which Community Bridges is evaluating for implementation.

Marketing

Marketing and communications are conducted by customer service staff in the operations division. Several customer service staff have elected to retire through the early retirement program offered by Santa Cruz METRO, leaving a smaller customer service group. A significant organizational change to customer service was the merging of staff for fixed route and ParaCruz

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for efficiency. The integration of both customer service groups took a few years to solidify, as the customer duties of both modes are now conducted by the same staff.

Placing staff and fulfilling customer service needs at the Watsonville facility will be a challenge, while the Santa Cruz facility handles all other customer service requests. Santa Cruz METRO will be placing a customer service booth at the Watsonville facility that will be staffed on weekdays from 7:00 a.m. to 6:30 p.m. The Watsonville facility currently contains a local grocer that occupies space and promotes a sense of customer well-being. Santa Cruz METRO is working with the union to emphasize outreach as an integral part of operations, including more face-to-face interaction with the public. An accessibility coordinator who provides travel training is located at the downtown transit center and is a central figure for this interaction. Bilingual outreach and interpretation is provided in-house in English and Spanish, with Santa Cruz METRO staff attending community events such as the county fair and interactive activities.

Santa Cruz METRO has an online store where customers can purchase bus passes online using a credit card. Social media such as Facebook and Twitter are available venues for communicating with passengers but have had limited success. Text messaging is a larger communications venue where riders subscribe to Stay Connected text messaging with the schedule on demand at any location of interest; riders receive real-time subscriber alerts whenever schedules are impacted on the routes they ride. Rider alerts on service changes or current issues are also placed on the Santa Cruz METRO website in a news bulletin feature.

Several Santa Cruz METRO departments, including IT, planning, and operations, collaborated on a pilot project called Schedule by Stop to provide the day's bus schedule for each stop using Google Transit data collected for trip planning. The page displays the approximate time of all routes serving that location all day long, as well as optional trip detail showing all stops that each bus makes along the route.

Customer service is the front line for handling of complaints and following the procedures described on the Santa Cruz METRO website. The customer service coordinator investigates complaints that are logged with red flags. Other department staff are involved to further investigate and resolve the complaint prior to closing the file. Valid complaints are kept in the employee's file for one year, which is acceptable to the union.

Prior to the development of the SRTP, there was no marketing plan for Santa Cruz METRO. Consequently, there has not been a dedicated marketing manager on staff to coordinate and manage a robust marketing program and integrate customer service with marketing activities. The SRTP noted that stakeholders indicated very limited proactive marketing by Santa Cruz METRO, including no specialized efforts targeted to UCSC students and Cabrillo College staff. The recent bus pass program secured with Cabrillo College and UCSC's contribution to new services add momentum for proactive marketing and better service to the student population. Marketing strategies proposed by the SRTP include electronic informational tools, printed materials, branding of the system, fare media, bus stops–signage and facilities, and coordinated

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marketing. In November 2013, bus stop improvements were completed including additional shelters, seating, and solar lighting.

Community Bridges develops a brochure for its services and tailored flyers for specific services such as for the veterans shuttle. The brochure developed in 2013 was updated in 2015 to include Spanish in addition to English and more detailed information about Lift Line services and eligibility. A sponsorship ad was also placed in the local Santa Cruz Sentinel newspaper that highlighted the program's offerings and described the benefits of being a sponsor or donor. The Volunteer Center also produces a community brochure for distribution. The Community Bridges website includes information about Lift Line on its main program site as well as a dedicated site for Lift Line services and detailed information. Advertising space on the back of the vehicles is also available for businesses that see value in Lift Line's visibility around the community.

General Administration and Management

The Santa Cruz Metropolitan Transit District is governed by an 11-member Board, plus one ex officio member from UCSC. A number of members on the Board also serve as commissioners on the Santa Cruz County Regional Transportation Commission. A few board members also serve on the AMBAG board.

The METRO Advisory Committee (MAC) advises Santa Cruz METRO's Board of Directors on matters of policy and operations referred to by the Board or the CEO/General Manager. The MAC may also address issues regarding the quality and quantity of transportation services provided by Santa Cruz METRO. Membership comprises anyone from Santa Cruz County who applies and is appointed by a Santa Cruz METRO board member.

Administrative departments are located at the Administration Facility at 110 Vernon Street. One of the most significant administrative actions during the audit period was the retirement of the long-time general manager at the end of 2014, and the hire of a new CEO/General Manager. The new CEO/General Manager was tasked with addressing the agency's structural deficit that had relied on reserve funds, redirected capital funds, and federal earmarks for many years. Major contributing factors to the structural deficit included too many consecutive years in which Santa Cruz METRO experienced an increase in the recurring costs of personnel, goods, and services without the same growth in recurring revenues, and uncontrollable outside forces contributing to the structural deficit, such as a sluggish economic recovery.

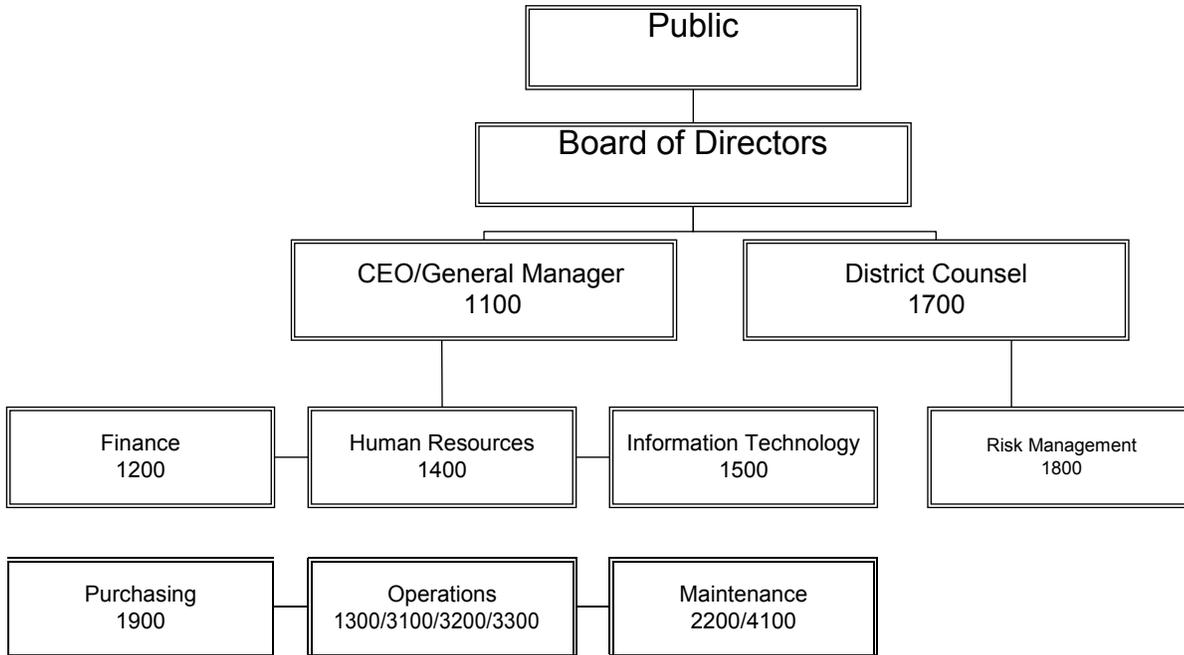
Many of the activities that Santa Cruz METRO has undertaken to mitigate the structural deficit occurred shortly after the audit period, but included actions that increase revenue or reduce costs. The CEO/General Manager's approach to undertaking this large task involved an inclusive style of education and information among board members and the public during the process. Organizational changes were made beginning in FY 2014–15 to support the effort in resolving the deficit, including improving lines of communications and reducing the silo effect of departments. New key positions were added including a planning and development manager and a dedicated safety specialist to augment existing safety trainers, new job titles were introduced to align with more advanced current responsibilities, and purchasing practices were

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enhanced. A classification study to review staff titles and job roles in relation to the industry is planned.

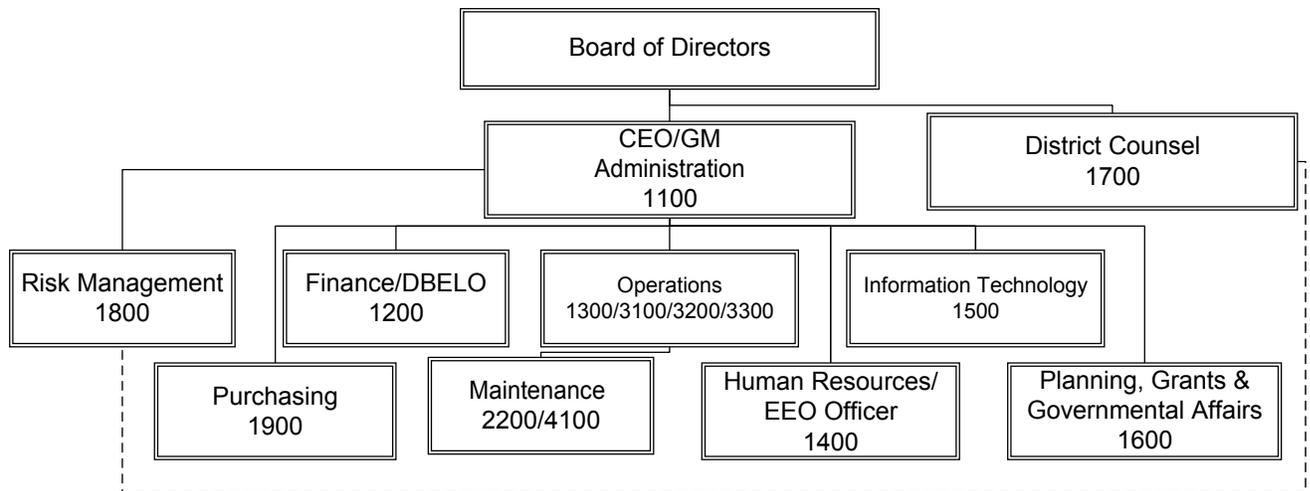
The organization charts of the agency before and after the change are shown below.

Figure V-1
Santa Cruz METRO Organization Chart
During Audit Period



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Figure V-2
Santa Cruz METRO Organization Chart
After Audit Period



With emphasis on open communication, departments participate in board meetings and present their own topics and reports as a means to build rapport with board members and among each other. A leadership meeting occurs weekly and empowers staff to participate in decision-making for the agency. The CEO/General Manager has introduced a management style founded on data analysis and development of key performance indicators (KPIs) for every department. The value of KPIs relies on collection and analysis of multitude of data, but there has been a lack of staff analysts and data warehousing space at Santa Cruz METRO. However, some departments have already developed and reported some KPI figures in monthly reports such as maintenance through its Fleet Maintenance Resource Work Plan. Formalizing a KPI program based on benchmarks gathered from peer agencies and having the resources and infrastructure in place to support this are being planned. An agency strategic plan to integrate vision and goals with new business practices in light of the current funding environment is also planned for the near future.

Telephone interviews with board members provided overall high ratings for staff and activities undertaken during the audit period. Highlights from the interviews include:

- The new CEO/General Manager has been candid in providing an assessment of the agency's financial status. The reasons that caused the deficit were articulated and a clear direction in how Santa Cruz METRO is addressing the structural deficit is provided through a systematic process over time.
- Santa Cruz METRO has a new business-like approach to administering and operating the service, which is a fresh perspective toward aligning revenues and costs.

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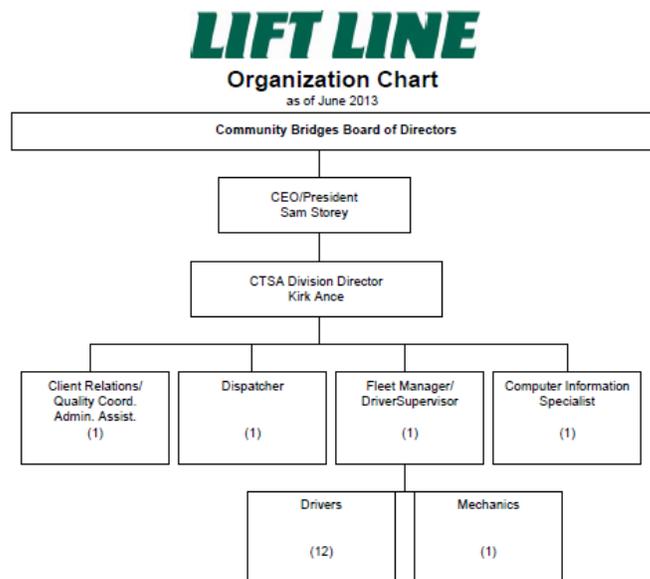
- A focus on redesigning the transit system was needed to maintain financial stabilization. Staff was able to reduce the percentage of service cuts from 30 percent to 10 percent and benefited from having a comprehensive operations analysis.
- Consistent on-time performance issues persist because of traffic along primary corridors, and there is recognition that real-time data is needed to make service adjustments.

