

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

**BOARD OF DIRECTORS REGULAR MEETING AGENDA**

**JANUARY 13, 2006 (Second Friday of Each Month)**

**\*SCMTD ENCINAL CONFERENCE ROOM\***

**\*370 ENCINAL STREET, SUITE 100\***

**SANTA CRUZ, CALIFORNIA**

**9:00 a.m. – 11:00 a.m.**

**THE BOARD AGENDA PACKET CAN BE FOUND ONLINE AT [WWW.SCMTD.COM](http://WWW.SCMTD.COM)**

**NOTE: THE BOARD CHAIR MAY TAKE ITEMS OUT OF ORDER**

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

1. a. ROLL CALL
  - b. CONSIDERATION OF:
    - 1) NOMINATION OF DIRECTORS TO SERVE AS BOARD OFFICERS,
    - 2) NOMINATIONS FOR APPOINTMENTS TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY,
    - 3) NOMINATIONS FOR THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, AND
    - 4) NOMINATIONS FOR THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION TRANSPORTATION FUNDING TASK FORCE FOR 2006Presented by: Les White, General Manager  
Staff Report: Attached
2. ORAL AND WRITTEN COMMUNICATION
    - a. Congresswoman Anna Eshoo Re: Resolution
    - b. Amy Weiss, Spanish Interpreter Re: Holiday Card
  3. LABOR ORGANIZATION COMMUNICATIONS
  4. ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS

**CONSENT AGENDA**

- 5-1. APPROVE REGULAR BOARD MEETING MINUTES OF OCTOBER 14 AND 28, 2005 AND SPECIAL MEETING MINUTES OF OCTOBER 11, 19, 26 AND 30, 2005  
Minutes: **WILL BE INCLUDED IN THE JANUARY 27, 2006 BOARD PACKET**

- 5-2. ACCEPT AND FILE PRELIMINARILY APPROVED CLAIMS FOR THE MONTH OF DECEMBER 2005  
Report: Attached
- 5-3. ACCEPT AND FILE DECEMBER 2005 RIDERSHIP REPORT  
Report: **PAGE 1 WILL BE INCLUDED IN THE JANUARY 27, 2006 BOARD PACKET**
- 5-4. CONSIDERATION OF TORT CLAIMS: DENY THE CLAIM OF NANCY ANECITO, CLAIM #05-0026  
**ACTION REQUESTED AT THE JANUARY 13, 2006 BOARD MEETING**
- 5-5. ACCEPT AND FILE THE METRO ADVISORY COMMITTEE (MAC) AGENDA FOR JANUARY 18, 2006  
Agenda/Minutes: Attached
- 5-6. ACCEPT AND FILE THE METRO ACCESSIBLE SERVICES TRANSIT FORUM (MASTF) AGENDA FOR JANUARY 19, 2006  
Agenda: Not Available – Meeting information page is attached
- 5-7. ACCEPT AND FILE MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2005  
Staff Report: Attached
- 5-8. ACCEPT AND FILE HIGHWAY 17 STATUS REPORT FOR SEPTEMBER 2005  
Report: Attached
- 5-9. ACCEPT AND FILE PARACRUZ OPERATIONS STATUS REPORT FOR THE MONTH OF OCTOBER 2005  
Staff Report: Attached
- 5-10. ACCEPT AND FILE UNIVERSITY OF CALIFORNIA, SANTA CRUZ SERVICE UPDATE FOR THE MONTH OF NOVEMBER 2005  
Staff Report: Attached
- 5-11. ACCEPT AND FILE METROBASE STATUS REPORT  
Staff Report: Attached
- 5-12. ACCEPT AND FILE MINUTES REFLECTING VOTING RESULTS FROM APPOINTEES TO THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION FOR THE DECEMBER 2005 MEETING  
Staff Report: Attached
- 5-13. CONSIDERATION OF FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR FOR YEAR ENDING JUNE 30, 2005  
Staff Report: Attached **(ATTACHMENT "B" WILL BE INCLUDED IN THE JANUARY 27, 2006 BOARD PACKET)**

- 5-14. ACCEPT AND FILE CALL STOP AUDIT REPORT FOR THE PERIOD OF OCTOBER, NOVEMBER AND DECEMBER 2005  
Staff Report: **WILL BE INCLUDED IN THE JANUARY 27, 2006 BOARD PACKET**
- 5-15. CONSIDERATION OF APPROVAL OF DISTRICT BUYER RECLASSIFICATION TO INCLUDE TITLE CHANGE  
Staff Report: Attached
- 5-16. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO RENEW THE CONTRACT WITH THE LAW OFFICES OF MARIE F. SANG FOR LEGAL SERVICES IN THE AREA OF WORKERS COMPENSATION  
Staff Report: Attached
- 5-17. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO RENEW THE CONTRACT WITH EVERGREEN OIL, INC. FOR HAZARDOUS WASTE REMOVAL SERVICES  
Staff Report: Attached
- 5-18. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO RENEW THE CONTRACT WITH CRUZ CAR WASH FOR WASHING PARACRUZ VEHICLES  
Staff Report: Attached
- 5-19. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO RENEW THE CONTRACT WITH STEVE'S UNION FOR FUELING PARACRUZ VEHICLES  
Staff Report: Attached
- 5-20. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO RENEW THE CONTRACT WITH BROWN, ARMSTRONG, PAULDEN, MCCOWN, STARBUCK & KEETER ACCOUNTING CORPORATION FOR FINANCIAL AUDIT AND TAX SERVICES  
Staff Report: Attached
- 5-21. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE ASSIGNMENT TRANSFERRING THE CURRENT RESTAURANT LEASE AT THE WATSONVILLE TRANSIT CENTER TO THE NEW RESTAURANT OWNERS  
Staff Report: Attached
- 5-22. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN INDEMNITY AGREEMENT IN FAVOR OF THE CITY OF SANTA CRUZ REGARDING THE GARBAGE EQUIPMENT METRO RENTS FOR ITS FACILITIES  
Staff Report: Attached

**ACTION REQUESTED AT THE JANUARY 13, 2006 BOARD MEETING**

6. CONSIDERATION OF PRESENTATION BY URBITRAN ON THE BAY CORRIDOR FEASIBILITY ANALYSIS BUS RAPID TRANSIT PRELIMINARY CONCEPTUAL PLAN  
Presented By: Urbitran Staff  
Staff Report: No Staff Report – will be an oral presentation. Preliminary Conceptual Plan is attached.  
**THIS PRESENTATION WILL TAKE PLACE AT THE JANUARY 13, 2006 BOARD MEETING**
7. CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A CONTRACT FOR FEDERAL LEGISLATIVE SERVICES  
Presented By: Tom Stickel, Maintenance Manager  
Staff Report: Attached
8. CONSIDERATION OF **RESOLUTION** TO REVISE SANTA CRUZ METRO'S BYLAWS AND DIRECTOR'S CODE OF ETHICS TO INCORPORATE MODIFICATIONS REQUIRED BY NEW LEGISLATION (AB1234) WHICH BECAME EFFECTIVE JANUARY 1, 2006, REGARDING DIRECTOR'S COMPENSATION AND ETHICS REQUIREMENTS INCLUDING TRAINING  
Presented By: Margaret Gallagher, District Counsel  
Staff Report: **WILL BE INCLUDED IN THE JANUARY 27, 2006 BOARD PACKET**
9. CONSIDERATION OF SUBMITTING A REQUEST THAT THE CALIFORNIA STATE LEGISLATURE AMEND THE METRO ENABLING STATUTE (SECTION 98000 ET. SEQ. OF THE CALIFORNIA PUBLIC UTILITIES CODE) TO PROVIDE FOR PROCEDURES FOR CITIZEN RECALL OF MEMBERS OF THE BOARD OF DIRECTORS  
Presented By: Les White, General Manager  
Staff Report: Attached
10. REVIEW OF ITEMS TO BE DISCUSSED IN CLOSED SESSION: District Counsel
11. ORAL AND WRITTEN COMMUNICATIONS REGARDING CLOSED SESSION

**SECTION II: CLOSED SESSION**

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
(Pursuant to Government Code Section 54956.8)  
  
Property: 25 Sakata Lane, Watsonville, CA  
Negotiating parties: Carl Blanke, Hirsch & Associates for SCMTD  
Donald Houpt, Proposer #1  
Barry Swenson, Proposer #2  
Under Negotiation: Price and Terms of Payment

2. CONFERENCE WITH LABOR NEGOTIATOR  
(Pursuant to Government Code Section 54957.6)
  - a. Agency Negotiator: Leslie R. White, General Manager
    1. Unrepresented Employees: METRO Managers  
(General Manager, Assistant General Manager, MetroBase Project Manager, District Counsel, Finance Manager, Assistant Finance Manager, Human Resources Manager, Human Resources Assistant Manager, IT Manager, Senior Database Administrator, Maintenance Manager, Operations Manager, Base Superintendent, Paratransit Administrator, Paratransit Superintendent)
    2. Employee Organization: Service Employees International Union (SEIU), Local 415
3. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
(Significant exposure to litigation exists pursuant to Government Code Section 54956.9 (b) (1))
  - a. Number of Cases: One
4. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
(Pursuant to Government Code Section 54956.9)
  - a. Name of Case: Santa Cruz Sentinel v. Santa Cruz Metropolitan Transit District
  - b. Name of Case: IWC Claim of Rosalio Ramos
  - c. Name of Case: IWC Claim of James Taylor
  - d. Name of Case: UTU Unit Grievance regarding Labor Code Section 2605

**SECTION III: RECONVENE TO OPEN SESSION**

12. REPORT OF CLOSED SESSION

**ADJOURN**

**NOTICE TO PUBLIC**

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

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

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

The Santa Cruz Metropolitan Transit District does not discriminate on the basis of disability. The Encinal Conference Room is located in an accessible facility. Any person who requires an accommodation or an auxiliary aid or service to participate in the meeting, please contact Cindi Thomas at 831-426-6080 as soon as possible in advance of the Board of Directors meeting. Hearing impaired individuals should call 711 for assistance in contacting METRO regarding special requirements to participate in the Board meeting.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 13, 2006

**TO:** Board of Directors

**FROM:** Leslie R. White, General Manager

**SUBJECT: CONSIDERATION OF:**

- 1) **NOMINATION OF DIRECTORS TO SERVE AS BOARD OFFICERS,**
- 2) **NOMINATIONS FOR APPOINTMENTS TO THE HIGHWAY 1 CONSTRUCTION AUTHORITY,**
- 3) **NOMINATIONS FOR THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION, AND**
- 4) **NOMINATIONS FOR THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION TRANSPORTATION FUNDING TASK FORCE FOR 2006.**

## I. RECOMMENDED ACTION

**That the Board of Directors identify nominees from the Board to be considered for election to the positions Board Chair, Vice Chair, Representative to the Highway 1 Construction Authority, Representatives and Alternates for the Santa Cruz County Regional Transportation Commission, and a Member and a Consumer to serve as Representatives for the Santa Cruz County Regional Transportation Commission's Transportation Funding Task Force.**

## II. SUMMARY OF ISSUES

- Article 6 of the METRO Bylaws provides that the Board of Directors shall annually nominate members to be considered for election to the positions of Chair and Vice Chair.
- It is necessary for the Board of Directors to nominate members to be considered for election to represent METRO on the Board of Directors of the Highway 1 Construction Authority (HCA).
- In order to maintain representation on the Santa Cruz County Regional Transportation Commission (SCCRTC) it is necessary that the Board of Directors nominate members to be considered for election to the three positions and three alternate positions that are provided for METRO.
- It is necessary for the Board of Directors to nominate a Member and a Consumer to serve as representatives to the SCCRTC's Transportation Funding Task Force.
- Currently elections for the positions referenced in this Staff Report are scheduled to be held at the January 27, 2006 Board of Directors meeting.

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### **III. DISCUSSION**

The terms of the officers and appointees of the Board of Directors in the positions of Chair, Vice Chair, HCA appointee, and SCCRTC appointees expire in January 2006. The METRO Bylaws provide that the Board of Directors shall identify nominees to be considered for election to the positions herein referenced.

Staff recommends that the Board of Directors identify members to be nominees for the positions of Chair, Vice Chair, HCA appointee, and SCCRTC appointees and alternates. Additionally the SCCRTC has requested that the Board of Directors select a Member and a Consumer to serve on the newly established Transportation Funding Task Force. The full membership of the Task Force is attached to this Staff Report. The election of nominees to the referenced positions is scheduled to be held January 27, 2006.

### **IV. FINANCIAL CONSIDERATIONS**

Funding support for the positions identified in this Staff Report is contained in the adopted METRO FY 2005 Operating Budget.

### **V. ATTACHMENTS**

Attachment A: SCCRTC Transportation Task Force Membership List

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## Background for Establishing a Transportation Funding Program Task Force

- The Santa Cruz County Regional Transportation Commission (RTC) is the designated regional transportation planning agency, responsible for planning efforts to meet the community's mobility needs and making local decisions about funding.
- The 2004 Regional Transportation Plan, developed by the RTC in conjunction with the community, identified the amount of funding which would be needed to maintain the existing network of transportation facilities and services for all modes of transportation in Santa Cruz County, and the amount of funding needed to implement desired transportation improvements for all modes.
- The 2004 Regional Transportation Plan concluded that there are insufficient transportation funds expected from local, state and federal sources to maintain the existing transportation network or to improve the network.
- A countywide half-cent transportation sales tax measure (Measure J) was proposed by the Santa Cruz County Regional Transportation Commission and forwarded to the voters on the November 2004 ballot. This measure contained a mix of transportation improvements including: a new carpool lane on the Highway 1 freeway, bicycle and pedestrian crossings over Highway 1, park and ride lot and other alternative transportation improvements, local street and road repairs and maintenance, partial funding for a bicycle/ pedestrian trail along the coast, additional funding for specialized transportation for seniors and people with disabilities, and partial funding for a train station at the Pajaro/Watsonville Junction on the main AMTRAK line. The ballot measure was defeated when it received only 42% support, far short of the 67% required to pass.
- The RTC has recently established a comprehensive Transportation Funding Task Force as an inclusive process to involve a broad range of stakeholders in the discussion about both transportation priorities in Santa Cruz County as well as the complexities of how to pay for them.
- Transportation Funding Task Force meetings will be open to the public.
- Two rounds of community workshops around the county and internet options are planned to solicit input from the community.

For more information about the Santa Cruz County Regional Transportation Commission, the 2004 Regional Transportation Plan and other transportation projects, please visit [www.sccrtc.org](http://www.sccrtc.org).

#3

**MEMBERSHIP OF  
TRANSPORTATION FUNDING PROGRAM TASK FORCE**  
(Total = 71 plus 10 ex-officio members)

- 4 city council members, 1 from each city, appointed by the city councils
- 1 member of the Board of Supervisors, appointed by the Board
- ⊖- 1 member of the Transit District, appointed by the District Board
- 1 representative appointed by the Highway 1 Construction Authority (HCA)
- 1 member of the RTC
- 2 representatives of large employers, appointed by the Business Council
- 2 representatives of the Committee for Sensible Transportation, appointed by the CST
- 6 representatives of the business community, one each appointed by the following:  
Pajaro Valley, Scotts Valley, Greater Santa Cruz, Aptos, Capitola/Soquel chambers  
and the San Lorenzo Valley Business Association
- 2 representatives of the bicycle community, one appointed by People Power and one  
by the RTC Bicycle Committee
- 2 representatives of the environmental community, appointed by the Sierra Club
- 2 representative of community programs, appointed by the Human Care Alliance, one  
from north county and one from south county
- 2 union representatives, appointed by the Central Labor Council
- 1 representative: UTU Bus Driver Union
- ⊖- 1 consumer appointed by the Transit District
- 1 representative of the land use development community, appointed by the RTC
- 1 representative from the Sheriff's Department

1 representative each appointed by the following groups and agencies:

- Action Pajaro Valley
- American Medical Response (AMR) – ambulance company  
(replaced with the Santa Cruz Bicycle Industry Coalition)
- Automobile Advocate/Auto Driver-At-Large (Appointed by the RTC)
- Brown Berets
- Cabrillo College, appointed by the Board of Trustees
- Coastal Commission
- Community Traffic Safety Coalition
- Commuter at large (*Appointed by the RTC*)
- Conference and Visitors Council
- County Emergency Medical Care Commission
- Davenport Resource Service Center
- Ecology Action
- Elderly and Disabled Transportation Advisory Committee
- Farm Bureau

26-10

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- Latino Business Association
- Latino Lawyers Association
- League of Women Voters
- League of United Latin American Citizens (LULAC)
- Mission Pedestrian
- Native Americans
- Open Space Alliance
- Pajaro Valley Transportation Management Agency
- Pajaro Valley Unified School District
- Pleasure Point Business Association
- Rails to Trails group
- Rio Del Mar Improvement Association
- Salud Para La Gente
- Santa Cruz Bicycle Industry Coalition (replacing Bike to Work)
- Santa Cruz Consolidated Emergency Communications Center
- Santa Cruz County Board of Realtors
- Santa Cruz Transportation Management Association (TMA)
- Santa Cruz Coalition Against Recreation Rail (SCCARED) anti-rail group
- SAFE on 17 Task Force
- School Districts, appointed by the County Office of Education
- Seacliff Improvement Association
- Seniors Anti-Tax group
- Seniors Council
- Surfriders Foundation
- UCSC, appointed by the Chancellor
- Valley Women's Club \*
- Wetlands Watch

Ex-Officio members

- California Highway Patrol (CHP) (1)
- Caltrans (1)
- Local Jurisdiction Public Works Staff (5)
- ⊖ - Transit District Staff (1)
- Consolidated Transportation Services Agency Staff (1)
- Local representative of the California State Auto Association (AAA) (1)



*Congress of the United States  
House of Representatives  
Washington, D.C. 20515*

*Anna G. Eshoo  
Fourteenth District  
California*

December 6, 2005

Mr. Michael Keogh, Chair  
Santa Cruz Metropolitan Transit District  
370 Encinal, Suite 100  
Santa Cruz, California 95060

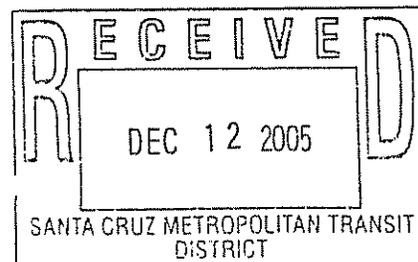
Dear Mr. Keogh,

My thanks to you and all the members of the Board of Directors for honoring my work and that of my staff with the Resolution. It's displayed in my office with pride.

So few take the time to express their gratitude, and I want you to know how much yours means to all of us.

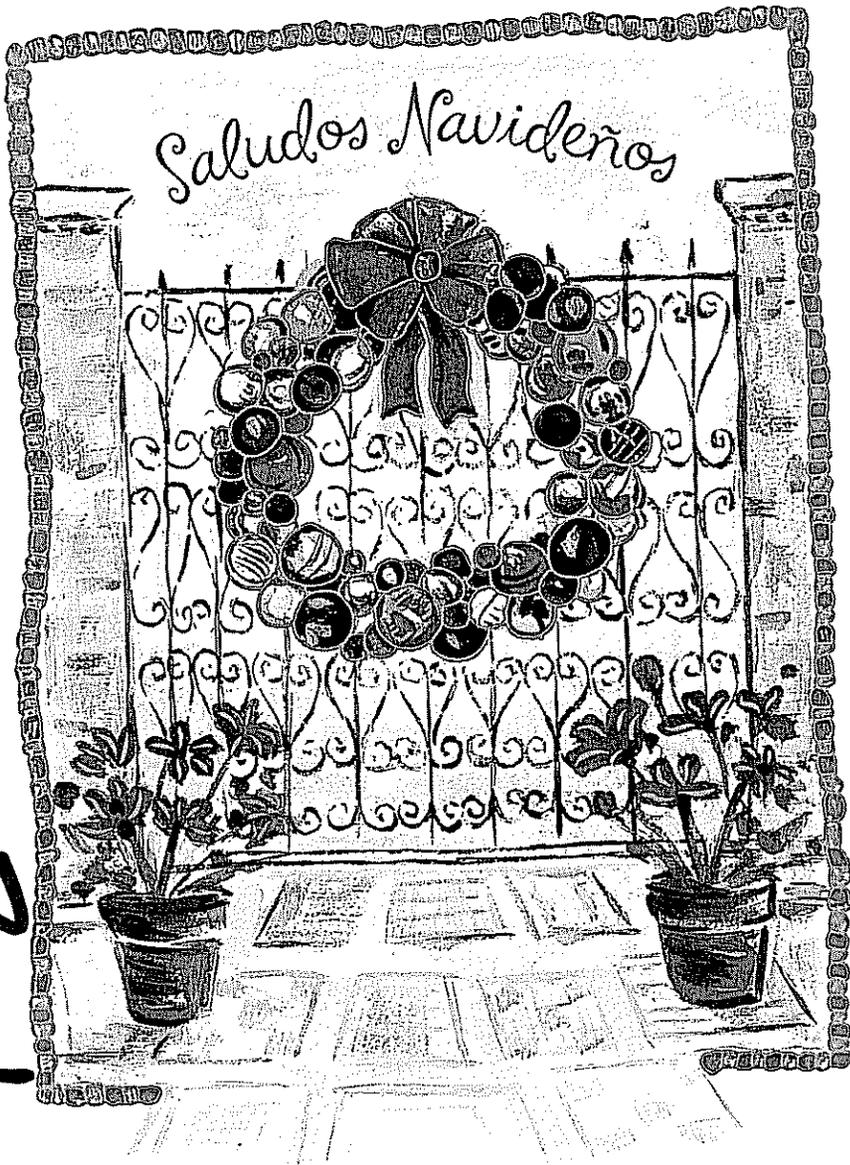
Sincerely,

Anna G. Eshoo  
Member of Congress



2-a.1

Saludos Navideños



2-9-1

To Cindi & METRO Board,



Con cálidos deseos  
para una Feliz Navidad,  
un hermoso año nuevo,  
y alegrías siempre.

Wishing you a happy and  
healthy holiday season  
and a Happy New year!

Peace,  
Amy

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

DATE: 12/01/05 THRU 12/31/05

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
16453	12/01/05	484.78	001	SBC		6582	NOV REPEATERS/OPS	86.93	
						6583	NOV PHONES/OPS	397.85	
16454	12/01/05	650.00	001016	ALLARD'S SEPTIC SERVICE, INC.		6523	HAZ WASTE DISPOSAL	325.00	
						6524	HAZ WASTE DISPOSAL	325.00	
16455	12/01/05	125.00	001062	ALLTERRA ENVIRONMENTAL INC.		6525	NOV INSPECT/GOLF CLB	125.00	
16456	12/01/05	4,200.06	001063	NEW FLYER INDUSTRIES LIMITED		6526	REV VEH PARTS 144	143.94	
						6527	REV VEH PARTS 2118	2,117.54	
						6584	REV VEH PARTS 1939	1,938.58	
16457	12/01/05	43,750.00	001080	OCTAGON RISK SERVICES, INC.		6585	DEC-FEB WC ADM FEE	43,750.00	
16458	12/01/05	373.14	001296	LEXISNEXIS MATTHEW BENDER		6586	CA EMP LAW REL #32	373.14	
16459	12/01/05	339.36	001315	WASTE MANAGEMENT		6528	NOV KINGS VILLAGE	152.89	
						6529	NOV HERMON/KINGS	44.10	
						6530	NOV RESEARCH PARK	142.37	
16460	12/01/05	117,237.57	001316	DEVCO OIL		6531	10/31-11/14 FUEL/FLT	53,851.60	
						6771	11/15-11/29 FUEL/FLT	63,385.97	
16461	12/01/05	672.00	001346	CITY OF SANTA CRUZ		6587	PARKING DEF FEES	672.00	
16462	12/01/05	861.05	001379	SAFETY-KLEEN SYSTEMS, INC.		6532	HAZ WASTE DISPOSAL	861.05	
16463	12/01/05	338.50	001523	SANTA CRUZ MEDICAL CLINIC	7	6588	FIRST AID EXAM	338.50	
16464	12/01/05	1,201.57	001934	ALDRAN CHEMICAL, INC		6533	CLEANING SUPPLIES/FL	1,201.57	
16465	12/01/05	767.49	002034	CARLON'S FIRE EXTINGUISHER		6534	OUT REPAIR/ EQUIP	767.49	
16466	12/01/05	86.65	002063	COSTCO		6535	PHOTO PROCESS/OPS	49.37	
						6536	PHOTO PROCESS/OPS	14.35	
						6589	PHOTO PROCESS/OPS	9.45	
						6590	PHOTO PROCESS/OPS	13.48	
16467	12/01/05	436.12	002069	A TOOL SHED, INC.		6537	EQUIP RENTAL	142.50	
						6538	EQUIP RENTAL	293.62	
16468	12/01/05	3,028.00	002117	IULIANO, NICK	7	6591	05/06 PROP TAX #1	511.00	
						6592	05/06 PROP TAX #1	2,517.00	
16469	12/01/05	114,297.90	002295	FIRST ALARM		6539	OCT SECURITY	114,297.90	
16470	12/01/05	760.15	002313	HARTSELL & OLIVIERI	7	6593	TRANSCRIPTS/HRD	760.15	
16471	12/01/05	17,220.00	002807	WILLIAM AVERY & ASSOCIATES		6594	OCT 05 PROF SVCS	17,220.00	
16472	12/01/05	333.33	002814	CREATIVE BUS SALES, INC.		6595	REV VEH PARTS	333.33	
16473	12/01/05	118.85	002828	ALLIED ELECTRONICS		6540	PARTS & SUPPLIES	118.85	
16474	12/01/05	83.89	002829	VALLEY POWER SYSTEMS, INC.		6541	CUSTOM PARTS CATALOG	83.89	
16475	12/01/05	2,500.00	002832	WILLIAM J. LYNCH, PH.D		6542	PROF. SERVICES	2,500.00	
16476	12/01/05	898.77	009	PACIFIC GAS & ELECTRIC		6596	10/15-11/14 RESEARCH	22.51	
						6597	10/15-11/14 RESEARCH	805.09	
						6598	10/13-11/10 PAUL SWT	71.17	
16477	12/01/05	409.21	020	ADT SECURITY SERVICES INC.		6543	NOV ALARMS	409.21	
16478	12/01/05	317.45	036	KELLY-MOORE PAINT CO., INC.		6544	REPAIRS/MAINT.SUPP	82.71	
						6545	REPAIRS/MAINT.SUPP	234.74	
16479	12/01/05	91.83	040	LENZ ARTS, INC.		6548	EMP INCENTIVE-FRAMES	91.83	
16480	12/01/05	2,622.36	041	MISSION UNIFORM		6546	OCT UNIF/LAUNDRY/FAC	756.06	
						6547	OCT UNIFORMS & LAUND	1,866.30	
16481	12/01/05	106.00	043	PALACE ART & OFFICE SUPPLY		6549	OFFICE SUPPLIES	33.10	
						6550	OFFICE SUPPLIES	45.96	
						6551	OFFICE SUPPLIES	26.94	
16482	12/01/05	279.94	061A	REGISTER PAJARONIAN		6552	CLASSIFIED AD/ FLEET	279.94	
16483	12/01/05	74.06	074	KENVILLE LOCKSMITHS	7	6553	OCT LOCKS/KEYS	74.06	
16484	12/01/05	118.85	087	RECOGNITION SERVICES		6599	EMP INCENTIVE 104	118.85	

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CHECK JOURNAL DETAIL BY CHECK NUMBER  
ALL CHECKS FOR COAST COMMERCIAL BANK

DATE: 12/01/05 THRU 12/31/05

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	TRANS. TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
16485	12/01/05	948.02	104	STATE STEEL COMPANY		6554	REPAIRS & MAINT SUPP	546.66	
						6555	PARTS & SUPPLY/ FLT	401.36	
16486	12/01/05	220.44	117	GILLIG CORPORATION		6556	REV VEH PARTS	220.44	
16487	12/01/05	186.40	122	SCMTD PETTY CASH - OPS		6557	PETTY CASH/OPS	186.40	
16488	12/01/05	360.01	147	ZEE MEDICAL SERVICE CO.		6558	SAFETY SUPPLIES	34.83	
						6559	SAFETY SUPPLIES	325.18	
16489	12/01/05	478.20	167	KEYSTON BROTHERS		6560	OTHER MOBILE SUPP/FL	478.20	
16490	12/01/05	964.55	170	TOWNSEND'S AUTO PARTS		6561	REV VEH PARTS/SUPPLY	964.55	
16491	12/01/05	199.50	186	WILSON, GEORGE H., INC.		6562	REPAIRS & MAINT/SUPP	199.50	
16492	12/01/05	800.70	225	MISSION PRINTERS	7	6600	PRINT BUS PASSES	800.70	
16493	12/01/05	1,756.32	282	GRAINGER		6563	REV VEH PARTS/SUPPLY	1,696.62	
						6564	SAFETY SUPPLIES	59.70	
16494	12/01/05	184.00	367	COMMUNITY TELEVISION OF		6601	10/28/05 MTG COVERAG	184.00	
16495	12/01/05	26.21	372	FEDERAL EXPRESS		6565	NOV MAIL/ ADM	26.21	
16496	12/01/05	389.47	436	WEST PAYMENT CENTER		6602	OCT ACCESS CHGS	389.47	
16497	12/01/05	289.94	448	UNISOURCE		6566	CLEANING SUPPLIES	289.94	
16498	12/01/05	141.00	481	PIED PIPER EXTERMINATORS, INC.		6567	NOV PEST CONTROL	141.00	
16499	12/01/05	1,500.00	490	FAST RESPONSE ON-SITE		6568	PROFESSIONAL/TECH	1,500.00	
16500	12/01/05	288,548.49	502	CA PUBLIC EMPLOYEES'		6603	DEC MEDICAL INS	288,548.49	
16501	12/01/05	1,047.33	504	CUMMINS WEST, INC.		6569	REV VEH PARTS	210.64	
						6570	REV VEH PARTS	836.69	
16502	12/01/05	27.00	510A	HASLER, INC.		6604	12/1-12/31 RENTAL/PT	27.00	
16503	12/01/05	86.73	566	ARROWHEAD MTN SPRING WATER		6571	OCT WATER	86.73	
16504	12/01/05	405.79	582	TOYOTA OF SANTA CRUZ		6605	OUT RPR/OTR VEH	405.79	
16505	12/01/05	845.17	647	GFI GENFARE		6572	REV VEH PARTS	444.69	
						6573	REV VEH PARTS	400.48	
16506	12/01/05	70.00	682	WEISS, AMY L.	7	6574	NOV INTERPRETER	70.00	
16507	12/01/05	200.72	699	SALINAS CASH REGISTER CO INC		6606	TIMECLK RIBBONS/FLT	200.72	
16508	12/01/05	63.19	707	WALTERS MANUFACTURING COMPANY		6575	REPAIRS & MAINT	63.19	
16509	12/01/05	5,791.70	766	KRAFT'S BODY SHOP		6607	RPR-DIST PROP	5,791.70	
16510	12/01/05	300.00	819	MONEY SYSTEMS TECHNOLOGY, INC.		6608	MAINT/COIN SORTER	300.00	
16511	12/01/05	329.00	851	I.M.P.A.C. GOVERNMENT SERVICES		6609	4055019201230622	329.00	
16512	12/01/05	780.00	852	LAW OFFICES OF MARIE F. SANG	7	6576	WORKER COMP CLAIM	345.00	
						6610	WORKER COMP CLAIMS	330.00	
						6611	WORKER COMP CLAIM	105.00	
16513	12/01/05	3,308.45	871	YARDER MANUFACTURING COMPANY		6577	BUS AD FRAMES	3,308.45	
16514	12/01/05	40,857.86	875	PACIFICARE DENTAL		6612	DEC DENTAL	40,857.86	
16515	12/01/05	2,352.00	878	KELLY SERVICES, INC.		6578	TEMP/ADM11/06&11/13	1,392.00	
						6613	TEMP/ADM W/E 10/30	960.00	
16516	12/01/05	5,995.88	904	RNL DESIGN		6580	PROF SVCS THRU 9/30	5,995.88	
16517	12/01/05	4,042.92	909	CLASSIC GRAPHICS		6579	OUT REPAIR REV VEH	4,042.92	
16518	12/01/05	286.40	950	PARADISE LANDSCAPE	7	6581	NOV MAINTENANCE	286.40	
16519	12/01/05	1,000.00	E007	HARRIS, ANDREW		6676	WAIVER PAYMENT	1,000.00	
16520	12/01/05	1,000.00	E011	KELLY, ELOISE		6685	WAIVER PAYMENT	1,000.00	
16521	12/01/05	1,000.00	E015	ANDERSON, WILLIAM		6617	WAIVER PAYMENT	1,000.00	
16522	12/01/05	1,000.00	E022	CUMMINGS, PATRICIA		6647	WAIVER PAYMENT	1,000.00	
16523	12/01/05	1,000.00	E023	CALDERON, FRANCISCO		6633	WAIVER PAYMENT	1,000.00	
16524	12/01/05	1,000.00	E024	HERSEY, LYNN		6679	WAIVER PAYMENT	1,000.00	
16525	12/01/05	1,000.00	E026	HARTE, ANDRE		6677	WAIVER PAYMENT	1,000.00	
16526	12/01/05	1,000.00	E032	ANN, DORICE		6619	WAIVER PAYMENT	1,000.00	