Community Bridges

Lift Line undertook a change to its organization during the audit period. The Lift Line director was serving many roles including as overall director and manager of daily operations. This placed constraints on Lift Line’s ability to conduct important activities such as ongoing grant writing and application for funds. A new management layer was developed to support the director that included the hiring and promotion of an operations manager who oversees daily operations and management of drivers. Operations and maintenance were separated to allow each manager to focus on their primary duties.

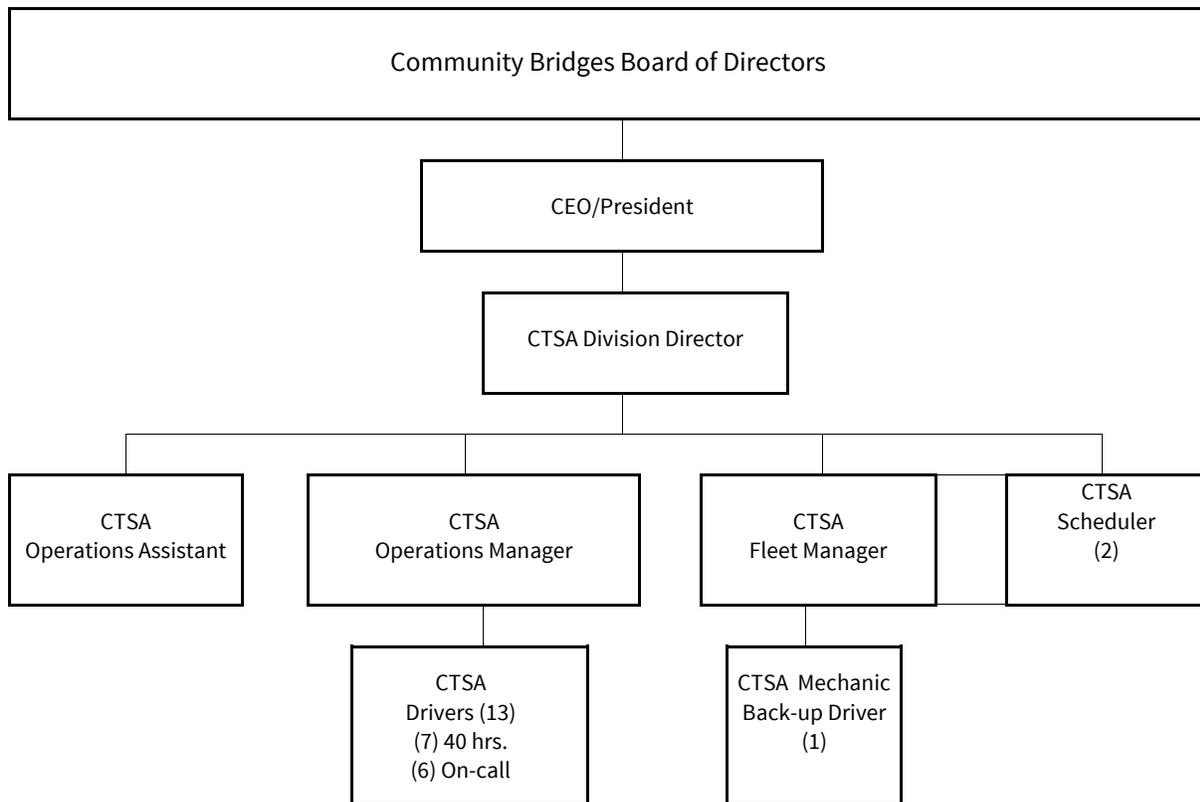
The organization charts of Lift Line before and after the change are shown below.

Figure V-3
Community Bridges Lift Line Organization Chart
Prior to New Management Structure



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**Figure V-4
Community Bridges Lift Line Organization Chart
After New Management Structure**



Because Lift Line is one program within Community Bridges, the transportation program is allocated joint administrative costs including administrative and fiscal personnel and other agency-wide operating expenses. A documented cost allocation policy is regularly updated and specifies the method used for allocation of indirect costs, which is required for grant funding. Community Bridges uses a fixed percentage indirect cost rate that is universally applied to all of its programs. The joint cost rate is determined by taking the pooled joint administrative costs as a percentage of total program direct operating costs. Direct operating costs are total program costs less capital expenditures for major equipment, leasehold improvements, in-kind expenses, and amounts passed through to other agencies. Budgeted data shows that agency overhead expenses ranged from 10 to 13 percent of total Lift Line expenditures. Since the joint cost rate is based on expenses incurred, each Lift Line transportation program is assessed proportional to the expenses incurred for that particular program.

Volunteer Center

Goals for the program are reviewed each year and compared to actual data in the reports submitted to the City of Santa Cruz and the SCCRTC as conditions of receiving TDA. The goals for

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unduplicated clients and total rides were met. For the three-year audit period, the actual figures compared to goals were as shown in Table V-5.

Table V-5
Volunteer Center Transportation Program Goals

	Unduplicated Clients	Goal	Total Rides	Goal
FY 2013	187	185	4,771	4,600
FY 2014	189	185	4,786	4,600
FY 2015	182	185	3,212	4,600

Source: Volunteer Center Final Annual Report

The number of volunteer drivers in Watsonville declined by more than half during the audit period. As a result, the number of unfilled ride requests increased significantly and the number of rides referred to other agencies also grew.

Grants Management

Santa Cruz METRO historically relies on a variety of grants and other funding mechanisms, including local sales tax revenues, to support its transit system. The former general manager closely monitored and actively participated in legislation at the state and federal levels that influenced the transit system and transportation in the county. The Board has been supportive of a congressional delegation to the state and federal governments, which resulted in congressional earmarks of funds for projects. However, changes in local congressional representation have virtually eliminated earmarks since 2012 and altered the approach to capital project planning. In addition, changes in funding award criteria by state and federal funding agencies have consolidated grants and made them more discretionary, resulting in additional challenges to meet all criteria for grant securement and grants being highly competitive.

Due to ongoing funding problems as a result of the recession, Santa Cruz METRO has had to redirect amounts of capital funding that have flexibility for use in operations. These sources include the FTA Small Transit Intensive Cities and the State Transit Assistance fund (part of TDA). Recognizing that the redirect of these capital funds adversely impacts the agency's ability to provide matching funds and maintain a state of good repair of its bus and facility investments, Santa Cruz METRO adopted a reserve fund policy in FY 2014–15 to gradually restore these redirected funds. The agency indicates a need to replace 70 buses at an estimated cost of \$38 million. The need to replace a large number of buses is due to the procurement of multiple vehicles at once with funding sources that no longer exist, including federal earmarks. In contrast to today, Santa Cruz METRO is able to use grant funds to purchase far fewer vehicles per grant application.

Santa Cruz METRO relies on both formula and discretionary grant revenue to support its operating and capital budgets. The agency relies on grant funding from other agencies for about

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33 percent of its operating revenue and about 96 percent of its capital budget. Capital funding sources include the FTA State of Good Repair, State Proposition 1B (PTMISEA and TSSSDRA), State Transit Assistance, State-Local Partnership Program, State Transportation Improvement Program, Monterey Bay Unified Air Pollution Control District AB 2766 Motor Vehicle Emissions Reduction Program, and cash reserves. As was the case for many years, capital funding including from Proposition 1B PTMISEA and FTA Section 5309 earmarks were used toward the Santa Cruz MetroBase facility project.

A grant kickoff occurs to determine the staff assigned responsibility for the grant and development of the scope of work. Monthly meetings among grants staff and project managers provide updates as well as status reports relative to active grants and submitted grant proposals to the Board for informational purposes. A list of Santa Cruz METRO's active grants and a list of grant proposals for new funds are provided monthly in order to apprise the Board of the status of grants funding. At the end of the audit period (June 2015), Santa Cruz METRO had active grant awards totaling over \$45.2 million and developed new applications totaling over \$4.5 million for operating and capital projects. The oldest open federal grants date to 2006 and 2008 totaling about \$115,000, which are tied to Pacific Station Design Engineering. The FTA monitors progress on the Santa Cruz Metro Center Design Engineering since the first grant (2006) has aged more than five years without implementation and cannot change. Santa Cruz METRO anticipates closing the grant out by the end of 2017.

According to the financial statements, in FY 2013, Santa Cruz METRO spent over \$4.7 million on new and ongoing capital projects, \$11.5 million in FY 2014, and \$9.5 million in FY 2015. A list of capital projects implemented during the audit period includes the following:

- Construction of the Judy K. Souza Operations facility that began in spring 2013 and was completed in January 2016.
- Purchase and installation of a second liquefied/compressed natural gas storage tank at Santa Cruz METRO's CNG fueling station.
- Purchase and installation of a fleet-wide land mobile radio system upgrade to meet federal communications requirements, and a comprehensive video surveillance system for all operating facilities and transit centers.
- Bus stop improvements including additional shelters, seating, and solar lighting.
- On-board Wi-Fi service and equipment replacement for the SR 17 commuter buses.
- Installation of an automated ticket vending machine at the Cavallaro Transit Center in Scotts Valley and another to be installed in San Lorenzo Valley.
- Pressure washer/sidewalk cleaner.
- Purchase of six new 40-foot low-floor CNG fixed-route buses.
- Purchase of two new ParaCruz vans.
- Purchase and implementation of Mobile Data System for ParaCruz vehicles.

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- Replacement of three transit supervisor vehicles.

A federal triennial review was conducted for Santa Cruz METRO in December 2013. The review found 7 of 18 areas with deficiencies in meeting federal rules and regulations. The list included project management controls for construction projects, manufacturers' maintenance standards, procurement practices, and public participation. Santa Cruz METRO responded to these reported deficiencies and took corrective actions.

Community Bridges receives FTA Section 5310 Elderly and Disabled Specialized Transit Program funds for vehicle and capital equipment purchases and submits its semi-annual reports to Caltrans certifying use and condition of the equipment. Community Bridges also receives grant funding from contracts with various government entities including the Area Agency on Aging and each of the four cities and the County for services including Meals on Wheels, as well as outside contracts for specific programs like Elderday and ISSP.

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Section VI

Findings

The following summarizes the major findings obtained from this triennial audit covering fiscal years 2013 through 2015. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to the Santa Cruz County transit operators, the operators fully complied with all 10 applicable requirements. One additional compliance requirement did not apply to the operators (urbanized only farebox recovery ratio).
2. Santa Cruz METRO is subject to a 15 percent systemwide farebox standard pursuant to the rules and regulations of the SCCRTC and the Public Utilities Code. During the audit period, Santa Cruz METRO attained farebox ratios for both urban and rural services that exceeded the standard. Both ridership and fare revenues increased for the three-year period. As an older operator, Santa Cruz METRO was also subject to the ratio of fares plus local support to operating costs during the audit period. As shown in the annual TDA claims, Santa Cruz METRO has met this ratio of no less than 56.9 percent (ratio in FY 1978–79 for services to the general public). Local support includes local sales tax revenue for transit. Both Community Bridges and the Volunteer Center meet their respective TDA match requirements.
3. Santa Cruz METRO and Community Bridges' Lift Line participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made by the CHP for all inspections conducted during the audit period. For the Santa Cruz METRO inspection, some vehicles were placed out of service in FYs 2013 and 2014 until repairs were completed for areas such as exhaust system leaks and air bag rupture. No vehicles were placed out of service in the 2015 inspection. No violations were noted for the Community Bridges CHP inspections.
4. Of the prior seven performance audit recommendations, the Santa Cruz County operators implemented four recommendations, partially implemented one, and did not implement the remaining two. The partially implemented recommendation concerned the need for Santa Cruz METRO to continuously track on-time performance. On-time performance studies and field checks were conducted during the audit period, but a more consistent and permanent solution remains outstanding. Santa Cruz METRO has planned for technology investments to resolve the issue. Recommendations not implemented were for the Volunteer Center to track new performance indicators such as driver time spent per trip and to regularly review the mileage reimbursement rate in light of driver retention issues.