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DATE: 12/01/05 THRU 12/31/05

CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
16527	12/01/05	1,000.00	E035	HERRERA, JOSE		6678	WAIVER PAYMENT	1,000.00	
16528	12/01/05	1,000.00	E037	GROSJEAN, DOUG		6674	WAIVER PAYMENT	1,000.00	
16529	12/01/05	1,000.00	E040	CALDERON, SALVADOR		6634	WAIVER PAYMENT	1,000.00	
16530	12/01/05	1,000.00	E041	PRINCE. PETER		6725	WAIVER PAYMENT	1,000.00	
16531	12/01/05	1,000.00	E044	NIED, KIMBERLY		6715	WAIVER PAYMENT	1,000.00	
16532	12/01/05	1,000.00	E045	MONTESINO, EDUARDO		6707	WAIVER PAYMENT	1,000.00	
16533	12/01/05	1,000.00	E048	MARTINEZ, MARK		6698	WAIVER PAYMENT	1,000.00	
16534	12/01/05	1,000.00	E050	CONTRERAS, HARVEY		6642	WAIVER PAYMENT	1,000.00	
16535	12/01/05	1,000.00	E064	OROZCO, RICHARD		6719	WAIVER PAYMENT	1,000.00	
16536	12/01/05	36.00	E067	SWART, RANDY		6755	DMV FEES	36.00	
16537	12/01/05	1,000.00	E069	TAYLOR, JAMES		6737	WAIVER PAYMENT	1,000.00	
16538	12/01/05	1,000.00	E072	VEST, DOUGLAS		6749	WAIVER PAYMENT	1,000.00	
16539	12/01/05	1,000.00	E075	WOODBRIDGE, ELIZABETH		6752	WAIVER PAYMENT	1,000.00	
16540	12/01/05	1,000.00	E090	CALLEJAS, LETICIA		6635	WAIVER PAYMENT	1,000.00	
16541	12/01/05	1,000.00	E092	YEO, BILL		6753	WAIVER PAYMENT	1,000.00	
16542	12/01/05	1,000.00	E093	GROBMAN, BRUCE		6673	WAIVER PAYMENT	1,000.00	
16543	12/01/05	1,000.00	E098	OTTO, JOHN		6720	WAIVER PAYMENT	1,000.00	
16544	12/01/05	1,000.00	E100	ANDRADE, OSCAR		6618	WAIVER PAYMENT	1,000.00	
16545	12/01/05	1,000.00	E101	LYNCH, GLENN		6694	WAIVER PAYMENT	1,000.00	
16546	12/01/05	1,000.00	E106	MUNGIOLI, LARRY		6710	WAIVER PAYMENT	1,000.00	
16547	12/01/05	1,000.00	E107	JONES, RUTH		6682	WAIVER PAYMENT	1,000.00	
16548	12/01/05	1,000.00	E110	DEL PO, ROBERT		6650	WAIVER PAYMENT	1,000.00	
16549	12/01/05	1,000.00	E112	ESTRADA, FRANCISCO		6657	WAIVER PAYMENT	1,000.00	
16550	12/01/05	1,000.00	E116	ELLIOTT, EDWARD		6655	WAIVER PAYMENT	1,000.00	
16551	12/01/05	1,000.00	E117	LIPPERD, SANDRA		6691	WAIVER PAYMENT	1,000.00	
16552	12/01/05	1,000.00	E120	RUIZ, SERAFIN		6730	WAIVER PAYMENT	1,000.00	
16553	12/01/05	1,000.00	E121	MEJIA, INDELISA		6701	WAIVER PAYMENT	1,000.00	
16554	12/01/05	1,000.00	E125	DEVIVO, WILLIAM		6653	WAIVER PAYMENT	1,000.00	
16555	12/01/05	1,000.00	E132	STEVENSON, DANIEL		6735	WAIVER PAYMENT	1,000.00	
16556	12/01/05	1,000.00	E135	ARCHIBEQUE, JUANITA		6620	WAIVER PAYMENT	1,000.00	
16557	12/01/05	1,000.00	E136	STEBER, MIKE		6734	WAIVER PAYMENT	1,000.00	
16558	12/01/05	1,000.00	E138	THOMAS, JOHN		6739	WAIVER PAYMENT	1,000.00	
16559	12/01/05	1,000.00	E144	WOOD, JOSEPH		6751	WAIVER PAYMENT	1,000.00	
16560	12/01/05	1,000.00	E151	FLOREZ, JOE		6662	WAIVER PAYMENT	1,000.00	
16561	12/01/05	1,000.00	E157	ABREGO, EULALIO		6615	WAIVER PAYMENT	1,000.00	
16562	12/01/05	1,000.00	E158	BIDDLECOME, EDUARDO		6628	WAIVER PAYMENT	1,000.00	
16563	12/01/05	1,000.00	E160	CUMMINGS, CYNTHIA		6646	WAIVER PAYMENT	1,000.00	
16564	12/01/05	1,000.00	E161	JUAN, DARRYL		6683	WAIVER PAYMENT	1,000.00	
16565	12/01/05	1,000.00	E162	GOUVEIA, ANNA		6671	WAIVER PAYMENT	1,000.00	
16566	12/01/05	1,000.00	E166	CHATMAN, SORETTA		6637	WAIVER PAYMENT	1,000.00	
16567	12/01/05	1,000.00	E170	TAYLOR, THOMAS		6738	WAIVER PAYMENT	1,000.00	
16568	12/01/05	1,000.00	E171	HARRELL, LAURA		6675	WAIVER PAYMENT	1,000.00	
16569	12/01/05	1,000.00	E180	FELDER, GEORGE		6659	WAIVER PAYMENT	1,000.00	
16570	12/01/05	1,000.00	E188	NIETO, MANUEL		6716	WAIVER PAYMENT	1,000.00	
16571	12/01/05	1,000.00	E189	NANEZ, JOSE		6713	WAIVER PAYMENT	1,000.00	
16572	12/01/05	1,000.00	E191	KALE, RICKEY		6684	WAIVER PAYMENT	1,000.00	
16573	12/01/05	1,000.00	E193	LIMAS, GILBERTO		6690	WAIVER PAYMENT	1,000.00	
16574	12/01/05	1,000.00	E196	BLAIR, GARY		6629	WAIVER PAYMENT	1,000.00	
16575	12/01/05	1,000.00	E197	TICHENOR, KENNETH		6740	WAIVER PAYMENT	1,000.00	
16576	12/01/05	1,000.00	E199	LEVESQUE, ARMAND		6688	WAIVER PAYMENT	1,000.00	

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16577	12/01/05	1,000.00	E200	MATTOS, RAYMOND		6699	WAIVER PAYMENT	1,000.00	
16578	12/01/05	1,000.00	E201	PRUDDEN, RICHARD		6726	WAIVER PAYMENT	1,000.00	
16579	12/01/05	1,000.00	E202	BARRAGAN, ALBERTO		6625	WAIVER PAYMENT	1,000.00	
16580	12/01/05	1,000.00	E204	BALDWIN, DENNIS		6623	WAIVER PAYMENT	1,000.00	
16581	12/01/05	1,000.00	E205	CILIBERTO, ANTHONY		6639	WAIVER PAYMENT	1,000.00	
16582	12/01/05	1,000.00	E206	NABOR, GLENN		6712	WAIVER PAYMENT	1,000.00	
16583	12/01/05	1,000.00	E207	GOSE, JOHN		6670	WAIVER PAYMENT	1,000.00	
16584	12/01/05	1,000.00	E214	ATWELL, DONALD		6622	WAIVER PAYMENT	1,000.00	
16585	12/01/05	1,000.00	E215	URIZARRI, MIGUEL		6745	WAIVER PAYMENT	1,000.00	
16586	12/01/05	1,000.00	E219	BOOTON, MICHAEL		6630	WAIVER PAYMENT	1,000.00	
16587	12/01/05	1,000.00	E223	SANCHEZ, ASCENCION		6731	WAIVER PAYMENT	1,000.00	
16588	12/01/05	1,000.00	E230	ZENKER, JEFFREY		6754	WAIVER PAYMENT	1,000.00	
16589	12/01/05	1,000.00	E231	STRICKLAND, JAMES		6736	WAIVER PAYMENT	1,000.00	
16590	12/01/05	1,000.00	E241	TOVAR, DOMINGO		6742	WAIVER PAYMENT	1,000.00	
16591	12/01/05	1,000.00	E248	SEDA, DELVIS		6733	WAIVER PAYMENT	1,000.00	
16592	12/01/05	1,000.00	E250	COWELL, RICHARD		6645	WAIVER PAYMENT	1,000.00	
16593	12/01/05	1,000.00	E251	BARTHOLOMEW, JON		6626	WAIVER PAYMENT	1,000.00	
16594	12/01/05	1,000.00	E252	MCHALE, BRIAN		6700	WAIVER PAYMENT	1,000.00	
16595	12/01/05	1,000.00	E253	ARELLANO, MARIO		6621	WAIVER PAYMENT	1,000.00	
16596	12/01/05	1,000.00	E257	COTRONEO, MICHAEL		6644	WAIVER PAYMENT	1,000.00	
16597	12/01/05	1,000.00	E258	O'HAGIN, JUSTINA		6717	WAIVER PAYMENT	1,000.00	
16598	12/01/05	1,000.00	E259	PEREZ, ANTONIO		6721	WAIVER PAYMENT	1,000.00	
16599	12/01/05	1,000.00	E260	CARTER, RHONDA		6636	WAIVER PAYMENT	1,000.00	
16600	12/01/05	1,000.00	E272	GARCIA-SUMANO, ELEUTERIO		6667	WAIVER PAYMENT	1,000.00	
16601	12/01/05	1,000.00	E274	VALDEZ, ANGEL		6746	WAIVER PAYMENT	1,000.00	
16602	12/01/05	1,000.00	E287	CORTES, GUSTAVO		6643	WAIVER PAYMENT	1,000.00	
16603	12/01/05	1,000.00	E289	LORENZANO, JAMES		6693	WAIVER PAYMENT	1,000.00	
16604	12/01/05	1,000.00	E291	FARRIS, BONNIE		6658	WAIVER PAYMENT	1,000.00	
16605	12/01/05	1,000.00	E293	GARCIA, DANIEL		6666	WAIVER PAYMENT	1,000.00	
16606	12/01/05	1,000.00	E298	MITCHELL, TODD		6706	WAIVER PAYMENT	1,000.00	
16607	12/01/05	1,000.00	E306	BOWERS, CAROLYN		6631	WAIVER PAYMENT	1,000.00	
16608	12/01/05	1,000.00	E309	LEGARD, GEOFFREY		6687	WAIVER PAYMENT	1,000.00	
16609	12/01/05	1,000.00	E310	BAN, MARK S.		6624	WAIVER PAYMENT	1,000.00	
16610	12/01/05	1,000.00	E317	BRYANT, KATHLEEN		6632	WAIVER PAYMENT	1,000.00	
16611	12/01/05	1,000.00	E326	CONKLIN, CAROLYN		6641	WAIVER PAYMENT	1,000.00	
16612	12/01/05	1,000.00	E328	WHITNEY, LUCERE		6750	WAIVER PAYMENT	1,000.00	
16613	12/01/05	1,000.00	E338	READ, TIMON		6729	WAIVER PAYMENT	1,000.00	
16614	12/01/05	1,000.00	E345	JACINTO, FRANK		6681	WAIVER PAYMENT	1,000.00	
16615	12/01/05	1,000.00	E358	FUENTES, JOHN		6663	WAIVER PAYMENT	1,000.00	
16616	12/01/05	1,000.00	E368	MORR, BONNIE		6709	WAIVER PAYMENT	1,000.00	
16617	12/01/05	1,000.00	E375	GABRIELE, CATHLEEN		6664	WAIVER PAYMENT	1,000.00	
16618	12/01/05	1,000.00	E376	MALPHRUS, BRENDA		6696	WAIVER PAYMENT	1,000.00	
16619	12/01/05	1,000.00	E377	CUMMINS, MAJOR BUDDY		6648	WAIVER PAYMENT	1,000.00	
16620	12/01/05	1,000.00	E378	GRANADOS-BOYCE, MARIA		6672	WAIVER PAYMENT	1,000.00	
16621	12/01/05	1,000.00	E379	ABACHERLI, ARLETTE		6614	WAIVER PAYMENT	1,000.00	
16622	12/01/05	1,000.00	E380	DEMPSEY, FREDERICK		6651	WAIVER PAYMENT	1,000.00	
16623	12/01/05	1,000.00	E382	TOLINE, SHARON		6741	WAIVER PAYMENT	1,000.00	
16624	12/01/05	1,000.00	E383	VALENZUELA, DONNA		6747	WAIVER PAYMENT	1,000.00	
16625	12/01/05	1,000.00	E384	VERCAUTEREN, LISA		6748	WAIVER PAYMENT	1,000.00	
16626	12/01/05	1,000.00	E385	GLENN, ISSAC		6669	WAIVER PAYMENT	1,000.00	

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16627	12/01/05	1,000.00	E394	MILBURN, PETER		6703	WAIVER PAYMENT	1,000.00	
16628	12/01/05	1,000.00	E403	HILL, ANDREW		6680	WAIVER PAYMENT	1,000.00	
16629	12/01/05	1,000.00	E410	LONA, SERGIO GONZALEZ		6692	WAIVER PAYMENT	1,000.00	
16630	12/01/05	1,000.00	E414	DAVIDSON, STEVEN		6649	WAIVER PAYMENT	1,000.00	
16631	12/01/05	1,000.00	E420	DERWING, CAROLYN		6652	WAIVER PAYMENT	1,000.00	
16632	12/01/05	139.48	E421	DOLLENTE, RICHARD		6756	SEPT MED PREMIUM	139.48	
16633	12/01/05	1,000.00	E422	FLORES, JUAN		6661	WAIVER PAYMENT	1,000.00	
16634	12/01/05	1,000.00	E423	MILLER, MICHAEL		6705	WAIVER PAYMENT	1,000.00	
16635	12/01/05	1,000.00	E424	POLANCO, JOSE		6724	WAIVER PAYMENT	1,000.00	
16636	12/01/05	1,000.00	E462	ESPINOZA, MARIO		6656	WAIVER PAYMENT	1,000.00	
16637	12/01/05	1,000.00	E463	RAMOS, ROSALIO		6728	WAIVER PAYMENT	1,000.00	
16638	12/01/05	1,000.00	E464	TOVAR, SERENA		6743	WAIVER PAYMENT	1,000.00	
16639	12/01/05	1,000.00	E465	MILLER, MARY		6704	WAIVER PAYMENT	1,000.00	
16640	12/01/05	1,000.00	E473	FITZPATRICK, MICHELLE		6660	WAIVER PAYMENT	1,000.00	
16641	12/01/05	1,000.00	E475	MAHAN, DAVID		6695	WAIVER PAYMENT	1,000.00	
16642	12/01/05	1,000.00	E478	ALLEN, ROBERT		6616	WAIVER PAYMENT	1,000.00	
16643	12/01/05	1,000.00	E479	LEWIS, PETER		6689	WAIVER PAYMENT	1,000.00	
16644	12/01/05	1,000.00	E480	PHILLIPS, THOMAS		6722	WAIVER PAYMENT	1,000.00	
16645	12/01/05	1,000.00	E484	RAMIREZ, MANUEL		6727	WAIVER PAYMENT	1,000.00	
16646	12/01/05	1,000.00	E486	BECK, LESLIE		6627	WAIVER PAYMENT	1,000.00	
16647	12/01/05	1,000.00	E488	PHILLIPS, TYRONE		6723	WAIVER PAYMENT	1,000.00	
16648	12/01/05	1,000.00	E490	MOORE, CAROL		6708	WAIVER PAYMENT	1,000.00	
16649	12/01/05	1,000.00	E493	EDWARDS, BEVERLY		6654	WAIVER PAYMENT	1,000.00	
16650	12/01/05	1,000.00	E505	NAUKKARINEN, JUKKA		6714	WAIVER PAYMENT	1,000.00	
16651	12/01/05	1,000.00	E508	GILBERT, MARTIN		6668	WAIVER PAYMENT	1,000.00	
16652	12/01/05	1,000.00	E509	OLANDER, MARTIN		6718	WAIVER PAYMENT	1,000.00	
16653	12/01/05	1,000.00	E510	MENDOZA, URIEL		6702	WAIVER PAYMENT	1,000.00	
16654	12/01/05	1,000.00	E511	CHAVARRIA, JOHNNY		6638	WAIVER PAYMENT	1,000.00	
16655	12/01/05	1,000.00	E514	SAUNDERS, MARK		6732	WAIVER PAYMENT	1,000.00	
16656	12/01/05	1,000.00	E515	GARBEZ, MANNY		6665	WAIVER PAYMENT	1,000.00	
16657	12/01/05	1,000.00	E516	KROVETZ, MARC		6686	WAIVER PAYMENT	1,000.00	
16658	12/01/05	1,000.00	E517	CLAYTON, MICHAEL		6640	WAIVER PAYMENT	1,000.00	
16659	12/01/05	1,000.00	E518	MARCUS, STEVEN		6697	WAIVER PAYMENT	1,000.00	
16660	12/01/05	1,000.00	E520	MUNIZ, ARTHUR		6711	WAIVER PAYMENT	1,000.00	
16661	12/01/05	865.89	R227	SALAS, JUAN A., JR.		6757	SETTLEMENT CLAIM	865.89	
16662	12/01/05	39.00	T104	MITCHELL, MARVIN WILLIAM		6758	SEPT HI 17 PASS	39.00	
16663	12/01/05	90.00	T105	PENKINA, KATERINA		6759	OCT HI 17 PASS	90.00	
16664	12/01/05	39.00	T106	BRANSON, ELIZABETH		6760	SEPT HI 17 PASS	39.00	
16665	12/01/05	31.00	T107	SCHMITZ, LINDSAY		6761	SEPT HI 17 PASS	31.00	
16666	12/01/05	39.00	T108	WELLS, JEFF		6762	SEPT HI 17 PASS	39.00	
16667	12/01/05	39.00	T109	LITTLE-KINGPIERCE, FRANKLIN		6763	SEPT HI 17 PASS	39.00	
16668	12/01/05	90.00	T110	WANG, SU-HUA		6764	OCT HI 17 PASS	90.00	
16669	12/01/05	25.00	T111	MEDINA, JUAN		6765	OCT S&D PASS	25.00	
16670	12/01/05	90.00	T112	LYON, ED		6766	OCT HI 17 PASS	90.00	
16671	12/01/05	50.00	T113	SCHMIDT, ISABEL		6767	OCT MONTHLY PASS	50.00	
16672	12/01/05	31.00	T114	MITCHLER, BRIAN		6768	SEPT HI 17 PASS	31.00	
16673	12/01/05	39.00	T115	LEONG, HARRIET		6769	SEPT HI 17 PASS	39.00	
16674	12/01/05	147.00	T116	BOGARD, CINDY		6770	PREPD PT COUPONS	147.00	
16675M12/02/05		100.00	B016	SKILLICORN, DALE	7	6966	NOV BOARD MTG	100.00	MANUAL
				NOV BOARD MTG					

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CHECK NUMBER	CHECK DATE	CHECK AMOUNT	VENDOR	VENDOR NAME	VENDOR TYPE	TRANS. NUMBER	TRANSACTION DESCRIPTION	TRANSACTION AMOUNT	COMMENT
16676M	12/07/05	1,228.00	002287	CALIFORNIA SERVICE EMPLOYEES DEC MEDICAL		6967	DEC MEDICAL	1,228.00	MANUAL
16678	12/16/05	1,820.00	001035	HARRIS & ASSOCIATES		6840	MB OCT 05 PROF SVCS	1,820.00	
16679	12/16/05	3,767.73	001036	STANDARD INSURANCE COMPANY		6841	DEC LIFE/AD&D INS	3,767.73	
16680	12/16/05	11,539.44	001043	VISION SERVICE PLAN		6842	DEC VISION INS	11,539.44	
16681	12/16/05	189.00	001058	SPEEDOMETER SERVICE COMPANY		6843	REV VEH PARTS	189.00	
16682	12/16/05	1,704.10	001063	NEW FLYER INDUSTRIES LIMITED		6844	REV VEH PARTS 477	476.75	
						6845	REV VEH PARTS 1028	1,227.35	
16683	12/16/05	11,098.44	001075	SOQUEL III ASSOCIATES	7	9000466	RESEARCH PARK RENT	11,098.44	
16684	12/16/05	7,590.00	001076	BROUGHTON LAND, LLC		9000467	110 VERNON ST RENT	7,590.00	
16685	12/16/05	539.00	001093	KROLL LABORATORY SPECIALISTS		6846	SEPT DRUG TESTING	539.00	
16686	12/16/05	1,407.05	001119	MACRICH PARTNERSHIP LP	7	9000468	CAPITOLA MALL RENT	1,407.05	
16687	12/16/05	996.72	001263	ABBOTT STREET RADIATOR, INC.		6774	OUT REPAIR/REV VEH	996.72	
16688	12/16/05	51,265.71	001316	DEVCO OIL		6847	11/30-12/12 FUEL/FLT	51,265.71	
16689	12/16/05	824.69	001379	SAFETY-KLEEN SYSTEMS, INC.		6772	HAZ WASTE DISPOSAL	824.69	
16690	12/16/05	298.69	001454	MONTEREY BAY OFFICE PRODUCTS		6848	9/15-12/14 COPIER/AD	298.69	
16691	12/16/05	81.25	001492	EVERGREEN OIL INC.		6773	HAZ WASTE DISPOSAL	81.25	
16692	12/16/05	9,578.51	001648	STEVE'S UNION SERVICE		6775	NOV REVENUE FUEL/PT	9,578.51	
16693	12/16/05	603.40	001800	THERMO KING OF SALINAS, INC		6849	REV VEH/OUT RPR/FLT	603.40	
16694	12/16/05	93.75	001856	BAY COMMUNICATIONS	7	6776	OUT REPAIR PHONES	93.75	
16695	12/16/05	465.00	001930	STATE BAR OF CALIFORNIA		6850	2006 MEMBERSHIP	465.00	
16696	12/16/05	85.00	001945	SANTA CRUZ COUNTY BAR ASSN		6851	2006 MEMBER DUES	85.00	
16697	12/16/05	3,478.89	001A	SBC/MCI		6777	NOV PHONES/PT	256.52	
						6778	NOV PHONES/PT	501.53	
						6779	NOV PHONES/PT	16.96	
						6780	NOV PHONES	1,643.81	
						6852	NOV PHONES/IT	611.41	
						6853	NOV PHONES/IT	178.00	
						6854	NOV PHONES/IT	92.66	
						6855	NOV PHONES/IT	178.00	
16698	12/16/05	36.87	002063	COSTCO		6856	PHOTO PROCESS/OPS	10.14	
						6857	LOCAL MEETING EXP	16.23	
						6858	PHOTO PROCESS/OPS	10.50	
16699	12/16/05	25,899.59	002116	HINSHAW, EDWARD & BARBARA	7	9000469	370 ENCINAL RENT	25,899.59	
16700	12/16/05	13,888.00	002117	IULIANO, NICK	7	9000470	111 DUBOIS RENT	10,888.00	
						9000471	115 DUBOIS RENT	3,000.00	
16701	12/16/05	208.42	002189	BUS & EQUIPMENT		6781	REV VEH PARTS/PT	208.42	
16702	12/16/05	2,000.00	002267	SHAW & YODER, INC.		6859	OCT LEGISLATIVE SVC	2,000.00	
16703	12/16/05	27,511.85	002295	FIRST ALARM		6860	NOV SECURITY/STRIKE	27,511.85	
16704	12/16/05	7,500.00	002346	CHANEY, CAROLYN & ASSOC., INC.		6861	NOV/DEC LEG SVCS	7,500.00	
16705	12/16/05	2,341.78	002504	TIFCO INDUSTRIES		6862	PARTS & SUPPLIES/FLT	2,341.78	
16706	12/16/05	47,105.34	002569	COMERICA BANK		6863	WORK COMP FUND	47,105.34	
16707	12/16/05	43.85	002609	CLEANSOURCE		6782	CLEANING SUPPLY	43.85	
16708	12/16/05	240.00	002675	THOMSON-WEST BARCLAYS		6864	MOTOR VEHICLE US	240.00	
16709	12/16/05	971.00	002721	NEXTEL COMMUNICATIONS		6783	11/4-12/03 PHONES/PT	971.00	
16710	12/16/05	2,324.81	002805	TELEPATH CORPORATION		6784	NOV MAINT/REPAIRS	2,324.81	
16711	12/16/05	1,178.75	002807	WILLIAM AVERY & ASSOCIATES		6865	NOV 05 PROF SVCS	1,178.75	
16712	12/16/05	966.24	002810	FENCE 4 RENT	7	6866	TEMP FENCE/MB RVR	503.25	
						6867	TEMP FENCE/MB GOLF	462.99	
16713	12/16/05	3,492.11	002817	WATSONVILLE BLUEPRINT		6868	MB PLANS/ADM	3,492.11	

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16714	12/16/05	1,730.50	002823	PAT PIRAS CONSULTING		6869	PROF SVCS THRU 11/30	1,730.50	
16715	12/16/05	2,191.50	002829	VALLEY POWER SYSTEMS, INC.		6870	REV VEH PARTS	1,201.50	
						6871	TOWING # 2231	990.00	
16716	12/16/05	44.86	004	NORTH BAY FORD LINC-MERCURY		6785	REV VEH PARTS/PT	22.43	
						6786	REV VEH PARTS/PT	22.43	
16717	12/16/05	175.90	007	UNITED PARCEL SERVICE		6872	NOV/DEC FREIGHT	175.90	
16718	12/16/05	25,915.06	009	PACIFIC GAS & ELECTRIC		6873	10/30-12/1 370 ENC V	3,324.29	
						6874	10/30-12/1 DU/GO/CNG	6,267.12	
						6875	10/26-11/23 SAKATA	10.29	
						6876	10/26-11/23 SAKATA	7.84	
						6877	10/29-12/1 1200 RVR	1,654.32	
						6878	10/31-11/30 CNG/G RV	14,651.20	
16719	12/16/05	200.00	014	CABRILLO COLLEGE		6879	FINGERPRINTING	200.00	
16720	12/16/05	2,475.10	018	SALINAS VALLEY FORD SALES		6787	REV VEH PARTS	1,575.51	
						6788	REV VEH PARTS	899.59	
16721	12/16/05	3,318.56	041	MISSION UNIFORM		6789	NOV UNIF/LAUNDRY FLT	2,684.92	
						6790	NOV UNIF/LAUNDRY-FAC	73.28	
						6791	NOV UNIF/LAUNDRY-FAC	480.26	
						6792	NOV UNIF/LAUNDRY-PT	80.10	
16722	12/16/05	191.56	042	ORCHARD SUPPLY HARDWARE		6793	REPAIRS/MAINTENANCE	191.56	
16723	12/16/05	1,777.83	043	PALACE ART & OFFICE SUPPLY		6794	OFFICE SUPPLIES	23.75	
						6795	OFFICE SUPPLIES	900.64	
						6796	OFFICE SUPPLIES	29.35	
						6797	OFFICE SUPPLIES	115.04	
						6880	OFFICE SUPPLIES	709.05	
16724	12/16/05	3,312.45	059	BATTERIES USA, INC.		6881	REV VEH PARTS	3,312.45	
16725	12/16/05	109.32	061A	REGISTER PAJARONIAN		6882	CLASSIFIED AD/FLEET	109.32	
16726	12/16/05	156.42	075	COAST PAPER & SUPPLY INC.		6798	CLEANING SUPPLY	156.42	
16727	12/16/05	6,628.49	079	SANTA CRUZ MUNICIPAL UTILITIES		6883	10/26-11/28 GOLF CLU	756.73	
						6884	10/26-11/28 370 ENC	72.78	
						6885	10/26-11/28 111 DUB	616.34	
						6886	10/26-11/28 370 ENC	779.31	
						6887	10/26-11/28 1200 RVR	1,868.73	
						6888	10/28-11/30 PACIFIC	2,055.89	
						6889	10/28-11/30 PACIFIC	108.35	
						6964	10/7-12/9 RESEARCH	358.16	
						6965	NOV LANDFILL	12.20	
16728	12/16/05	13,923.49	085	DIXON & SON TIRE, INC.		6799	OUT RPR REV VEH/PT	60.00	
						6890	NOV TIRE/TUBE FLT	13,504.23	
						6891	OUT RPR TIRE/FLT	359.26	
16729	12/16/05	680.47	107	SAN LORENZO LUMBER		6800	REPAIRS/MAINTENANCE	666.41	
						6892	PARTS & SUPPLY FLT	14.06	
16730	12/16/05	2,519.58	110	JESSICA GROCERY STORE, INC.		9000472	CUSTODIAL SERVICES	2,519.58	
16731	12/16/05	134.89	123	BAY PHOTO LAB		6801	PHOTO PROCESS/PT	134.89	
16732	12/16/05	1,798.81	130	CITY OF WATSONVILLE UTILITIES		6893	11/1-12/1 SAKATA	13.73	
						6894	11/1-12/1 SAKATA	75.12	
						6895	11/1-12/1 RODRIGUEZ	9.70	
						6896	9/6-11/2 RODRIGUEZ	34.92	
						6897	9/6-11/2 RODRIGUEZ	61.58	
						6898	CONTAINER RODRIGUEZ	1,316.12	

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16733	12/16/05	2,177.96	135	SANTA CRUZ AUTO PARTS, INC.		6899	9/6-11/2 RODRIGUEZ	287.64	
						6802	REV VEH PARTS/SUPPLY	530.76	
						6900	REV VEH/SUP/TLS	1,647.20	
16734	12/16/05	2,010.72	148	ZEP MANUFACTURING COMPANY		6803	CLEANING SUPPLY FLT	578.34	
						6901	CLEANING SUPPLY FLT	1,432.38	
16735	12/16/05	2,440.59	161	OCEAN CHEVROLET		6804	REV VEH PARTS/PT	2,434.18	
						6805	REV VEH PARTS/ FLT	6.41	
						6806	PRINTING/PT	1,058.68	
16736	12/16/05	1,058.68	163	COMMUNITY PRINTERS, INC.		6902	PARTS & SUPPLIES/FLT	860.10	
16737	12/16/05	860.10	166	HOSE SHOP, THE		6903	REV VEH PARTS/SUPPLY	380.97	
16738	12/16/05	380.97	170	TOWNSEND'S AUTO PARTS		6904	MNT AGREMNT 10/05-06	879.24	
16739	12/16/05	879.24	215	IKON OFFICE SOLUTIONS		6905	REV VEH PARTS 697	697.40	
16740	12/16/05	697.40	221	VEHICLE MAINTENANCE PROGRAM		6807	OUT RPR/BLDGS & GRND	859.53	
16741	12/16/05	859.53	260	SANTA CRUZ GLASS CO., INC.		6906	DEC DRUG TESTING	60.00	
16742	12/16/05	60.00	271	CARLSON, BRENT D., M.D., INC.	7	6808	SMALL TOOLS	107.76	
16743	12/16/05	2,290.87	282	GRAINGER		6809	REV VEH PART/BATTERY	12.48	
						6907	SAFETY SUPPLIES	1,486.06	
						6908	CLEANING SUPPLIES	684.57	
16744	12/16/05	360.00	291	STANLEY ACCESS TECHNOLOGIES		6811	DOOR SVC	360.00	
16745	12/16/05	1,425.91	294	ANDY'S AUTO SUPPLY		6810	REV VEH PRTS/SMTTOOLS	506.56	
						6909	REV VEH/SUPPLIES	919.35	
16746	12/16/05	163.60	434	VERIZON WIRELESS-PAGERS		6812	DEC PAGERS/FAC	131.80	
						6910	DEC PAGERS/FLEET	31.80	
16747	12/16/05	54.46	434B	VERIZON CALIFORNIA		6911	MT. BIEWLASKI	54.46	
16748	12/16/05	448.29	448	UNISOURCE		6813	OFFICE SUPPLIES	131.85	
						6912	COPY PAPER/ADM	316.44	
16749	12/16/05	750.00	475	TRAPEZE SOFTWARE GROUP, INC.		6913	FLTMATE JAN-MAR 06	750.00	
16750	12/16/05	745.00	478	BEE CLENE	0	6814	CARPET/ENCINAL	745.00	
16751	12/16/05	3,540.64	480	DIESEL MARINE ELECTRIC, INC.		6815	REV VEH PARTS	1,531.74	
						6816	REV VEH PARTS	2,008.90	
16752	12/16/05	180.00	481	PIED PIPER EXTERMINATORS, INC.		6817	DEC PEST CONTROL	180.00	
16753	12/16/05	49.80	486	BRENTON SAFETY, INC.		6818	SAFETY SUPPLIES/FLT	49.80	
16754	12/16/05	708.34	504	CUMMINS WEST, INC.		6819	REV VEH PARTS	223.66	
						6915	REV VEH PARTS	484.68	
16755	12/16/05	1,010.29	510	ASCOM HASLER LEASING		6914	B/O MAIL MACHINE	1,010.29	
16756	12/16/05	519.81	511	LUMINATOR		6820	REV VEH PARTS 94	94.36	
						6821	REV VEH PARTS 425	425.45	
16757	12/16/05	4,338.27	664	BAY COUNTIES PITCOCK PETROLEUM		6916	ENGINE OIL/DUBOIS	4,338.27	
16758	12/16/05	74.39	667	CITY OF SCOTTS VALLEY		6917	9/15-11/15 KINGS VLG	74.39	
16759	12/16/05	63.19	707	WALTERS MANUFACTURING COMPANY		6822	REPAIRS & MAINT SUPP	63.19	
16760	12/16/05	1,072.00	733	CLAREMONT BEHAVIORAL SERVICES		6918	DEC EAP PREMIUM	1,072.00	
16761	12/16/05	204.86	739	CENTURY CHEVROLET		6823	OUT REP REV VEH/PT	204.86	
16762	12/16/05	2,000.00	804	ORTHOPAEDIC HOSPITAL		6824	OCT PROF/TECH SVCS	2,000.00	
16763	12/16/05	49.63	848	SANTA CRUZ ELECTRONICS, INC.	7	6919	COMPUTER SUPPLIES/IT	49.63	
16764	12/16/05	5,820.06	851	I.M.P.A.C. GOVERNMENT SERVICES		6920	4055019201230622	5,820.06	
16765	12/16/05	390.00	852	LAW OFFICES OF MARIE F. SANG	7	6921	WORKER COMP CLAIM	390.00	
16766	12/16/05	1,536.00	878	KELLY SERVICES, INC.		6922	TEMP/ADM W/E 11/20	960.00	
						6923	TEMP/ADM W/E 11/27	576.00	
16767	12/16/05	86,159.35	904	RNL DESIGN		6924	PROF SVCS THRU 8/31	26,715.69	
						6925	REIMBRS EXP TO 10/31	293.66	