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5. Santa Cruz METRO operating costs increased 21.4 percent systemwide over the period based on audited data from the FY 2012 base year through FY 2015. Systemwide operating costs reflect all costs and exclude depreciation costs. According to the annual financial audit, the trend in systemwide operating cost increases was due to increases in employees' wage rates, overtime costs, accrued leave payouts, the provision of other post-employment benefit (OPEB), medical insurance rates, and the CalPERS retirement rate. Community Bridges' Lift Line operating costs were relatively flat for the three-year period, increasing by 2.4 percent. Volunteer Center transportation costs increased by 10.5 percent for the audit period.
6. Ridership on Santa Cruz METRO increased by 5.3 percent systemwide during the audit period. Fixed-route ridership increased from 5.37 million to 5.65 million passengers between FY 2012 and FY 2015, while ParaCruz ridership increased from 92,325 to 98,200 riders over the same period. Lift Line ridership increased 14.3 percent during the audit period by about 10,500 passengers. Volunteer Center transportation ridership decreased significantly by close to 32 percent, primarily during FY 2015. The annual report prepared by the Volunteer Center indicated that a large number of trips could not be filled as compared to the previous year.
7. From a combination of performance data trends, TDA performance indicators for Santa Cruz METRO showed increases in costs on a per unit basis, including per hour and per passenger. The trends for these indicators using audited costs reflect growth in operating cost at a pace greater than ridership gains and provision of service hours.
8. Santa Cruz METRO vehicles are not equipped with surveillance cameras, although grants have been obtained to procure other security equipment for use on buses and surveillance equipment at facilities. Santa Cruz METRO has invested in the security of facilities and its personnel through the hiring of a safety and training coordinator. In the absence of on-board cameras, which are being reviewed for procurement, drivers receive training on how to handle security situations on the bus.
9. Schedule adherence and on-time performance for several bus routes have been challenging for a variety of reasons, including construction, narrow travel corridors, and congestion. Several projects to conduct on-time performance checks were completed, including the Short Range Transit Plan and Runtime Recalibration Project to remedy the deficiency.
10. Santa Cruz METRO experienced a shortage of operations supervisors due to retirement, although a transition is in place to promote younger staff into these roles. The shortage had some impact on the agency's ability to conduct regular on-board evaluations and other supervisory duties. The safety and training coordinator has improved the training status of the operators. Further, in March 2016 the operations division moved into a new facility, which provides a modern structure and environment for operations personnel previously housed in temporary buildings until the facility was completed.

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11. Community Bridges' Lift Line staff indicated that drivers must undergo their own DMV-certified training, as there is no longer an in-house trainer because of a funding shortfall. Support staff workloads and delays in drivers earning their Class B license show the continued need for an in-house driver/trainer/supervisor to improve operations. The Lift Line operations manager increased the amount of time spent at the Watsonville office to build a better team concept among the drivers. For the Volunteer Center, the number of volunteer drivers declined through FY 2015, primarily from Watsonville, which resulted in fewer rides provided in the southern part of the county. Volunteer Center staff indicated that driver turnover has been at a rate of about 10 percent annually.
12. Text messaging is a larger communications venue for Santa Cruz METRO where riders subscribe to Stay Connected text messaging with the schedule on demand at any location of interest; riders receive real-time subscriber alerts whenever schedules are impacted on the routes they ride. Rider alerts on service changes or current issues are also placed on the Santa Cruz METRO website in a news bulletin feature. A pilot project called Schedule by Stop to provide the day's bus schedule for each stop is also being tested.
13. One of the most significant administrative actions during the audit period was the retirement of the long-time general manager at the end of 2014 and the hire of a new CEO/General Manager. The new CEO/General Manager was tasked with addressing the agency's structural deficit that had relied on reserve funds, redirected capital funds, and federal earmarks for many years. The CEO/General Manager's approach to undertaking this large task involved an inclusive style of education and information among board members and the public during the process.
14. With emphasis on open communication, departments participate in board meetings and present their own topics and reports as a means to build rapport with board members and among each other. A leadership meeting occurs weekly and empowers staff to participate in decision-making for the agency. The CEO/General Manager has introduced a management style founded on data analysis and development of key performance indicators (KPIs) for every department.
15. Telephone interviews with board members provided overall high ratings for staff and activities undertaken during the audit period. Comments expressed include that the new CEO/General Manager has been candid in providing an assessment of the agency's financial status; staff undertakes a new business-like approach to administering and operating the service that is a fresh perspective toward aligning revenues and costs; a focus on redesigning the transit system was needed to maintain financial stabilization; and recognition that real-time data is needed to make service adjustments.

Attachment A

Recommendations

1. ***Santa Cruz METRO should prioritize the addition of on-board cameras.***

Cameras on transit vehicles are standard for relatively large transit agencies. Cameras serve multiple purposes including for risk management involving passenger and driver safety, complaint resolution, driver training, and incident capture for public safety. Given that the buses do not have cameras installed, Santa Cruz METRO bus and paratransit operators have been fully instructed on procedures to follow with respect to public safety and personal safety and in proper reporting processes to assist medical, fire, and police responders. As part of its measures to increase the use of technology in achieving efficiencies, Santa Cruz METRO should continue working with the union on the addition of on-board cameras and plan for funding. Both fixed-route and paratransit vehicles could be ideally outfitted with cameras, but in considering funding constraints, a priority list of vehicles should be developed.

2. ***Santa Cruz METRO should prioritize technology investment to continuously track on-time performance.***

Delays on the fixed route occur for a variety of reasons, including construction, narrow travel corridors, and congestion. Studies and limited collection methods to date have been employed to track bus on-time performance. Santa Cruz METRO has some technology infrastructure, which is a start to developing tools to automate the collection of on-time performance data. Automated vehicle location and automated passenger counters are priority investments to further automate and expand the collection and organization of on-time performance data, among providing other benefits. Santa Cruz METRO should continue to prioritize these projects for funding as they provide both operational and safety benefits to the riders.

3. ***Santa Cruz METRO should strengthen its marketing program.***

Prior to the development of the SRTP, there was no marketing plan for Santa Cruz METRO. Consequently, there has not been a dedicated marketing manager on staff to coordinate and manage a robust marketing program and integrate customer service with marketing activities. Currently, Santa Cruz METRO departments work together, but no single department is responsible for the overall appearance of Santa Cruz METRO's marketing tools, adherence to any design policies or programs, or management of the marketing function. The SRTP noted that stakeholders indicated very limited proactive marketing by Santa Cruz METRO, including no specialized efforts targeted to UCSC and Cabrillo College. The recent bus pass program secured with Cabrillo College and UCSC's contribution to new services provide momentum for proactive marketing and better service to the student population. A marketing manager type position would coordinate the various efforts being conducted and design a comprehensive strategy including actions proposed by the SRTP to increase awareness and brand strength. The prevalence of social media and technology in

Attachment A

marketing campaigns raises the importance of an experienced transit marketer. Santa Cruz METRO should develop a strategy to centralize marketing functions, whether creating a dedicated marketing management position or designating qualified staff within existing departments. This would have the effect of creating efficiencies in consistent messaging and marketing service across communication channels with riders and the public.

4. ***Community Bridges' Lift Line should continue to pursue funding for a driver trainer/supervisor position.***

The driver trainer/supervisor position is key to maintaining a solid core of drivers qualified to operate the vehicles and provide customer service. In spite of a relatively healthy list of on-call drivers, it was indicated that many do not have the full training to obtain a Class B license with passenger endorsement. An in-house resource for training and supervision should be prioritized for funding. With a new Lift Line management structure in place to manage daily operations, the pursuit of grants to fund such a position should be undertaken.

5. ***The Volunteer Center should track driver time spent per trip.***

This recommendation is a carryover from the prior audit. The Volunteer Center currently does not request that drivers record drive time in transporting passengers. While trip length is recorded and used to calculate average trip length, drive time is not. The tracking of time spent to transport riders is another gauge of the volunteer program's value. Performance measures such as average trip time and operating cost per hour place values on the program and the drivers' and passengers' time in providing and using the service.

6. ***The Volunteer Center should regularly review the mileage reimbursement rate.***

This recommendation is a carryover from the prior audit. Volunteer drivers for the transportation program have the option to receive reimbursement at the rate of \$0.31 per mile. In contrast, the current Internal Revenue Service optional standard mileage rates used to calculate the deductible costs of operating an automobile for business purposes is \$0.54 per mile. Volunteer Center staff indicated that newer volunteer drivers have requested the reimbursement for the service. In an effort to maintain a qualified pool of volunteer drivers, there should be regular review of the mileage reimbursement rate offered by the Volunteer Center with the rate balanced against budgets for the transportation program. During the audit period, total reimbursements did not reach budgeted figures because many drivers elect to not take the reimbursement. This provides Volunteer Center with some flexibility in phasing in any rate adjustment to recruit and retain the pool of drivers.

Attachment B

November 18, 2016

Don Lane, Chair
Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue
Santa Cruz, CA 95060

Subject: Santa Cruz METRO Responses to the FY 2013-2015 Triennial Performance Audit (TPA) Recommendations

Dear Chair Lane:

The Board of Directors (Board) of the Santa Cruz Metropolitan Transit District (Santa Cruz METRO) has reviewed the Triennial Performance Audit (TPA) Report prepared by Michael Baker International, on behalf of the Santa Cruz County Regional Transportation Commission (SCCRTC). The Board has also reviewed and discussed the recommendations that are contained in the TPA Report. This letter reflects the discussions of the Board and is the formal response to the three (3) TPA recommendations:

TPA Recommendation #1:

Santa Cruz METRO should prioritize the addition of on-board cameras.

Cameras on transit vehicles are standard for relatively large transit agencies. Cameras serve multiple purposes including for risk management involving passenger and driver safety, complaint resolution, driver training, and incident capture for public safety. Given that the buses do not have cameras installed, Santa Cruz METRO bus and paratransit operators have been fully instructed on procedures to follow with respect to public safety and personal safety and in proper reporting processes to assist medical, fire, and police responders. As part of its measures to increase the use of technology in achieving efficiencies, Santa Cruz METRO should continue working with the union on the addition of on-board cameras and plan for funding. Both fixed-route and paratransit vehicles could be ideally outfitted with cameras, but in considering funding constraints, a priority list of vehicles should be developed.

Santa Cruz METRO's Response to TPA Recommendation #1:

Santa Cruz METRO agrees:

Cameras on transit vehicles are standard for most transit agencies throughout the country. Cameras serve multiple purposes including providing an often indisputable source of information when the vehicle is involved in a traffic accident/incident or passenger incidents that may occur on the bus. Such information can reduce risk and financial exposure to the transit agency. In the near term, Santa Cruz METRO staff will be working with the Board to identify a funding approach that will result in the retrofit of buses with cameras and to procure

Attachment B

new buses with cameras installed by the manufacturer. Funding for cameras on buses may be currently available through the State of California Office of Emergency Services (CalOES) security grants Santa Cruz METRO has and will receive through 2017.

TPA Recommendation #2:

Santa Cruz METRO should prioritize technology investment to continuously track on-time performance.

Delays on the fixed route occur for a variety of reasons; including construction, narrow travel corridors, and congestion. Studies and limited collection methods to date have been employed to track bus on-time performance. Santa Cruz METRO has some technology infrastructure, which is a start to developing tools to automate the collection of on-time performance data. Automated vehicle location and automated passenger counters are priority investments to further automate and expand the collection and organization of on-time performance data, among providing other benefits. Santa Cruz METRO should continue to prioritize these projects for funding as they provide both operational and safety benefits to the riders.

Santa Cruz METRO's Response to TPA Recommendation #2:

Santa Cruz METRO agrees:

Santa Cruz METRO continues to seek improved methods of tracking on-time performance. The Comprehensive Operational Analysis (COA) performed by Transportation Management and Design (TMD) and Santa Cruz METRO staff, implemented September 8, 2016, resulted in significant on-time performance data and numerous adjustments to the runtime of the various routes. On-Time Performance is continually surveyed throughout the year so improvements can be periodically incorporated into the bus service.

The Information Technology (IT) Department has been developing a scope of work for an Automated Vehicle Location (AVL) system, which might include Automated Passenger Counters (APCs). Santa Cruz METRO continues to actively seek a funding source with which to procure AVL and possible APCs. Once a funding source is identified, staff will bring a recommendation to the Board requesting approval to proceed with a procurement of the needed technology.

TPA Recommendation #3:

Santa Cruz METRO should strengthen its marketing program.

Prior to the development of the Short Range Transit Plan (SRTP), there was no marketing plan for Santa Cruz METRO. Consequently, there has not been a dedicated marketing manager on staff to coordinate and manage a robust marketing program and integrate customer service with marketing activities. Currently, Santa Cruz METRO departments work together, but no single department is responsible for the overall appearance of Santa Cruz METRO's marketing tools, adherence to any design policies or programs, or management of the marketing function. The SRTP noted that stakeholders indicated very limited proactive marketing by Santa Cruz METRO, including no specialized efforts targeted to UCSC and Cabrillo College. The recent bus

Attachment B

pass program secured with Cabrillo College and UCSC's contribution to new services provide momentum for proactive marketing and better service to the student population. A marketing manager type position would coordinate the various efforts being conducted and design a comprehensive strategy including actions proposed by the SRTP to increase awareness and brand strength. The prevalence of social media and technology in marketing campaigns raises the importance of an experienced transit marketer. Santa Cruz METRO should develop a strategy to centralize marketing functions, whether creating a dedicated marketing management position or designating qualified staff within existing departments. This would have the effect of creating efficiencies in consistent messaging and marketing service across communication channels with riders and the public.

Santa Cruz METRO's Response to TPA Recommendation #3:

Santa Cruz METRO agrees:

Prior to 2014, there was no defined marketing approach for Santa Cruz METRO. In February 2015, the Board approved the creation of a new position entitled Marketing, Communications and Customer Service Manager (Marketing Manager). Unfortunately, as a consequence of the ongoing structural deficit, and the impending need to reduce expenses by reducing service and funded positions, the CEO was unable to include the funding for this new position in the FY16 & FY17 operating budget. The same challenge occurred in the FY17 & FY18 budget cycle.

The CEO and the Board are committed to funding a Marketing Manager position, and hope to do so in the near future. Until then, and as time and resources permit, the CEO will continue to utilize the professional expertise of several Santa Cruz METRO staff members in an effort to sustain low level/low cost marketing efforts and develop an initial Marketing Strategy.

The Board and staff at Santa Cruz METRO appreciate the collaborative effort that the SCCRTC staff engaged in during the TPA process. Santa Cruz METRO looks forward to working with the SCCRTC to implement the recommendations outlined in this letter.

Sincerely,

Mike Rotkin, Chair
Santa Cruz METRO Board of Directors

Cc: George Dondero, Executive Director, SCCRTC
Alex Clifford, CEO/General Manager, Santa Cruz METRO
Leslyn K. Syren, District Counsel, Santa Cruz METRO
File

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DATE: October 28, 2016
TO: Board of Directors
FROM: Barrow Emerson, Manager of Planning and Development
**SUBJECT: CONSIDER RATIFICATION OF A COOPERATIVE AGREEMENT FOR
TRANSPORTATION COORDINATION SERVICES WITH CABRILLO
COLLEGE**

I. RECOMMENDED ACTION

**That the Board of Directors ratify a Cooperative Agreement for
Transportation Coordination Services with Cabrillo College and authorize
the CEO to execute the Cooperative Agreement**

II. SUMMARY

- Cabrillo College has established a student fee for use of Santa Cruz Metropolitan Transit District's (METRO) bus services.
- At their August 26, 2016 meeting, the METRO Board authorized a contract between METRO and Cabrillo College whereby METRO provides fixed-route transit services, funded by the student bus pass fee, which improves access to the campus.
- Cabrillo College has requested that METRO provide transportation coordination services exclusively to Cabrillo to perform various on-campus activities to support the student bus pass program, which will enhance student METRO ridership and customer service.
- Cabrillo College and METRO have agreed upon a Cooperative Agreement (Attachment A) to outline the financial arrangement and Scope of Work (Exhibit A) for transportation coordination services.
- Cabrillo will reimburse METRO for its costs to provide these services from their student bus pass program funds.

III. DISCUSSION/BACKGROUND

In the spring of 2016, through a student ballot measure, Cabrillo College students assessed themselves a transportation fee to be used to secure METRO services. This fee will provide \$790,070 to METRO for the 2016/17 school year (Fall and Winter semesters).

At the August 26, 2016 the METRO Board authorized a contract between METRO and Cabrillo College whereby METRO provides fixed-route transit services, funded by the student bus pass fee, which improves access to the

campus and allowed METRO to maintain fixed-route bus services which would have otherwise have been eliminated in the fall 2016 service reduction.

Cabrillo College has requested that METRO provide transportation coordination services exclusively to Cabrillo to perform various on-campus activities to support the student bus pass program, which will enhance student METRO ridership and customer service.

Cabrillo will reimburse METRO for its costs to provide these services from the student bus pass program funds.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Cabrillo College will reimburse METRO the full cost of the transportation coordination services, as set forth in the Cooperative Agreement.

V. ALTERNATIVES CONSIDERED

An alternative option would be to not support Cabrillo College with transportation coordination services. This is not recommended by staff as the transportation coordination services will support Cabrillo College students' needs and issues related to the bus services Cabrillo College has contracted with METRO for, which allowed METRO to retain services and bus operators.

VI. ATTACHMENTS

Attachment A: Cooperative Agreement for Transportation Coordination Services between METRO and Cabrillo College

Exhibit A: Scope of work for Cabrillo College Student Transportation Program

Prepared by: Barrow Emerson, Manager of Planning and Development

VII. APPROVALS:

Barrow Emerson,
Manager of Planning and Development



Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



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



Julie A. Sherman for Leslyn K. Syren

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Attachment A

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

COOPERATIVE AGREEMENT FOR TRANSPORTATION COORDINATION SERVICES WITH CABRILLO COMMUNITY COLLEGE DISTRICT

This Cooperative Agreement (Agreement) for transportation coordination services (Services) is made effective October 6, 2016 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California, hereinafter called "METRO", and Cabrillo Community College District, hereinafter called "College."

I. RECITALS

- 1.01 Whereas METRO provides public transportation services throughout the County of Santa Cruz according to published schedules;
- 1.02 Whereas, the College has adopted a student bus pass fee for the 2016-17 school year, the revenue from which funds regularly scheduled METRO Transit Services, which will also be open to the public, for students, faculty and staff of the College, to and from the College and throughout the County of Santa Cruz;
- 1.03 Whereas, the College desires that students, faculty and staff utilize the METRO transit service to the maximum extent possible;
- 1.04 Whereas, the College desires to effectively promote, monitor, and market these services to Cabrillo students, faculty, and staff to maximize ridership and meet the mobility needs of the College community;
- 1.05 Whereas, in order to achieve the goals set forth above, the parties have agreed that METRO will provide Services to support the College initiatives set forth herein;
- 1.06 Whereas, the College will reimburse METRO for the costs of the Services in the amount of \$16.50 per hour;
- 1.07 Whereas, the parties desire to set forth each of their respective duties and obligations with regard to the Services.

Now therefore, METRO and College agree as follows:

II. SCOPE OF AGREEMENT

- 2.01 METRO will provide staff, who will be assigned exclusively to Cabrillo to perform Services as set forth in Exhibit A, which may be amended from time to time by mutual agreement between the parties.
- 2.02 The College will provide a suitable workspace and general task direction (in coordination with METRO) to the METRO staff providing these Services.
- 2.03 The College will document and approve the METRO staff's bi-weekly timesheet for the purposes of reimbursing METRO for the Services hereunder.

Attachment A

- 2.04 The intent of the parties is to have this Agreement cover College school year 2016-17, although either party can pursue renegotiation of features of the Agreement, with 120 days advance notice to the other party.
- 2.05 The METRO staff providing the Services will meet regularly with METRO to monitor service and ridership, consider route and schedule adjustments, and identify other issues to be addressed. Such other issues identified as of the effective date of this Agreement include the following:
- a. Technology – METRO desires to introduce “smart card” technology, which has the potential to improve the efficiency and accuracy of boarding data. METRO will discuss the College’s participation in this initiative going forward.
 - b. Marketing – METRO is currently considering elimination/reduction of certain bus service. METRO appreciates this opportunity to work with the College to help sustain some of the bus service currently scheduled for elimination/reduction. In order to sustain this partnership and the College’s support, METRO is committed to providing a service that meets the College’s needs and is seen as a benefit to the College community. METRO looks forward to shared marketing/advertising efforts, which inform students, faculty and staff about the primary benefits of the program, including:
 - Individual financial savings
 - Opportunity to contribute to environmental goal of greenhouse gas reduction
 - Freeing up time to study, relax, work, etc. by not having to drive

III. TERM AND TERMINATION

- 3.01 The initial term of this Agreement shall be from October 6, 2016 through June 30, 2017 . This Agreement may be renewed for succeeding periods by mutual agreement of the parties, by execution of written amendments.
- 3.02 Either party may terminate this Contract with 30 days advance notice in writing to the other party.

IV. REIMBURSEMENT FOR COSTS

- 4.01 College will reimburse/pay METRO \$16.50 per hour from the Student Bus Pass Program funding for providing the Services to the College.
- 4.02 METRO will invoice College for METRO costs on a monthly basis, beginning October 6, 2016 through June 30, 2017, which is the expiration of the initial Agreement period. The METRO invoices will reflect the bi-weekly timesheet for the METRO staff providing the Services.
- 4.03 Prior to June 30, 2017, METRO and the College will meet to discuss extending the Services set forth herein, including establishing the funding, costing and reimbursement methodology for a possible year two of this Agreement, which term would be from July 1, 2017 to June 30, 2018.

Attachment A

V. NOTICES

- 5.01 Any notice, request, instruction, or other document deemed by either Party to be necessary or desirable to be given to the other Party shall be in writing and may be given by personal delivery to a representative of the Parties at the address below or by mailing the same, addressed as follows:

COLLEGE:

Cabrillo College
6500 Soquel Drive, Bldg 2030
Aptos, CA 95005
Attention: Director of Purchasing, Contracts, Risk Management & Auxiliary Services

METRO:

Santa Cruz Metropolitan Transit District
110 Vernon Street
Santa Cruz, CA 95060
Attention: CEO/General Manager

VI. MUTUAL INDEMNITY

- 6.01 College agrees to indemnify, save harmless and defend METRO, its directors, officers, agents and employees from legal liability of any nature or kind on account of any claim for damages to property or personal injuries to or death of person or persons incurred by reason of any act, or failure to act, of the College, its directors, officers, agents, and employees, or any of them, in performing any duties required by this Agreement, unless such claims arise out of the sole negligence of METRO, its directors, officers, agents, or employees.
- 6.02 METRO agrees to indemnify, save harmless and defend the College, its directors, officers, agents, and employees from legal liability of any nature or kind on account of any claim for damages to property or personal injuries to or death of person or persons incurred by reason of any act, or failure to act, of METRO, its directors, officers, agents, and employees, or any of them, in performing any duties required by this Agreement, unless such claims arise out of the sole negligence of the College, its directors, officers, agents, or employees.

VII. COLLEGE REQUIRED INSURANCE PROVISIONS

- 7.01 METRO Insurance. At all times while providing or performing Services under this Agreement, the METRO shall obtain and maintain the policies of insurance described in this Section. The minimum coverage amounts of each policy of insurance to be obtained and maintained by the METRO while providing or performing Services in connection in or about the College shall be as set forth in Section 8.07, below. Policies of insurance required of the METRO will be accepted by the College only if the insurer(s) are: (i) A.M. Best rated A- or better; (ii) A.M. Best Financial Size Category VII or higher; and (iii) authorized under California law to transact business in the State of California and authorized to issue insurance policies in the State of California.

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- 7.02 Workers Compensation and Employers Liability Insurance. METRO shall purchase and maintain Workers' Compensation Insurance covering claims under workers' or workmen's compensation, disability benefit and other similar employee benefit acts may be liable. METRO shall also purchase and maintain Employer's Liability Insurance covering bodily injury (including death) by accident or disease to any employee which arises out of the employee's employment by METRO. The Employer's Liability Insurance required of METRO hereunder may be obtained by METRO as a separate policy of insurance or as an additional coverage under the Workers' Compensation Insurance policy.
- 7.03 Commercial General Liability and Property Insurance. METRO shall purchase and maintain Commercial General Liability and Property Insurance as will protect METRO from the types of claims set forth below which may arise out of or result from METRO's Services under this Agreement and for which METRO may be legally responsible: (i) claims for damages because of bodily injury, sickness or disease or death of any person other than METRO's employees; (ii) claims for damages insured by usual personal injury liability coverage; (iii) claims for damages, other than to the Work of the Project itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom; (iv) claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; and (v) contractual liability insurance applicable to METRO's obligations under this Agreement. College shall be endorsed as an additional insured to METRO's commercial general liability insurance policy.
- 7.04 Subcontractors' Insurance. Each Subcontractor providing or performing a portion of the Services or obligations of the METRO under this Agreement shall obtain and maintain policies of insurance for Workers Compensation, Employers Liability, and Commercial General Liability/Property Damage. Each policy of insurance to be obtained by each of the METRO's Subcontractors shall conform to the standards or requirements set forth in Section 2.6.
- 7.05 Policy Endorsements; Evidence of Insurance. METRO shall deliver to the College Certificates of Insurance evidencing each of the policies of insurance in the coverage amounts required hereunder. All policies of insurance required hereunder shall be issued by insurer(s) admitted to issue insurance by the State of California and to the reasonable satisfaction of the College. Coverages under each policy of insurance required hereunder, whether by endorsement or otherwise, shall provide that such policy will not be modified or canceled without at least thirty (30) days advance written notice to the College.
- 7.06 The following sentence shall be included in the additional insured endorsements:
- “Cabrillo Community College District, its Governing Board, as individuals and as an entity, its officers, directors, employees, agents, and volunteers, are hereby named as additional insured, with respect to all work performed by or on behalf of the named insured under its contract with the Certificate Holder.”