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						6926	PROF SVCS THRU 10/31	59,150.00	
16768	12/16/05	1,380.46	909	CLASSIC GRAPHICS		6928	OUT RPR REV VEH	1,380.46	
16769	12/16/05	203.00	915	WORKIN.COM, INC.		6929	11/21-12/20 JOB POST	203.00	
16770	12/16/05	630.00	916	DOCTORS ON DUTY		6930	SEP-NOV DRUG TESTING	630.00	
16771	12/16/05	14,950.64	941	ASSURANT EMPLOYEE BENEFITS		6931	DEC LTD INSURANCE	14,950.64	
16772	12/16/05	4,981.00	949A	NATIONAL FLOOD SERVICES		6932	FLOOD INS 1/06-1/07	4,981.00	
16773	12/16/05	1,400.00	993	WORK PERFORMANCE CENTER		6825	EMPLOYMENT PHYSICALS	1,400.00	
16774	12/16/05	100.00	B003	BEAUTZ, JAN	7	6830	NOV BOARD MTG	100.00	
16775	12/16/05	50.00	B006	HINKLE, MICHELLE	7	6832	NOV BOARD MTG	50.00	
16776	12/16/05	50.00	B007	KEOGH, MICHAEL	7	6833	NOV BOARD MTG	50.00	
16777	12/16/05	100.00	B011	REILLY, EMILY	7	6835	NOV BOARD MTG	100.00	
16778	12/16/05	100.00	B012	SPENCE, PAT	7	6837	NOV BOARD MTG	100.00	
16779	12/16/05	100.00	B014	CITY OF WATSONVILLE		6839	NOV BOARD MTG	100.00	
16780	12/16/05	100.00	B015	ROTKIN, MIKE	7	6836	NOV BOARD MTG	100.00	
16781	12/16/05	100.00	B017	STONE, MARK	7	6838	NOV BOARD MTG	100.00	
16782	12/16/05	100.00	B018	BUSTICHI, DENE	7	6831	NOV BOARD MTG	100.00	
16783	12/16/05	50.00	B019	HARLAN, STEPHANIE	7	6834	NOV BOARD MTG	50.00	
16784	12/16/05	10.00	E109	MEYER, DIANE		6933	DMV/VTT FEES	10.00	
16785	12/16/05	357.23	E276	BAIOCCHI, JIM		6826	ROSA PARKS BANNERS	357.23	
16786	12/16/05	79.82	E322	HICKEY, MARK		6827	FIRST AID/CPR BOOKS	79.82	
16787	12/16/05	66.00	E361	ZARAGOZA, ISRAEL		6828	DMV PHYSICAL	66.00	
16788	12/16/05	65.00	E388	AXTON, RHIANNON		6934	DMV/VTT FEES	65.00	
16789	12/16/05	35.00	E400	TORRES, MARIO		6935	DMV/VTT FEES	35.00	
16790	12/16/05	65.00	E417	MENDOZA, FELIPE		6936	DMV/VTT FEES	65.00	
16791	12/16/05	65.00	E425	REBIDEAUX, MARK		6937	DMV/VTT FEES	65.00	
16792	12/16/05	65.00	E426	RENTERIA, JAIME		6938	DMV/VTT FEES	65.00	
16793	12/16/05	75.00	E427	SPARKMAN, JOSHUA		6939	DMV/VTT FEES	65.00	
						6940	DMV/VTT FEES	10.00	
16794	12/16/05	10.00	E428	MCDONALD, KEVIN		6941	DMV/VTT FEES	10.00	
16795	12/16/05	10.00	E429	MCINTYRE, WILLIAM		6942	DMV/VTT FEES	10.00	
16796	12/16/05	10.00	E431	REED, JERRY		6943	DMV/VTT FEES	10.00	
16797	12/16/05	10.00	E432	VALDEZ, RUBEN		6944	DMV/VTT FEES	10.00	
16798	12/16/05	45.00	E464	TOVAR, SERENA		6829	DMV/VIT FEES	45.00	
16799	12/16/05	30.33	E495	WHITE, LES		6945	LOCAL MTG EXP	30.33	
16800	12/16/05	66.00	E505	NAUKKARINEN, JUKKA		6946	DMV MED EXAM	66.00	
16801	12/16/05	229.97	M003	WYANT, JUDI		9000473	RETIREE STIPEND	229.97	
16802	12/16/05	254.52	M005	ROSS, EMERY		9000474	RETIREE STIPEND	254.52	
16803	12/16/05	459.94	M006	VAN DER ZANDE, ED		9000475	RETIREE STIPEND	459.94	
16804	12/16/05	750.34	M007	BLAIR-ALWARD, GREGORY		9000476	RETIREE STIPEND	750.34	
16805	12/16/05	820.25	M009	FREEMAN, MARY		9000477	RETIREE STIPEND	820.25	
16806	12/16/05	364.49	M010	SHORT, SLOAN		9000478	RETIREE STIPEND	364.49	
16807	12/16/05	184.57	M016	HICKLIN, DONALD KENT		9000479	RETIREE STIPEND	184.57	
16808	12/16/05	179.92	M022	CAPELLA, KATHLEEN		9000480	RETIREE STIPEND	179.92	
16809	12/16/05	179.92	M024	DOBBS, GLENN		9000481	RETIREE STIPEND	179.92	
16810	12/16/05	75.17	M056	CRUISE, RICHARD		9000482	RETIREE STIPEND	75.17	
16811	12/16/05	19.93	M057	PARHAM, WALLACE		9000483	RETIREE STIPEND	19.93	
16812	12/16/05	19.93	M058	POTEETE, BEVERLY		9000484	RETIREE STIPEND	19.93	
16813	12/16/05	27.00	T117	PRETO, PAUL		6947	NOV HI 17 PASS	27.00	
16814	12/16/05	72.00	T118	WEHNER, AMY MARY		6948	SEP/OCT MNLY PASS	72.00	
16815	12/16/05	39.00	T119	CHOICES FOR CHILDREN/CDI		6949	SEPT HI 17 PASS	39.00	

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16816	12/16/05	31.00	T120	ESTES, CHRIS		6950	SEPT HI 17 PASS	31.00	
16817	12/16/05	90.00	T121	LIBBEY, STEVE		6951	OCT HI 17 PASS	90.00	
16818	12/16/05	90.00	T122	WILCOX, JAMES		6952	OCT HI 17 PASS	90.00	
16819	12/16/05	39.00	T123	WILT, AMBROSIA		6953	SEPT HI 17 PASS	39.00	
16820	12/16/05	90.00	T124	BISWAS, MAINAK		6954	OCT HI 17 PASS	90.00	
16821	12/16/05	39.00	T125	ROMERO, AMPARO		6955	SEPT HI 17 PASS	39.00	
16822	12/16/05	90.00	T126	MOYERS, CRAIG		6956	DEC HI 17 PASS	90.00	
16823	12/16/05	39.00	T127	SLICK, ROBERT		6957	SEPT HI 17 PASS	39.00	
16824	12/16/05	39.00	T128	TUGIT, BOYD		6958	SEPT HI 17 PASS	39.00	
16825	12/16/05	39.00	T130	GRIFFITH, JULIE		6959	SEPT HI 17 PASS	39.00	
16826	12/16/05	27.00	T131	LIU, B.		6960	NOV HI 17 PASS	27.00	
16827	12/16/05	90.00	T132	BOOTHBY, JOHN		6961	OCT HI 17 PASS	90.00	
16828	12/16/05	35.00	T133	JOHANSSON, MIRANDA		6962	OCT YOUTH PASS	35.00	
16829	12/16/05	27.00	T134	HOYE, JANICE		6963	NOV HI 17 PASS	27.00	
TOTAL		1,287,386.79		COAST COMMERCIAL BANK			TOTAL CHECKS	376	1,287,386.79

S-2.10

**Page 1 of the December Ridership  
Report will be included in the  
January 27, 2006 Board Packet.**

5-3.1

BUS OPERATOR LIFT TEST \*PULL-OUT\*

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

5-3.2

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

PASSENGER LIFT PROBLEMS

MONTH OF DECEMBER 2005

BUS #	DATE	DAY	REASON
2204GO	28-Dec	Wednesday	Kneel beeper not working
2227CN	21-Dec	Wednesday	Kneel comes up to far or not enough, have to recycle
2229CN	16-Dec	Friday	Lift would not deploy
2235CN	1-Dec	Thursday	Dash fans do not work. W/C lift and kneel do not beep beep
2235CN	18-Dec	Sunday	Kneel beep does not sound up or down
2405GO	21-Dec	Wednesday	Does not work
8085F	13-Dec	Tuesday	No power to lift
9811LF	23-Dec	Friday	Lift only deploys manually
9816LF	2-Dec	Friday	Kneel does not beep beep
9818LF	27-Dec	Tuesday	Beeper not working. Intermittently works
9836G	7-Dec	Wednesday	Lift won't stow all the way

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

5-3.3

Dropped Service for FY 2006

Month	FY 2006		FY 2005	
	Dropped Hours	Dropped Miles	Dropped Hours	Dropped Miles
July	0	0	1.35	42.89
August	213.92	3,575.86	0.00	0.00
September	140.97	2,336.50	0.76	18.87
October	STRIKE	STRIKE	0.00	0.00
November	113.77	1,780.56	0.00	0.00
December	95.61	1,659.66	0.00	0.00
January			6.07	127.13
February			23.31	276.75
March			8.66	99.08
April			37.96	641.12
May			1.50	37.03
June			4.15	69.30
<b>TOTAL</b>	<b>564.27</b>	<b>9,352.58</b>	<b>83.76</b>	<b>1,312.17</b>

5-3.4

# GOVERNMENT TORT CLAIM

## RECOMMENDED ACTION

TO: Board of Directors

FROM: District Counsel

RE: Claim of: Anecito, Nancy Received: 12/12/05 Claim #: 05-0026  
Date of Incident: 07/12/05 Occurrence Report No.: SC 07-05-05

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

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

By Margaret Gallagher  
Margaret Gallagher  
DISTRICT COUNSEL

Date: 12-12-05

---

I, Cindi Thomas, do hereby attest that the above Claim was duly presented to and the recommendations were approved by the Santa Cruz Metropolitan Transit District's Board of Directors at the meeting of January 13, 2006.

By \_\_\_\_\_  
Cindi Thomas  
RECORDING SECRETARY

Date: \_\_\_\_\_

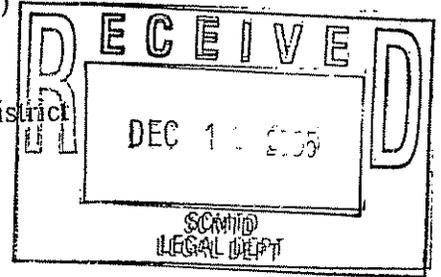
MG/lg  
Attachment(s)

5-4.1

**CLAIM AGAINST THE SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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

Claim # 05-0024



TO: BOARD OF DIRECTORS, Santa Cruz Metropolitan Transit District

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

1. Claimant's Name: Nancy Anecito
- Claimant's Address/Post Office Box: 215 Fern St.  
Santa Cruz, CA 95060
- Claimant's Phone Number: 831.426.0674
2. Address to which notices are to be sent: 215 Fern St.  
Santa Cruz, CA 95060
3. Occurrence: Rear ended type accident hit from behind at stopped  
traffic light by metro bus. Metro Occurrence Report SC 07-05-05  
Date: June 12 2005 Time: 21:51 Place: Intersection Cathcart + Front St.  
Circumstances of occurrence or transaction giving rise to claim: My 67 VW Bug  
was hit from rear at intersection while waiting for stoplight to change.  
I was passenger in rear seat. The bus hit car from behind + sent car  
through crosswalk + into intersection. My 67 VW Bug has a wrecked  
engine cover (back deck) broken tail light etc. see repair estimate attached.
4. General description of indebtedness, obligation, injury, damage, or loss incurred so far as  
is known: Monies to repair all physical damage to  
vehicle.
5. Name or names of public employees or employees causing injury, damage, or loss, if  
known: Metro Bus Driver => Lucere Whitney
6. Amount claimed now ..... \$ see attached  
Estimated amount of future loss, if known ..... \$ Estimate of  
TOTAL ..... \$ repair
7. Basis of above computations: \_\_\_\_\_

N. Anecito  
CLAIMANT'S SIGNATURE (or Company  
Representative or Parent of Minor Claimant)

12/8/05  
DATE

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

**S-4.2**

# estimate



## LELAND'S AUTOMOTIVE REFINISHING

5274 Scotts Valley Dr., Unit A  
SCOTTS VALLEY, CALIFORNIA 95056  
(831) 438-0320  
FAX (831) 438-8404

NAME: <u>MURCY ANICITO</u>		PHONE: <u>818 7780</u>	DATE: <u>11/30/02</u>
CITY: <u>LA BREA - 1001</u>		MODEL: <u>BUG</u>	ESTIMATE PREPARED BY: <u>[Signature]</u>
COLOR: <u>BLU</u>	MAKE: <u>VW</u>	GODMETER	ADJUSTOR

REPLACE	REPAIR	DESCRIPTION	PARTS	LABOR	REFINISH	SUB
		REPAIR L.D. W/ LIE RYD BROW	125 <sup>00</sup>	1.5		
		REPAIR BUMPER COMPLETE	150 <sup>00</sup>	1.0		
		RT & LT TAIL LIGHT	12 <sup>00</sup>	1.5		
		PACHT. MATERIAL	75 <sup>00</sup>			
<b>TOTALS</b>			<b>362<sup>00</sup></b>	<b>2.8</b>	<b>2.5</b>	

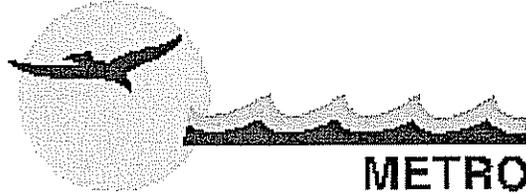
The above is an estimate based on our inspection and does not cover any additional parts or labor which may be required after the work has been started. Occasionally, worn or damaged parts are discovered which may not be evident on the first inspection. Because of this, the above prices are not guaranteed. Quotations on parts and labor are current and subject to change.

**AUTHORIZATION FOR REPAIR** You are hereby authorized to make the above repairs:

SIGNED: \_\_\_\_\_  
DATE: \_\_\_\_\_

TOTAL PARTS	\$ 362.00
TOTAL LABOR	\$ 182.00
TOTAL REFINISH	\$ 102.50
TOTAL SUBLET	\$
TAX	\$ 28.96
<b>TOTAL</b>	<b>\$ 734.96</b>

# 5-4.3



## **Agenda**

### **Metro Advisory Committee**

6:00 pm  
January 18, 2006  
920 Pacific Avenue  
Santa Cruz, California

- I. Roll Call
- II. Agenda Additions/Deletions
- III. Oral/Written Communication
- IV. Consideration of Minutes of November 16, 2005 MAC Meeting (No Meeting in December – Lack of Quorum)
- V. Receive Information Relative to Bus Operator Training
- VI. Election of Officers
- VII. Discussion of Possible Grants for Holiday Service
- VIII. Discussion of Paratransit Coordination Task Force Recommendations
- IX. Discussion of ADA/504 Review
- X. Review of MAC Bylaws
- XI. Consideration of 2006 MAC Meeting Schedule
- XII. Communications to METRO General Manager
- XIII. Communications to METRO Board of Directors
- XIV. Items for Next Meeting Agenda
- XV. Adjournment

Next Meeting: Wednesday February 15, 2005 @ 6:00 pm  
Santa Cruz Metro Conference Room

5-5.1

**The next MASTF meeting is scheduled to be held at 2:00 p.m. on Thursday, January 19, 2006 at the Santa Cruz METRO Center Conference Room.**

**The Agenda for this meeting has not been made available to METRO Staff by MASTF Chair.**

**5-6.1**

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Elisabeth Ross, Finance Manager  
**SUBJECT:** MONTHLY BUDGET STATUS REPORT FOR SEPTEMBER 2005

## I. RECOMMENDED ACTION

**None.**

## II. SUMMARY OF ISSUES

- Operating revenue for the year to date totals \$9,380,510 or \$174,458 under the amount of revenue expected to be received during the first three months of the fiscal year.
- Total operating expenses for the year to date in the amount of \$7,590,221 are at 22.3% of the budget.
- A total of \$132,551 has been expended through September 30th for the FY 05-06 Capital Improvement Program.

## III. DISCUSSION

An analysis of the District's budget status is prepared monthly in order to apprise the Board of Directors of the District's actual revenues and expenses in relation to the adopted operating and capital budgets for the fiscal year. The attached monthly revenue and expense report represents the status of the District's FY 05-06 budget as of September 30, 2005. The fiscal year is 25.0% elapsed.

### A. Operating Revenues

Revenues are \$174,458 under the amount to be received for the period. Variances are explained in the notes following the report.

### B. Operating Expenses

Operating expenses for the year to date total \$7,590,221 or 22.3% of the budget, with 25.0% of the year elapsed. Variances are explained in the notes following the report.

### C. Capital Improvement Program

For the year to date, a total of \$132,551 has been expended on the Capital Improvement Program. Of this, \$49,897 has been spent on MetroBase.

5-7.1

#### **IV. FINANCIAL CONSIDERATIONS**

The strike called by United Transportation Union, Local 23, began on September 27, 2005, resulting in the immediate cessation of all fixed-route bus service. (ParaCruz service continued to operate.) The strike impacted revenues and expenses for the last four calendar days that the period of this report covers.

#### **V. ATTACHMENTS**

**Attachment A:** Revenue and Expense Report for September 2005.

5-7.2

MONTHLY REVENUE AND EXPENSE REPORT  
 OPERATING REVENUE - SEPTEMBER 2005

Attachment **A**

Operating Revenue	FY 05-06 Budgeted for Month	FY 05-06 Actual for Month	FY 05-06 Budgeted YTD	FY 04-05 Actual YTD	FY 05-06 Actual YTD	YTD Variance from Budgeted	
Passenger Fares	\$ 305,965	\$ 255,775	\$ 929,582	\$ 911,345	\$ 860,657	\$ (68,925)	
Paratransit Fares	\$ 28,314	\$ 16,684	\$ 78,775	\$ 41,957	\$ 52,240	\$ (26,535)	
Special Transit Fares	\$ 176,290	\$ 135,015	\$ 285,994	\$ 306,994	\$ 248,492	\$ (37,502)	
Highway 17 Revenue	\$ 90,323	\$ 83,932	\$ 259,584	\$ 259,583	\$ 261,465	\$ 1,881	
<i>Subtotal Passenger Rev</i>	\$ 600,892	\$ 491,406	\$ 1,553,935	\$ 1,519,879	\$ 1,422,854	\$ (131,081)	See Note 1
Advertising Income	\$ 4,167	\$ 7,825	\$ 12,500	\$ 14,240	\$ 17,285	\$ 4,785	See Note 2
Commissions	\$ 500	\$ 461	\$ 1,500	\$ 2,105	\$ 1,531	\$ 31	
Rent Income	\$ 13,405	\$ 11,586	\$ 38,692	\$ 72,626	\$ 40,648	\$ 1,956	See Note 3
Interest - General Fund	\$ 32,877	\$ 120,235	\$ 103,322	\$ 82,818	\$ 240,374	\$ 137,052	See Note 4
Non-Transportation Rev	\$ 375	\$ 608	\$ 1,125	\$ 897	\$ 1,339	\$ 214	
Sales Tax Income	\$ 1,494,026	\$ 1,306,840	\$ 4,107,826	\$ 4,029,070	\$ 3,920,640	\$ (187,186)	See Note 5
TDA Funds	\$ 1,419,422	\$ 1,419,422	\$ 1,419,422	\$ 1,438,313	\$ 1,419,422	\$ -	
FTA Op Asst - Sec 5307	\$ 2,250,942	\$ 2,250,942	\$ 2,250,942	\$ 2,950,231	\$ 2,250,942	\$ -	
FTA Op Asst - Sec 5311	\$ 65,704	\$ 65,475	\$ 65,704	\$ 92,928	\$ 65,475	\$ (229)	
FTA Op Asst Advance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FY 03-04 Carryover	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer from Insurance Reserves	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfer - Proj Mgr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Operating Revenue</b>	<b>\$ 5,882,309</b>	<b>\$ 5,674,800</b>	<b>\$ 9,554,968</b>	<b>\$ 10,203,107</b>	<b>\$ 9,380,510</b>	<b>\$ (174,458)</b>	

5-7.91

**MONTHLY REVENUE AND EXPENSE REPORT  
OPERATING EXPENSE SUMMARY - SEPTEMBER 2005**

	FY 05-06 Final Budget	FY 05-06 Revised Budget	FY 04-05 Expended YTD	FY 05-06 Expended YTD	Percent Expended of Budget	
<b>PERSONNEL ACCOUNTS</b>						
Administration	\$ 913,581	\$ 888,581	\$ 273,367	\$ 202,967	22.8%	
Finance	\$ 616,075	\$ 604,075	\$ 133,859	\$ 124,056	20.5%	
Customer Service	\$ 469,041	\$ 469,041	\$ 115,085	\$ 96,944	20.7%	
Human Resources	\$ 403,818	\$ 403,818	\$ 49,472	\$ 82,949	20.5%	
Information Technology	\$ 438,387	\$ 438,387	\$ 104,412	\$ 106,992	24.4%	
District Counsel	\$ 396,870	\$ 390,194	\$ 89,126	\$ 94,505	24.2%	
Facilities Maintenance	\$ 958,977	\$ 958,977	\$ 254,954	\$ 230,415	24.0%	
Paratransit Program	\$ 2,710,777	\$ 2,710,777	\$ 79,829	\$ 701,026	25.9%	See Note 6
Operations	\$ 1,905,376	\$ 1,905,376	\$ 499,560	\$ 399,216	21.0%	
Bus Operators	\$ 12,759,002	\$ 12,759,002	\$ 3,125,691	\$ 2,850,584	22.3%	
Fleet Maintenance	\$ 4,073,806	\$ 4,073,806	\$ 897,709	\$ 892,429	21.9%	
Retired Employees/COBRA	\$ 1,155,813	\$ 1,155,813	\$ 260,028	\$ 325,772	28.2%	See Note 7
Total Personnel	\$ 26,801,523	\$ 26,757,847	\$ 5,883,091	\$ 6,107,854	22.8%	
<b>NON-PERSONNEL ACCOUNTS</b>						
Administration	\$ 655,301	\$ 680,301	\$ 140,393	\$ 191,764	28.2%	See Note 8
Finance	\$ 813,517	\$ 825,517	\$ 233,422	\$ 209,830	25.4%	
Customer Service	\$ 96,006	\$ 96,006	\$ 45,176	\$ 17,834	18.6%	
Human Resources	\$ 45,706	\$ 45,706	\$ 9,844	\$ 3,087	6.8%	
Information Technology	\$ 133,035	\$ 133,035	\$ 15,930	\$ 53,563	40.3%	See Note 9
District Counsel	\$ 11,463	\$ 18,139	\$ 10,442	\$ 13,999	77.2%	See Note 10
Risk Management	\$ 259,015	\$ 259,015	\$ 18,906	\$ 5,037	1.9%	
Facilities Maintenance	\$ 444,250	\$ 444,250	\$ 69,684	\$ 66,537	15.0%	
Paratransit Program	\$ 867,761	\$ 867,761	\$ 435,195	\$ 130,672	15.1%	
Operations	\$ 617,418	\$ 617,418	\$ 98,153	\$ 97,074	15.7%	
Bus Operators	\$ 7,120	\$ 7,120	\$ 67	\$ -	0.0%	
Fleet Maintenance	\$ 3,330,435	\$ 3,330,435	\$ 694,370	\$ 692,970	20.8%	
Op Prog/SCCIC	\$ 450	\$ 450	\$ 20	\$ -	0.0%	
Prepaid Expense	\$ -	\$ -	\$ -	\$ -	0.0%	
Total Non-Personnel	\$ 7,281,477	\$ 7,325,153	\$ 1,771,602	\$ 1,482,367	20.2%	
Total Operating Expense	\$ 34,083,000	\$ 34,083,000	\$ 7,654,693	\$ 7,590,221	22.3%	
YTD Operating Revenue Over YTD Expense				\$ 1,790,289		

**CONSOLIDATED OPERATING EXPENSE  
SEPTEMBER 2005**

	FY 05-06 Final Budget	FY 05-06 Revised Budget	FY 04-05 Expended YTD	FY 05-06 Expended YTD	% Exp YTD of Budget	
<b>LABOR</b>						
Operators Wages	\$ 7,897,147	\$ 7,897,147	\$ 1,551,605	\$ 1,606,450	20.3%	
Operators Overtime	\$ 1,154,109	\$ 1,154,109	\$ 201,273	\$ 270,878	23.5%	
Other Salaries & Wages	\$ 6,223,417	\$ 6,179,741	\$ 1,422,816	\$ 1,240,475	20.1%	
Other Overtime	\$ 166,200	\$ 166,200	\$ 33,004	\$ 30,828	18.5%	
	\$ 15,440,873	\$ 15,397,197	\$ 3,208,699	\$ 3,148,631	20.4%	
<b>FRINGE BENEFITS</b>						
Medicare/Soc Sec	\$ 226,164	\$ 226,164	\$ 36,339	\$ 39,480	17.5%	
PERS Retirement	\$ 1,728,898	\$ 1,728,898	\$ 349,550	\$ 473,066	27.4%	See Note 11
Medical Insurance	\$ 3,724,628	\$ 3,674,628	\$ 936,434	\$ 1,126,584	30.7%	See Note 12
Dental Plan	\$ 534,944	\$ 534,944	\$ 141,144	\$ 119,722	22.4%	
Vision Insurance	\$ 144,360	\$ 144,360	\$ 30,609	\$ 33,012	22.9%	
Life Insurance	\$ 48,768	\$ 48,768	\$ 8,962	\$ 10,411	21.3%	
State Disability Ins	\$ 333,050	\$ 333,050	\$ 45,956	\$ 41,845	12.6%	
Long Term Disability Ins	\$ 191,434	\$ 191,434	\$ 73,901	\$ 44,716	23.4%	
Unemployment Insurance	\$ 85,251	\$ 85,251	\$ 920	\$ 418	0.5%	
Workers Comp	\$ 1,396,680	\$ 1,396,680	\$ 321,181	\$ 289,252	20.7%	
Absence w/ Pay	\$ 2,908,020	\$ 2,908,020	\$ 722,385	\$ 765,512	26.3%	See Note 13
Other Fringe Benefits	\$ 38,454	\$ 88,454	\$ 7,011	\$ 15,205	17.2%	
	\$ 11,360,650	\$ 11,360,650	\$ 2,674,392	\$ 2,959,223	26.0%	
<b>SERVICES</b>						
Acctng/Admin/Bank Fees	\$ 315,959	\$ 315,959	\$ 89,803	\$ 74,224	23.5%	
Prof/Legis/Legal Services	\$ 467,919	\$ 467,804	\$ 57,066	\$ 89,701	19.2%	
Temporary Help	\$ -	\$ 43,676	\$ 721	\$ 32,452	74.3%	See Note 14
Custodial Services	\$ 107,800	\$ 107,800	\$ 18,004	\$ 13,362	12.4%	
Uniforms & Laundry	\$ 57,223	\$ 57,223	\$ 7,773	\$ 6,271	11.0%	
Security Services	\$ 424,699	\$ 424,699	\$ 54,380	\$ 57,815	13.6%	
Outside Repair - Bldgs/Eqmt	\$ 211,578	\$ 211,693	\$ 25,851	\$ 38,083	18.0%	
Outside Repair - Vehicles	\$ 347,800	\$ 347,800	\$ 71,651	\$ 25,387	7.3%	
Waste Disp/Ads/Other	\$ 75,019	\$ 75,019	\$ 36,295	\$ 9,870	13.2%	
	\$ 2,007,997	\$ 2,051,673	\$ 361,543	\$ 347,165	16.9%	
<b>CONTRACT TRANSPORTATION</b>						
Contract Transportation	\$ -	\$ -	\$ -	\$ -	0.0%	
Paratransit Service	\$ 309,600	\$ 309,600	\$ 390,286	\$ 21,871	7.1%	
	\$ 309,600	\$ 309,600	\$ 390,286	\$ 21,871	7.1%	
<b>MOBILE MATERIALS</b>						
Fuels & Lubricants	\$ 2,094,447	\$ 2,094,447	\$ 371,710	\$ 469,659	22.4%	
Tires & Tubes	\$ 178,560	\$ 178,560	\$ 47,867	\$ 43,760	24.5%	
Other Mobile Supplies	\$ 7,740	\$ 7,740	\$ 2,616	\$ 5,156	66.6%	See Note 15
Revenue Vehicle Parts	\$ 407,510	\$ 407,510	\$ 102,269	\$ 96,382	23.7%	
	\$ 2,688,257	\$ 2,688,257	\$ 524,461	\$ 614,957	22.9%	

**CONSOLIDATED OPERATING EXPENSE  
SEPTEMBER 2005**

	FY 05-06 Final Budget	FY 05-06 Revised Budget	FY 04-05 Expended YTD	FY 05-06 Expended YTD	% Exp YTD of Budget	
<b>OTHER MATERIALS</b>						
Postage & Mailing/Freight	\$ 24,358	\$ 23,758	\$ 5,512	\$ 5,694	24.0%	
Printing	\$ 65,088	\$ 65,088	\$ 29,755	\$ 15,406	23.7%	
Office/Computer Supplies	\$ 70,948	\$ 70,948	\$ 22,783	\$ 24,979	35.2%	See Note 16
Safety Supplies	\$ 21,875	\$ 21,875	\$ 1,384	\$ 1,520	6.9%	
Cleaning Supplies	\$ 58,730	\$ 58,730	\$ 5,134	\$ 10,454	17.8%	
Repair/Maint Supplies	\$ 55,000	\$ 55,000	\$ 11,691	\$ 5,536	10.1%	
Parts, Non-Inventory	\$ 40,500	\$ 40,500	\$ 7,066	\$ 4,585	11.3%	
Tools/Tool Allowance	\$ 10,600	\$ 10,600	\$ 1,612	\$ 1,256	11.8%	
Promo/Photo Supplies	\$ 13,041	\$ 13,041	\$ 2,267	\$ 2,108	16.2%	
	\$ 360,140	\$ 359,540	\$ 87,205	\$ 71,538	19.9%	
<b>UTILITIES</b>	\$ 340,882	\$ 340,882	\$ 60,450	\$ 69,127	20.3%	
<b>CASUALTY &amp; LIABILITY</b>						
Insurance - Prop/PL & PD	\$ 491,100	\$ 491,100	\$ 142,564	\$ 124,768	25.4%	
Settlement Costs	\$ 150,000	\$ 150,000	\$ 16,006	\$ 72	0.0%	
Repairs to Prop	\$ -	\$ -	\$ (8,486)	\$ (13,166)	0.0%	See Note 17
	\$ 641,100	\$ 641,100	\$ 150,084	\$ 111,674	17.4%	
<b>TAXES</b>	\$ 47,743	\$ 47,743	\$ 5,318	\$ 6,730	14.1%	
<b>MISC EXPENSES</b>						
Dues & Subscriptions	\$ 54,159	\$ 54,159	\$ 10,387	\$ 39,544	73.0%	See Note 18
Advertising - Revenue Prod.	\$ 15,000	\$ 15,000	\$ 9,891	\$ 1,262	8.4%	
Employee Incentive Program	\$ 7,547	\$ 7,547	\$ 1,153	\$ 437	5.8%	
Training	\$ 8,800	\$ 8,800	\$ -	\$ 1,768	20.1%	
Travel	\$ 21,870	\$ 21,870	\$ 576	\$ 2,077	9.5%	
Other Misc Expenses	\$ 20,328	\$ 20,328	\$ 3,725	\$ 2,658	13.1%	
	\$ 127,704	\$ 127,704	\$ 25,733	\$ 47,746	37.4%	
<b>OTHER EXPENSES</b>						
Leases & Rentals	\$ 758,054	\$ 758,654	\$ 166,523	\$ 191,559	25.2%	
	\$ 758,054	\$ 758,654	\$ 166,523	\$ 191,559	25.2%	
<b>Total Operating Expense</b>	\$ 34,083,000	\$ 34,083,000	\$ 7,654,693	\$ 7,590,221	22.3%	

5-7.a4

**MONTHLY REVENUE AND EXPENSE REPORT  
FY 05-06 CAPITAL IMPROVEMENT PROGRAM**

<b>CAPITAL PROJECTS</b>	<b>Final Program Budget</b>	<b>Expended in September</b>	<b>YTD Expended</b>
<b>Grant Funded Projects</b>			
MetroBase	\$ 29,622,709	\$ 2,060	\$ 49,897
Revenue Vehicle Replacement	\$ 920,000		
Short Range Transit Plan	\$ 100,000		
	\$ 30,642,709		
<b>District Funded Projects</b>			
Bus Stop Imprvmts/Bus Shelter Projects	\$ 10,000		
Revenue Vehicle Replacement	\$ 90,000		\$ 10,593
IT Projects	\$ 30,200		\$ 9,430
Facilities Repairs & Improvements	\$ 29,500	\$ 25	\$ 25
Non-Revenue Vehicle Replacement	\$ 229,000		\$ 55,831
Office Equipment	\$ 22,100		\$ 6,775
PM Filters for Fleet (4)	\$ 33,320		
Mt. Biewlaski Repeater	\$ 15,000		
Transfer to Operating Budget	\$ 335,000		
	\$ 794,120		
<b>TOTAL CAPITAL PROJECTS</b>	\$ 31,436,829	\$ 2,085	\$ 132,551
<b>CAPITAL FUNDING SOURCES</b>			
	<b>Budget</b>	<b>Received in September</b>	<b>YTD Received</b>
Federal Capital Grants	\$ 9,230,246	\$ -	\$ -
State/Local Capital Grants	\$ 7,500,000	\$ -	\$ -
STA Funding	\$ 1,101,716	\$ -	\$ -
Transfer from Operating Budget	\$ -	\$ -	\$ -
Bus Stop Improvement Reserves	\$ 10,000	\$ -	\$ -
District Reserves	\$ 13,594,867	\$ 2,085	\$ 132,551
<b>TOTAL CAPITAL FUNDING</b>	\$ 31,436,829	\$ 2,085	\$ 132,551

5-7.95

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

1. Passenger fares (farebox and pass sales) are \$68,925 or 7% under the final budget amount for the year to date. Paratransit fares are \$26,535 or 34% under the budgeted amount. Special transit fares (contracts) are \$37,502 or 13% under the budgeted amount. Highway 17 Express revenue is \$1,881 or 0.7% over the year to date budgeted amount. Together, all four passenger revenue accounts are under the budgeted amount for the first three months of the fiscal year by a net \$131,081 or 8.4%.
2. Advertising income is \$4,785 over the budgeted amount for the year to date based on current advertising levels on the exterior of District buses. A formal program to sell ads has not yet been implemented.
3. Rent income is \$1,956 over budget for the year to date due to receipt of the final payment by Storti's Pizzeria.
4. Interest income is \$137,052 over budget for the year to date due to higher interest rates than projected in the County investment pool and a one-time interest credit by the County for FY 04-05 in the amount of \$56,564. The average interest rate for the year-to-date is 3.47% while the budget projected 2.0%.
5. Sales tax income is \$187,186 below budget for the first three months of the fiscal year. The budget projected a 3% increase over last year while the tax receipts for the period (covering April – June sales) were down 0.7%.
6. Paratransit personnel expense is at 25.9% of the budget due to workers' comp expenses.
7. Retired employee expense is at 28.2% of the budget because payment of October medical premiums was included in the September report.
8. Administration non-personnel expense is at 28.2% of the budget due to the annual payment of APTA dues.
9. Information Technology non-personnel expense is at 40.3% of the budget due to the annual payment of maintenance agreements for the computer system and required programming changes for the Bus Operator bid module.
10. District Counsel non-personnel expense is at 77.2% of the budget due to payment for temp help services and legal services in the approximate amount of \$9,000. A budget transfer has been processed and no further expenses are expected in these accounts.
11. Retirement expense is at 27.4% of the budget because part of the employee share of the expense will be credited to the District on a quarterly basis.
12. Medical insurance expense is at 30.7% of the budget because payment of October medical premiums was included in the September report.

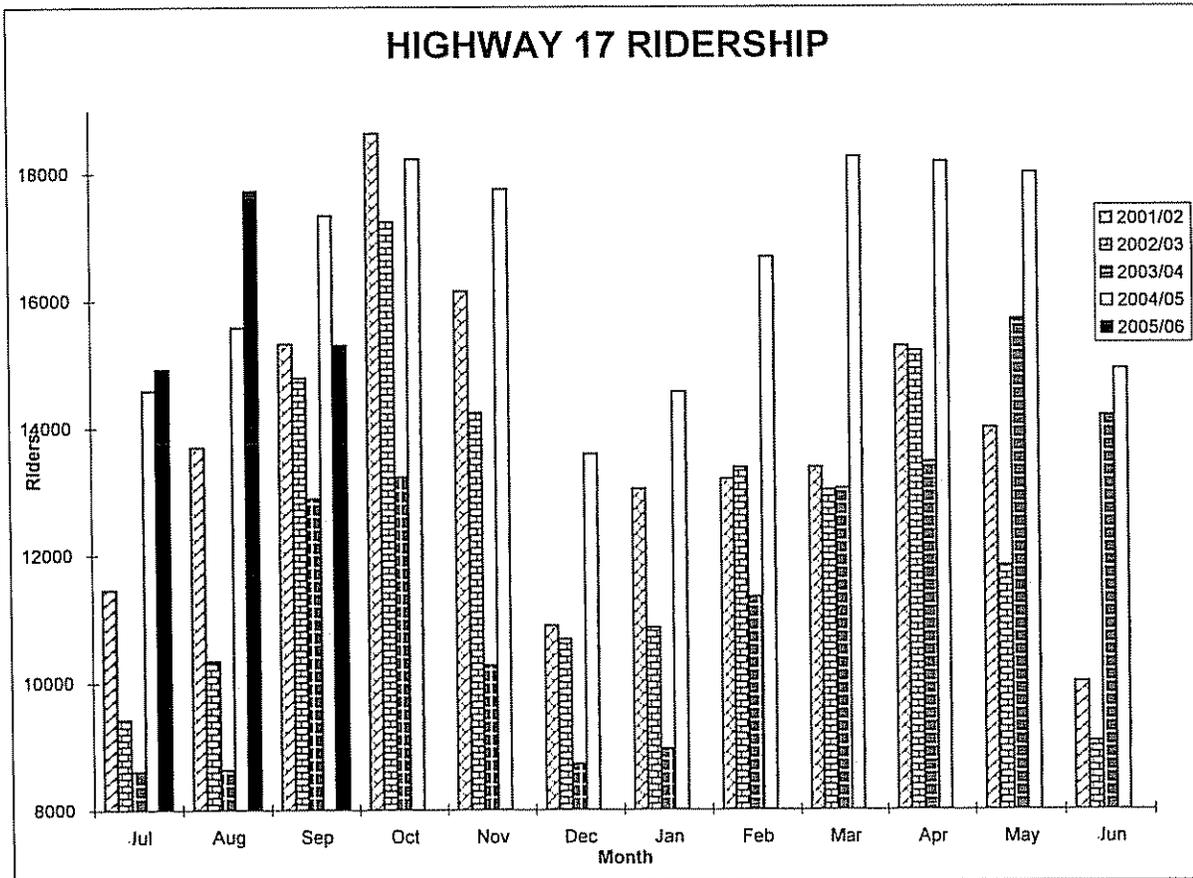
5-7.26

13. Absence with pay is at 26.3% of the budget since more vacation time is taken in the summer months and for the last four days of the reporting period, most SEIU-represented employees were on paid absence. Total payroll is within budget.
14. Temp help expense is at 74.3% of the budget since funds are transferred to this account as needed by departments using temp help during position vacancies. Temp help is only funded through budget transfers from the salary account.
15. Other mobile supplies are at 66.6% of the budget because upholstery supplies are purchased as needed.
16. Office/computer supplies are at 35.2% of the budget due to volume purchase of IT supplies.
17. Repairs to property is a casualty and liability account to which repairs to District vehicles and property are charged when another party is liable for the damage. All collections made from other parties for property repair are applied to this account to offset the District's repair costs.
18. Dues and subscriptions are at 73.0% of the budget due to annual payment of APTA dues.

5-7.47

# HIGHWAY 17 - SEPTEMBER 2005

	August			YTD		
	This Year	Last Year	%	This Year	Last Year	%
<b>FINANCIAL</b>						
Cost	\$ 97,860	\$ 112,959	(13.4%)	\$ 333,604	\$ 345,067	(3.3%)
Farebox	\$ 56,498	\$ 54,916	2.9%	\$ 158,711	\$ 144,816	9.6%
Operating Deficit	\$ 28,227	\$ 44,730	(36.9%)	\$ 147,614	\$ 168,972	(12.6%)
Santa Clara Subsidy	\$ 14,114	\$ 22,365	(36.9%)	\$ 73,807	\$ 84,486	(12.6%)
METRO Subsidy	\$ 14,114	\$ 22,365	(36.9%)	\$ 73,807	\$ 84,486	(12.6%)
San Jose State Subsidy	\$ 2,138	\$ 2,214	(3.4%)	\$ 2,854	\$ 3,281	(13.0%)
AMTRAK Subsidy	\$ 10,996	\$ 11,099	(0.9%)	\$ 24,425	\$ 27,998	(12.8%)
<b>STATISTICS</b>						
Passengers	15,306	17,343	(11.7%)	47,960	47,510	0.9%
Revenue Miles	33,957	40,666	(16.5%)	117,571	124,280	(5.4%)
Revenue Hours	1,274	1,525	(16.5%)	4,409	4,660	(5.4%)
Passengers/Day	589	578	1.8%	545	516	5.5%
Passengers/Weekday	779	738	5.6%	682	643	6.0%
Passengers/Weekend	229	206	11.3%	252	227	11.2%
<b>PRODUCTIVITY</b>						
Cost/Passenger	\$ 6.39	\$ 6.51	(1.8%)	\$ 6.96	\$ 7.26	(4.2%)
Revenue/Passenger	\$ 3.69	\$ 3.17	16.6%	\$ 3.31	\$ 3.05	8.6%
Subsidy/Passenger	\$ 1.98	\$ 2.71	(26.7%)	\$ 3.14	\$ 3.63	(13.5%)
Passengers/Mile	0.45	0.43	5.7%	0.41	0.38	6.7%
Passengers/Hour	12.02	11.37	5.7%	10.88	10.19	6.7%
Recovery Ratio	57.7%	48.6%	18.8%	47.6%	42.0%	13.4%



5-8.1

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Steve Paulson, Paratransit Administrator  
**SUBJECT:** METRO PARACRUZ OPERATIONS STATUS REPORT

## I. RECOMMENDED ACTION

**This report is for information only- no action requested**

## II. SUMMARY OF ISSUES

- METRO ParaCruz is the federally mandated ADA complementary paratransit program of the Transit District, providing shared ride, door-to-door demand-response transportation to customers certified as having disabilities that prevent them from independently using the fixed route bus.
- METRO assumed direct operation of paratransit services November 1, 2004.
- Operating Statistics reported are for the month of October 2005. These statistics reflect the impact of the fixed route Operator's strike on ParaCruz ride demand.
- New regulations regarding lunch and rest breaks went into effect August 1, 2005.
- Customer feedback information is for the month of October 2005.
- Staff received a request from a member of the public to include eligibility determination statistics, as they had been during the initial recertification process. Breakdown chart attached.

## III. DISCUSSION

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

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

New regulations requiring meal periods became effective August 1, 2005. This presented new scheduling challenges resulting in decreased driver productivity and increased use of supplemental service providers.

5-9.1

During the month of October, nine (9) service complaints and three (3) compliments were received regarding service issues. Two (2) of the complaints were found to be "not valid" when investigated. All of the valid complaints were related to late trips.

**Operating Statistics for October 2005**

	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	July 05	Aug 05	Sept 05	Oct 05
Scheduled	7782	7154	8989	8628	9078	8186	7570	7935	8413	9526
Performed	6822	6804	7898	7405	7824	7181	6513	6799	7220	8384
Total miles	56,825	56,556	62,911	59,182	59,671	54,788	50,755	56,599	55,890	64,163
Av trip miles	6.54	6.20	6.09	6.12	5.80	5.77	5.86	6.03	5.69	5.75
Within ready window	89.65%	89.67%	90.64%	89.49%	92.05%	92.11%	91.97%	91.99%	90.93%	87.88%
Excessively late/missed trips	20	17	24	18	15	21	9	12	23	33
Monthly call volume	6606	6688	7361	6429	6778	6535	6163	6719	6465	7481
Call average seconds to answer	23	52	33	24	25	24	36	29	29	30
Hold times less than 2 minutes	95%	87%	93%	94%	94%	94%	88%	90%	90%	90%
Distinct riders	842	845	884	835	880	872	795	806	842	878
Most frequent rider	48rides	50 rides	48 rides	58 rides	65 rides	65 rides	52 rides	49 rides	57 rides	53 rides
Shared rides	51.1%	52.1%	61.6%	59.4%	63.9%	60.0%	58.5%	58.9%	63.6%	66.3%
Passengers per rev hour	1.57	1.64	1.72	1.72	1.78	1.68	1.68	1.38	1.58	1.64
Rides by supplemental providers	15%	5.7%	5.4%	7.6%	5.5%	3.98%	5.47%	7.94%	8.23%	13.10%
SCT cost per ride	\$21.83	\$24.34	\$24.35	\$23.25	\$20.14	\$21.51	\$22.23	\$22.79	\$22.95	\$25.17
ParaCruz driver cost per ride	\$21.81 (est)	\$22.52 (est)	\$19.21 (est)	\$19.82 (est)	\$20.88 (est)	\$21.22 (est)	\$23.58 (est)	\$24.87 (est)	\$23.31 (est)	\$25.26 (est)

5-9.2

Rides < 10 miles	81.03%	80.41 %	80.35%	80.44%	80.61%	80.83%	81.29%	82.85%	79.87%	78.01%
Rides > 10	18.97%	19.59 %	19.65%	19.56%	19.39%	19.17%	18.71%	17.15%	20.14%	21.99%

**IV. FINANCIAL CONSIDERATIONS**

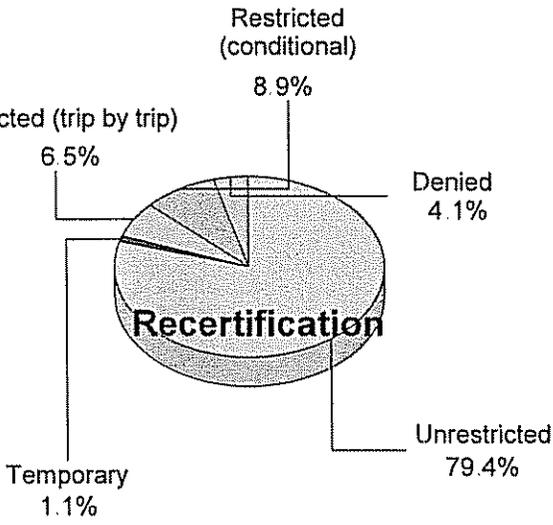
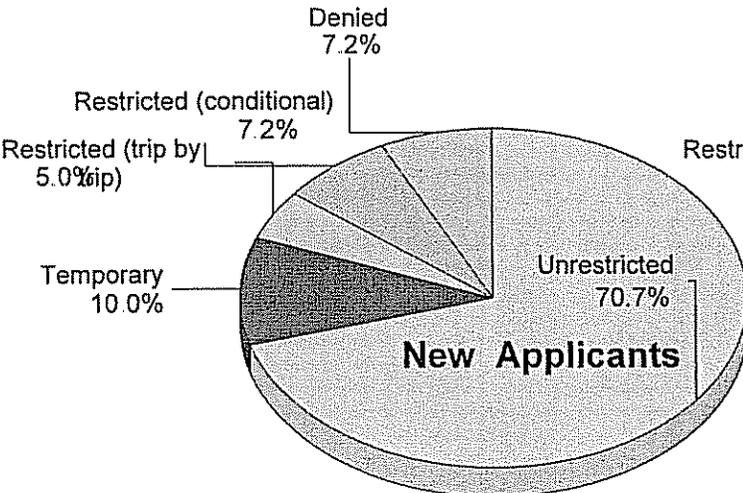
NONE

**V. ATTACHMENTS**

**Attachment A:** Cumulative Eligibility Breakdown

5-9.3

**METRO ParaCruz Eligibility Determinations -  
Aug 1 02 through Dec 31 05**



**New Applicants**

Unrestricted	1809
Temporary	256
Restricted (trip by trip)	127
Restricted (conditional)	183
Denied	184
<b>Group Total:</b>	<b>2559</b>

**Recertification**

Unrestricted	1081
Temporary	15
Restricted (trip by trip)	89
Restricted (conditional)	121
Denied	56
<b>Group Total:</b>	<b>1362</b>

**Grand Total:** 3921

*5-9.a1*

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Mark J. Dorfman, Assistant General Manager  
**SUBJECT:** UNIVERSITY OF CALIFORNIA – SANTA CRUZ SERVICE UPDATE

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

- Student trips for November 2005 decreased by (31.6%) versus November 2004.
- Faculty / staff trips for November 2005 decreased by (39.4%) versus November 2004.
- Revenue received from UCSC for November 2005 was \$143,971 versus \$200,014 for November 2004, a decrease of (28.0%).

November	Total Student Ridership	Total Faculty/Staff Ridership	Average Ridership <i>Per School Term Day</i> - Student	Average Ridership <i>Per Weekday</i> – Faculty / Staff
2005	142,454	10,219	7,339.1	525.6
2004	208,138	16,850	9,473.6	788.7
Monthly Increase-(Decrease)	(31.6%)	(39.4%)	(22.5%)	(33.4%)

UTU was on strike two days in November (11/1-11/2).

## III. DISCUSSION

UCSC ended Spring instruction on June 9, 2005. Fall instruction began on September 22, 2005. UTU was on strike from September 27 through November 2. A summary of the results for November 2005 is:

- Student billable trips for November 2005 were 142,454 vs. 208,138 for November 2004, a decrease of (31.6%).
- Average student billable trips *per school-term day* for November 2005 were 7,339.1 vs. 9,473.6 for November 2004, a decrease of (22.5%).
- Faculty / Staff billable trips for November 2005 were 10,219 vs. 16,850 for November 2004, a decrease of (39.4%).

5-10.1

- Average Faculty / Staff billable trips *per weekday* for November 2005 were 525.6 vs. 788.7 for November 2004, a decrease of (33.4%).

**IV. FINANCIAL CONSIDERATIONS**

NONE

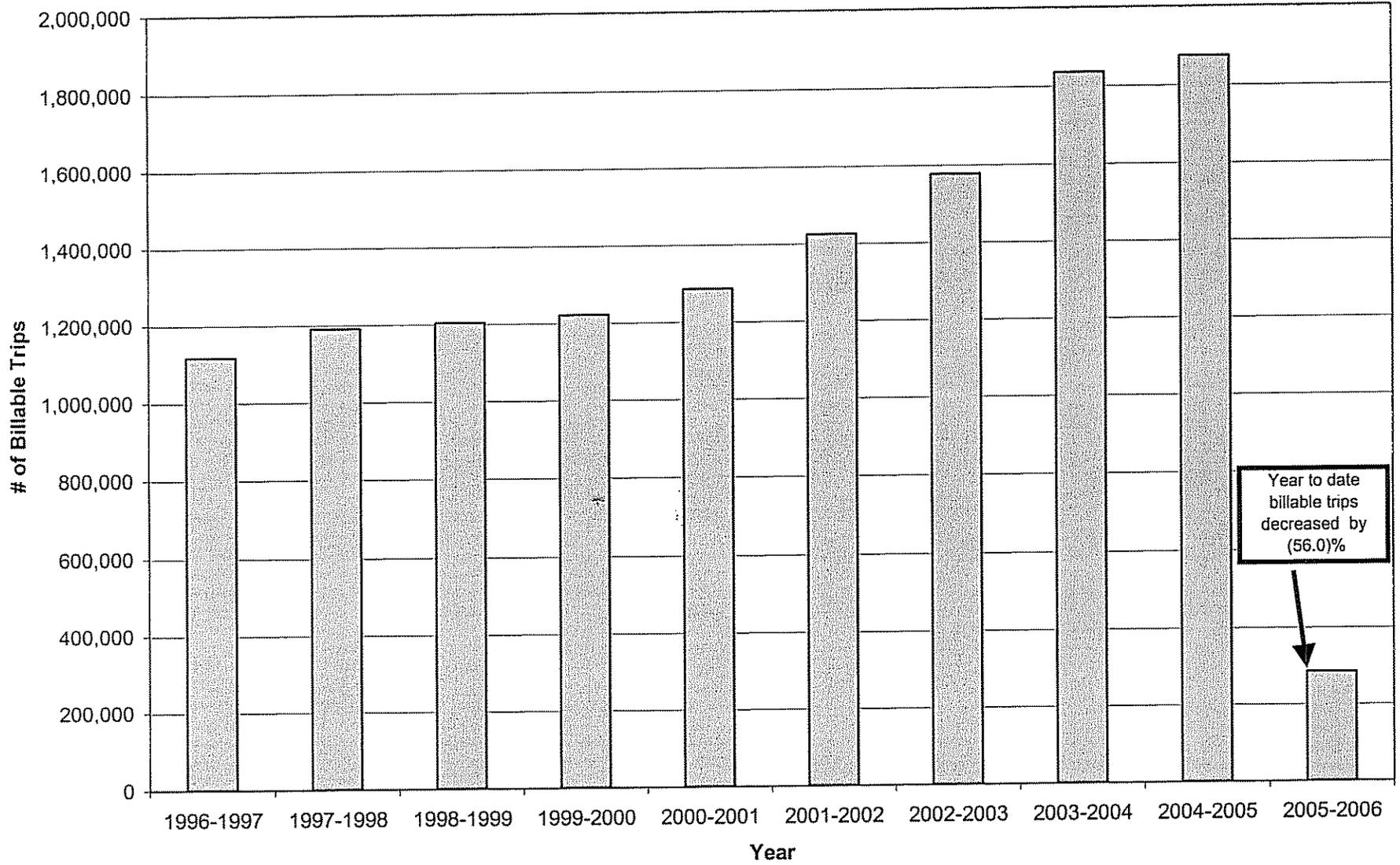
**V. ATTACHMENTS**

**Attachment A: UC Student Billable Trips**

**Attachment B: UCSC Faculty / Staff Billable Trips**

5-10.2

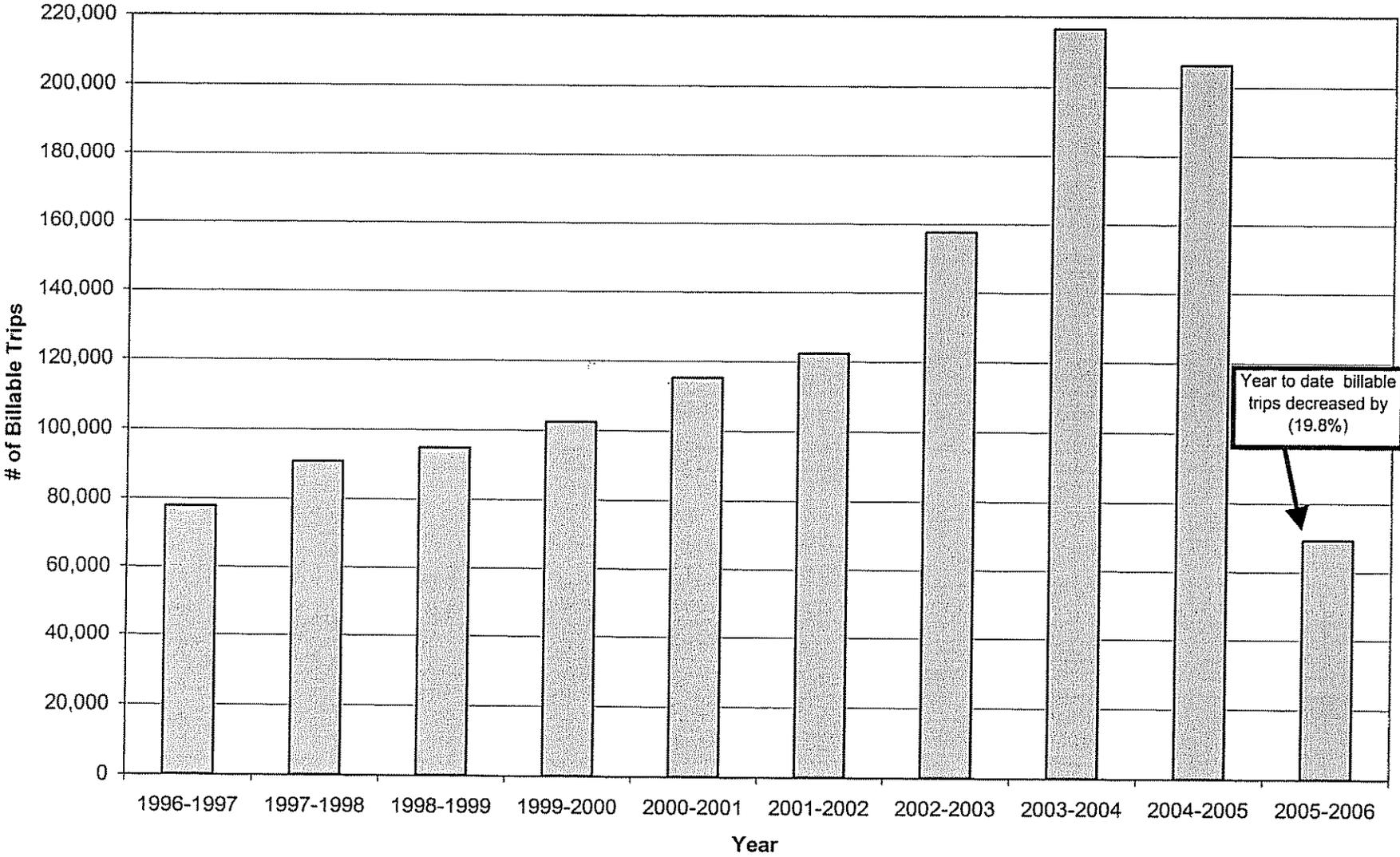
### UCSC Student Billable Trips



S-10.a1

Attachment A

UCSC Faculty / Staff Billable Trips



S-10.61

Attachment B

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Frank L. Cheng, Project Manager  
**SUBJECT:** STATUS OF THE METROBASE PROJECT

## I. RECOMMENDED ACTION

**That the Board of Directors accept and file the MetroBase Status Report.**

## II. SUMMARY OF ISSUES

- Notice to Proceed on the Service & Fueling Building issued effective January 9, 2006 with a completion date of January 9, 2007.
- On January 4, 2006, Pre-Construction meeting held with all parties involved attended.
- On December 16, 2005, the Board of Directors awarded a contract with Arntz Builders, Inc. for the Service & Fueling Building Component of the MetroBase Project.
- On November 18, 2005, METRO issued an Invitation For Bids, IFB 05-12, for the Service & Fueling Building Component of the MetroBase Project. The Pre-Bid Conference occurred on November 29, 2005 and sealed bids due December 13, 2005 at 2 p.m. The Final addendum for IFB will be available December 7, 2005.
- On October 14, 2005, the Board of Director received new options in regards to services, bid process, and timeline for the MetroBase Project.
- On September 26, 2005, METRO rejected the bid from Hensel Phelps.
- On August 25, 2005, METRO received one bid for \$38,400,000 from Hensel Phelps Construction. Budget for construction is \$31,000,000.
- Last Addendum for IFB sent out August 18, 2005.
- Issuance of Invitation For Bids 04-19 were sent on June 1, 2005. IFB available to bidders on June 15, 2005 with a Pre-Bid Conference on June 29, 2005 and sealed bids due August 25, 2005 at 2 p.m.
- On June 29, 2005, representatives of eight general contractors and various subcontractors attended the Pre-Bid Conference.
- Real estate acquisition phase complete.
- Fleet maintenance Storage at 115 Dubois Street for bus parking complete.

5-11.1

- AB390 Reimbursement approved by California Transportation Commission on July 14, 2005.
- Federal Reauthorization Bill approved on July 29, 2005.

### III. DISCUSSION

On November 18, 2005, METRO issued an Invitation For Bids, IFB 05-12, for the Service & Fueling Building Component of the MetroBase Project. The Pre-Bid Conference occurred on November 29, 2005 and sealed bids are due December 13, 2005 at 2 p.m. The Final addendum for IFB 05-12 will be available December 7, 2005.

On December 16, 2005, METRO presented the bids to the Board of Directors. The Board of Directors approved the lowest bid \$7,979,000 from Arntz Builders, Inc. Starting on January 4, 2006, the Service & Fueling Component of the MetroBase Project commence with a Pre-Construction Meeting where all the parties involved in the project attended. Personnel from METRO, RNL, Harris&Associates, Arntz Builders, and all sub-contractors contributed in the discussion of the project. Notice To Proceed issued effective January 9, 2005 with a completion date of January 9, 2007.

The completed components of the project for the review period are as follows:

#### A. Right Of Way (ROW)

- 1122 River Street Site turn over to Arntz Builders, Inc.
- Ground-Breaking Ceremony was held on January 14, 2005.
- Land acquisition for 1122 River Street & 120 Golf Club Drive complete.
- METRO signed 110 Vernon Street lease for the location of Fleet Maintenance Administration and Construction Management Personnel, and have relocated there.
- Board of Directors approved lease of property at 115 Dubois Street for bus parking and storage during construction on January 21, 2005. The lease has been signed with Iuliano 1977 Trust. The site work construction of bus parking improvements complete. Site is fully operational.

#### B. Finance

- 25 Sakata Lane, Watsonville property is currently under bid negotiations.
- The Board of Directors approved a Request For Proposals (RFP) for Broker Service. RFP due date is September 9, 2005. One proposal was received from Hirsch and Associates.
- The proposal by Hirsch and Associates was reviewed and determined to be a fair proposal. Hirsch and Associates was selected to market the property to its greatest ability.
- FTA approved concurrence letter with appraisal for Watsonville property.

5-11.2

- AB3090 approved by CTC on July 14, 2005 Meeting.
- Federal Reauthorization Bill (TEA-21) approved July 29, 2005.

C. Architectural & Engineering (A&E)

- Pre-Construction Meeting occurred on January 4, 2006.
- Final addendum for MetroBase IFB 05-12 released December 7, 2005.
- Issuance of Invitation For Bids 05-12 released November 18, 2005.
- RNL prepared IFB 05-12 Service & Fueling Building for the MetroBase Project.
- Final addendum for MetroBase IFB 04-19 released August 18, 2005.
- Issuance of Invitation For Bids 04-19 released June 1, 2005.
- Issuance of IFB 04-19 and expression on intent to use sales tax backed debt presented to the Board of Directors on May 27, 2005.
- RNL Design presented to the Board of Directors options for bidding strategies in regards to cost, schedule, and benefits. Board of Directors approved one project bid option on February 25, 2005.

D. Construction Management (CM)

- Harri&Associates staff will be moving into 110 Vernon St, Suite B, Santa Cruz, CA for closer inspection of the construction.
- CM reviewed, and recommended modifications to IFB 05-12.
- Meetings were scheduled for reviewing new options for the MetroBase Project.
- MetroBase Site Plan Check reviews completed by LP2A, City Of Santa Cruz Public Works, and Harris & Associates.