Attachment A

7.07 METRO's Insurance Minimum Coverage Amounts. Minimum coverage amounts for policies of insurance to be obtained and maintained by METRO and each of its Subcontractors are:

Workers Compensation In accordance with applicable law

Employers Liability \$1,000,000
(Injury or Death and Property Damage)

Commercial General Liability (including Bodily
Injury or Death and Property Damage)
Per Occurrence \$2,000,000

Aggregate \$4,000,000

Automobile Liability - Bodily Injury or Death

Per Occurrence \$ 2,000,000

VIII. MISCELLANEOUS PROVISIONS

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

8.02 This Agreement, together with all subordinate and other documents incorporated by reference herein, constitutes the entire agreement between the parties with respect to the subject matter contained herein and may only be modified by an amendment executed in writing by both parties hereto. All prior agreements, representations, statements, negotiations, understandings and undertakings are superseded hereby.

8.03 College represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Agreement.

8.04 College and METRO shall not on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability discriminate or permit discrimination against any person or group or persons in any manner prohibited by Federal, State or local laws.

8.05 College and METRO agree to comply with the provisions of Section 504 of the Rehabilitation Act of 1973, as amended, pertaining to the prohibition of discrimination against qualified handicapped persons in federally assisted programs.

8.06 No term or 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

Attachment A

express or implied, shall not constitute a consent to, waiver of, or excuse for any other different or subsequent breach.

- 8.07 College shall not assign or transfer any interest in this Agreement without prior, written consent of METRO. Any attempted assignment or transfer shall be void.
- 8.08 METRO shall not assign or transfer any interest in this Agreement without prior, written consent of College. Any attempted assignment or transfer shall be void.
- 8.09 Time is of the essence in this Agreement.
- 8.10 Each party to this Agreement shall maintain books, accounts, records and data related to this Agreement in accordance with applicable state and federal requirements and shall maintain those books, accounts, records and data for three (3) years after the termination of this Agreement. For the duration of the Contract and for a period of three years thereafter, either party's representatives and representatives of the United States Department of Transportation, the Controller General of the United States and the Auditor General of the State of California shall have the right to examine these books, accounts, records, data and other information relative to this Contract for the purpose of auditing and verifying statements, invoices, bills and revenues pursuant to this Contract.
- 8.11 College agrees to submit to METRO any and all advertising, sales promotion, and other publicity matter relating to any METRO Transit service wherein METRO's name is mentioned or language used from which the connection of METRO's name therewith may, within reason, be inferred or implied. College further agrees not to publish or use any such advertising, sales promotion, or publicity matter without the prior written consent of the METRO.
- 8.12 METRO agrees to submit to College any and all advertising, sales promotion, and other publicity matter relating to any College Transit service wherein College's name is mentioned or language used from which the connection of College's name therewith may, within reason, be inferred or implied. METRO further agrees not to publish or use any such advertising, sales promotion, or publicity matter without the prior written consent of the College.
- 8.13 Each party has full power and authority to enter into and perform this Agreement and the persons signing this agreement on behalf of each party has been properly authorized to enter into it. Each party further acknowledges that it has read this Agreement, understands it, and agrees to be bound by it.

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first written above.

SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT

CABRILLO COLLEGE

BY: _____
Alex Clifford
CEO/General Manager

BY: _____
Michael Robins
Director of Purchasing, Contracts, Risk
Management & Auxiliary Services

Attachment A

Governing Board Authorized Contract
Signer on Behalf of the Governing
Board
Cabrillo Community College District

Approved as to form:

District Counsel

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Exhibit A

Cabrillo College

Student Transportation Coordination Services

PROGRAM BACKGROUND AND DESCRIPTION: The ASCC Student Senate proposed a transportation fee of \$40 per student per semester (\$20 for summer session) be collected from all students during spring 2016 student body elections. A total of 1,029 students voted. The Transportation Fee passed with 548 (53%) votes in favor and 481 (46 %) opposing the measure. The fee provides each student with a semester bus pass valid seven days a week through Santa Cruz Metro's bus service throughout Santa Cruz County, including routes that transfer to the Monterey-Salinas Transit system. This fee will be assessed to all students, with the only exceptions being students who are part of the Stroke Center and also those who are online-only students. Students will also have the option to appeal the fee through the admissions and records appeals petition form.

The initial contract period is 22 months, through June 2018. Cabrillo and Santa Cruz METRO will collaborate to monitor the bus service, ridership and revenue to make the appropriate adjustments to implement a successful transportation program for Cabrillo students and to maintain a balanced budget. The contract provides the opportunity to recover from incorrect income projections within the contract year by lowering expenditures for the spring semester in order to assure a balanced budget.

METRO and Cabrillo College agree that it would be mutually beneficial to have METRO provide transportation coordination services on behalf of both parties to ensure successful implementation, monitor the program and address program needs.

TRANSPORTATION COORDINATION SERVICES SCOPE OF WORK:

- 1. Outreach to Cabrillo groups (classes, clubs, athletes, organizations, programs, etc) to educate campus on transportation fee and program.**
- 2. Coordinate joint marketing campaigns with METRO and Cabrillo, including oversee the contracted production of marketing materials.**
- 3. Design, coordinate and tabulate survey data that gathers information on program needs and efficiency.**
- 4. Refer appropriate press or public inquiry to supervisor, but be available to answer individual questions by phone and email.**
- 5. Monitor transportation program to ensure it serves student needs as best possible.**
- 6. Maintain budget and track expenditures/transactions.**
- 7. Be an active member of Cabrillo's transportation committee to review student concerns, complaints and appeals.**
- 8. Schedule and organize meetings/events as necessary.**
- 9. Support planning and coordination of transportation program and its activities.**
- 10. Support implementation of transportation policies and practices.**
- 11. Keep updated records and create reports or proposals.**
- 12. Assist in the development of short and long term plans for transportation program, monitor progress and evaluate performance.**
- 13. Coordinate transportation related activities, resources, and information.**
- 14. Liaise with students to identify and define project requirements, scope and objectives.**
- 15. Act as the point of contact and communicate program status adequately to METRO.**
- 16. Create and maintain comprehensive project documentation, plans and reports.**

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VERBAL PRESENTATION ONLY

ORAL COA UPDATE

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DATE: November 18, 2016
TO: Board of Directors
FROM: Mike Rotkin, Board Chair
**SUBJECT: ESTABLISHMENT OF A BOARD LEGAL SERVICES INTERVIEW AD
HOC COMMITTEE**

I. RECOMMENDED ACTION

That the Board of Directors:

- A) Establish a Board Ad Hoc Legal Services Interview Committee of up to five Board members;**
- B) Determine when the Ad Hoc Committee should meet to review and screen the responses to the Request For Proposals (RFP);**
- C) Determine when the Ad Hoc Committee will meet to interview the short-listed legal services RFP respondents; and,**
- D) Provide for the CEO and the County Counsel, or Assistant County Counsel, to participate in the RFP screening and legal services interviews as non-voting members.**

II. SUMMARY

- On September 23, 2016, the Board of Directors (Board) approved the creation of a Board Legal Services Ad Hoc Committee to meet, discuss and develop a Legal Services recommendation for the full Board to consider.
- On September 23, 2016 the Legal Services Ad Hoc Committee, made up of Board Directors Ed Bottorff, John Leopold and Mike Rotkin, met to discuss how to proceed with legal services.
- The Legal Services Ad Hoc Committee developed a recommendation that the Board consider proceeding with a Request for Proposals (RFP) for General Counsel and other legal support services.
- On October 28, 2016 the Board approved the Legal Services Ad Hoc Committee's recommendation and gave direction to proceed with issuing a formal RFP for contracted legal services.
- The RFP was issued October 31, 2016 and responses to the RFP are due no later than close of business November 18, 2016.
- The Chair proposes that the Board establish a Legal Services Interview Ad Hoc Committee of up to five (5) Board members.

- The Chair further proposes that the Board approve the participation of the CEO and the Santa Cruz County Counsel, or Assistant County Counsel, in the RFP screening and legal services interviews as non-voting members.
- In an effort to stay on track with a contract start date of January 1, 2017, the Chair proposes that the Legal Services Interview Ad Hoc Committee meet the week of November 21st to review the RFP responses and to establish a short-list of respondents to interview.
- Finally, the Chair proposes that the Legal Services Interview Ad Hoc Committee meet the week of November 28th to interview the short-listed legal firms.
- The Legal Services Interview Ad Hoc Committee will return to the full Board on December 9, 2016 with a recommendation for contract award.

Request for Proposals Issued	October 31, 2016
Formal Questions Deadline	November 9, 2016
Proposal Submittal Deadline	November 18, 2016
Oral Presentations	Week of November 28, 2016
Notice of Intent to Award	December 2, 2016
Board Approval of Contract	December 9, 2016
Meet with outgoing District Counsel and/or interim legal counsel to receive a briefing on all outstanding legal matters	December 10 – 31, 2016
Contract Start Date	January 1, 2017

III. FINANCIAL CONSIDERATIONS/IMPACT

The recommended actions do not result in a fiscal impact.

IV. ALTERNATIVES CONSIDERED

- The Board could discuss alternate approaches to determine how to choose their contract legal services firm.

V. ATTACHMENTS

None

Prepared By: Alex Clifford, CEO/General Manager

VI. APPROVALS:

Approved as to fiscal impact:
Angela Aitken, Finance Manager



Alex Clifford, CEO/General Manager



CEO ORAL REPORT

California Transit Funding Crisis: A Message to the State Legislature

Presented by Alex Clifford, CEO - Santa Cruz Metropolitan Transit District (METRO)
2017

HOW CAN THE STATE LEGISLATURE HELP?

Santa Cruz Metropolitan Transit District (METRO) is experiencing a capital and operating funding crisis. METRO needs new operating and capital resources with which to reduce dependence on one-time funding sources, such as reserves, that will also allow METRO to make an effort to dedicate more of its capital eligible funds to the Capital Program.

An increase in funding resources will help METRO reduce the anticipated backlog of \$200 million in unfunded capital needs; stabilize the Operating Fund; and provide matching revenues with which to meet the local match requirements for State and Federal grants.

The State Legislature can help by taking the following actions:

1. Enact, in the context of a comprehensive, multi-modal transportation funding package, a significant component that provides new funds to public transit. METRO specifically supports enhancement of the funds flowing from and according to the statutes that govern the Transportation Development Act (TDA), in this priority order:
 - a. Increase Local Transportation Funds (LTF), such as by dedicating a new one-quarter-percent sales tax to existing LTF expenditure purposes.
 - b. Increase State Transit Assistance (STA) program funds, by increasing the State sales tax on diesel fuel.
 - c. Create a new transit sales tax on gasoline that could be directed to LTF or STA.
 - d. Preserve STA's current flexibility for use in both Operations and Capital Programs.
2. Authorize a new transportation capital infrastructure bond, as a successor to Proposition 1B, with a significant component dedicated to public transit projects. Proposition 1B grant funds were allocated over the decade following passage of the 2006 Bond Act.

Without additional funding from the State and Federal government, METRO will continue cutting costs and will not be able to keep up with the unavoidable obligation to purchase replacement buses.

This funding crisis is not unique to METRO. Small to mid-size transit properties across the country face similar funding challenges. As a result of the Great Recession, "Nearly 90% of transit systems in the country have had to cut service or raise fares in the past year." "To plug gaps in their operating budgets, many systems are being forced to shift capital funds into operations, with potential negative long-term impacts on system condition and reliability. Many see this as essentially robbing tomorrow's transit users, as it would reduce the ability to maintain and upgrade systems in the future, leading to further degradation. This could drag us into a dangerous downward spiral."

(Source: TheCityFix's series - Moving through the Recession, Part 2:
Service Cuts Continue, Megan McConville, February 23, 2010)

METRO IS A COMMUNITY ASSET

METRO serves the County of Santa Cruz, which has a population of over 262,000. Surveys show that 39% of METRO riders use the service to get to and from work. Reducing expense with service reductions will negatively impact the riding community and result in stranding thousands of commuters who depend on METRO to get to and from work, school, the grocery store, doctor’s appointments and church. Santa Cruz County is home to the University of California, Santa Cruz (UCSC) and Cabrillo College. METRO’s ridership data also reflects that nearly 50% of METRO riders are students and faculty of these institutions.

METRO helps implement the California Global Warming Solutions Act of 2006 (AB 32) by reducing greenhouse gas emissions with deployment of low-emission, high capacity buses. METRO’s buses reduce fuel consumption by delivering more trips with fewer vehicle miles of travel than single-occupant vehicles. METRO’s routes 69 A-W, 71 and 91X provide much needed traffic congestion relief to the gridlocked Highway 1, and “METRO has helped UCSC reduce single-occupant vehicle travel to 34% of all campus trips by accommodating 24% of all campus trips via public transit.”