E. Construction Schedule

- Notice to Proceed issue effective January 9, 2006 with 365 calendar day construction period.
- Pre-Construction Meeting occurred on January 4, 2006.
- On December 16, 2005, the Board of Directors approved bid from Arntz Builders for \$7,979,000.
- Two bids were received for IFB 05-12 with the lowest bid at \$7,979,000 from Arntz Builders, Inc.
- Bid deadline for IFB 05-12 is December 13, 2005. Staff will bring the Board of Directors the results from the bid opening for IFB 05-12.
- On September 26, 2005, METRO rejected the bid from Hensel Phelps.
- In August 25, 2005, SCMTD received one bid from Hensel Phelps Construction at \$38,400,000. Construction budget is \$31,000,000.
- IFB 04-19 due date was extended to August 25, 2005 2:00pm PST.
- Approved and executed L/CNG Fueling Station long lead item LNG tank on September 10<sup>th</sup>, 2004. LNG tank was delivered in May 2005.

5-11.3

- Approved and executed L/CNG Fueling Station long lead item CNG Vessels on September 24<sup>th</sup>, 2004. CNG Vessels was delivered on March 2005.
- Nica DMT, demolition contractor, completed demolition on 1122 River Street and 120 Golf Club Drive on April 29, 2005.

#### **IV. FINANCIAL CONSIDERATIONS**

Funds for the construction of the Service & Fueling Building Component of the MetroBase Project are available within the funds the METRO has secured for the Project.

#### **V. ATTACHMENTS**

**NONE**

5-11.4

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Mark J. Dorfman, Assistant General Manager  
**SUBJECT:** ACCEPT AND FILE VOTING RESULTS FROM APPOINTEES TO THE  
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION  
COMMISSION FOR PREVIOUS MEETINGS

## I. RECOMMENDED ACTION

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

## II. SUMMARY OF ISSUES

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

## III. DISCUSSION

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

## IV. FINANCIAL CONSIDERATIONS

There is no cost impact from this action.

## V. ATTACHMENTS

**Attachment A:** Minutes of the December 1, 2005 Regular SCCRTC Meeting

5-12.1



3. Additions or Deletions to Consent and Regular Agendas

Acting Executive Director Pat Dellin noted the add-on pages for Items 7 and 26.

CONSENT AGENDA (Beautz/Reilly)

4. Approved Minutes of the November 3, 2005 Regular SCCRTC Meeting
5. Approved Minutes of the November 17, 2005 Regular Transportation Policy Workshop Meeting
6. Approved Minutes of the November 17, 2005 Special SCCRTC Meeting on the Highway 1 Soquel to Morrissey Auxiliary Lanes Project

POLICY

No consent items

PROJECTS and PLANNING

7. Accepted Status Report on Santa Cruz Branch Rail Line Acquisition - Coastal Conservancy Reimbursable Grant

COMMISSION BUDGET AND EXPENDITURES

No consent items

ADMINISTRATION

8. Approved Resolution of Appreciation for Diane Eidam, California Transportation Commission (CTC) Executive Director (Resolution 11-06)

COMMITTEE MINUTES

9. Accepted Draft Minutes of the November 2, 2005 Budget and Administration/Personnel Committee Meeting
10. Accepted Draft Minutes of the November 10, 2005 Budget and Administration/Personnel Committee Meeting
11. Accepted Draft Minutes of the November 17, 2005 Interagency Technical Advisory Committee Meeting

5-12.a2

INFORMATION/OTHER

12. Accepted Monthly Meeting Schedule
13. Accepted SCCRTC Staff Comment Letters on Draft Environmental Documents and Plans Prepared by Other Agencies - No letters
14. Accepted Correspondence Log
15. Accepted Letters from SCCRTC Committees and Staff to Other Agencies
  - a. Letter from the Bicycle Committee to the Coastal Conservancy Regarding SCCRTC's Reimbursable Grant Request
16. Accepted Miscellaneous Written Comments from the Public on SCCRTC Projects and Transportation Issues
17. Accepted Handouts from Staff and Commissioners at Previous Regional Transportation Commission Meetings
18. Accepted Information Items
  - a. Thank You Letter from the Metropolitan Transportation Commission for Participation in the Regional Rail Planning Charette Session.

SERVING AS THE SERVICE AUTHORITY FOR FREEWAY EMERGENCIES (SAFE)

No consent items

REGULAR AGENDA

19. Commissioner Reports - None
20. Director's Report - None
21. Election of 2006 SCCRTC Chair and Vice-Chair

Commissioner Beautz announced that the Nominating Committee had nominated Commissioner Pirie to serve a second term as Chair and Commissioner Campos to serve as Vice-Chair.

Commissioner Beautz moved that the recommendation of the Nominating Committee be approved. Commissioner Norton seconded and the motion passed unanimously.

5-12.23

22. Caltrans Report

Gregg Albright, Caltrans District 5, reported that the Highway 1/17 Merge Lanes Project went out to bid as scheduled. He said that there is a core issue in that the project affects vegetation and involves removing trees. He said the tree removal impacts the nesting habit of migratory birds and that removal of trees during the nesting period is prohibited by the Department of Fish and Game.

Mr. Albright said that typically the construction company that is awarded the construction contract takes the trees down, but that the selection of the construction company will not be made in time to remove the trees before the nesting begins. He said that there are two options for Caltrans to consider: (1) to hire a separate contractor to remove the trees immediately or (2) to not remove the trees until after the nesting season is over. The second choice would lengthen the project to four years.

Mr. Albright added that there are risks for either choice and that there would be a Project Development Team meeting on December 6<sup>th</sup> to weigh the risk factors and develop a course of action.

Commissioner Wormhoudt suggested discussing the issue under Item 25.

Commissioner Beautz asked what could be done about Adopt-a-Highway volunteers that did not keep their sections of the highway clean. Mr. Albright said that Caltrans would like to know if there is a pattern of neglect in a certain section and that they will reevaluate whether to continue to allow the section in question to be maintained by the same business or agency.

23. SCCRTC Executive Director Recruitment Update

Acting Executive Director Pat Dellin said CPS Executive Recruiters has placed ads and received some resumes. She added that they will be printing a brochure and that the final filing date is January 6, 2006. She said that the recruitment is proceeding on schedule.

5-12.a4

24. Article 8 Transportation Development Act (TDA) Claim from the City of Santa Cruz for Bicycle Projects

Acting Executive Director Pat Dellin described the two bicycle improvement projects included in the Transportation Development Act claim: Bikeway Striping and Minor Improvements (\$18,000) and Shared Roadway Markings or "Sharrows" (\$30,000). The Sharrows Project will provide for stenciling City of Santa Cruz streets with newly approved markings to indicate that the travel lane is to be shared with bicyclists. Ms. Dellin said the projects are consistent with the 2005 Regional Transportation Plan.

Commissioner Wormhoudt moved and Commissioner Reilly seconded to approve the staff recommendations that the Regional Transportation Commission approve a resolution approving the City of Santa Cruz's FY 2005/2006 Transportation Development Act (TDA) Article 8 claim totaling \$48,000 for Bikeway Striping and Shared Roadway Markings.

A roll call vote of Commissioners Beautz, Gonzalez, Johnson, Norton, Reilly, Rivas, Stone, Winn and Wormhoudt passed the motion (Resolution 12-06) unanimously.

25. Update on Highway 1 Projects

Acting Executive Director Pat Dellin gave the staff report which included updates on the Highway 1/17 Merge Lanes Project, the Highway 1 Widening/HOV Lane Project and the Highway 1 Soquel Avenue to Morrissey Boulevard Auxiliary Lanes Project.

Commissioners continued the discussion of tree removal for the Highway 1/17 Merge Lanes Project that was introduced in the Caltrans Report, Item 22.

At issue is the question whether a separate contractor should be hired to remove the trees by the end of February so that migrating birds would not be able to nest in those particular trees and construction may begin as scheduled, or to push the project back another year and have the main contractor remove the trees after the nesting period has ended in September. Because the contract for the project has just recently gone out to bid, the main contractor will not be selected in time to remove the trees before the nesting season.

5-12.25

If the trees are not removed immediately, the bid put out by Caltrans for the Merge Lanes Project would probably need to be repackaged due to increases in construction materials and fuel costs. Caltrans will have to weigh the cost of hiring a separate contractor against the risk of waiting and incurring increased project costs.

Commissioner Wormhoudt said she understood not wanting to risk repackaging bids and incurring increased costs, but noted that impacts to the community need to be considered. She asked if the Santa Cruz City Council was consulted.

Gregg Albright, Caltrans District 5, said this issue just came up and that an immediate Project Development Team (PDT) meeting would be held on December 6<sup>th</sup>.

It was noted that the public information program needed to coincide with the start of the project and would have to be fast-tracked, while at the same time, providing extra effort to educate the public about why the trees had to be removed in advance of other aspects of the construction.

Commissioner Beautz suggested waiting until January when the construction bids had come in before deciding if a separate contract was needed. Mr. Albright agreed that the Commission could direct the PDT to take that course.

Commissioner Norton asked about soundwalls and Mr. Albright said that the intent is to install them as early as possible.

In response to a question from Commissioner Tavantzis, Mr. Albright said that the charges for clearing and grubbing would be removed, without penalty, from the bid to the original contractor if the Commission chose to hire a separate contractor for immediate tree removal.

Commissioners continued to discuss the bidding process for a separate contract, the impacts of the tree removal and potential public reaction to a three-year versus four-year project.

Dave Eselius said there should be no surprise that trees have to come down since the project has been planned for a long time. He said the issue is the same environmental politics that has delayed Highway 1 construction. Mr. Eselius also asked for clarification as to why there was a

5-12.46

delay in ascertaining historical and archeological impacts for the Highway 1 Widening/HOV Lane Project. Acting Executive Director Pat Dellin said that until the preferred alternative is chosen for the project, digging will be delayed so that resources are not disturbed unnecessarily.

Commissioner Wormhoudt moved to approve the staff recommendations to:

1. Receive this status report on activities related to the Highway 1 Projects;
2. Consider providing input to Caltrans on its decision regarding the timing of tree removal as an initial step in construction of the Highway 1/17 Merge Lanes project;
3. Approve a resolution authorizing expenditures of up to \$5,000 in budgeted funds to print and distribute a newsletter for the Highway 1 HOV Lane Widening Project;
4. Include funding for the Highway 1 Soquel to Morrissey Auxiliary Lanes project in the draft *2006 Regional Transportation Improvement Program (RTIP)*,

with the additional direction that the Highway 1/17 Project Development Team be informed of the Commission's concern about removing these trees before Caltrans knows that it has qualifying bids on this project and to ask Mr. Albright to return to the Commission with a status report on the bids at the earliest possible time.

Commissioner Beautz seconded and the motion passed unanimously (Resolution 13-06).

26. Recommendations for the Draft *2006 Regional Transportation Improvement Program (RTIP)*

Acting Executive Director Pat Dellin said that at the September Regional Transportation Commission meeting the Commission approved to program 80% of the State Transportation Improvement Program (STIP) and Transportation Enhancement funds to regionally significant projects and the remaining 20% to projects selected by local jurisdictions. She said that today the Commission was being presented with a preliminary list of projects.

Ms. Dellin noted that the \$20 million in new STIP funding targeted for Santa Cruz County over the next five years may never materialize unless the Legislature and Governor make changes to guarantee state transportation revenues over the long term.

5-12.a7

Ms. Dellin reviewed the lists of projects and noted that the Elderly and Disabled Transportation Advisory Committee (E & D TAC) will meet in December and give input. She added that a public hearing was suggested for January.

After discussion Commissioner Beautz moved and Commissioner Wormhoudt seconded to:

1. Review Interagency Technical Advisory Committee (ITAC) and staff recommendations for programming \$20 million in projected new State Transportation Improvement Program (STIP) funds in the draft *2006 Regional Transportation Improvement Program (RTIP)*;
2. Review the preliminary list of local jurisdiction projects;
3. Consider the Bicycle Committee's general recommendation that more of the new funds be programmed to projects that serve alternative modes of transportation, rather than highway projects;
4. Direct staff to return to the January meeting with more specific recommendations from the Bicycle Committee, as well as recommendations from the Elderly and Disabled Transportation Advisory Committee;
5. Notify staff if there are different projects the RTC would like to consider for programming in the 2006 RTIP, so that they can be properly noticed to the public; and
6. Schedule a public hearing for January 5, 2006 to receive public input on programming the \$20 million in new STIP funds, to review and approve changes to existing projects as identified by ITAC members, and to adopt the final *2006 Regional Transportation Improvement Program (RTIP)*.

Commissioners continued to discuss the proposed projects and Director Dellin said that unless the Commission wanted to make changes today, the proposed projects would be presented to the public in January for comment.

Commission Alternate Winn, referring to the Transit Trip Planner item, asked if it would be possible to combine the new web and phone project with real time web cameras on Highway One. Ms. Dellin said that there are cameras on Highway 1/17 and there are plans to increase monitoring.

Commissioner Tavantzis asked for a report on the Commute Solutions program, saying that it did not seem to be effective in helping riders stranded during the bus strike.

5-12.a.8

Director Dellin said that while Commute Solutions did experience a big spike in calls during the strike, the program is not meant to be a temporary ride matching service, but rather a program for regular rides, requiring a commitment from rides and drivers to preserve continuity. She said that most of the callers did not have cars, making it difficult to form new groups without an adequate number of cars. She added that staff advised employers during the bus strike to put carpools together for their employees and this had been successful at several work and school sites.

Ms. Tavantzis said she knows about people who commute regularly between Watsonville from Scotts Valley and are not getting ride matches. Director Dellin said she will investigate the matter further.

Commissioner Spence encouraged expanding the 511 program into Santa Cruz County and asked if the SCCRTC website could interface with the 511 website so that people could pre-plan trips.

Senior Planner Rachel Moriconi responded that the SCMTD Board is the lead agency on this integration, adding that the Commission can add conditions to projects it funds.

Commissioner Beautz suggested that the public hearing be held in the evening, and amended her motion accordingly. Commissioner Wormhoudt, as second, agreed to the amendment.

Dave Eselius said he thinks the Commission has allocated too much money for bikes and buses. He added that the RTC's projects should be identified according to priority so that they coincide with the California Transportation Commission's priority list. Mr. Eselius added that the City of Santa Cruz is the lead agency for the Highway 1/9 Intersection Project but that the City does not have the money needed to implement the project. In addition, Mr. Eselius said there was not enough emphasis on safety issues, specifically citing the need for more lights on Mission Street between Bay Avenue and Fair Street.

The motion passed unanimously.

5-12.29

27. 10:30 a.m. - Update on State Legislative Actions - Oral Report by State Assemblymember John Laird

State Assemblymember John Laird reported on recent state legislative activities, saying that everything is driven by the state budget. He said that the original budget did not fund Proposition 42, included cuts to seniors programs and to funding for education, and increased borrowing. Pressure from the Legislature resulted in a reevaluation of budget priorities, including the funding for Proposition 42 gas tax monies for this fiscal year. He added that analysts project that revenues will be \$3 billion above this year's revenues and that there should be a similar increase in the following year, leading to a hope that a balanced budget could be achieved next year.

Assemblymember Laird said that future budget challenges will be funding Proposition 98 and health care for all children in California.

Mr. Laird discussed bills he has introduced regarding the levee system in California, saying he has been working on this problem for quite some time, but that it is only gaining traction in the wake of the devastation caused by hurricane Katrina.

He also reported that Senator Pro-Tem Perata intends to introduce an infrastructure bond which would provide dedicated funds to repair the state's infrastructure, adding that the bond would take into account the demographic changes taking place in California.

He closed by saying he was glad that the Commission has not pitted projects against each other and that he supports the efforts of the Regional Transportation Commission to get Coastal Conservancy funding for the rail line acquisition.

Commissioner Beautz asked about closing the loophole in Proposition 42 to ensure that funds from the gas tax are actually used for transportation purposes. Assemblymember Laird said that since Proposition 76 is off the table, the Legislature is working to find a way to guarantee funding for Proposition 42, adding that there is a transportation component to the infrastructure bond.

In response to a question from Commissioner Rivas, Assemblymember Laird clarified some of the demographic

S-12.a10

changes facing California's transportation future. He cited an aging population that could cause changes in transportation priorities and trends in education that go back and forth, affecting transportation needs. Mr. Laird added that he thinks there is a shift in public opinion and that people are realizing that investment in infrastructure is an investment in California's economic vitality.

CLOSED SESSION - Removed from Agenda

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

Agency Negotiator: Kirk Trost, Miller, Owen & Trost

Negotiation Parties: SCCRTC, Union Pacific

Under Negotiation: Price and Terms

OPEN SESSION

29. Next Meetings/Adjournment

The meeting adjourned at 11:07 a.m.

The Transportation Policy Workshop scheduled for Thursday, December 15, 2005 at 9:00 a.m. at the SCCRTC Offices was cancelled subsequent to this meeting.

The next regular SCCRTC meeting is scheduled for Thursday, January 5, 2006 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean Street, 5<sup>th</sup> Floor, Santa Cruz, CA 95060.

A Public Hearing regarding adoption of the final 2006 *Regional Transportation Improvement Program* is scheduled for Thursday, January 5, 2005 at 7:00 p.m. at the Board of Supervisors Chambers, 701 Ocean Street, 5<sup>th</sup> Floor, Santa Cruz, CA 95060.

Respectfully submitted,

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Gini Pineda, Staff

5-12. a 11

ATTENDEES

Chris Schneiter	City of Santa Cruz
Bob Yount	E & D TAC / MAC
Davis Eselius	
John Presleigh	County of Santa Cruz
Genevieve Bookwalter	<i>Sentinel</i>
Don Hill	County of Santa Cruz
Les White	SCMTD
Todd Muck	AMBAG
Donna Ziel	Alternate for Mark Stone
Sandra Coley	Pajaro Valley TMA
Ken Kannegaard	Cemex
Bob Scott	SCCRTC Technical Advisor

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Elisabeth Ross, Finance Manager  
**SUBJECT:** ACCEPTANCE OF FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT AUDITOR FOR YEAR ENDING JUNE 30, 2005

## I. RECOMMENDED ACTION

**Staff recommends that the Board of Directors formally accept the audited financial statements and reports prepared by the firm of Brown Armstrong, Certified Public Accountants, for the year ending June 30, 2005.**

## II. SUMMARY OF ISSUES

- The financial statements and report of the independent certified public accountants (Attachment A) present the District's financial position at June 30, 2005, with a comparison to the position at June 30, 2004. The auditors have found that the District's financial statements present fairly the financial position of the District.
- The auditors found the District to be in compliance with the financial reporting requirements for grants and other financial assistance.
- In the schedule of findings and questioned costs, the auditors had no new findings.
- Note 5 in the financial statements shows the District's total available net assets and the amounts designated for various funds.
- Six recommendations are identified in Attachment C which are intended to improve the District's internal control structure.

## III. DISCUSSION

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

While the financial statements describe the District's financial position in detail, the section called "Management Discussion and Analysis" (pages 3-6) presents highlights of the financial statements and is prepared by District management.

5-13.1

The District's total net assets are \$47,807,431 at June 30, 2005 (page 8), up \$1,261,781 from the prior year. The statements of revenues and expenses (page 9) indicate a net loss in the amount of \$2,914,777 for the year ending June 30, 2005. Operating revenue (fares), Federal operating assistance, sales tax revenue and interest income all increased from the prior year.

The statements of operating expenses (page 25) indicate that the District's total operating expenses increased by \$811,132 or 2.4% from the prior year. The largest changes in operating expense are a \$368,034 increase in pension plan expense (36%), a \$413,119 increase in fuels and lubricants (32%), a \$402,726 decrease in workers compensation expense (-18%), and a \$640,693 increase in vision, medical and dental plans (20%). In addition, largely as a result of bringing the ParaCruz program in-house, Operator wages increased by \$834,742 (14%) and purchased transportation services decreased by \$1,417,066 (59%).

The balance sheets (pages 7-8) provide an overall summary of the District's position. To determine the amount of available net assets for cash flow and funding capital projects for the next five years, staff has worked with the auditors to develop the schedule in Note 5 (Page 19). At June 30, 2005, this schedule shows total available net assets of \$18,096,547, comprised of a cash flow reserve of \$2,600,000, a workers compensation reserve of \$1,641,128, an insurance reserve of \$804,008, an alternative fuel conversion fund of \$462,000, a bus stop improvement reserve of \$400,000, \$1,296,236 planned carryover for the FY 05-06 operating budget, and \$16,331,011 for the District's share of approved capital projects. This leaves a deficit balance of \$5,437,836 in available net assets which means the five year capital improvement program is not fully funded.

In the schedule of findings and questioned costs (pages 33-34), the auditors had no new findings.

Attachment B is a standard letter that the auditors are required to prepare addressing certain topics. The letter defines their responsibilities, significant accounting policies, and significant audit adjustments.

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

I would like to recognize Marilyn Fenn, Assistant Finance Manager, for her outstanding work on this year's audit.

#### **IV. FINANCIAL CONSIDERATIONS**

There is no fiscal impact from the Board's acceptance of the financial statements and audit reports. However, in order to continue to receive Transportation Development Act (TDA)

payments from the Santa Cruz County Regional Transportation Commission, the final audit must be submitted to the Commission.

**V. ATTACHMENTS**

- Attachment A:** Financial Statements and Reports of Independent Certified Public Accountants for the years ending June 30, 2005 and 2004
- Attachment B:** Letter from Brown Armstrong (**will be included in the January 27, 2006 Board Packet**)
- Attachment C:** Agreed Upon Conditions Designed to Increase Efficiency, Internal Controls and/or Financial Reporting

SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2005 AND 2004

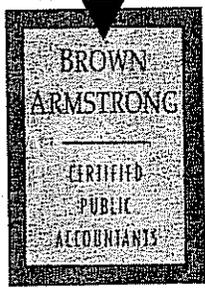
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SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
JUNE 30, 2005 AND 2004

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**INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of June 30, 2005 and 2004, as listed in the table of contents. These basic financial statements are the responsibility of the Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Santa Cruz Metropolitan Transit District, as of June 30, 2005 and 2004, and the results of its operations and the cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1 to the financial statements, in 2005 the County adopted the provisions of GASB Statement No. 40, Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2005 on our consideration of the Santa Cruz Metropolitan Transit District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

5-13.23

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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION



Bakersfield, California  
August 18, 2005

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2005 AND 2004**

**Introduction**

This report provides a narrative and analytical overview of the financial activities of the Santa Cruz Metropolitan Transit District (the District) with selected comparative information for the years ended June 30, 2005 and 2004. This discussion has been prepared by management and should be read in conjunction with the financial statements and the notes thereto, which follow this section.

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

**The Financial Statements**

The District's basic financial statements are prepared using proprietary fund (enterprise fund) accounting that uses the same basis of accounting as private-sector business enterprises. The District reports its financial results using one enterprise fund under the accrual method of accounting which records revenue when earned and expenses when incurred.

The Statements of Net Assets present information on the District's assets and liabilities, with the difference between the two reported as net assets.

The Statements of Revenue, Expenses and Changes in Fund Net Assets report the *operating* revenues and expenses, *non-operating* revenues and expenses and *capital grant* revenues. *Capital grant* expenses are listed in the Schedule of Expenditures of Federal Awards and are included in the current year increase in fixed assets.

The Statements of Cash Flows report the sources and uses of cash for the fiscal years resulting from *operating* activities, *non-capital* financing activities (operating grants and sales tax revenue), *capital* financing activities (acquisitions and disposal) and *financing* activities (non-transportation revenues). The net result of these activities, added to the cash balances at the beginning of the year reconciles to the cash balances (current plus restricted) at the end of the current fiscal year on the Statement of Net Assets.

The Statements of Operating Expenses, located in the Supplementary Information section of the financial statements, reports expenditures in greater detail.

**Financial Highlights**

The District continues to face financial challenges due to depressed sales tax-based revenue and rising costs. Additional budget cuts were implemented during the year that resulted in net savings for the District. In addition, the State Transit Assistance (STA) grant for capital acquisitions was retained for future construction costs. Planning and design work for fueling, operations and fleet maintenance facilities progressed on schedule with 80% of those costs reimbursed by the Federal Transit Administration (FTA).

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2005 AND 2004**

**Condensed Statement of Net Assets:**

	2005	2004	Increase/(Decrease)	
			Amount	%
Total Assets	\$ 68,424,328	\$ 65,497,349	\$ 2,926,979	4%
Total Liabilities	\$ 20,616,897	\$ 18,951,699	\$ 1,665,198	9%
Total Net Assets	\$ 47,807,431	\$ 46,545,650	\$ 1,261,781	3%

Total Assets increased primarily due to additions to fixed assets and restricted capital funds. Total Liabilities increased from employee payroll, benefits and workers' compensation costs and the addition to restricted capital funds.

An increase or decrease in net assets is an indicator of the financial health of the District's. For the fiscal years ended June 30, 2005 and 2004 the District's net assets increased by \$1,261,781 and \$1,915,027 due to federal, state and local capital contribution for capital acquisitions.

**Condensed Statement of Revenues, Expenses and Change in Fund Net Assets:**

	2005	2004	Increase/(Decrease)	
			Amount	%
Operating Revenues	\$ 7,120,869	\$ 6,986,917	\$ 133,952	2%
Operating Expenses	(34,994,171)	(34,183,039)	(811,132)	2%
Operating Loss	(27,873,302)	(27,196,122)	(677,180)	2%
Nonoperating Revenues	24,958,525	23,788,940	1,169,585	5%
Capital Contributions	4,176,558	5,322,209	(1,145,651)	-22%
Increase (Decrease) in Net Assets	\$ 1,261,781	\$ 1,915,027	\$ (653,246)	-34%

Operating revenue increased primarily due to higher sales tax revenue. Non-operating revenues increased 5% due to higher interest income resulting from more favorable interest rates.

Operating expenses rose only 2% for the year (3%, excluding depreciation). Healthcare costs and fuel continue to be a significant cause of a higher cost of operating, however those increases were offset by decreases in most other expense categories.

Capital contributions are capital grant funds received for purchases of revenue vehicles and facilities improvement. Capital acquisitions were significantly reduced from the prior year because no buses were purchased during the year.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2005 AND 2004**

**Supplemental Revenue, Expense and Performance Report:**

	2005	2004	% Change
<b>Revenues</b>			
Passenger Fares	\$ 7,120,869	\$ 6,986,917	1.9%
Sales Tax	15,848,098	15,135,227	4.7%
State Operating Assistance	-	27,820	-100.0%
Non-Operating Revenues	709,709	570,559	24.4%
TDA <sup>(1)</sup>	5,413,251	5,337,724	1.4%
Federal Operating Assistance <sup>(2)</sup>	3,203,659	2,910,159	10.1%
<b>Total Operating Revenue</b>	<b>\$ 32,295,586</b>	<b>\$ 30,968,406</b>	<b>4.3%</b>
<b>Expenses</b>			
Route Operation	\$ 19,035,254	\$ 18,316,980	3.9%
Vehicle Maintenance	4,684,140	4,811,537	-2.6%
Facilities Maintenance	1,325,515	1,394,780	-5.0%
General Administration	5,975,454	5,617,535	6.4%
<b>Total Operating Expense (excluding depreciation)</b>	<b>\$ 31,020,363</b>	<b>\$ 30,140,832</b>	<b>2.9%</b>
<b>Performance Indicators</b>			
Total Passengers	5,596,884	5,823,607	-3.9%
Revenue Hours	215,903	233,495	-7.5%
Revenue Miles	3,280,543	3,403,012	-3.6%
Farebox Recovery Ratio <sup>(3)</sup>	23.0%	23.2%	-1.0%
Cost/Passenger	\$ 5.54	\$ 5.18	7.1%
Cost/Hour	\$ 143.68	\$ 129.09	11.3%
Cost/Mile	\$ 9.46	\$ 8.86	6.8%
Full Time Equivalent Employees	305	291	4.8%
Active Fleet - Fixed Route	111	114	-2.6%
Active Fleet - Paratransit	32		

<sup>(1)</sup> TDA funding constitutes a significant percentage of the District's operating revenues. The funding the District receives fluctuates annually based on retail sales in the County and by the amount retained by the SCCRTC for other county-wide projects and overhead.

<sup>(2)</sup> Federal operating assistance increased due to utilizing all of the FTA 5307 allocation for operating assistance.

<sup>(3)</sup> Farebox Recovery Ratio is a standard transit performance indicator that is calculated by dividing passenger fares by operating expenses.

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)  
JUNE 30, 2005 AND 2004**

**Condensed Statement of Cash Flows:**

	<u>2005</u>	<u>2004</u>	<u>Change</u>
Net Cash (Used) in Operating Activities	\$(23,477,969)	\$(22,420,609)	\$ (1,057,360)
Net Cash Provided by Non-Capital Financing Activities	24,319,820	23,440,477	879,343
Net Cash (Used) in Capital and Related Financing Activities	(592,234)	300,130	(892,364)
Net Cash Provided by Non-Transportation Activities	<u>631,517</u>	<u>428,070</u>	<u>203,447</u>
Net Increase (Decrease) in Cash and Cash Equivalents	881,134	1,748,068	(866,934)
Cash and Cash Equivalents, Beginning of Year	<u>28,640,632</u>	<u>26,892,564</u>	<u>1,748,068</u>
Cash and Cash Equivalents, End of Year	<u>\$ 29,521,766</u>	<u>\$ 28,640,632</u>	<u>\$ 881,134</u>

Cash and cash equivalents held by the District increased by \$881,134 during the year. Strategies implemented to achieve this result included increasing fares revenue and reducing operating costs.

**Contacting the District's Financial Management**

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

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF NET ASSETS  
JUNE 30, 2005 AND 2004**

	2005	2004
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 19,689,759	\$ 19,910,032
Sales Tax and Other Receivables	3,996,933	3,583,586
Inventory	903,863	824,256
Prepays	155,792	171,470
	<u>24,746,347</u>	<u>24,489,344</u>
<b>Total Current Assets</b>		
<b>RESTRICTED ASSETS</b>		
Cash and Cash Equivalents	9,832,007	8,730,600
	<u>9,832,007</u>	<u>8,730,600</u>
<b>PROPERTY AND EQUIPMENT</b>		
Building and Improvements	10,452,483	10,414,360
Transportation Vehicles	34,555,916	36,299,525
Operations Equipment	2,686,565	2,942,838
Other Equipment	1,285,123	1,279,607
Other Vehicles	829,537	855,238
Office Equipment	1,152,497	1,093,534
	<u>50,962,121</u>	<u>52,885,102</u>
<b>Less Accumulated Depreciation</b>	(26,845,932)	(25,335,025)
	<u>24,116,189</u>	<u>27,550,077</u>
<b>Construction in Progress</b>	2,753,362	963,826
<b>Land</b>	6,976,423	3,763,502
	<u>33,845,974</u>	<u>32,277,405</u>
<b>Total Property and Equipment</b>		
	<u>33,845,974</u>	<u>32,277,405</u>
<b>TOTAL ASSETS</b>	<u>\$ 68,424,328</u>	<u>\$ 65,497,349</u>

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

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**  
**STATEMENTS OF NET ASSETS (Continued)**  
**JUNE 30, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable and Accrued Liabilities	\$ 643,186	\$ 916,864
Accrued Payroll and Employee Benefits	2,994,662	2,990,913
Workers' Compensation Liabilities	1,228,191	1,412,964
Other Accrued Liabilities	465,252	473,218
Security Deposit	17,684	17,364
Deferred Revenue	241,170	-
<b>Total Current Liabilities</b>	<b>5,590,145</b>	<b>5,811,323</b>
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Deferred Revenue - Settlement Agreement	6,998,304	6,846,372
Deferred Revenue - STA Grant	2,833,703	1,884,228
<b>LONG-TERM LIABILITIES</b>		
Workers' Compensation Liabilities	5,194,745	4,409,776
<b>Total Liabilities</b>	<b>20,616,897</b>	<b>18,951,699</b>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	33,845,974	32,277,405
Unrestricted Net Assets	13,961,457	14,268,245
<b>Total Net Assets</b>	<b>47,807,431</b>	<b>46,545,650</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 68,424,328</b>	<b>\$ 65,497,349</b>

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET ASSETS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	2005	2004
<b>OPERATING REVENUES</b>		
Passenger Fare	\$ 4,465,736	\$ 4,477,117
Special Transit Fare	2,655,133	2,509,800
<b>Total Operating Revenues</b>	7,120,869	6,986,917
<b>OPERATING EXPENSES</b>		
Wages, Salaries and Employee Benefits	23,853,713	22,396,961
Purchased Transportation Services	977,899	2,394,965
Material and Supplies	2,696,571	2,247,959
Other Expenses	3,492,180	3,100,947
Depreciation	3,973,808	4,042,207
<b>Total Operating Expenses</b>	34,994,171	34,183,039
<b>Net Operating Loss</b>	(27,873,302)	(27,196,122)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Sales and Use Tax	15,848,098	15,135,227
Transportation Development Act Assistance	5,413,251	5,337,724
Section 9/5307 Operating Assistance	3,110,731	2,804,435
Section 18/5307 Operating Assistance	92,928	65,704
Other Federal Assistance	-	40,020
Other State Assistance	-	27,820
Interest Income	472,279	274,065
Rental Income	159,238	154,005
Other Revenue	78,192	142,489
Loss on Sale and Disposal of Property, Equipment, and Inventory	(216,192)	(192,549)
<b>Total Non-Operating Revenues</b>	24,958,525	23,788,940
<b>Net Loss Before Capital Contributions</b>	(2,914,777)	(3,407,182)
<b>CAPITAL CONTRIBUTIONS</b>		
Grants Restricted for Capital Expenditures	4,176,558	5,322,209
<b>NET ASSETS</b>		
Increase in Net Assets	1,261,781	1,915,027
<b>Total Net Assets, Beginning of Year</b>	46,545,650	44,630,623
<b>Total Net Assets, End of Year</b>	\$ 47,807,431	\$ 46,545,650

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts From Customers	\$ 7,059,543	\$ 6,938,675
Payments to Employees	(23,249,767)	(21,742,322)
Payments to Suppliers	<u>(7,287,745)</u>	<u>(7,616,962)</u>
Net Cash Used in Operating Activities	<u>(23,477,969)</u>	<u>(22,420,609)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Operating Grants Received, Including Sales and Use Tax	24,457,042	23,494,390
Other Nonoperating	<u>(137,222)</u>	<u>(53,913)</u>
Net Cash Provided by Noncapital Financing Activities	<u>24,319,820</u>	<u>23,440,477</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Proceeds From Sale of Property and Equipment	74,463	24,261
Capital Grants Received	5,166,335	5,890,039
Capital Expenditures	<u>(5,833,032)</u>	<u>(5,614,170)</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(592,234)</u>	<u>300,130</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment and Rental Income Received	<u>631,517</u>	<u>428,070</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>881,134</b>	<b>1,748,068</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u><b>28,640,632</b></u>	<u><b>26,892,564</b></u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u><b>\$ 29,521,766</b></u></u>	<u><u><b>\$ 28,640,632</b></u></u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Operating Loss	\$(27,873,302)	\$(27,196,122)
Adjustments to Reconcile Net Operating Loss to Net Cash Used in Operating Activities:		
(Gain) Loss on Sale / Disposal of Fixed Assets and Inventory	216,192	192,549
Depreciation	3,973,808	4,042,207
Changes in Assets and Liabilities:		
(Increase) in Receivables	(61,326)	(48,242)
(Increase) in Inventory	(79,607)	(10,211)
(Increase) Decrease in Prepaid Expenses	15,678	(94,421)
Increase (Decrease) in Accounts Payable	(273,678)	37,342
Increase in Other Liabilities	<u>604,266</u>	<u>656,289</u>
Net Cash Used in Operating Activities	<u><u><b>\$(23,477,969)</b></u></u>	<u><u><b>\$(22,420,609)</b></u></u>

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

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**

**NOTE 1 – OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Organization**

The Santa Cruz Metropolitan Transit District (the District) was formed February 9, 1969, following a favorable election in conformity with Section 9800 *et. seq.* of the Public Utilities Code. The transit system serves the general public in the cities of Santa Cruz, Watsonville, Scotts Valley, Capitola and the unincorporated areas of Santa Cruz County. The District is governed by a Board of eleven directors, and one Ex-Officio director representing the University of California, Santa Cruz. At June 30, 2005, the directors were as follows:

Chairperson:	Mike Keogh		
Vice Chair:	Mike Rotkin		
Members:	Dale Skillicorn	Michelle Hinkle	Mark Stone
	Jan Beautz	Emily Reilly	Pat Spence
	Dene Bustichi	Dennis Norton	Marcela Tavantzis
Ex-Officio:	Wes Scott		

The District also serves the Highway 17 corridor into Santa Clara County to provide commuter express service through a joint powers agreement with the Santa Clara County Transit District (known as Valley Transportation Authority (VTA)). Amtrak Thruway bus service is also provided by the District on the same corridor through a memorandum of understanding with the California Department of Transportation, the Capitol Corridor Joint Powers Authority and VTA.

**B. Reporting Entity**

The District and the Santa Cruz Civic Improvement Corporation (the Corporation) have a financial and operational relationship, which meets the reporting entity definition criteria of GASB Statement No. 14, as amended by GASB Statement No. 39, *The Financial Reporting Entity*, for inclusion of the Corporation as a component unit of the District. Accordingly, the financial activities of the Corporation have been included in the financial statements of the District. For the years ending June 30, 2005 and 2004, this activity was minimal.

**Scope of Public Service:**

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

The following are those aspects of the relationship between the District and the Corporation, which satisfy GASB Statement No. 14/39 criteria.

**Accountability:**

1. The Corporation's Board of Directors was appointed by the District's Board of Directors.

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

**B. Reporting Entity (Continued)**

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

**C. Basis of Accounting and Presentation**

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

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

**Contributed Capital/Reserved Retained Earnings:**

The District receives grants from the Federal Transit Administration (FTA) and other agencies of the U.S. Department of Transportation, state, and local transportation funds for the acquisition of transit-related equipment and improvements. Prior to July 1, 2001, capital grants were recognized as donated capital to the extent that project costs under the grant have been incurred. Capital grant funds earned, less amortization equal to accumulated depreciation of the related assets, were included in contributed capital. As required by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the District changed its method of accounting for capital grants from capital contributions to reserved nonoperating revenues. In accordance with GASB No. 33, capital grants are required to be included in the determination of net income resulting in an increase in net revenue of \$4,176,558 and \$5,322,209 for the fiscal years 2005 and 2004, respectively.

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

**Retained Earnings:**

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

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

**C. Basis of Accounting and Presentation (Continued)**

**Proprietary Accounting and Financial Reporting:**

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

**Net Assets:**

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

When both restricted and unrestricted resources are available for use, generally it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Cash and Cash Equivalents**

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

**E. Inventory**

Inventory is carried at cost using the first-in/first-out (FIFO) method. Inventory held by the District consists of spare bus parts that are consumed by the District and are not for resale purposes.

**F. Restricted Assets**

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

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

**F. Restricted Assets (Continued)**

The cash resulting from a settlement agreement as described in Note 9, represents proceeds restricted by the Federal Transit Administration. The State Transit Assistance grant is restricted for capital expenditures. Restricted assets at June 30, are as follows:

	<u>2005</u>	<u>2004</u>
Cash and Cash Equivalents		
Federal Transit Administration Grant	\$ 6,998,304	\$ 6,846,372
State Transit Assistance Grant	<u>2,833,703</u>	<u>1,884,228</u>
Total Restricted Assets	<u>\$ 9,832,007</u>	<u>\$ 8,730,600</u>

**G. Property and Equipment**

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

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

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

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

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

**H. Sales and Use Tax**

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

**I. Operating Assistance Grants**

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

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

**J. Self-Insurance**

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

**K. Employee Benefits**

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

**L. Payroll**

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

**M. Pension Costs**

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

**N. Use of Estimates**

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

**O. Implementation of New Accounting Pronouncements**

During the fiscal year ended June 30, 2005, the District adopted GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, which amends existing accounting guidance under GASB No. 3, *Deposits with Financial Institutions, Investments (including repurchase agreements), and Reverse Repurchase Agreements*. GASB Statement No. 40 enhances the deposit and investment risk disclosures by updating the custodial credit risk disclosure requirements of GASB No. 3 and addressing other common risks, including concentrations of credit risk, interest rate risk, and foreign currency risk. Note 2 shows the disclosures as required by GASB Statement No. 40.

**NOTE 2 – CASH AND INVESTMENTS**

Cash and cash equivalents consists of the following at June 30, 2005 and 2004:

	2005	2004
Cash on Hand	\$ 47,558	\$ 37,765
Demand Deposits	373,950	675,249
Deposits in Santa Cruz County Pooled Investment Fund	29,100,258	27,927,618
	<u>\$ 29,521,766</u>	<u>\$ 28,640,632</u>

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**NOTE 2 – CASH AND INVESTMENTS (Continued)**

Cash on Hand and Cash in Banks

**Investments Authorized by the California Government Code and the District's Investment Policy**

The table below identifies the **investment types** that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address **interest rate risk**, **credit risk**, and **concentration of credit risk**.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	None	None
Medium-Term Notes	5 years	None	None
Mutual Funds	N/A	None	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	None	None
County Pooled Investment Funds	N/A	100%	None
Local Agency Investment Fund (LAIF)	N/A	None	None

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
County Investment Pool	<u>\$ 29,100,258</u>	<u>\$ 29,100,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations**

The District's investments were not considered to be highly sensitive to interest rate fluctuations as of June 30, 2005 or 2004.

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**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Cash on Hand and Cash in Banks (Continued)**

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, and the actual rating as of year end for each investment type. The column marked "exempt from disclosure" identifies those investment types for which GASB No. 40 does not require disclosure as to credit risk:

Investment Type	Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End		
				AAA	Aa	Not Rated
County Investment Pool	\$29,100,258	N/A	\$ -	\$ -	\$ -	\$29,100,258

**Concentration of Credit Risk**

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District did not have any investments in any one issuer (other than external investment pools) that represent 5% or more of total District's investments at June 30, 2005 or 2004.

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

GASB Statement No. 40 requires that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**Investment in County Investment Pool**

The District is a voluntary participant in the Santa Cruz County Investment Fund. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County for the entire County portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County, which are recorded on an amortized cost basis.

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**NOTE 3 -- RECEIVABLES**

Receivables at June 30, are as follows:

	<u>2005</u>	<u>2004</u>
Federal Grants	\$ 454,387	\$ 302,260
State Grants	406,025	205,353
Local Grants	-	27,449
Sales Tax Revenue	2,613,200	2,451,500
Other	523,321	597,024
	<u>\$ 3,996,933</u>	<u>\$ 3,583,586</u>

**NOTE 4 -- CHANGES IN CAPITAL ASSETS**

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

June 30, 2005

	<u>Balance July 1, 2004</u>	<u>Additions and Transfers</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2005</u>
<b>Non Depreciated Assets</b>				
Land	\$ 3,763,502	\$ 3,212,921	\$ -	\$ 6,976,423
Construction-in-Progress	963,826	1,842,766	(53,230)	2,753,362
<b>Total Non Depreciated Assets</b>	<b>4,727,328</b>	<b>5,055,687</b>	<b>(53,230)</b>	<b>9,729,785</b>
<b>Depreciated Assets</b>				
Building and Improvements	10,414,360	60,109	(21,986)	10,452,483
Revenue Vehicles	36,299,525	481,951	(2,225,560)	34,555,916
Operations Equipment	2,942,838	15,648	(271,921)	2,686,565
Other Equipment	1,279,607	5,516	-	1,285,123
Other Vehicles	855,238	70,898	(96,599)	829,537
Office Equipment	1,093,534	184,049	(125,086)	1,152,497
<b>Total Depreciated Assets</b>	<b>52,885,102</b>	<b>818,171</b>	<b>(2,741,152)</b>	<b>50,962,121</b>
<b>Less Accumulated Depreciation</b>	<b>(25,335,025)</b>	<b>(3,973,808)</b>	<b>2,462,901</b>	<b>(26,845,932)</b>
<b>Depreciated Assets Net of Accumulated</b>	<b>27,550,077</b>	<b>(3,155,637)</b>	<b>(278,251)</b>	<b>24,116,189</b>
<b>Total</b>	<b>\$32,277,405</b>	<b>\$ 1,900,050</b>	<b>\$ (331,481)</b>	<b>\$ 33,845,974</b>

Depreciation expense at June 30, 2005 was \$3,973,808.

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**NOTE 4 – CHANGES IN CAPITAL ASSETS (Continued)**

June 30, 2004

	Balance July 1, 2003	Additions and Transfers	Retirements and Transfers	Balance June 30, 2004
<b>Non Depreciated Assets</b>				
Land	\$ 3,763,502	\$ -	\$ -	\$ 3,763,502
Construction-in-Progress	83,883	963,825	(83,882)	963,826
<b>Total Non Depreciated Assets</b>	<b>3,847,385</b>	<b>963,825</b>	<b>(83,882)</b>	<b>4,727,328</b>
<b>Depreciated Assets</b>				
Building and Improvements	10,419,320	-	(4,960)	10,414,360
Revenue Vehicles	32,275,993	4,526,521	(502,989)	36,299,525
Operations Equipment	2,685,368	306,247	(48,777)	2,942,838
Other Equipment	1,279,607	-	-	1,279,607
Other Vehicles	892,920	15,035	(52,717)	855,238
Office Equipment	1,294,699	104,429	(305,594)	1,093,534
<b>Total Depreciated Assets</b>	<b>48,847,907</b>	<b>4,952,232</b>	<b>(915,037)</b>	<b>52,885,102</b>
<b>Less Accumulated Depreciation</b>	<b>(21,773,040)</b>	<b>(4,042,207)</b>	<b>480,222</b>	<b>(25,335,025)</b>
<b>Depreciated Assets Net of Accumulated</b>	<b>27,074,867</b>	<b>910,025</b>	<b>(434,815)</b>	<b>27,550,077</b>
<b>Total</b>	<b>\$30,922,252</b>	<b>\$ 1,873,850</b>	<b>\$ (518,697)</b>	<b>\$ 32,277,405</b>

Depreciation expense at June 30, 2004 was \$4,042,207.

**NOTE 5 – AVAILABLE NET ASSETS**

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

	2005	2004
Current Assets	\$ 24,746,347	\$ 24,489,344
Current Liabilities	(5,590,145)	(5,811,323)
<b>Working Capital</b>	<b>19,156,202</b>	<b>18,678,021</b>
Less:		
Inventory	(903,863)	(824,256)
Prepaid Expenses	(155,792)	(171,470)
<b>Total Available Net Assets</b>	<b>18,096,547</b>	<b>17,682,295</b>
<b>Net Assets Designated for the Following:</b>		
Cash Flow	(2,600,000)	(2,600,000)
Workers' Compensation Reserve	(1,641,128)	(1,320,000)
Insurance Reserve	(804,008)	(770,000)
Alternative Fuel Conversion Fund	(462,000)	(462,000)
Bus Stop Improvements Reserve	(400,000)	(400,000)
Carryover for fiscal year 2005-2006 Operating Budget	(1,296,236)	-
Net Assets Required to Fund Transportation Improvement Programs for the Fiscal Years 2005-2009	(16,331,011)	(17,266,476)
<b>Available Undesignated Net Assets (Deficits)</b>	<b>\$ (5,437,836)</b>	<b>\$ (5,136,181)</b>

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**NOTE 6 – CAPITAL GRANTS**

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

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

	<u>2005</u>	<u>2004</u>
Federal Grants	\$ 4,143,678	\$ 1,376,779
State Grants	32,880	3,925,658
Local Grants	-	19,772
Total Capital Assistance	<u>\$ 4,176,558</u>	<u>\$ 5,322,209</u>

**NOTE 7 – COMMITMENTS**

The District leases a number of its facilities under operating leases extending through 2010. For the years ended June 30, 2005 and 2004, rental expense relating to the leases was \$702,530 and \$569,436, respectively. The District also leases to others retail space in their transit facilities under noncancelable agreements. Minimum lease payments and receipts for existing operating leases are as follows:

<u>Year Ending June 30</u>	<u>Lease Commitments</u>	<u>Rental Income</u>	<u>Net</u>
2006	\$ 590,227	\$ 52,584	\$ 537,643
2007	447,458	23,858	423,600
2008	464,976	24,335	440,641
2009	321,851	6,189	315,662
Thereafter	201,796	-	201,796
	<u>\$ 2,026,308</u>	<u>\$ 106,966</u>	<u>\$ 1,919,342</u>

**NOTE 8 – JOINT VENTURES (Joint Powers Authority)**

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

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

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**NOTE 8 – JOINT VENTURES (Joint Powers Authority) (Continued)**

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

	<u>2004</u>	<u>2003</u>
Total Assets	\$ 11,796,205	\$ 10,703,599
Total Liabilities	<u>9,620,106</u>	<u>9,531,874</u>
Fund Balance	<u>\$ 2,176,099</u>	<u>\$ 1,171,725</u>
Total Revenues	\$ 8,329,709	\$ 4,401,469
Total Expenditures	<u>7,325,335</u>	<u>6,512,626</u>
Net Increase (Decrease) in Fund Balance	<u>\$ 1,004,374</u>	<u>\$ (2,111,157)</u>

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

**NOTE 9 – WATSONVILLE FLEET MAINTENANCE FACILITY**

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

In addition, due to design and construction deficiencies by the design and building contractors involved in the original project, the District initiated litigation against the contractors and came to a settlement agreement with said contractors on May 30, 1995. In accordance with this agreement, the contractors remitted \$4,776,858 (including \$171,538 in costs) to the District during fiscal year 1996, representing damages less attorney fees. The use of these proceeds, and the interest earned thereon, is restricted by FTA Section 3/5309. Accordingly, the net restricted amount of \$6,998,304 and \$6,846,372 is reflected on the statements of net assets as deferred revenue at June 30, 2005 and 2004, respectively.

During the year, the District purchased property adjacent to the existing minor maintenance facility on Golf Club Drive. The design phase for a new maintenance facility is complete. The District may begin construction before the end of 2005.

Also during the year, the District purchased property adjacent to the bus operations facility on River Street. The design phase for a service facility (bus fueling, washing and revenue collection) is complete. The District may begin construction before the end of 2005.

**NOTE 10 – CONTINGENCIES**

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

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

**NOTE 11 – DEFINED BENEFIT PENSION PLAN**

Plan Description

The District's defined benefit pension plan, the Miscellaneous Plan for Santa Cruz Metropolitan Transit District (the Plan), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Plan is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers with the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board action. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy

There are 306 active plan members in the Fund as of June 30, 2005, which are required to contribute a percent of their annual covered salary. In lieu of salary increases and for employees who agreed to salary reductions in certain prior years, the District agreed to pay a portion of the employee contribution, based on negotiated formulas. The District is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for the fiscal year ended June 30, 2005 was 7.883%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

Annual Pension Cost

For fiscal year ended June 30, 2005, the District's annual pension cost of \$1,392,098 was equal to the District's required and actual contributions. This includes the District's contribution to the employee contribution requirement. The required contribution for fiscal year ended June 30, 2005 was determined as part of the June 30, 2002 actuarial valuation using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administration expenses); (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.20% for miscellaneous members, and (c) 3.75% cost-of-living adjustment. Both (a) and (b) include an inflation component of 3.5%. The actuarial value of the Plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three year period. The Plan's excess assets are being amortized as a level percentage of projected payroll on a closed basis.

Three-Year Trend Information for the Fund

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2003	\$ 845,923	100%	\$ -
6/30/2004	\$ 1,024,064	100%	\$ -
6/30/2005	\$ 1,392,098	100%	\$ -

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**NOTE 11 – DEFINED BENEFIT PENSION PLAN** (Continued)

Required Supplementary Information

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

<u>Valuation Date</u>	<u>Entry Age Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Unfunded/ (Overfunded) Liability</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Payroll</u>
6/30/2001	\$44,805,153	\$56,109,004	\$(11,303,851)	125.2%	\$12,209,377	(92.600)%
6/30/2002	\$50,823,042	\$54,728,235	\$ (3,905,193)	107.70%	\$13,697,134	(28.500)%
6/30/2003	\$60,913,062	\$56,208,723	\$ 4,704,339	92.3%	\$13,332,537	35.3%

**NOTE 12 – POST-RETIREMENT BENEFITS**

The District provides post-retirement benefits to its employees who have completed at least ten years of full-time service with the District, have reached the age of 50 and have retired under the provisions of CalPERS while an employee of the District. The District pays a portion of the premiums for medical insurance for retirees and eligible dependents. The District also provides dental, vision and life insurance plan coverage of retirees and eligible dependents until the retiree attains the age of 65. Bus operators who retired and reached the age of 65 prior to June 30, 1994, will continue to receive dental and vision coverage beyond age 65. Life insurance is not provided to management retirees. The costs of providing these benefits are recognized when paid. The District has recognized approximately \$925,740 and \$790,526 of expense for these benefits for the years ending June 30, 2005 and 2004, respectively.

**NOTE 13 – DEFERRED COMPENSATION PLAN**

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

At June 30, 2005, all amounts held under the Great-West plan and the CalPERS plan are held in trust and are not reflected on the accompanying balance sheet as required under Statement No. 27 of the Governmental Accounting Standards Board, *Accounting Standards for Pensions by State and Local Governmental Employers*.

**NOTE 14 – RISK MANAGEMENT**

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

**NOTE 14 – RISK MANAGEMENT (Continued)**

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The IBNR for workers' compensation was based on an actuarial study dated June 28, 2004. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Changes in the balances of claims liabilities are as follows:

	<u>2005</u>	<u>2004</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 5,822,739	\$ 5,476,041
Incurred Claims (Including IBNR's)	784,970	1,539,935
Claim Payments	<u>(184,773)</u>	<u>(1,193,237)</u>
Unpaid Claims, End of Fiscal Year	<u>\$ 6,422,936</u>	<u>\$ 5,822,739</u>

**NOTE 15 – TRANSPORTATION DEVELOPMENT ACT/CALIFORNIA ADMINISTRATIVE CODE**

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

Section 6634

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

Section 6637

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

Sections 99267 and 99268.1

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

**SUPPLEMENTARY INFORMATION**

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
STATEMENTS OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 2005 AND 2004**

	2005	2004
Labor		
Operators' salaries and wages	\$ 6,692,531	\$ 5,857,789
Other salaries and wages	5,481,662	5,461,410
Overtime	1,422,856	1,530,073
 Fringe Benefits		
Absence with pay	2,708,466	2,629,351
Pension plans	1,392,098	1,024,064
Vision, medical, and dental plans	3,861,507	3,220,814
Workers' compensation insurance	1,768,897	2,171,623
Disability insurance	386,017	366,895
Other fringe benefits	139,679	134,942
 Services		
Accounting	84,285	56,594
Administrative and banking	209,743	211,929
Professional and technical services	419,642	332,279
Security	357,997	314,770
Outside repairs	390,684	362,262
Other services	191,618	158,995
 Materials and Supplies Consumed		
Fuels and lubricants	1,719,807	1,306,688
Tires and tubes	194,318	158,150
Vehicle parts	428,117	495,571
Other materials and supplies	354,329	287,550
 Utilities	316,170	298,166
 Casualty and Liability Costs	680,760	638,994
 Taxes and Licenses	36,758	38,239
 Purchased Transportation Services		
Paratransit	977,899	2,394,965
 Miscellaneous Expenses	84,480	106,755
 Equipment and Facility Lease	720,043	581,964
 Depreciation		
Property acquired with operator funds	657,671	679,682
Property acquired by federal, state, or TDA funds	3,316,137	3,362,525
 Total Operating Expenses	\$ 34,994,171	\$ 34,183,039

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**OTHER SCHEDULES AND REPORTS**

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005**

<u>Federal Grantor / Program Title</u>	<u>Federal CFDA No.</u>	<u>Pass-Through Grantor's Number</u>	<u>Total Federal Expenditures</u>
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<b>Direct Programs:</b>			
<b>Federal Transit Administration (FTA)</b>			
<b>Cluster Defined by the Department of Transportation</b>			
<b>Section 3/5309 Consolidation</b>			
Final Engineering	20.500*	CA-03-0413	\$ 1,191,344
Land Acquisition	20.500*	CA-03-0413	1,328,888
Construction	20.500*	CA-03-0505	269,757
Paratransit Vans	20.500*	CA-03-0505	154,098
Fixed Route Buses	20.500*	CA-03-0505	<u>224,704</u>
			<u>3,168,791</u>
<b>Section 9/5307</b>			
Land	20.507*	CA-90-X873	972,304
Operating Assistance	20.507*	CA-90-Y224	<u>3,110,731</u>
			<u>4,083,035</u>
<b>Section 18/5311</b>			
Operating Assistance	20.509	649068	<u>92,928</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 7,344,754</u>

\* Major federal financial assistance program.

See accompanying notes to schedule of federal financial assistance.

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**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2005**

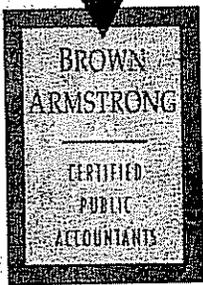
**NOTE 1 – GENERAL**

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

**NOTE 2 – BASIS OF ACCOUNTING**

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

5-13.231



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

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radley M. Hankins, CPA  
osalva Flores, CPA  
onnie M. Perez, CPA  
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iana Branthoover, CPA  
atthew Gilligan, CPA  
ominic Brown, CPA  
yan Johnson, CPA

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

We have audited the financial statements of the business-type activities of Santa Cruz Metropolitan Transit District as of and for the year ended June 30, 2005, which collectively comprise Santa Cruz Metropolitan Transit District's basic financial statements and have issued our report thereon dated August 18, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Santa Cruz Metropolitan Transit District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving internal control over financial reporting that we have reported to management of Santa Cruz Metropolitan Transit District in a separate letter dated August 18, 2005.

Compliance and Other Matters

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

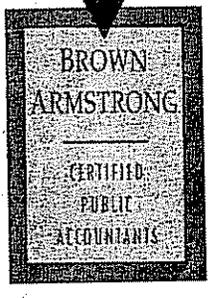
This report is intended solely for the information and use of management, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION

A handwritten signature in black ink, appearing to read "S.A. Paulden", is written over the printed name of the firm.

Bakersfield, California  
August 18, 2005

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**BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER**  
Certified Public Accountants

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

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

Compliance

We have audited the compliance of Santa Cruz Metropolitan Transit District with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 2005. Santa Cruz Metropolitan Transit District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Santa Cruz Metropolitan Transit District's management. Our responsibility is to express an opinion on Santa Cruz Metropolitan Transit District's compliance based on our audit.

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

In our opinion, the Santa Cruz Metropolitan Transit District complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2005.

Internal Control Over Compliance

The management of Santa Cruz Metropolitan Transit District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Santa Cruz Metropolitan Transit District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

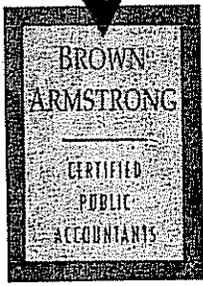
This report is intended for the information of management, the Board of Directors, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION



Bakersfield, California  
August 18, 2005

5-13.a35



**BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
Certified Public Accountants**

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ynn R. Krausse, CPA, MST  
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osalva Flores, CPA  
onnie M. Perez, CPA  
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ominic Brown, CPA  
yan Johnson, CPA

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

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

We have audited the basic financial statements of the Santa Cruz Metropolitan Transit District (the District), as of and for the year ended June 30, 2005, and have issued our report thereon dated August 18, 2005.

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

Compliance with laws, regulations, contracts and grants applicable to the District is the responsibility of the management of the District. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the District's compliance with certain provisions of the Transportation Development Act, including Public Utilities Code Section 99245 as enacted and amended by statute through June 30, 2005, and the allocation instructions and resolutions of the Santa Cruz County Regional Transportation Commission as required by Section 6667 of the California Code of Regulations. However, our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION

Bakersfield, California  
August 18, 2005

5-13.a36

**FINDINGS AND QUESTIONED COSTS SECTION**

5-13.237

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2005**

**I. Summary of Auditor's Results**

**Financial Statements**

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness identified?

Yes  No

Reportable conditions identified that are not considered to be material weaknesses?

Yes  None reported

Noncompliance material to financial statements noted?

Yes  No

**Federal Awards**

**Internal control over major federal programs:**

Material weakness identified?

Yes  No

Reportable conditions identified that are not considered to be material weaknesses?

Yes  None reported

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

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?

Yes  No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Clusters

20.500  
20.507

Federal Transit Administration-Section 3  
Federal Transit Administration-Section 9

Dollar threshold used to distinguish Type A & B programs:

\$300,000

Auditee qualified as low risk auditee?

Yes  No

5-13.238

**II. Findings Relating to Financial Statements Required Under GAGAS**

None.

**III. Federal Award Findings and Questioned Costs**

None.

**IV. State Award Findings and Questioned Costs**

None.

**V. A Summary of Prior Audit (all June 30, 2004) Findings and Current Year Status Follows**

None.

5-13.439

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

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

We have audited the financial statements of Santa Cruz Metropolitan Transit District (SCMTD) for the year ended June 30, 2005 and have issued our report thereon dated August 18, 2005. In planning and performing our audit of the financial statements of SCMTD, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

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

Current Year Findings and Recommendations

**Finding 1**

The District should perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.

Recommendation

The District should perform ticket-related procedures that determine whether ticket sales are accurately reported and that tickets in inventory are safeguarded. The reconciliation should be performed at least semi-annually until the process results in tolerable variance level.

Management Response

Finance reconciles sales report(s) monthly to verify the number of tickets sold as reported by the Customer Service department; however all pertinent reports need to be received in Finance in a timely manner in order for Finance to test whether tickets are properly safeguarded and sales are accurately reported.

**Finding 2**

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

5-13. C1

Recommendation

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

Management Response

The count room has two cameras that record the activity of cash handlers. The tape is on view in the dispatch office. As well, cash handlers are not allowed to handle cash unless there is another person present in the room. When the new Service building is constructed in about 2007 a temperature-controlled facility will make it feasible for staff and contract labor to wear an appropriate uniform that reduces the risk of misappropriation.

Finding 3

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

Recommendation

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

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

Management Response

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

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

Finding 4

While reviewing the procedures for payroll testing we noted that the District has one individual that inputs all the payroll data including any charges or overtime pertaining to the coach operator's payroll. The lack of separation of duties could lead to the possible misappropriation of payroll.

Recommendation

The District should establish a policy to regularly review payroll functions, including random checks throughout the year to verify that the data entered is accurate and supported by appropriate documentation.

Management Response

The recommended policy has not yet been implemented but will be implemented by June 30, 2006.

Finding 5

While reviewing the procedures for payroll testing, we noted that the District does not require review of overtime payroll entries pertaining to the coach operators. The lack of this control could lead to the possible misappropriation of the District's payroll.

5-13.CZ

The District should develop a report that would detail all overtime paid to the coach operators during each pay period so it may be reviewed by someone separate from coach operators payroll preparation.

Management Response

This request is being developed by the IT Department to be reviewed by the Finance Department and will be completed by December 31, 2005.

**Finding 6**

During our repair and maintenance testing, we noted that a remanufactured engine was purchased and expensed instead of being capitalized to the vehicle holding the engine.

Recommendation

The district should update their policy to capitalize remanufactured engines and other repairs that significantly increase the useful life of the vehicle.

Management Response

The District's capitalization policy provides for capitalization of repairs that increase the useful life of the vehicle; however, due to the age of the existing fleet, it is difficult to estimate the increase in the useful life of the vehicles. Management will consider capitalizing remanufactured engine in buses less than 12 years old.

Prior Year Findings and Recommendations

**Finding 1**

The District should perform a ticket reconciliation semi-annually that provides assurance that tickets are properly safeguarded and sales are accurately reported.

Status

Partially implemented. See current year Finding 1.

**Finding 2**

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

Status

Not implemented. See current year Finding 2.

**Finding 3**

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

Status

Partially implemented. See current year Finding 3.

5-13.C3

**Finding 4**

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

**Status**

Resolved.

**Finding 5**

While reviewing the procedures for payroll testing we noted that the District has one individual that inputs all the payroll data including any charges or overtime pertaining to the coach operator's payroll. The lack of separation of duties and random checks could lead to the possible misappropriation of the District's assets.

**Status**

To be implemented by June 30, 2006. See current year Finding 4.

**Finding 6**

While reviewing the procedures for payroll testing we noted that the District does not require review of overtime payroll entries pertaining to the coach operators. The lack of this control could lead to the possible misappropriation of the District's payroll.

**Status**

Not implemented. See current year Finding 6.

\*\*\*\*\*

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

BROWN ARMSTRONG PAULDEN  
McCOWN STARBUCK & KEETER  
ACCOUNTANCY CORPORATION

By:

Bakersfield, California  
August 18, 2005

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5-13.C4

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Robyn D. Slater, Human Resources Manager  
**SUBJECT:** CONSIDER APPROVAL OF BUYER RECLASSIFICATION

## I. RECOMMENDED ACTION

**It is recommended that the Board of Directors approve the reclassification of the Buyer to include a change in title and some modification of duties.**

## II. SUMMARY OF ISSUES

- The Memorandum of Understanding between the District and SEIU Local 415 allows an employee to request a review of the classification of his/her position. The incumbent in the classification of Buyer requested such a review.
- The classification of a position is based upon the duties regularly assigned. The salary range is established as part of the District's compensation plan and is directly related to the training and experience prerequisites and the responsibilities of the classification. The salary range is not based upon the quality of the work performed by the incumbent. The quality of work is documented through performance evaluations and progression through the six-step salary range.

## III. DISCUSSION

There is one incumbent in the Buyer classification. The job responsibilities for the position have changed over time due to changes in the District and the continued work requirements as a result of current and anticipated building construction.

The classification process involves reviewing the duties of the position and the required prerequisites, performing a desk audit, and determining the appropriate salary range for the classification. After reviewing the current job tasks performed by the Buyer I would recommend revising the class specification as attached to better reflect the current job tasks performed by the Buyer and changing the name to Purchasing Agent which is a title used by other agencies.

After comparing the salary range at the District with other transit agencies, Santa Cruz County and City I would also recommend a 15% adjustment to the salary range. There are no other positions that are part of a promotional progression, so no other class specifications would be impacted by this change.

5-15.1

Human Resources has obtained concurrence of the revised class specification and salary from SEIU Local 415.