(Source: UCSC – 2016, Larry Pageler)

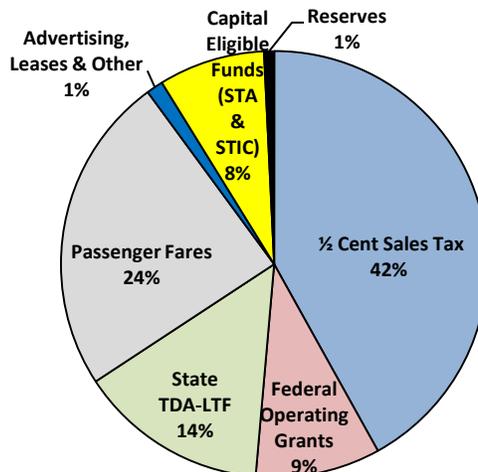
METRO, as a public business entity, is a major asset to the region, employing over 280 people and providing over 5.5 million passenger trips per year with an FY17 budget of \$47 million. METRO supports the local economy through the purchase of goods and services for its operations. Labor costs (wages and benefits) represent approximately 83% (FY17 & FY18) of the operating costs and since 88% of METRO’s employees reside in Santa Cruz County, the local multiplier effect of these labor dollars to the region is high as our employees’ income is reinvested locally in housing, goods and services.

As traffic worsens, investments in public transit will become even more critical. The Texas Transportation Institute’s 2010 nationwide study documented that traffic in California’s major metropolitan regions costs residents as much as two full days per year in wasted time and related fuel consumption.

(Source: All Aboard - How California can increase investments in public transit, July 2011)

CURRENT FUNDING FOR OPERATIONS

The Operations side of the business is substantially supported by the ½ cent local sales tax approved by the voters in 1978, State and Federal grants and customer fares.



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Due to the Great Recession of 2008, METRO's ½ cent county-wide sales tax revenue did not return to FY08 levels until FY14 and sales tax revenue growth has been sluggish year-over-year through 2015. Since ridership has been relatively flat, fare revenues have also been flat. However, during the same period of time, expenses have grown at a rate of 1 – 10% year-over-year. Revenue growth has not kept pace with expense growth.

METRO also funds operations by using State Transportation Development Act (TDA) funds. TDA is composed of two programs, the State Transit Assistance (STA) Program and the Local Transportation Fund (LTF). Since FY14, STA has been on the decline and since FY12, LTF has been growing at a slow pace. STA is derived from the statewide sales tax on diesel fuel, currently at 4.125%, and LTF is derived from a ¼ cent of the general sales tax collected statewide.

There needs to be a bipartisan collaborative effort in the State Legislature to both increase the funds flowing to LTF, as well as increase the sales tax on diesel fuel currently going to transit, and to add an additional gasoline sales tax dedicated to public transit. In FY17, METRO's STA revenues dropped by an estimated \$1 million due to declining diesel fuel prices and consumption. Increasing STA funds will require that the State increase the rate of State sales tax on diesel fuel and dedicating the new revenues to the STA Program. Adding an additional gasoline sales tax and dedicating it to public transit via STA or LTF will also help. And, it has been suggested that the ¼ cent sales tax currently scheduled to expire on 12/31/16 could be extended now, during the final days of the Special Session on Transportation & Infrastructure Funding, as part of a comprehensive, multi-modal transportation funding package. If this existing revenue source, which is otherwise scheduled to go away next year, were allocated starting in 2017 – through the existing TDA statutes – then more than \$1 billion could be available for LTF's local transit purposes, as well as hundreds of millions of dollars more for local streets & roads, all without increasing current taxation levels.

Some fuel tax opponents argue that declining consumption and lower fuel prices make fuel tax funding sources unstable and unreliable. Instead, some argue that we need a more stable transit funding source such as Vehicle Miles Travel (VMT) fees. No argument there. To that end, we need a very short-term strategy as well as a slightly longer-term strategy. VMTs have been debated and studied for years. Unfortunately, as the debate continues, transit has fallen further and further behind in State of Good Repair and operating funds. Tough times call for difficult bipartisan decisions. In the very short-term, the Legislature should increase the diesel fuel taxes and add a new transit-dedicated gasoline sales tax, while simultaneously continuing the debate about VMTs and growing more stable funding sources.

Inadequate funding for transit means local transit operators have less money to operate and maintain their existing services. Moreover, they have few resources available for expanding the existing infrastructure. Stabilizing and improving funds for transit will be necessary for California to improve its transit system and achieve the resulting benefits.

(Source: All Aboard - How California can increase investments in public transit, July 2011)

RESOLVING THE STRUCTURAL DEFICIT

In its FY17 budget, METRO was faced with an Operating budget structural deficit of \$6.3 million. Resolving the structural deficit was challenging and included a yearlong commitment to a Comprehensive Operational Analysis (COA) which resulted in a 15% service reduction. The adopted FY17/18 budget includes an assumption that a county transportation sales tax measure on the ballot will pass in November 2016. If it does not, METRO will need to reduce service further.

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Finally, the five-year budget projection shows the structural deficit beginning to return in FY19. Absent new local, State and Federal funding, METRO will need to continue to look for ways to trim further service in an effort to balance the budget in the coming years. At the same time, METRO needs to reduce the operating fund's dependency on capital eligible revenues such as the State Transit Assistance (STA) and the FTA Small Transit Intensive Cities (STIC) grant programs. In FY17, METRO budgeted \$3.7 million of STA and STIC revenues in the operating budget. In the coming years, funds from these two programs are needed for the backlog of unfunded Capital Projects (State of Good Repair). Further operating assistance from the State will help expedite the transition of these two capital eligible funding sources away from the operating budget and back to the Capital Program.

STATE OF GOOD REPAIR

Today, 62% of METRO's bus fleet (60 buses) are past their useful life of 12-years and METRO's average age of the fleet is 12 years. METRO's Paratransit fleet of vans and cutaways are also in need of replacement, with 39 of the 41 vehicles overdue for replacement. Compounding matters further, METRO's unfunded Capital Program requires an investment in excess of \$200 million over the next ten-years in order to achieve a State of Good Repair (SGR). A contributing factor to this capital funding crisis is the end of Proposition 1B, which has provided METRO with over \$36.5 million in capital resources over the life of the program.

The looming bus capital crisis is far from a laughing matter. Aging bus fleets are less safe, cost significantly more to operate and greatly contribute to the poor community image of many transit systems.

(Source: Metro Magazine Sept/Oct 2015, Scott Bogren – Looming bus capital crisis fuels fight for dedicated investment)

As transit fleets become increasingly deficient relative to demand, interruptions and their costs are expected to impose an increasing burden on the economy, especially in the growing demand-response transit sector, which serves nondriving (and often nonurban) populations with fewer alternative transportation options.

(Source: ASCE 2011 - Failure to Act, The economic impact of current investment trends in surface transportation infrastructure)

This 2010 National State of Good Repair Assessment evaluates the level of investment required to bring all U.S. transit assets – including the assets of all urbanized area and rural transit operators – to a state of good repair. The analysis presented here describes a current national SGR backlog of an estimated \$77.7 billion (\$2009).

(Source: FTA – 2010 National State of Good Repair Assessment)

METRO is facing a daunting challenge over the next ten years to find the resources with which to achieve an SGR. In a basic sense, the system is in an SGR when all maintenance is performed at scheduled intervals, all facilities are properly maintained and all vehicles receive mid-life overhauls on-time and are replaced as scheduled.

METRO's unfunded capital needs list, estimated at over \$200 million over ten-years, includes replacing fixed-route and Paratransit revenue vehicles; replacing non-revenue vehicles; reconstruction/replacement of the Pacific Station Transit Center; reconstruction/replacement of the Watsonville Transit Center; a new Operations and Maintenance facility in the south county; a Paratransit Operations facility; and timely mid-life bus overhauls.

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In spite of the Capital and Operating fiscal challenges,
METRO wants to assure the Legislature, and our customers,
that we will always dedicate off-the-top the first dollars needed
to insure that we run a safe system. Safety is always first.**

STATE (CALIFORNIA) CAPITAL FUNDING

On the State funding side of Capital, California Proposition 1B of 2006 provided over \$36.5 million in capital funds to METRO through three different programs:

1. Public Transportation, Modernization, Improvement, and Service Enhancement Account (PTMISEA);
2. California Transit Security Grant Program (CTSGP); and
3. State and Local Partnership Program (SLPP).

Proposition 1B grant funds were allocated over the decade following passage of the 2006 Bond Act.

A new State infrastructure bond program needs to be developed and approved by the State legislature and then approved by the voters which will provide METRO and transit properties throughout the State with new Capital funding.

CLOSING COMMENTS

This analysis of the Capital funding side of the business provides a quick sense that if something on both the State and Federal sides of Capital funding does not change dramatically, and soon, METRO will not have the ability fund the average of \$20 million/year it needs for the unfunded Capital Program. Not keeping up with SGR will result in potentially deep service reductions, loss of ridership and dramatic impacts to service reliability. Not keeping up with SGR results in escalating and compounding Capital costs when trying to catch-up later. Finally, not keeping up with SGR results in escalating and compounding annual Operating costs as the maintenance department attempts to keep buses in revenue service that have reached the end of their useful life.

This analysis of the operation funding side of the business provides a quick sense that if Operating revenues do not increase, METRO will have to again look at reducing service as soon as FY19. If the State Legislature will approve a new comprehensive transportation funding package (highways, roadways & transit) that includes a significant public transit component, METRO will be able to stabilize the Operating budget and avoid harsh service reductions.

In closing, these public transit financial challenges are not unique to METRO. Avoiding deep service reductions will require urgent action by both the State and Federal governments to provide stable and growing Operating and Capital transit funding assistance.

It is important to mobility, congestion relief and air quality goals that public transit becomes sustainable and is able to grow ridership.

- ADDITIONAL MATERIALS DISTRIBUTED
AT BOARD MEETING -

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Fall Ridership by Route

July 1 - September 30, 2016		Average Weekday Ridership per Trip			Average Weekend Ridership per Trip		
Route	Corridor	Riders	UCSC Riders	Discount Fare and Pass Usage	Riders	UCSC Riders	Discount Fare and Pass Usage
3	Mission/Beach	27	4	8	9	3	3
4	Harvey West/Emeline	19	1	9			
10	UCSC via High St.	21	18	1	27	21	2
15	UCSC via Laurel West	9	9	0			
16	UCSC via Laurel East	24	22	1	59	51	0
16ST	UCSC via Laurel East Supp.				107	0	0
19	UCSC via Lower Bay	39	34	2	42	34	2
20	UCSC via West Side	31	23	2	33	25	2
20D	UCSC via West Side Supp.	9	9	0			
33	Lompico SLV/Felton Faire	11	0	1			
34	South Felton	1	0	0			
35/35A	Santa Cruz/Scotts Valley/SLV	19	1	5	26	1	7
40	Davenport/North Coast	27	2	5			
41	Bonny Doon	23	6	3			
42	Davenport/Bonny Doon	7	1	1	10	1	3
55	Rio Del Mar	10	0	4	0	0	0
66	Live Oak via 17th	16	2	5	14	2	8
68	Like Oak via Broadway/Portol	16	2	4	17	2	5
69A	Capitola Road/Watsonville	31	2	9	25	2	7
69W	Cap. Road/Cabrillo/Watsonvil	30	2	8	29	2	8
71	Santa Cruz to Watsonville	34	1	9	47	2	14
72	Watsonville Hospital/Pinto La	14	0	5	3	0	1
74S	PVHS/Watsonville Hospital	43	0	10			
75	Green Valley Road	19	0	7	23	0	9
79	Pajaro/East Lake	8	0	3	18	0	2
91X	Santa Cruz/Watsonville Expre	17	1	3			
Hwy 17	Hwy 17 Express/AMTRAK	38	-	3	21	-	1
System-wide Avg. Riders per Trip		23	7	4	27	7	6

- 6 Weeks of SJSU
- 5 Weeks of Cabrillo
- 7 Days of UCSC

* The ridership data presented here contains ridership statistics from the previous service level and the reduced service level implemented on September 8, 2016.

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Santa Cruz METRO Winter 2016 Service Changes

Important Dates

Nov. 10, 2016 – Service Changes, Updated Maps and Timetables available at www.scmtd.com

Dec. 8, 2016 – Headways Bus Rider's Guide available on all Buses & Transit Centers

Dec. 15, 2016 – Winter Service Changes take effect

*Routes not specifically mentioned below will **NOT** change.*

Route 3 – Mission / Beach

Weekdays: Service to the UCSC Coastal Science Campus (including Long Marine Lab and Seymour Marine Discovery Center) began on October 31, 2016. As a reminder, only select weekday Route 3 trips, at 9:50AM and 11:50AM, serve the Coastal Science Campus.

Route 4 – Harvey West / Emeline

Weekdays: A trip departing Santa Cruz Metro Center at 5:00PM has been added.