**IV. FINANCIAL CONSIDERATIONS**

The incumbent would receive a raise based on the salary range adjustment. The new salary range is attached for review.

**V. ATTACHMENTS**

- Attachment A:** Purchasing Agent class specification
- Attachment B:** Salary range

5-15.2

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

## ~~DISTRICT BUYER-PURCHASING AGENT~~ DRAFT

### DEFINITION

Under direction, purchases materials, supplies, equipment, and services; prepares and issues requests for proposals and invitations for bids; maintains Disadvantaged Business Enterprise (DBE) records; **supervise assigned personnel**; and performs related duties as assigned.

### EXAMPLES OF DUTIES

Drafts Prepares contracts and other documents for purchase of supplies, services, and equipment for review by District counsel, and execution by General Manager; prepares notification of award and distributes contracts.

Consults with departments to prepare bid **regarding bid and proposal** specifications; prepares, and issues requests for proposals and invitations for bids for procurements of equipment, service, and construction projects; writes advertisements to invite bids and proposals; prepares vendor list and distributes bid/proposal packages; coordinates and schedules pre-bid and pre-proposal packages; coordinates and schedules pre-bid and pre-proposals packages; coordinates and schedules pre-bid and pre-proposal conferences; conducts bid opening; participates in bid evaluation; and writes recommendations to the Board for vendor selection.

Reviews purchase requisitions for completeness and conformance with district policies, **State and/or Federal Law**; issues purchase orders for services, materials, supplies and equipment; ~~arranges~~ **negotiates** term with vendors and performs follow up **vendor reviews** to assure receipt of proper quality and quantity of materials.

Meets and corresponds with prospective vendors, manufacturers, service suppliers, and sales representatives for product information; may investigate and resolve problems involving damaged goods, incorrect merchandise or billing **invoicing errors, and unsatisfactory service performance.**

**Meets and corresponds with other transit agency procurement officers to develop cooperative procurement contracts for equipment, materials and supplies used by transit agencies.**

Evaluates vendor performance and maintains vendor history records; prepares, processes and maintains records, correspondence, documents and reports related to the purchasing function; assists in the development and maintenance of a computerized purchasing system.

Ensures District purchasing activities conform to applicable laws, regulations (including U.S. Department of Transportation regulations), and District policies; assists in the development of District policies and procedures for requisitioning, bidding, warehousing and distributing supplies, materials and equipment.

**S-15. a1**

Evaluates vendor performance and maintains vendor history records; conducts price and cost analysis, prepares, processes and maintains records correspondence, documents and reports related to the purchasing function; assists in the development and maintenance of a computerized purchasing system.

Drafts reports for the Board of Directors relating to the procurement of professional services, construction, vehicles and equipment as required by the District.

Provides supervision, evaluation, and training to assigned personnel.

Coordinates the notice, sale, and disposal of surplus vehicles and equipment.

~~Develops and Maintains record keeping for identification and assessment~~  
purchasing statistics related to DBE vendors and contractors; verifies eligibility of DBE vendors for certification by the DBE Officer; gathers data and prepares DBE periodic reports.; assists in the preparation of DBE periodic reports.

## EMPLOYMENT STANDARDS

### Knowledge of:

- The principles and practices of centralized purchasing including contract development and negotiations, and competitive bidding.
- The laws, regulations, and procedures applicable to purchasing including federal rules for third party contracting.
- Pricing, products, and services related to the transportation industry and sources of supply.
- The principles and techniques of supervision.
- Methods of conducting product and vendor research.
- Record keeping practices and procedures related to a purchasing function.
- Principles and practices of sound business communication.
- Major computer software (i.e. Microsoft office) systems.

### Ability to:

- Review requisitions and prepare product specifications, bids, and agreements.
- Evaluate quotations and bids and make awards consistent with District purchasing policies and requirements.
- ~~Operate a computer, 10-key calculator, and other~~ Operate standard office equipment.
- Perform mathematical calculations including percentages and averages.
- Develop and adapt revise work procedures and record keeping systems; plan and schedule buying activities efficiently.
- Establish and maintain cooperative working relationships with the public, District employees, and others.

S-15.az

Buyer, 05/05

- Communicate effectively orally and in writing to evaluate and transmit information and instructions **as required for this position.**
- Maintain accurate records and reports.
- **Supervise, train, and evaluate personnel.**
- **Analyze technical purchasing problem areas and recommend solutions.**

### Training and Experience

Any combination of training and experience equivalent to:

Bachelor's degree from an accredited college in economics, business administration, accounting, marketing, or a related field (experience which demonstrates substantial knowledge and abilities pertinent to specific job functions may be substituted for the required education on a year-for-year basis) AND **one three years** professional experience in performing centralized purchasing functions, including preparation of proposals and bids and review and analysis of bids.

5-15. a3



Reclass, District Buyer 2005

Attachment **B**

AGENCY	LOW	HIGH	LONGEVITY	EXEMPT
Santa Cruz Metro	24.41	31.14	5%@10, 10%@15	no
County of Santa Cruz	24.30	31.17	3%@25	no
City of Santa Cruz	28.66	36.94	2.5%@10, 4.5%@15	no

CHANGE	04/05 range	15% adj	1% adj to 05/06 range
STEP 1	21.23	24.41	24.66
STEP 2	22.28	25.63	25.87
STEP 3	23.41	26.91	27.19
STEP 4	24.57	28.25	28.54
STEP 5	25.83	29.66	30
STEP 6	27.13	31.14	31.51
10yr longevity	28.48	32.7	33.09
15yr longevity	29.84	34.25	34.66



5-15.61

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Fleet Maintenance  
**SUBJECT:** CONSIDERATION OF CONTRACT RENEWAL WITH THE LAW OFFICES OF MARIE F. SANG FOR LEGAL SERVICES IN THE AREA OF WORKERS' COMPENSATION

## I. RECOMMENDED ACTION

**District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract with the Law Offices of Marie F. Sang for legal services in the area of workers' compensation to extend the term of the contract for one (1) additional year and increase the rate of compensation.**

## II. SUMMARY OF ISSUES

- The District has a contract (No. 02-13) for legal services in the area of workers' compensation.
- At the option of the District, this contract may be renewed for two (2) additional one-year terms.
- Marie F. Sang has indicated that she is interested in extending the contract one additional year to February 28, 2007.
- It is requested that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

## III. DISCUSSION

The District's current contract with the Law Offices of Marie F. Sang for legal services in the area of workers' compensation is due to expire on February 28, 2006. Marie F. Sang has provided good service under this contract. An extension of the contract would be favorable to the District. Section 4.01 of the contract allows the District the option to renew the contract for two (2) additional one-year terms. Marie F. Sang has also reviewed the contract and has indicated her desire to extend the contract for one additional year.

District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

5-16.1

**IV. FINANCIAL CONSIDERATIONS**

Funding for this contract is contained in the District's budget for Worker's Compensation claims. Annual budget for this contract is \$11,500.

**V. ATTACHMENTS**

**Attachment A:** Letter from the Law Offices of Marie F. Sang

**Attachment B:** Contract Amendment

5-16.2

MARIE F. SANG \*  
CARLA SPENCER

BRUCE E. PITCHLEY \*  
OF COUNSEL

\* Certified Specialist  
Workers' Compensation Law  
The State Bar of California  
Board of Legal Specialization

LAW OFFICES OF  
**MARIE F. SANG**  
1875 S WINCHESTER BOULEVARD  
SUITE 201  
CAMPBELL CA 95008

Telephone (408) 866-7974  
Facsimile (408) 866-1797

December 14, 2005

Attention: Lloyd Longnecker  
Santa Cruz Metropolitan Transit District  
370 Encinal Street, #100  
Santa Cruz, CA 95060

**RE: DISTRICT CONTRACT NO. 02-13 FOR LEGAL SERVICES IN THE AREA  
OF WORKERS' COMPENSATION**

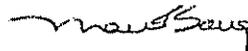
Dr. Mr Longnecker:

This office is in receipt of your November 30, 2005 letter in which you advise that the District proposes a first amendment to District Contract No 02-13, to extend the agreement from March 1, 2006 through February 28, 2007

Please be advised that the undersigned agrees to your proposal to extend the contract for an additional one year period

Thank you for allowing this office to continue representing Santa Cruz Metropolitan Transit District's interests

Very truly yours,

  
MARIE F SANG

cc: Santa Cruz Metro Transit District- Robyn Slater

lsismid ltr

5-16.a1

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
FIRST AMENDMENT TO CONTRACT NO. 02-13  
FOR LEGAL SERVICES IN THE AREA OF WORKERS' COMPENSATION**

This First Amendment to Contract No. 02-13 for legal services in the area of workers' compensation is made effective March 1, 2006 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and LAW OFFICES OF MARIE F. SANG ("Contractor").

**I. RECITALS**

- 1.1 District and Contractor entered into a Contract for Legal services in the area of workers' compensation ("Contract") on March 1, 2003.
- 1.2 The Contract allows for the extension upon mutual written consent.

Therefore, District and Contractor amend the Contract as follows:

**II. TERM**

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

This Contract shall continue through February 28, 2007. This Contract may be mutually extended by agreement of both parties.

**III. REMAINING TERMS AND CONDITIONS**

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

**IV. AUTHORITY**

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

SIGNATURES ON NEXT PAGE

5-16. b1

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

---

Leslie R. White  
General Manager

CONTRACTOR  
LAW OFFICES OF MARIE F. SANG

By \_\_\_\_\_  
Marie F. Sang, Esquire  
Owner

Approved as to Form:

---

Margaret R. Gallagher  
District Counsel

5-16.62

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Fleet Maintenance  
**SUBJECT:** CONSIDERATION OF CONTRACT RENEWAL FOR HAZARDOUS WASTE REMOVAL SERVICES WITH EVERGREEN OIL, INC.

## REQUESTED ACTION

### I. RECOMMENDED ACTION

**District Staff recommends that the Board of Directors authorize the General Manager to enter into a one-year contract extension with Evergreen Oil, Inc. for hazardous waste removal services under the same terms and conditions.**

### II. SUMMARY OF ISSUES

- The District has a contract with Evergreen Oil, Inc. for hazardous waste disposal.
- At the District's option, this contract may be renewed for four (4) additional one-year terms.
- Evergreen Oil, Inc. has indicated that they are interested in extending the contract term through January 31, 2007 under the same terms and conditions.

### III. DISCUSSION

The District currently has a contract with Evergreen Oil, Inc. for hazardous waste disposal. The contract is due to expire on January 31, 2006. Terms of the contract allow the District the option to renew the contract for four (4) additional one-year terms under the same terms and conditions. Evergreen Oil, Inc. has indicated that they are interested in extending the contract for one additional year under the same terms and conditions. District Staff recommends that the Board of Directors authorize the General Manager to enter into a one-year contract extension with Evergreen Oil, Inc. for hazardous waste removal services under the same terms and conditions.

### IV. FINANCIAL CONSIDERATIONS

Funds are available in the Facilities Maintenance operating budget for this amendment.

### V. ATTACHMENTS

- Attachment A:** Letter from Evergreen Oil, Inc.  
**Attachment B:** Contract Amendment

5-17.1



# Evergreen Oil, Inc.

*dedicated to the protection of the environment*

Attachment **A**

RECEIVED  
2005 DEC 15 PM 2:47  
S4  
7  
E-RO  
DOT

14 December 2005

Mr Lloyd Longnecker  
Santa Cruz Metropolitan Transit District  
110 Vernon Street, Suite B  
Santa Cruz, California 95060

**Re: Renewal of Contract No. 03-09  
Hazardous Waste Removal Services**

Dear Mr. Longnecker:

Evergreen Oil, Inc. has received your letter dated 9 December 2005 indicating interest to extend the above referenced contract for an additional one-year period. Upon review of the original contract, Evergreen respectfully agrees to the extension with no needed changes.

We thank you for this business. Should you have any questions please contact me at 510-795-4400.

Sincerely,  
**Evergreen Oil, Inc.**

Gary B. Colbert  
Vice President

*Headquarters*

2355 Main Street, Suite 230  
Irvine, CA 92614

Tel: (949) 757-7770 Fax: (949) 474-9149  
Customer Service: (800) 972-5284

*Operations - North*

6880 Smith Avenue  
Newark, CA 94560-4224

Tel: (510) 795-4400  
Fax: 510) 796-2559

Website: [www.evergreenoil.com](http://www.evergreenoil.com)

5-17. a1



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SECOND AMENDMENT TO CONTRACT NO. 03-09  
FOR HAZARDOUS WASTE DISPOSAL SERVICES**

This Second Amendment to Contract No. 03-09 for Hazardous Waste Disposal Services is made effective February 1, 2006 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and EVERGREEN OIL, INC. ("Contractor").

I. RECITALS

- 1.1 District and Contractor entered into a Contract for Hazardous Waste Disposal Services ("Contract") on February 1, 2004.
- 1.2 The Contract allows for the extension upon mutual written consent.

Therefore, District and Contractor amend the Contract as follows:

II. TERM

- 2.1 Article 3.02 is amended to include the following language:

This Contract shall continue through January 31, 2007. This Contract may be mutually extended by agreement of both parties.

III. REMAINING TERMS AND CONDITIONS

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

IV. AUTHORITY

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

SIGNATURES ON NEXT PAGE

5-17. b1

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR  
EVERGREEN OIL, INC.

By \_\_\_\_\_  
Gary B. Colbert  
Vice President

Approved as to Form:

\_\_\_\_\_  
Margaret R. Gallagher  
District Counsel

S-17. b2 2

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Fleet Maintenance  
**SUBJECT:** CONSIDERATION OF CONTRACT RENEWAL WITH CRUZ CAR WASH FOR PARACRUZ VEHICLE WASHING SERVICES

## I. RECOMMENDED ACTION

**District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract with Cruz Car Wash for ParaCruz vehicle washing services to extend the term of the contract for one (1) additional year and increase the rate of compensation.**

## II. SUMMARY OF ISSUES

- The District has a contract (No. 360) for ParaCruz vehicle washing services.
- At the option of the District, this contract may be renewed for four (4) additional one-year terms.
- Cruz Car Wash has indicated that they are interested in extending the contract one additional year to February 28, 2007.
- It is requested that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year with an increase in compensation equal to the annual percentage change in the consumer price index for the San Francisco-Oakland-San Jose area.

## III. DISCUSSION

The District's current contract with Cruz Car Wash for ParaCruz vehicle washing services is due to expire on February 28, 2006. Cruz Car Wash has provided good service under this contract. An extension of the contract would be favorable to the District. Section 4.01 of the contract allows the District the option to renew the contract for four (4) additional one-year terms. Cruz Car Wash has also reviewed the contract and has indicated their desire to extend the contract for one additional year with an increase in compensation equal to the annual percentage change in the consumer price index for the San Francisco-Oakland-San Jose area.

District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year and allow an increase in the rate of compensation equal to the annual percentage change in the consumer price index for the San Francisco-Oakland-San Jose area.

5-18.1

**IV. FINANCIAL CONSIDERATIONS**

Funding for this contract is contained in the operating budget for ParaCruz.

**V. ATTACHMENTS**

**Attachment A:** Letter from Cruz Car Wash

**Attachment B:** Contract Amendment

5-18.2



Full Service Car Wash & Gas  
Express Detail Service

Wednesday, December 21, 2005

Lloyd Longnecker  
Santa Cruz Metropolitan Transit District  
110 Vernon Street, Suite B  
Santa Cruz, CA 95060

Dear Lloyd,

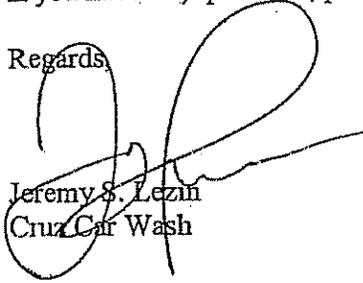
Re: District Contract No. 04-10 for washing of ParaCruz vehicles.

We are pleased to extend our contract for an additional one-year period. Please be advised that we will adjust our prices to the forthcoming Consumer Price Index (SF/Oakland area) when it becomes available, possibly late January of 2006.

Also, please be advised that we will be closed for renovations from January 3<sup>rd</sup> through January 13<sup>th</sup>. We are installing a new wash tunnel during this period and it is our goal to re-open on the weekend of January 14<sup>th</sup>. Thank you in advance for conveying this to those at ParaCruz that need this information.

If you have any questions, please don't hesitate to call

Regards,

  
Jeremy S. Lezin  
Cruz Car Wash

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
FIRST AMENDMENT TO CONTRACT NO. 360  
FOR PARACRUZ VEHICLE WASHING SERVICES**

This First Amendment to Contract No. 360 for ParaCruz vehicle washing services is made effective March 1, 2006 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and CRUZ CAR WASH ("Contractor").

**I. RECITALS**

- 1.1 District and Contractor entered into a Contract for ParaCruz vehicle washing services ("Contract") on March 1, 2005.
- 1.2 The Contract allows for the extension upon mutual written consent.

Therefore, District and Contractor amend the Contract as follows:

**II. TERM**

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

This Contract shall continue through February 28, 2007. This Contract may be mutually extended by agreement of both parties.

**III. COMPENSATION**

- 3.1 Article 5.01 is amended to include the following language:

Effective March 1, 2006, the rate for vehicle washing services will be increased by the annual percentage change in the consumers priced index for the San Francisco-Oakland-San Jose area.

**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.

SIGNATURES ON NEXT PAGE

**5-18.61**

V. AUTHORITY

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

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR  
CRUZ CAR WASH

By \_\_\_\_\_  
Jeremy S. Lezin  
President

Approved as to Form:

\_\_\_\_\_  
Margaret R. Gallagher  
District Counsel

5-18.62 2

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Fleet Maintenance  
**SUBJECT:** CONSIDERATION OF CONTRACT RENEWAL WITH STEVE'S UNION SERVICE FOR PARACRUZ VEHICLE FUELING SERVICES

## I. RECOMMENDED ACTION

**District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract with Steve's Union Service for ParaCruz vehicle fueling services to extend the term of the contract for one (1) additional year.**

## II. SUMMARY OF ISSUES

- The District has a contract (No. 361) for ParaCruz vehicle fueling services.
- At the option of the District, this contract may be renewed for four (4) additional one-year terms.
- Steve's Union Service has indicated that they are interested in extending the contract one additional year to February 28, 2007.
- It is requested that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

## III. DISCUSSION

The District's current contract with Steve's Union Service for ParaCruz vehicle fueling services is due to expire on February 28, 2006. Steve's Union Service has provided good service under this contract. An extension of the contract would be favorable to the District. Section 4.01 of the contract allows the District the option to renew the contract for four (4) additional one-year terms. Steve's Union Service has also reviewed the contract and desires a one-year extension of the contract.

District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract to extend the contract term for one additional year.

## IV. FINANCIAL CONSIDERATIONS

Funding for this contract is contained in the operating budget for ParaCruz.

5-19.1

**V. ATTACHMENTS**

**Attachment A:** Letter from Steve's Union Service

**Attachment B:** Contract Amendment

5-19.2

Attachment A

STEVE'S UNION SERVICE  
1500 SOQUEL DR  
SANTA CRUZ, CA 95065  
(831) 476-3857

December 21, 2005

MR. LLOYD LONGNECKER  
SANTA CRUZ METRO TRANSIT DISTRICT

RE: District contract # 04-10 for fueling Para Cruz vehicles.

Dear Lloyd,

I am in agreement to extend the contract for the new term for an additional one year period.

Thank You

A handwritten signature in black ink, appearing to read 'Steve Oneto', with a long horizontal line extending to the right.

Steve Oneto

5-19.91

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
FIRST AMENDMENT TO CONTRACT NO. 361  
FOR PARACRUZ VEHICLE FUELING SERVICES**

This First Amendment to Contract No. 361 for ParaCruz vehicle fueling services is made effective March 1, 2006 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and STEVE'S UNION SERVICE ("Contractor").

**I. RECITALS**

1.1 District and Contractor entered into a Contract for ParaCruz vehicle fueling services ("Contract") on March 1, 2005.

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

Therefore, District and Contractor amend the Contract as follows:

**II. TERM**

2.1 Article 4.01 is amended to include the following language:

This Contract shall continue through February 28, 2007. This Contract may be mutually extended by agreement of both parties.

**III. REMAINING TERMS AND CONDITIONS**

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

**IV. AUTHORITY**

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

SIGNATURES ON NEXT PAGE

S-19.61 1

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

---

Leslie R. White  
General Manager

CONTRACTOR  
STEVE'S UNION SERVICE

By \_\_\_\_\_  
Steve Oneto  
President

Approved as to Form:

---

Margaret R. Gallagher  
District Counsel

5-19.62<sub>2</sub>

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Fleet Maintenance  
**SUBJECT:** CONSIDER AMENDING CONTRACT WITH BROWN ARMSTRONG  
PAULDEN MCCOWN STARBUCK & KEETER ACCOUNTANCY  
CORPORATION FOR FINANCIAL AUDIT AND TAX SERVICES

## I. RECOMMENDED ACTION

**District staff is recommending that the Board of Directors authorize the General Manager to execute an amendment to the contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation for financial audit and tax services to extend the term of the contract for one (1) additional year.**

## II. SUMMARY OF ISSUES

- The District has a contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation for financial audit and tax services.
- At the option of the District, this contract may be renewed for two (2) additional one-year terms under the same terms and conditions.
- District staff recommends that the Board of Directors authorize the General Manager to execute an amendment to the contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation for financial audit and tax services to extend the contract one (1) additional year.

## III. DISCUSSION

The District's current contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation (Contractor) for financial audit and tax services is due to expire on February 28, 2006. Contractor has provided good service under this contract. An extension of the contract would be advantageous to the District. Section 4.01 of the contract allows the District the option to renew the contract under the same terms and conditions for two (2) additional one-year terms. On the Contractor's original proposal, pricing for the first and second option years was provided. Contractor had proposed the same rate for all three years. It is recommended that the Board of Directors authorize the General Manager to execute an amendment to the contract with Brown Armstrong Paulden McCown Starbuck & Keeter Accountancy Corporation to extend the contract one (1) additional year.

5-20.1

**IV. FINANCIAL CONSIDERATIONS**

Funds are available in the Finance department's budget for this amendment.

**V. ATTACHMENTS**

**Attachment A:** Contract Amendment

S-20.2

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT  
SECOND AMENDMENT TO PROFESSIONAL SERVICES CONTRACT FOR  
FINANCIAL AUDIT AND TAX SERVICES (03-11)**

This Second Amendment to Professional Services Contract for Financial Audit and Tax Services is made effective March 1, 2006 between the Santa Cruz Metropolitan Transit District, a political subdivision of the State of California ("District") and BROWN ARMSTRONG PAULDEN MCCOWN STARBUCK & KEETER ACCOUNTANCY CORPORATION ("Contractor").

**I. RECITALS**

- 1.1 District and Contractor entered into a Contract for Financial Audit and Tax Services ("Contract") on March 1, 2004.
- 1.2 The purpose of this Second Amendment is to renew the one-year term and extend the agreement for a one-year period, pursuant to the provisions of paragraph 4 of the Contract, which allows for two additional one-year terms upon mutual written consent. This fully executed Amendment constitutes mutual written consent.

Therefore, District and Contractor amend the Contract as follows:

**II. SPECIFICATION CHANGES**

- 2.1 Paragraph 4.01 is amended to read as follows:

The term of this contract will be extended through February 28, 2007.

**III. COMPENSATION**

- 3.1 District agrees to compensate Contractor for Financial Audit and Tax Services at the rates quoted for the second option year as provided in Contractor's original proposal:

District Financial Audit Services, Second Option Year: \$37,450.00

Preparation of Federal and State Tax Returns for Santa Cruz Civic Improvement Project,  
Second Option Year: \$250.00

**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.

SIGNATURES ON NEXT PAGE

V. AUTHORITY

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

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR  
BROWN ARMSTRONG PAULDEN MCCOWN STARBUCK & KEETER ACCOUNTANCY  
CORPORATION

By \_\_\_\_\_  
Steven R. Starbuck

Approved as to Form:

\_\_\_\_\_  
Margaret R. Gallagher  
District Counsel

5-20.02<sub>2</sub>

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Margaret Gallagher, District Counsel  
**SUBJECT:** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE A LEASE ASSIGNMENT TRANSFERRING THE CURRENT RESTAURANT LEASE AT THE WATSONVILLE TRANSIT CENTER TO THE NEW OWNERS

## I. RECOMMENDED ACTION

**Authorize the General Manager to execute an Assignment of the Lease Agreement to the new owners while retaining all former tenants as obligors on the lease.**

## II. SUMMARY OF ISSUES

- The Board of Directors authorized a five-year Lease Agreement between Santa Cruz METRO and Mr. Gharahgozloo and Ms. Hsu for the restaurant space at the Watsonville Transit Center, which became effective September 1, 2003. They operated an Asian food restaurant until September 1, 2005, dba Jessica's China Express.
- On August 26, 2005 the Board of Directors approved a lease assignment of Jessica's China Express Lease to the new tenants, Feng Ju Gao and Chun Yin, dba China Wok Express.
- The new tenants have had difficulty since they began operation of the new business. They stated that one of the reasons the business struggled was due to the bus strike. They also live in San Jose and find the commute difficult.
- Feng Ju Gao and Chun Yin have requested METRO's authorization to assign the current lease to Po Zhao and Michelle Ngo, dba China Station Express.

## III. DISCUSSION

Mr. Gharahgozloo and Ms. Hsu entered into a Lease Agreement for the Watsonville Transit Center main terminal restaurant space in July 2003 for a new Asian restaurant. The lease agreement included approximately 811 square feet of restaurant space in the terminal building and kiosk #8, approximately 220 square feet of space used for storage purposes. After remodeling, their Lease began on September 1, 2003 and included a five-year initial term with an option for an additional 5-year extension period.

On August 26, 2005, the Board of Directors approved the request of Mr. Gharahgozloo and Ms. Hsu to assign their lease to Feng Ju Gao and Chun Yin. The new owners opened a new

restaurant, selling Chinese and American food, dba China Wok Express. The new Lease began on September 1, 2005.

Although both tenants were working as cooks at separate Chinese food restaurants and both claimed to have extensive restaurant experience, they had a difficult time succeeding in the business. They claim that the bus strike affected the restaurant's income greatly, and they could not recover from the loss. Additionally, they live in San Jose and find the commute difficult.

Feng Ju Gao and Chun Yin have requested authority from METRO to assign their current Lease, to Po Zhao and Michelle Ngo, dba China Station Express.

The Finance Manager, Elisabeth Ross, reviewed the financial information of the prospective new tenants and believes that they are an acceptable risk particularly given that they currently have a steady income.

Attached is a draft Lease Assignment, which if executed, will obligate the current tenants to the Lease Agreement, as well as the previous tenants, in the event that the new tenants default on any part of the Agreement.

#### **IV. FINANCIAL CONSIDERATIONS**

Rent for the space is currently \$1,352.52 per month, or \$16,230.24 annually.

#### **V. ATTACHMENTS**

Attachment A: Draft Lease Assignment

**S-21.2**

**ASSIGNMENT OF THE  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT –  
WATSONVILLE TRANSIT CENTER LEASE  
DATED SEPTEMBER 1, 2003**

THIS IS AN ASSIGNMENT of lease by and among Santa Cruz Metropolitan Transit District ("**Landlord**"), Ali Gharahgozloo and Jessica Hsu, ("**Tenants**"), Feng Ju Gao and Chun Yin, ("**Tenants**") and Po Zhao and Michelle Ngo ("**Assignees**").

For good consideration, it is agreed by and among the parties that:

1. The Tenants hereby assign, transfer and deliver to the Assignees all of the Tenants' rights in and to a certain lease between the Tenants and the Landlord for certain premises which consist generally of approximately 811 Square feet of restaurant space in the terminal building and Kiosk #8, a 220 square foot kiosk, including one roll up door located at 475 Rodriguez Street, Watsonville, California under a lease dated September 1, 2003, as amended (the "**Lease**"). A copy of the Lease and applicable amendments are attached hereto as Exhibit A and made a part hereof by reference.
2. The Assignees agree to accept the said Lease, to pay all rents and punctually perform all of the Tenants' obligations under the said Lease accruing on and after the date of delivery of possession to the Assignees as contained herein. The Assignees further agree to indemnify and save harmless the Tenants from any breach of the Assignees' obligations hereunder.
3. The parties acknowledge that the Tenants shall deliver possession of the leased premises to the Assignees on or after January 27, 2006, and that time is of the essence. All rents and other charges accrued under the Lease prior to said date shall be fully paid by the Tenants, and thereafter by the Assignees.
4. Furthermore, Assignees shall reimburse Tenants for the amount of the Security Deposit upon signing this Agreement. If Assignees do not fulfill any of its obligations under the Lease, Landlord may apply the Security Deposit on account of such obligation or to reimburse Landlord for any sum that Landlord may expend due to Tenants' or Assignees' default. If Landlord applies any part of the Security Deposit, Assignees (and Tenants upon failure of Assignees), immediately after notice from Landlord, shall deposit with Landlord the amount so applied so that Landlord shall have the full Security Deposit available at all times during the term of the lease.
5. The Landlord hereby consents to the assignment of lease, provided that:
  - a) Consent to the assignment shall not discharge the Tenants of its obligations under the Lease in the event of the breach of same by the Assignees.

b) In the event of breach by the Assignees, the Landlord shall provide the Tenants with written notice of same and the Tenants shall have full rights to commence all actions to recover possession of the leased premises (in the name of Landlord, if necessary) and retain all rights for the duration of the said Lease provided it shall pay all accrued rents and cure any other default.

c) There shall be no further assignment of lease without the prior written consent of Landlord.

6. This agreement shall be binding upon and inure to the benefit of the parties, their successors, assigns and personal representatives.

Signed this \_\_th day of January 2006.

<b>SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (LANDLORD)</b>  <hr/> Leslie R. White General Manager	<b>DBA JESSICA'S CHINA EXPRESS (TENANTS)</b>  <hr/> Jessica Hsu, Owner  <hr/> Ali Gharahgozloo, Owner
<b>DBA CHINA WOK EXPRESS (TENANTS)</b>  <hr/> Feng Ju Gao, Owner  <hr/> Chun Yin, Owner	<b>DBA CHINA STATION EXPRESS (ASSIGNEES)</b>  <hr/> Po Zhao, Owner  <hr/> Michelle Ngo, Owner

5-21.02

EXHIBIT A

LEASE

5-21.03

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

## STAFF REPORT

**DATE:** January 13, 2006  
**TO:** Board of Directors  
**FROM:** Margaret Gallagher, District Counsel  
**SUBJECT:** CONSIDERATION OF AUTHORIZING THE GENERAL MANAGER TO EXECUTE AN INDEMNITY AGREEMENT IN FAVOR OF THE CITY OF SANTA CRUZ REGARDING THE GARBAGE EQUIPMENT METRO RENTS FOR ITS FACILITIES

### ACTION REQUESTED AT THE JANUARY 13, 2006 MEETING

#### I. RECOMMENDED ACTION

**Authorize the General Manager to execute an Indemnity Agreement in favor of the City of Santa Cruz regarding garbage equipment METRO rents for each of its facilities.**

#### II. SUMMARY OF ISSUES

- METRO rents equipment from the City of Santa Cruz for its Fleet Maintenance facilities located at 111 Dubois and 120 Golf Club Drive, its Administration offices located at 370 Encinal, its Operations facility located 1200 River Street and its transit center facility located at 920 Pacific Avenue.
- The City of Santa Cruz has requested that its customers sign an Indemnity Agreement in connection with the use of its garbage equipment that each customer rents from the City.

#### III. DISCUSSION

Each of METRO's facilities located at 111 Dubois, 120 Golf Club Drive, 370 Encinal Street, 1200 River Street and 920 Pacific Avenue uses garbage dumpsters through an arrangement with the City of Santa Cruz. The City provides one trash dumpster and one recycling dumpster to each of these sites. On a regular basis the City through its personnel, picks up the accumulated trash and recyclables.

Tom Stickel, the Manager of Fleet Maintenance received the attached letter (Attachment A) from Janie Schuyler, Customer Service Manager of the City of Santa Cruz. Ms. Schuyler reports that due to rising liability costs associated with rented dumpsters under the control of the City's customers, the City is now requiring that its customers sign the attached Indemnity Agreement (Attachment B) as a condition for continued dumpster service. METRO staff will be consulting with the City regarding the specific terms of the proposed Agreement. Of course, the difficulty

with any proposed modifications of the Agreement is that there are no other providers for this service.

**IV. FINANCIAL CONSIDERATIONS**

Unknown

**V. ATTACHMENTS**

**Attachment A:** Letter from City of Santa Cruz

**Attachment B:** Indemnity Agreement

5-22.2



Attachment A

809 Center Street, Room 101, Santa Cruz, CA 95060 • (831) 420-5220 • Fax (831) 420-5221

December 22, 2005

S C MTD  
370 ENCINAL ST STE 100  
SANTA CRUZ CA 95060-2173

Customer Number: 027-2080-19  
Container Size: 6-YARD  
Service Address: 1200 RIVER ST

Dear Municipal Utilities Customer:

Due to rising liability costs associated with rented dumpsters under the control of our customers, we are now requiring that our customers sign the attached indemnity agreement as a condition for continued dumpster service.