Route 20 – UCSC via Westside

Weekdays: Trip start times have been adjusted 5 minutes later to depart at :20 past the hour to match the weekend schedule. For the evening trips starting at 6:20PM that serve Safeway/Almar Shopping Center via Mission St and Almar Ave (toward Santa Cruz Metro Center) has been changed. From Western Dr, the inbound route will follow Natural Bridges Dr, Delaware Ave, and Swift Ave before returning to Mission St and Almar Ave. As a result of this change, departure times from certain timepoints have also changed. A partial "ST" trip departing from Bay Dr and High St has been added at 5:10PM.

Weekends: For the trips starting at 4:20PM that serve Safeway/Almar Shopping Center via Mission St and Almar Ave (toward Santa Cruz Metro Center) has been changed. From Western Dr, the inbound route will follow Natural Bridges Dr, Delaware Ave, and Swift Ave before returning to Mission St and Almar Ave. As a result of this change, departure times from certain timepoints have also changed.

Route 35/35A – San Lorenzo Valley

Weekdays: A partial outbound trip has been added between Hwy 9 & Hwy 236 (Johnnie's Market) and Country Club, departing at 6:55AM. An inbound trip has been added, departing Mountain Store at 6:30AM to Santa Cruz Metro Center. All inbound trips from Country Club to Santa Cruz Metro Center have been adjusted 5 minutes later to start at :05 after the hour. The routing for the "ST" trip departing from Felton Fair at 2:20PM has changed: after the Hwy 9 & Hwy 236 stop (Johnnie's Market), the bus will proceed to Bear Creek Rd and Deerwood Dr, then to Mountain Store, ending at Hwy 9 & Sylvan Ave.

Weekends:

All inbound trips from Country Club to Santa Cruz Metro Center have been adjusted 5 minutes later to start at :35 after the hour, except for the last departure at 10:05PM.

Route 40 - Davenport / North Coast Beaches

Weekdays: The 6:40AM departure from Santa Cruz Metro Center has been changed 15 minutes later to depart at 6:55AM.

Route 55 – Rio Del Mar

Weekdays: Minor schedule changes have been made to departure times from certain timepoints.

Weekends: Minor schedule changes have been made to departure times from certain timepoints.

Route 66 – Live Oak via 17th

Weekends: Trips will depart Santa Cruz Metro Center at :45 past the hour, except for the last trip at 9:00PM. Trips will depart Capitola Mall on the hour at :00, except for the last trip at 9:40PM.

Route 68 – Live Oak via Broadway / Portola

Weekdays: Minor schedule changes have been made to departure times from certain timepoints.

Weekends: Trips will depart Santa Cruz Metro Center at :15 past the hour. Trips will depart Capitola Mall at :30 past the hour.

Route 69A/69W – Capitola Road / Cabrillo / Watsonville

Weekdays: 69A: The first two trips of the day will depart Watsonville Transit Center 5 minutes earlier, at 6:45AM and 7:45AM.

69W: Trips will depart Santa Cruz Metro Center at :37 past the hour from 6:37AM - 10:37AM and 7:37PM - 8:37PM. Trips will depart Santa Cruz Metro Center at :30 minutes past the hour from 11:30AM - 6:30PM. Trips will depart Watsonville Transit Center at :20 after the hour.

Weekends: 69A: Trips will depart Santa Cruz Metro Center at :07 past the hour from 8:07AM - 10:07AM and trips will depart on the hour at :00 from 11:00AM - 7:00PM. Trips will depart Watsonville Transit Center at :50 after the hour.

69W: Trips will depart Santa Cruz Metro Center Outbound at :37 past the hour from 8:37AM - 10:37AM, and at :30 past the hour from 11:30AM - 6:30PM. Trips will depart Watsonville Transit Center at :20 past the hour except the first trip of the day will depart at 7:50AM.

Route 71 – Santa Cruz / Watsonville:

Weekdays: Trips will depart Santa Cruz Metro Center at :15 and :45 past the hour until 8:45PM. Trips will depart Watsonville Transit Center at :10 and :40 past the hour from 7:10AM – 8:40PM.

Weekends: A 6:40AM trip departing from Watsonville Transit Center, via Clifford has been added. Minor schedule changes have been made to departure times from certain timepoints.

Route 72 – Hospital / Pinto Lake

Weekdays: Minor schedule changes have been made to departure times from certain timepoints.

Route 75 – Green Valley

Weekday: A 5:15AM trip departing from Watsonville Transit Center has been added.

Weekend: Trips depart Watsonville Transit Center every 70 minutes from 6:05AM – 5:45PM.

Route 79 – Pajaro / East Lake

Weekends: Departure times from Watsonville Transit Center have been changed to 8:30AM, 12:30PM, and 4:30PM.

Fall Ridership by Route

Route	Corridor	Average Weekday Ridership per Trip			Average Weekend Ridership per Trip				
		Riders	UCSC Riders	Cabrillo Riders	Discount Fare and Pass Usage	Riders	UCSC Riders	Cabrillo Riders	Discount Fare and Pass Usage
3	Mission/Beach	15	3	1	5	12	5	1	3
4	Harvey West/Emeline	15	1	0	8				
10*	UCSC via High St.	70	67	0	1	80	75	0	2
15*	UCSC via Laurel West	63	61	0	1				
16*	UCSC via Laurel East	74	71	0	1	94	88	0	1
16ST*	UCSC via Laurel East Supp.								
19*	UCSC via Lower Bay	74	68	1	2	73	69	0	1
20*	UCSC via West Side	63	54	1	2	98	90	1	2
20D*	UCSC via West Side Supp.	63	60	0	0	90	81	1	2
33	Lompico SLV/Felton Faire	10	0	0	0				
34	South Felton	1	0	0	0				
35/35A	Santa Cruz/Scotts Valley/SLV	19	1	1	4	20	1	1	5
40	Davenport/North Coast	23	1	0	2				
41	Bonny Doon	12	2	1	1				
42	Davenport/Bonny Doon	16	3	0	2	16	3	0	4
55	Rio Del Mar	17	0	8	4	8	0	1	3
66	Live Oak via 17th	18	3	1	4	13	3	1	4
68	Like Oak via Broadway/Portol	16	3	1	3	14	4	1	3
69A	Capitola Road/Watsonville	28	2	2	8	30	5	2	7
69W	Cap. Road/Cabrillo/Watsonvil	33	3	7	6	29	4	2	6
71	Santa Cruz to Watsonville	36	2	7	7	36	2	3	10
72	Watsonville Hospital/Pinto La	15	0	1	4	11	0	0	3
74S	PVHS/Watsonville Hospital	26	0	1	1				
75	Green Valley Road	20	0	2	6	19	0	1	6
79	Pajaro/East Lake	8	0	1	3	10	0	0	2
91X	Santa Cruz/Watsonville Expre	43	3	20	5				
Hwy 17	Hwy 17 Express/AMTRAK	18	-	-	1	22	-	-	9
System-wide Avg. Riders per Trip		36	20	3	3	38	20	1	5

* UCSC 2016 Fall quarter began on September 22nd. Ridership data for these routes ranges from September 22 - November 15, 2016.

NEWS CLIPS

October 28, 2016 – November 18, 2016

**SANTA CRUZ
COUNTY
ARTICLES**

DISTRIBUTED AT 11/18/16 BOARD MEETING

Measure D for transportation gains high Santa Cruz County support

By Kara Guzman, *Santa Cruz Sentinel*

Posted: 11/09/16



The southbound Highway 1 commute crawls along. (Shmuel Thaler -- Santa Cruz Sentinel file)

SANTA CRUZ >> Starting this April, Santa Cruz County will have a half-cent sales tax expected to raise \$500 million over 30 years to fund transportation improvements, if election night results hold.

Tuesday, voters passed Measure D by a slim margin, just above the required 66.6 percent threshold. Thousands of vote-by-mail and provisional ballots, however, remain to be counted in coming weeks, according to Santa Cruz County Elections Office numbers.

Neighborhood projects such as local road and pothole repair would receive 30 percent of revenue.

The addition of Highway 1 auxiliary lanes in Aptos and Soquel would receive 25 percent of revenue. These lanes would connect neighboring exits, and are designed to alleviate traffic.

The rest would be divided as follows: 20 percent to transit for seniors and disabled people, 17 percent to the coastal rail trail and 8 percent to railroad maintenance and an analysis of rail as a transit option.

The sales tax received broad support from both the business community, labor unions, hospitals, and nearly every elected official in the county.

The measure's only opposition was a group against Highway 1 widening, who believed that the auxiliary lanes would not alleviate traffic. They instead called for increased investment in alternative transportation.

Santa Cruz County could join at least 20 other counties in California with a sales tax that funds transportation improvements. Road maintenance has historically been paid for with gas tax revenue, but that income has dwindled. Tuesday, 13 other counties in the state voted on a sales tax to fund transportation.

This story will be updated.

Measure D

<u>Yes</u>	<u>No</u>
52414	25673
67.12%	32.88%

Donna Bauer

From: California Transit Association [info@caltransit.org]
Sent: Wednesday, November 09, 2016 4:00 PM
To: Donna Bauer
Subject: Funding Update - November 9, 2016

California Transit
Association



Funding
Update

November 9, 2016

Californians Take Action to Support Investments in Transportation

Yesterday, Californians voiced their support for billions of dollars in new investment in transportation infrastructure by approving six local sales tax measures, a bond measure, and a parcel tax measure, as well as rejecting Proposition 53 (more on this below). Moreover, the State Assembly gained the 55 seats for a two-thirds democratic supermajority needed to increase revenues. Currently, the State Senate remains one shy of the 27 seats needed for the same super-majority.

Transportation Funding Measures

This year, 14 local sales tax measures were on the ballot in counties across California. All of these measures, with the exception of the County of San Francisco's Proposition K, required a 2/3-vote of the electorate. Despite this high voter-threshold, 6 of these measures passed and will go into effect next year, generating billions of dollars for public transit and local streets & roads. A number of these measures, including Los Angeles County Metropolitan Transportation Authority's Measure M and Santa Clara Valley Transportation Authority's Measure B won decisive approval with nearly 70% and 71% of the vote, respectively.

Additionally, the counties of Monterey, Santa Cruz, Merced and Stanislaus joined the ranks of the "self-help counties" by electing, for the first time, to tax themselves at higher sales tax rate to fund important transportation infrastructure improvements.

The San Francisco Bay Area Rapid Transit District's Measure RR, a \$3.5 billion general obligation bond measure to

update, repair, and replace the BART aging infrastructure, captured 70% of the vote. Finally, voters in the Alameda-Contra Costa Transit District overwhelmingly extended the District's existing \$8/month parcel tax for an additional 20 years, generating approximately \$30 million annually for transit service.

The outcomes of all transportation funding measures are listed below:

Local Sales Tax Measures – Existing Self-Help Counties

Los Angeles, Measure M – Passed: Yes 69.82%, No 30.18%

San Diego, Measure A – Failed: Yes 57.04%, No 42.96%

Contra Costa, Measure X – Failed: Yes 62.54%, No 37.46%

Sacramento, Measure B – Failed: Yes 64.81%, No 35.19%

Santa Clara, Measure B – Passed: Yes 70.93%, No 29.07%

San Francisco, Measure K – Failed: Yes 34.95%, No 65.05% (Majority Vote Required)

Local Sales Tax Measures – Aspiring Self-Help Counties

Humboldt, Measure U – Failed: Yes 42.89%, No 57.11%

Monterey, Measure X – Passed: Yes 67.36%, No 32.64%

Merced, Measure V – Passed: Yes 69.15%, No 30.85%

Placer, Measure M – Failed: Yes 63.71%, No 36.29%

San Luis Obispo, Measure J – Failed: Yes 65.0%, No 35.0%

Santa Cruz, Measure D – Passed: Yes 67.12%, No 32.88%

Stanislaus, Measure L – Passed: Yes 70.58%, No 29.42%

Ventura, Measure AA – Failed: Yes 56.91%, No 43.09%

General Obligation Bond

BART, Measure RR – Passed: Yes 70.1%, No: 29.9%

Parcel Tax Measure

Alameda-Contra Costa Transit District, Measure C1 – Passed: Yes 81.4%, No 18.6%

Proposition 53

Proposition 53 posed a challenge to large infrastructure projects, including public transit projects and the high-speed rail project, because it would have required statewide voter approval before any revenue bond in excess of \$2 billion could be issued or sold by the state. The measure, which was vehemently opposed by the labor trade unions and Governor Brown, failed at the ballot box with only 48.6 percent of the vote.

Outcomes of Legislative Races

With the defeat of incumbent Republicans Young Kim (AD 65), David Hadley (AD 66) and Eric Linder (AD 60), Democrats regained a two-thirds supermajority in the California State Assembly. The supermajority could have a significant influence on the Legislature's ability to raise new revenues for transportation. In addition to the Democrats swelling ranks in the State Assembly, moderate Democrats Patty Lopez (AD 39) and Cheryl Brown (AD47) lost their re-election bids to more progressive challengers. While it's still too early to call, Democrats may fall one seat short of a supermajority in the State Senate. If current outcomes hold, there will remain 26 Democrats and 14 Republicans in the State Senate.

For additional information on all statewide election results, please visit the [Secretary of State's website](#).

If you have any questions or comments about this Funding Update
please contact Legislative Advocate Matt Robinson at 916-446-4656 ext. 1022 or matt@caltransit.org.

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Other Transit Related Articles

Voters Approve \$14 Billion In Bay Area Transit Improvement Projects

CBS Local – November 10, 2016

By Phil Matier

LAFAYETTE (CBS SF) — Bay Area commuters may be the big winners in this election. Voters approved big money for transit projects, including BART.

From sidewalks to roadways to BART – one winner in Tuesday’s election were Bay Area commuters.

Randy Rentschler with MTC said, “About \$14 billion worth of measures were approved.”

\$3.5 billion to overhaul of the aging BART system – new buses for AC Transit – sidewalk and road repairs in Albany and Mill Valley, express lanes are going to get built in Santa Clara County, Caltrain is also going to be improved.

And in San Jose, Santa Clara County Supervisor Dave Cortese said, “Potholes fixed. Expressways fixed and getting BART extended all the way through downtown and into Santa Clara.

Cortese said, “You are going to have a smoother drive – you will replace your shock absorbers less often.”

Even president elect Donald Trump appears to be on board for more money.

Trump said, “Rebuild our highways, bridges tunnels, airports...we are going to rebuild out infrastructure.”

But what about money for mass transit projects like buses and BART?

Not likely to be the priority in a Republican Congress

And Washington’s new view of California’s push for hybrids and electric cars?

Rentschler said, “We are going to have a different four years there is no doubt about that.”

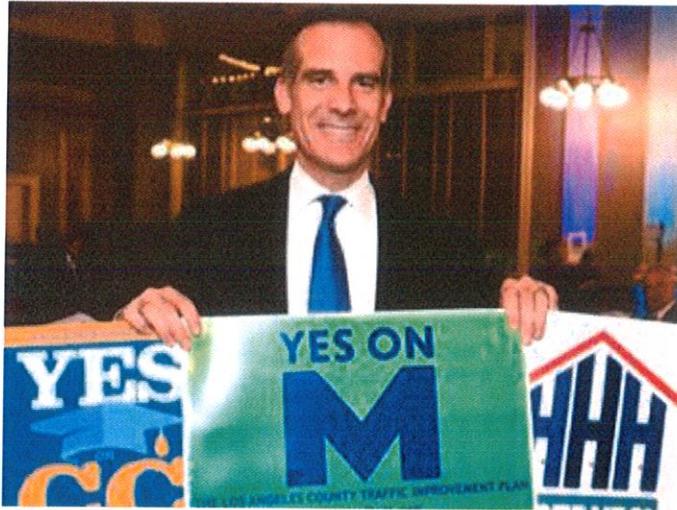
Interesting to note – suburban Contra Costa County – which has some of the Bay Area’s longest commutes fell short on the vote to pass its transportation bonds. Ordina City Councilmember Amy Worth said, “Those additional taxes are a challenge for people.”

So all those people in Contra Costa County are going to be stuck in traffic with crumbling roads worth – pretty much.

Wednesday, November 09, 2016

Nearly 70% of transit measures pass on Election Day

Written by Mischa Wanek-Libman, Engineering Editor



L.A. Mayor and LACMTA Board Vice Chair Eric Garcetti at the Measure M campaign party Nov. 8, 2016. Juan Ocampo/LACMTA

Public transportation across the United States came out a winner of the Nov. 8 election as 33 of the 48 local and statewide public transit measures up for a vote were approved; a passage rate of 69%, based on unofficial results.

According to the American Public Transportation Association (APTA), the 49 ballot measures totaling nearly \$200 billion that were voted on were the largest in history.

"Yesterday's success demonstrates that voters have once again continued their legacy of strong support for local investment in transit options. Since 2000, the average success rate of transit measures is 71 percent," the association said in a statement.

The largest measure in the country, Los Angeles County's Measure M, was passing with 69 percent approval with all precincts reporting. The sales tax increase needed two-thirds majority to pass and is expected to raise \$120-billion to help fund Los Angeles County Metropolitan Transportation Authority (LACMTA) projects to connect the Los Angeles

International Airport to LACMTA's Green Line, Crenshaw/LAX line and bus service; extend the Purple Line subway to Westwood; extend the Gold Line 11 miles; extend the Crenshaw Line Rail north to West Hollywood; among other transit improvements.

California's other big transit wins include Measure RR in the San Francisco Bay area, which will authorize \$3.5 billion in bonds for Bay Area Rapid Transit rehabilitation and modernization. It required a cumulative two-thirds vote in San Francisco, Alameda and Contra Costa counties for passage and received 70 percent approval.

Measure B, which would raise sales tax by a half-cent for 30 years to fund \$3 billion in Santa Clara Valley Transportation Authority projects, passed with 71 percent approval and required a two-thirds majority to move forward.

One measure that failed to pass was in San Diego where Measure A, an initiative that would have raised \$7.5 billion for public transit, did not reach the required two-thirds majority, but did win a 57 percent approval.

In Seattle, Wash., the second largest transit measure being put to voters, \$54-billion Sound Transit Proposition 1, also known as Sound Transit 3, passed with 55 percent approval. The measure will up taxes an estimated \$14 a month for a typical adult in the Sound Transit district to pay for light-rail, commuter rail and bus extensions.

Atlanta, Ga., voters approved a half-cent sales tax increase to raise \$2.5 billion over 40 years to fund rail and bus improvements to Metropolitan Atlanta Rapid Transit Authority's system.

Jason Jordan, executive director of the Center for Transportation Excellence, said, "Voters nationwide upheld the demonstrated legacy of strong support for transit at the ballot box. Clearly, communities continue to recognize the economic, social, health and environmental benefits transit can provide and are willing to support and invest in its expansion and maintenance."

Streetsblog California

Wednesday, November 9, 2016

Election? Oh, Right. We Also Voted on Transportation Taxes in California

by Melanie Curry



There is some good election news today, believe it or not. Some of the transportation sales tax measures we've been writing about ad nauseum look like they will pass, even with some mail-in ballots still to be counted. The vote counts listed below are from the local county election sites, most of which were updated late last night.

L.A.'s Measure M is the big win here, garnering almost 70 percent of the vote (it needed 66.6666 percent to pass). This is huge, because Measure M allocates more than half of its revenue to transit, holding the promise of shifting the conversation on transportation in this car-reliant city. "With the passing of Measure M, voters in Los Angeles County overwhelmingly supported the construction of a comprehensive, multi-modal transportation system in Southern California," said Climate Resolve in a press release this morning. The measure will lead to "less traffic, cleaner air, and a reduction in climate-altering greenhouse gas emissions."

In the Bay Area, Contra Costa's Measure X, which had some innovative ideas for spending its revenue on Complete Streets, doesn't look like it will pass. As of now it only has 62.54 percent of the vote. The 2/3 threshold is difficult to achieve, and in this case, like others, even though a majority of voters approved of the measure, it didn't get enough votes.

Santa Clara County's more highway-focused Measure B got a resounding yes, garnering 70.91 of the vote. It is likely to be out of the "no" zone—although, as Alameda and L.A. counties have learned in the past, those late votes could close the gap.

San Francisco's twin J and K measures both needed only a simple majority to win, and J, which creates a fund for homelessness and transportation, did so with 66.4 percent of the vote. But K, which would have raised sales taxes to pay for J, only got 34.95 percent, essentially defeating both measures.

Reader Robert Prinz reminds us that Oakland also passed an infrastructure bond measure, Measure KK, with 82.4 percent of the vote. The bond will fund street fixes, including pavement,

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bicycle and pedestrian improvements, and traffic calming, as well as put some money towards public facilities and preserving affordable housing in this increasingly expensive city.

Meanwhile two transit agency measures in the Bay Area—BART's Measure RR and AC Transit's Measure C1, got high approvals from voters. RR is ahead with 70.86 percent of the vote, and AC Transit, which serves Alameda and Contra Costa counties with buses, got a whopping 81.9 percent of approval from voters to continue an existing funding measure.

Both Sacramento County's Measure B and San Diego's car-focused Measure A are losing, although Sacramento's came close to passing. In Sacramento, 65.8 percent of the voters said yes—close to the threshold but not enough to win.

In San Diego, Measure A only won a slight majority; the 56.93 percent it has at this point isn't near enough to pass the measure.

The state's smaller counties had widely varying results:

- Santa Cruz's Measure D looks like it will pass. It's very close, but currently over the threshold at 67.12 percent of the vote. It's unclear how many ballots remain to be counted—but see the comment about Santa Clara above.
- In Merced, voters said “Yes please,” passing Measure L by 69.15 percent, well ahead of the necessary 2/3 threshold. Stanislaus County gave even more solid approval to its Measure L, voting 70.57 percent to approve it.
- Monterey County's Measure X will win if the final count stays at 67.36 percent of the vote, which is just above the necessary threshold. Meanwhile the county also approved an anti-fracking measure, Z, with 55.8 percent of the local vote.
- Humboldt County soundly defeated Measure U, which got more “no” votes than “yes votes: only 42.89 percent approved of the measure.
- Placer County's Measure M came close to winning, with 64 percent of the vote—but again, not quite enough.
- San Luis Obispo and Ventura both defeated their transportation sales tax measures. SLO's Measure J got only 65 percent of the vote, and Ventura's highway-focused Measure AA got only a bare majority at 56.91 percent.

We'll keep tracking to see if any of these change in the coming days.

Friday, November 4, 2016
A look inside San Jose politics and culture

San Jose Inside

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San Jose Inside (<http://www.sanjoseinside.com/2016/11/03/fbi-raids-santa-clara-vtas-former-paratransit-contractor/>)

News

FBI Raids Santa Clara VTA's Former Paratransit Contractor

By Jennifer Wadsworth @jennwadsworth / 16 HOURS AGO 4



VTA General Manager Nuria Fernandez and VTA Board of Directors Chair Cindy Chavez address reporters after the FBI raid. (Image via VTA)

Without warning on Thursday, the FBI raided a company hired by the Santa Clara Valley Transportation Authority to drive thousands of disabled riders every day.

FBI spokesman Prentice Danner confirmed that the agency served a search warrant on Outreach and Escort Inc., which has brokered paratransit services for the VTA since 1993. "Unfortunately, I'm unable to go into further details," he added.

The VTA ended its \$20 million-a-year contract with Outreach this past summer. But the problems arose long before that. In 2015, an audit found

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that the company apparently charged up to \$7 million for services it never gave.

The transit authority pulled its contract with Outreach five months ago, but continued to rely on the nonprofit to broker the 2,500 daily door-to-door rides with a subcontractor until finding a replacement. As a broker, Outreach managed administrative work and reservations but delegated the driving to a company called MV Transportation.

In August, the VTA took things a step further by filing a lawsuit against Outreach alleging false claims, fraud and unjust enrichment. Cindy Chavez, who chairs the VTA Board of Directors, said the agency handed over the audit findings to Santa Clara County prosecutors and federal investigators.

Nuria Fernandez, VTA general manager and CEO, said the agency prepared for this kind of emergency, but didn't expect it would come this soon. At a press conference hours after the FBI raid, she assured paratransit riders that there will be no interruption in service. But instead of calling Outreach, where the phone lines are tied up, she urged them to call the VTA's customer service line at 408-321-2300.

"We had a transition plan that we thought we had 12 months to implement," she said, "and now we are trying to fast-track that plan."

Outreach oversees 215 white Prius cars and vans, which transport people to doctor appointments, day programs, school and errands. Each one-way trip costs the VTA \$25, though it charges only \$4 to the riders. MV Transportation will continue to drive the 7,000 registered riders with disabilities that prevent them from using VTA buses and light rail, VTA officials said.

The lawsuit filed by the VTA in late August points to the same red flags that came up in the audit, which was the first ever in the 23-year history of the Outreach contract.

According to the lawsuit filed in Santa Clara County Superior Court, auditors found evidence that Outreach modified trip records to inflate the numbers and over-bill the VTA. Up to 30 percent of billed trips were allegedly missing pickup and drop-off times, the claim states. It also references a former Outreach employee Priscilla Gonzales said she quit earlier this year because a supervisor told her to fudge ridership numbers.

Jennifer Wadsworth is a staff writer for San Jose Inside and Metro Newspaper. Email tips to jenniferw@metronews.com or follow her on Twitter at [@jennwadsworth](https://twitter.com/jennwadsworth).

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