Please sign the attached agreement and return it in the enclosed envelope by January 17, 2006, to ensure continuity of service.

Thank you for your cooperation.

Sincerely,

Janie Schuyler  
Customer Service Manager

Encl

5-22.01



**INDEMNITY AGREEMENT**

I hereby agree to indemnify, defend and hold the City of Santa Cruz, its agents and employees harmless from any claims for damage, death or personal injury which may result from the dumpster's use, movement or placement during the course of its rental through this account with the City of Santa Cruz. This agreement does not extend to liability arising from the negligence or intentional misconduct of City staff.

Name of account holder: \_\_\_\_\_

Signature of account holder: \_\_\_\_\_

Date: \_\_\_\_\_

SCMU account number: \_\_\_\_\_ Dumpster size: \_\_\_\_\_



5-22.61

*Bay Corridor Preliminary Feasibility Analysis: Bus Rapid Transit  
Preliminary Conceptual Plan*

**Bay Corridor Preliminary Feasibility Analysis: Bus Rapid Transit  
Preliminary Conceptual Plan**

**Submitted to:**

University of California Santa Cruz Transportation and Parking Services

**Submitted by:**

Urbitran Associates

**July 2005**

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## **I. INTRODUCTION**

The University of California Santa Cruz/ City of Santa Cruz engaged Urbitran Associates to develop a Conceptual Plan for the Bay Corridor to examine the opportunities and impediments to implement Bus Rapid Transit service from Santa Cruz to UCSC. As described below, the impetus for this assignment was prior work done by Urbitran regarding increased demand to access the University based on projected increases in student and employee trips.

A Bay Corridor BRT Technical Study Working Group was formed (see Appendix 1 for a list of members) and two working meetings were held on March 1 and April 19. The primary purpose of the first meeting was to provide the perspectives and anticipated outcomes of the members of the Working Group, develop a finalized list of data requests from Urbitran and provide an overview to put this study in context with other ongoing planning efforts.

The second meeting provided an opportunity for Urbitran to discuss some preliminary observations and seek input from the Working Group regarding policy, planning and fiscal constraints. For example, given the sustained traffic demand on Mission Street between Laurel Street and Bay Street, and the sustained congestion at the intersection of Bay Street and Mission Street, it would appear that only major widening of the roadways would provide sufficient capacity to improve the bus speeds to accommodate additional transit riders. However, the anticipated additional ridership demand would not justify the significant cost of the project. Thus, were there other alternatives or approaches to facilitating the flow of buses into and out of the campus?

Responses to the above discussion and question have been instrumental in generating a number of concepts and ideas that, when added to the previous input, have resulted in the range of alternatives that have been developed for the Preliminary Conceptual Plan. In addition to the two Working Group meetings, Urbitran also participated in a conference call with Jim Daisea of Kimley-Horn regarding the connections with the work being done on the 2005 Long Range Development Plan, especially any potential traffic related impacts potentially affecting intersectional capacity and overall egress and ingress.

The next steps for the process will be a review of the draft Preliminary Conceptual Plan by the Working Group followed by a series of presentations to various stakeholder groups with their respective inputs resulting in a Final Conceptual Plan. The timeline for these activities would be presentations during July and finalization thereafter.

## **II. SUMMARY OF RELATED STUDIES**

In the University of California Santa Cruz Comprehensive Transit Study, prepared by Urbitran Associates in 2004, an effort was made to identify opportunities for improvement to University-focused transit services, including both recommendations that may be implemented in the short-term and longer-range improvements intended for incorporation into the 2005 Long Range Development Plan (LRDP).

Included in the Comprehensive Transit Study is a technical analysis estimating likely future transit demand, which was later revised to reflect the 21,000 student population target in the LRDP. The student and employee background information is summarized in Table 1.

**Table 1: Current and Projected Student and Employee Populations**

	Current	2010 Enrollment (17,500)		2020 Enrollment (21,000)	
		Projected	Projected Change *	Projected	Projected Change *
Students residing on-campus	5,484	9,516	74%	10,500	91%
Students residing off-campus	9,116	7,984	-12%	10,500	15%
Total Students	14,600	17,500	20%	21,000	44%
Employees working on-campus	3,540	3,880	10%	5,158	25%

\*Change is based on current year population

Based upon the above numbers, an estimate was then developed for increased peak hour demand for public transit, as shown in Table 2.

**Table 2: Results of Peak Hour Demand Projections**

	Actual	Projected			
	2003-2004	2010-2011	Change	2020-2021	Change
Total Enrollment	14,600	17,500	20%	21,000	44%
Peak Hour Internal Student Demand	1,180	1,388 to 1,666		1,665 to 1,998	
Peak Hour Internal Other Demand	89	96 to 115		127 to 152.4	
<b>Total Internal Demand</b>	<b>1,245</b>	<b>1,484 to 1,781</b>	<b>19 to 43%</b>	<b>1,792 to 2,151</b>	<b>44 to 73%</b>
Peak Hour External Student Demand	546	479 to 575		629 to 755	
Peak Hour External Other Demand	48	52 to 63		69 to 83	
<b>Total External Demand</b>	<b>594</b>	<b>531 to 638</b>	<b>-11 to 7%</b>	<b>699 to 838</b>	<b>18% to 41%</b>

The prior study then develops estimates of several scenarios to increase the number of internal and external vehicles required to accommodate the projected ridership. With regard to external trip demand, one scenario for meeting estimated ridership demand includes 60-foot articulated vehicles, which would be a central component of a Bus Rapid Transit system. This scenario envisions the need for nine 40-foot vehicles and eight 60-foot vehicles in order to meet the highest projected demand. In addition, the study notes that infrastructural improvements such as the lengthening of some bus bays on campus would need to be made in order to operate longer vehicles.

The recommendations section of the Comprehensive Transit Study is comprised of two parts. The first part makes detailed service recommendations that respond to current issues and needs. In the effort to better address crowding issues on METRO routes to campus, the study suggests operational adjustments such as adopting different schedules for Monday/Wednesday/Friday and Tuesday/Thursday, to better conform to UCSC class schedules. The second part discusses a number of transit-related vehicle, infrastructure, and technology investments related to the findings of the study. In particular, the section touches on automatic vehicle location technology, advanced fare media and the maintenance and right-of-way requirements of articulated and low-floor buses commonly featured in BRT systems. The study concludes with an implementation plan that details the operating and funding requirements for the short-term service recommendations and discusses steps towards the implementation of longer-term capital improvements.

The City of Santa Cruz and the UCSC joint Master Transportation Study (MTS), prepared by Fujiki Planning and Design in 2003, identified opportunities for increasing transit capacity to influence travel mode share and keep pace with population increases. Although this study did not include the most recent projection for the student population, the MTS notes that the Santa Cruz Metropolitan Transit District (METRO) aims for a 25% increase in transit ridership mode share, increasing to 10% within the City of Santa Cruz. However, efforts may need to be more aggressive than those set forth by METRO, the MTS asserts, in order to stave off any further increases in traffic congestion. The MTS predicts a 19% increase in PM peak hour trips by 2020 if mode shares do not shift in favor of transit use, leading to a 92% increase in vehicle delay. As such, the MTS identifies numerous short- and long-term system recommendations to attract and accommodate additional ridership. The study discusses the viability of BRT treatments in specific sections of the city, such as Soquel Avenue and the Southern Pacific rail corridor running south of downtown. Local BRT impacts such as traffic signal coordination, funding necessities and the increases in bus traffic on the UCSC campus are mentioned.

### **III. CHARACTERISTICS OF BUS RAPID TRANSIT IN A NATIONAL CONTEXT**

Bus Rapid Transit (BRT) is an increasingly popular option in the United States for transit providers looking to improve speed and service quality in focused corridors. In recent years, BRT has been adopted in such diverse operating environments as Los Angeles, Oakland, Boston, and Curitiba, Brazil. Efforts are in progress to bring BRT systems to smaller locales such as Eugene, Oregon and Hartford, CT. Curitiba is universally

recognized for its emergence as the prototypical example of BRT, which led the way for international interest in the concept, including significant US participation during the last decade.

BRT improves upon traditional bus service by combining the quality of rail transit with the flexibility of buses, with the ultimate goal of moving more passengers more efficiently than in a standard bus network. There are six major elements to BRT that can be applied to varying degrees depending on the character of the corridor being served.<sup>1</sup>

- **Running Ways:** Efforts can be made to segregate bus traffic from other traffic through the use of dedicated lanes. Claiming lanes for the exclusive use of BRT often requires sufficient right-of-way width and consensus in favor of restricting automobile traffic in a corridor. BRT lanes can also be marked but within mixed traffic, or at different grade levels from auto traffic.
- **Stations:** Improvements in stations and their amenities are often associated with the degree to which running ways have been segregated. A BRT system with dedicated lanes on a major arterial is more likely to draw heavy ridership, thereby justifying the investment in high-quality station structures, which can offer amenities such as raised platforms for level vehicle boarding or heated structures in some climates.
- **Vehicles:** Traditional transit buses can be used for BRT, but many systems invest in specialized, articulated vehicles designed for rapid boarding and alighting as ridership grows. Increasingly, systems in Europe and the Americas are operating vehicles with experimental guideway technologies such as the magnetic guideways used in Nancy, France.
- **Fare Collection:** Most domestic BRT systems rely on the same fare system as the local bus network, but examples exist of free zones and pay-on-exit fares. In some cases, transit providers levy a surcharge for BRT service relative to local bus fares.
- **Intelligent Transportation Systems (ITS):** This concept includes the wide range of emerging technologies that aid in both the operations of BRT service and the customer experience. Chief among these is vehicle prioritization, wherein traffic signals are programmed to allow buses to clear through intersections to decrease running time. Often vehicle prioritization is applied in conjunction with a higher level of running way segregation. Passenger information technology is another major ITS innovation that can be a part of BRT. Technologies which inform passengers of the arrival time of the next bus at the bus stop or on the internet are of increasing popularity.
- **Service and Operations Plan:** BRT operations are typically characterized by greater distances between stops/stations, longer service spans and frequent service. Most

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<sup>1</sup> Source: Federal Transit Administration, "Characteristics of Bus Rapid Transit for Decision Making".

BRT systems attempt to offer service of a noticeably higher gradation in quality compared to other bus service in the local area.

Transit agencies typically implement BRT service that include a combination of the improvements, or attributes, in these categories tailored to the operating environment and available funding. The implementation of BRT service works to improve five key elements of system performance, specifically travel time, service reliability, system identity and image, safety and security and capacity. Existing BRT systems in other urban areas provide some indication of how BRT improvements affect system performance.

- **Travel Time:** Systems with exclusive rights-of-way benefit from more significant increases in travel time savings than those operating in mixed traffic.
- **Service Reliability:** Likewise, exclusive lanes result in an enhanced ability to adhere to scheduled running times as compared with those systems without dedicated transitways.
- **System Image and Identity:** Through efforts at distinctive branding, passengers often develop an improved image of BRT service relative to other agency routes.
- **Safety and Security:** The argument, yet to be substantiated by sustained data, is that by operating within dedicated rights-of-way, BRT vehicles are likely to be involved in fewer accidents than buses operating in mixed traffic.
- **Capacity:** By offering faster, higher quality service, BRT systems are typically designed to accommodate greater throughput than traditional bus routes. The components utilized to provide higher capacity include articulated vehicles, usually with low floor boardings and more frequent service.

Urbitrans staff had the opportunity to work on the Los Angeles BRT program called Metro Rapid and has included several slides from recent presentations regarding the Los Angeles program to reinforce the above BRT background material from the Federal Transit Administration (which are included as Appendix 2).

#### **IV. PRELIMINARY FINDINGS**

As indicated above, the term Bus Rapid Transit has a number of different meanings in a number of different communities around the world. Although dedicating an exclusive lane for transit access from Metro Center to and through the University would not be supportable from planning, policy or fiscal perspectives, developing service modifications that capture the spirit of the BRT attributes could improve travel times, increase frequency of service, etc., thus increasing ridership potential. The Preliminary Conceptual Plan includes a series of potential short and longer term recommendations, some that relate to the roadway and related infrastructure and some that are connected with service and service-related modifications. The majority of the short-term

recommendations affect the area north of the Bay Street and Mission Street intersection since improvements in this area are likely to have a more focused impact on bus access to and from campus.

### **Short-term Alternatives for Discussion**

#### *Roadway*

#### **Turn restrictions**

The Working Group discussed the pros and cons implementing turn restrictions on Bay Street between Mission Street and the University. In general, the concept is that restricting left turns could minimize potential conflicts between inbound and outbound traffic, thus improving the overall ability of traffic to move through the corridor. These restrictions could be effective during the peak traffic hours only and could be targeted for one direction or both directions of travel on Bay. For example, left turns could be restricted into all streets north and west of Bay/Mission – Toledo, Anita, King, Anthony, Kenneth and Escalona (see Appendix 3).

Difficulties associated with turn restrictions typically include effectively communicating the restrictions through appropriate signage and enforcement of the restrictions. In addition, those affected by the restrictions would either have to find an alternative parallel route or travel out of the restricted area, for example making a U-turn at Nobel/Iowa. In addition, one of the intersections, King, is signalized and a left turn lane has been striped for the east to north left turn.

In order to provide an order of magnitude for these potential turn restrictions, existing traffic counts taken by Fehr & Peers during 2003 and 2004 were analyzed. Typically less than 5% of the westbound traffic turns left at these intersections, but more than 20% of the eastbound traffic makes a left turn, both in the AM and PM peak periods. This would appear to suggest that, if left turn restrictions were implemented, the most significant potential improvement for traffic flow, including buses, would occur during the AM for inbound traffic to the University.

#### **Bicycle Lanes and Routes**

A bike lane has been installed that traverses the length of Bay from West Cliff Drive into the campus, with the exception of several hundred feet east of Mission, where the lane ends westbound to provide for the striping of two eastbound lanes approaching the signal at Mission. At King signage indicates that bike routes are joining into the bike lane. It would appear that some additional planning might be logical regarding redirecting the bike lane away from the Bay/Mission intersection.

For example, if the bike lane were redirected in each direction at King, there could be less bike-bus conflicts with along this portion of Bay and could potentially extend the two-lane storage for eastbound traffic.

Another potential longer term modification would be to examine bike access options on campus and the opportunity to remove bikes from the traveled roadway on Coolidge from High to Hagar. In general, these recommendations are intended to suggest that separating bikes and buses at locations where roadways are narrow or the possibility exists for bus preference would minimize potential conflicts and are not intended to supercede a comprehensive bicycle plan.

### **Signalization**

As indicated above, in general the most effective impact on improving bus flow has been as a result of some form of signal preference or priority. The pre-Metro Rapid experience in Los Angeles indicated that on the most heavily traveled corridors, 50% of the travel time was spent either delayed in traffic or waiting at a traffic signal. Thus, the ability to extend the green cycle on the main street or truncate the green on the side street resulted in more throughput of buses and a reduction in travel time from 23 to 29%.

These numbers relate to longer corridors: the Wilshire/Whittier Metro Rapid corridor, for example, was 26 miles. However, whatever series of tweaks and modifications that can be made to start the buses moving and keep them moving will be a benefit to the customers. There are several existing signals where it would appear that a minor change in phasing would give the perception that the buses were moving sooner. These include the intersections of Bay and High and Bay and Iowa/Nobel, where the northbound and southbound turn arrows lead the phasing for Bay. Thus, the buses on Bay wait until these turns are completed before starting through the intersection. It would appear that if these arrows were changed to the end of the phase, or lag, that a few seconds of bay delay could be avoided and the perception that the bus was moving first might be positively received. A similar situation occurs on Mission at Bay, but there may be some other storage issues to consider at this location.

It was also reported at the Working Group that new traffic signals or other intersection controls are proposed for installation at the Bay/Escalona and Bay/California intersections. If signals were to be installed, the design and construction work could include examination of minor preference treatments along the along the Bay corridor. These could include interconnection, which could adjust signal timing based on times of day and magnitude of demand, priority for buses, using onboard detectors to extend Bay green time or truncate cross street green time, etc. The potential to integrate traffic signal and ITS components will be further discussed below.

### **Striping**

The potential benefit of striping or geometric design modifications would be to ensure the orderly movement of vehicles and buses to maximize the ability to get through areas of congestion, including intersections. Previously discussed striping modifications were additional storage for traffic approaching Mission on Bay.

## **Queue Jumpers**

Another form of priority which typically includes signalization and striping are queue jumpers, which create a separate lane for buses and then provide priority phasing for those buses which allows them to either move ahead of congestion or be positioned for turning movements. One potential area to explore would be the entry to the campus at High and the path westerly through the Coolidge/Campus Facilities and Coolidge/Hagar intersections, where depending on service alternatives there may be some value to facilitating bus flow through these signals. Also, there may be some opportunity to re-examine the geometric design of the Bay/Mission intersection, which could support some priority treatment for buses (perhaps right turn onto Mission from Bay or westbound queue jump on Bay).

## *Bus Service*

### **Bus Stops**

Balancing the number and location of bus stops is critical to providing the opportunity for customers to access the services while endeavoring to maintain the flow of the vehicle. Sometimes the bus stop location is dictated by other factors, for example the stop on Mission north of Bay between Trescony and Laurent which has to be sufficiently removed from Bay. This results since the double left turns from Bay into Mission require the full width of the street. In addition, it appears that some of the existing stops on Bay actually impede the bus flow, such as the stop east of Mission where inbound service to the campus typically has a signal related delay at Bay/Mission then stops again after finally turning right onto Bay. However, since this is a high volume stop, it is also important to provide the opportunity for riders to access the service.

Similarly, the bus stops on the far side of King and especially the far side of High, inbound towards the campus require the bus to pull over and then re-enter the flow of traffic, which is difficult at High since the roadway narrows from two lanes to one. Stops near High (at the main entrance to the campus), however, also connect with METRO services turning onto Empire Grade and the campus bus system. Also, from a comparison perspective, a near side stop made before the signal often results in additional delay, since there is the potential that the bus will finish boarding and alighting activities and then be further delayed by the signal turning red. This is a complex intersection and the Working Group also discussed the possibility of moving the far side stop at High further into the campus at the Physical Plant.

Since, as indicated previously, one of attributes of BRT service is to combine the BRT with the background local operations to create a family of services in the affected corridor, an initial recommendation would be to examine the potential to separate services and therefore separate bus stops. Thus, one of the concepts discussed by the Working Group was the creation of a limited stop or express service which would operate on Bay to the East Remote Parking Lot. This combination of services could serve many

stops with local service and fewer stops as express. As will be discussed below, there are several routing alternatives that could be considered, both in the short and long terms.

In general, the next steps regarding potential bus stop modifications would be driven by decisions regarding operational modifications.

## **Operations**

Currently Santa Cruz METRO operates seven primary routes that serve the University, one accesses the campus via High, one via Western and the remaining five operate on Bay west of Mission. Of those five, three operate on Laurel from Metro Center, one operates on Walnut and one on Lower Bay, (these routes are shown in Appendix 4). The first four of those lines also use Mission north of Bay. Since it was apparent from field observations during the peak periods that there was significant sustained congestion and delay for buses using Laurel, Mission and Bay, the question regarding use of other roadways, such as High, Western and the portion of Bay south of Mission was examined.

It appears that in the longer term there could be additional demand and access from Western, especially if the University's 2300 Delaware site were used for a park and ride facility. The recommendation of the Working Group was to forego additional analysis of access via High, since the traffic calming measures in that area and the lack of ridership demand did not support additional transit service. There had also been previous discussion regarding the potential difficulties of turning buses through the intersection of Laurel and California, thus using the portion of California between Laurel and Bay did not appear to be feasible.

There was also discussion regarding the use of existing Line 19 along Lower Bay which operates from Metro Center on Pacific, then up to West Cliff and Bay as an alternative to the Laurel/Mission routing. Working Group members indicated that this route would miss many student boarding areas along Laurel east of Mission and operate on a circuitous route. The discussion also included longer term connection opportunities, which are not included as part of this study.

However, the group agreed that some form of express access to the East Remote Lot, which was proposed in the LRDP to become a transit hub/collector lot would be beneficial in the short term to test the express concept. Unfortunately, there appears to be little time advantage to be gained in the Laurel/Mission section since the express would be impeded by congestion for other traffic, including other local buses. One alternative would be to develop some service augmentation that uses the east leg of Bay, either starting service at California, or perhaps using California north of Bay. It would appear that additional discussions with METRO staff would be advisable regarding developing a short term alternative to test the express concept.

In addition, any short term modifications to METRO service would warrant additional consideration of modifications to the UCSC service. For example, additional service to

the East Remote Lot if express service was implemented or if the Bay/High bus stop were to be relocated.

### **Long-term Alternatives for Discussion**

#### *Roadway*

From a longer term perspective, public transit access into and out of the campus would best be facilitated by a comprehensive plan that included a consistent two lane in each direction roadway on Bay between King and Mission and sufficient capacity at the Bay/Mission intersection to eliminate the PM westbound stacking on Bay and the apparent all day congestion on Mission at Bay. In addition, in a perfect transit world dedicating a separate transit lane from Metro Center up to and through the campus would be ideal. However, from a pragmatic perspective, based on the additional anticipated demand for transit service, developing a mixed flow plan that could include some additional capacity for transit would appear to be logical. Since it would appear that the number of buses per hour is a small fraction of the total vehicle demand, it would appear that plan would be more likely driven by increased overall vehicle demand and connected to other longer term planning analysis.

It would also appear that based on input from the Working Group that the on-campus plan look at the potential for dedicated bus right of way from the East Remote Parking Lot, down Hagar and through Coolidge to Bay leaving the campus. This dedicated treatment, perhaps inbound in the AM and outbound in the PM, would reinforce the UCSC commitment to transit use and should also provide improved bus flow, allowing for more frequent service, especially the proposed express service to Bay and California.

In the longer term, if there were sufficient throughput capacity from a transit perspective, it would not appear justified to maintain turn restrictions, although arguably the potential for bus/auto conflicts are reduced by eliminating potentially conflicting turns. The same capacity issue also relates to bike lanes, where the geometric design of Bay/Mission would appear to be the determining factor regarding bike lane continuity, not transit stopping or routing.

With regard to signalization, it would appear advantageous to include a consistent form of potential priority or preference within the infrastructure of all signals along the existing routes. Even though the existing signals are operated under the domain of a number of different jurisdictions, the potential for successful improved access to and from the campus would be most affected by the potential for signal preference and priority. Further, the additional priority treatment for transit can be implemented in a manner that has minimal impact to other traffic, if it is part of a coordinated plan to keep buses moving.

As indicated above, this plan would also include geometric design considerations for buses at critical points, especially the Bay/Mission intersection. Any improvements to bus flow through this intersection will provide benefits throughout the remainder of the

routes. Campus ingress improvements at this location could include increasing overall capacity through general widening to the more transit focused right turn lane from Mission on to Bay, or queue jump potential on Bay, south of Mission. Transit egress at this location is limited by the capacity for through and turning movements on Bay north of Mission. Widening to increase the number of southbound lanes and add storage capacity would improve the efficiency of overall flow, including buses. Other design locations to examine would include access to and from the campus entrance at High and facilitating bus flow to and from the East Remote Lot. These could include queue jumps through the intersections and a reversible transit only lane to and from the East Remote Lot.

### *Bus Service*

The purpose of this study is to examine BRT opportunities in the Bay corridor. However, as discussed previously, longer term solutions to improve transit access to and from campus would logically include increasing the supply of transit in other corridors, for example on Western up to Empire Grade. The prior study estimated the potential ridership demand in terms of capital requirements based on existing operational strategies. A revised operational strategy, based on some of the anticipated time improvements would appear to be warranted incorporating some of the other operational related improvements discussed below.

For discussion, there would be the potential to better manage the flow of express buses without running them on fixed schedules through the use of an integrated ITS application. A typical transit schedule would include time points at key locations and the communication to the operator is to never run early, potentially stranding passengers that know the schedule. An express service with limited stops between Bay/California and the East Remote Lot could operate with a frequency of every 10 minutes without a fixed schedule. The ITS applications could include a vehicle locator feature providing the opportunity for supervisor review of vehicle spacing and input to operators. This system could also provide information to waiting customers about the arrival time of the next vehicle. If the express concept were deemed preferable, then the service could be reinforced through distinctive stops, vehicle painting and other branding applications. Also, dwell times and ease of access could also be facilitated either by the use of smart card technology and a validation system or, if express service were limited to pass holders, then there would be no on-board fare payment.

Although many BRT systems have recommended the use of higher capacity, articulated vehicles, some of which have been designed to look more like a rail car than a bus, it does not appear at the moment that capacity per bus, especially given the \$600,000 plus price for these vehicles and the associated on-street and in-yard infrastructure costs, is as important as improving the flow of the vehicles. Also if a transit center or hub were located at Bay and California, articulated vehicles require more room to turn than the typical 35 foot radius for a 40 foot bus.

We would also anticipate developing a longer term operating scenario with METRO staff and include estimates of associated costs.

### **Relationships between BRT attributes and Infrastructure Improvements**

The goal of this portion of the study is to indicate the potential public transit benefits, from a BRT perspective, for the short and long term actions previously discussed in order to develop an implementation plan. The methodology for this analysis included reviewing the attributes of a typical BRT system and comparing the potential benefits of the various potential short and long term infrastructure modifications listed above from a qualitative perspective based on past experience and potential impacts for this assignment.

The general BRT attributes are:

1. Frequent service
2. Signal priority
3. Headway based schedules
4. Simple route
5. Fewer stops
6. Integration with local buses
7. Level boarding/exit
8. Branding
9. Higher capacity vehicles
10. Exclusive lanes
11. Off-board payment
12. Feeder network

Clearly, many of these attributes are linked. However, the overall goal is to move more people more effectively, thus improving the perception of the service and attracting more riders. Thus, the basis for subsequent qualitative rankings are a combination of the estimated benefits of improved travel time and the associated potential to add riders to the system.

In the previous section of the report, potential roadway and service, or infrastructure modifications were suggested, which included:

1. Turn restrictions
2. Bicycle lanes and routes
3. Signalization
4. Striping
5. Queue jumpers
6. Bus stops
7. Bus operations

These relationships are developed and qualitatively compared in Table 3. The evaluation first compares each potential infrastructure modification (e.g. turn restrictions) with each potential BRT attribute (e.g. frequent service) and ranks those impacts as high, medium or low, with high receiving two points, medium receiving one and low receiving zero.

*Bay Corridor Preliminary Feasibility Analysis: Bus Rapid Transit  
Preliminary Conceptual Plan*

This comparison demonstrates the comparative benefits of the infrastructure modifications. Then each BRT attribute is compared with the associated infrastructure modifications, using the same evaluation scoring, which then indicates the comparative benefit of the BRT attributes. The results of this analysis show that the greatest benefits to transit from an infrastructure modification perspective are: bus operations and bus stops, followed by signalization, striping and queue jumpers. Similarly, the most important BRT attributes to the Santa Cruz system from an infrastructure perspective are: signal priority and exclusive lanes, followed by frequent service and fewer stops.

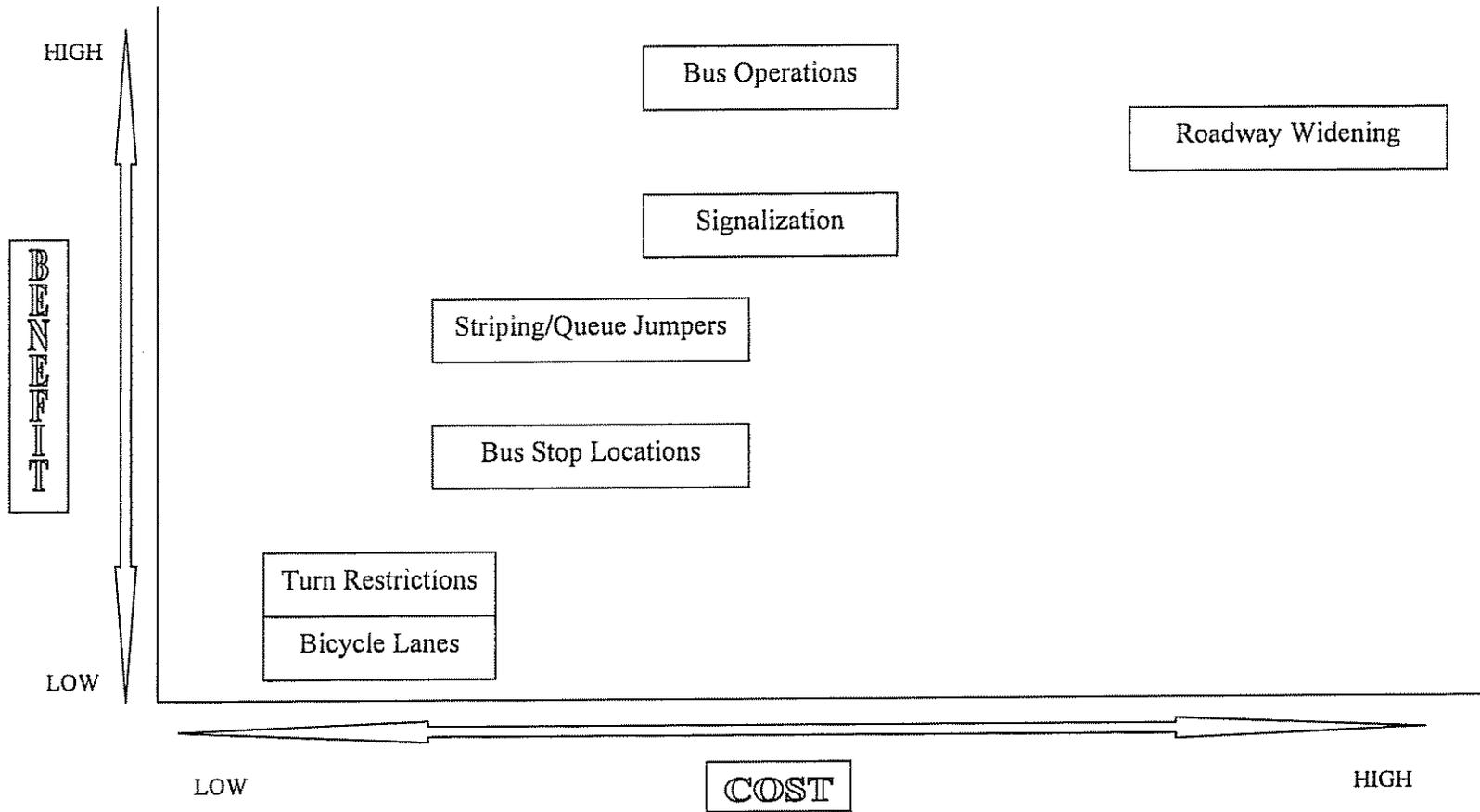
**Table 3: Potential Infrastructure Modifications**

Attribute	Turn restrictions	Bicycle routes	Signalization	Widening	Striping/Queue jumpers	Bus stops	Bus operations	Point Score	Summary
Frequent service	Low	Low	High	Medium	Medium	Medium	High	7	Medium
Signal Priority	Medium	Low	High	High	High	High	High	11	High
Headway based schedules	Low	Low	High	Low	Low	Low	Medium	3	Low
Simple route	Low	Low	Low	Low	Low	Low	Medium	1	Low
Fewer stops	Low	Low	High	Medium	Medium	Medium	Medium	6	Medium
Integration w/local buses	Low	Low	Low	Low	Low	Medium	Medium	2	Low
Level boarding/exit	Low	Low	Low	Medium	Low	Medium	Medium	3	Low
Branding	Low	Low	Low	Medium	Low	Low	Medium	2	Low
Higher capacity vehicles	Low	Low	Low	Medium	Low	High	Medium	2	Low
Exclusive lanes	Medium	Medium	High	High	High	Medium	High	11	High
Off-board payment	Low	Low	Low	Medium	Low	Medium	High	4	Low
Feeder network	Low	Low	Low	Low	Low	Medium	Medium	2	Low
<b>Points</b>	2	1	10	8	6	11	16		

6.16

*Bay Corridor Preliminary Feasibility Analysis: Bus Rapid Transit  
Preliminary Conceptual Plan*

An additional screening was then made to add in the comparative order of magnitude cost per the benefit to be derived, with the best match of effectiveness and efficiency being low cost and high benefit, compared with a lower efficiency result (high cost) and a lower effectiveness result (low benefit). Depicting the infrastructure modifications on a graph comparing cost (horizontal axis) and benefit (vertical axis) results in the following:



6.18

The cost/benefit comparison includes the following range of assumptions:

Turn restrictions and bicycle lane modifications can be installed with a low capital cost (signage, striping, etc.) and minimal operating costs (assuming that additional enforcement is not required). There would be some negative impacts on overall travel time from a community perspective, but increase benefits to transit due to reduced accident potential and theoretically improved traffic flow, reducing overall transit travel time. However, these modifications would appear to have more overall transit benefit if they were to be part of an overall plan that included exclusive lanes for transit.

Roadway widening arguably offers the greatest potential benefit to transit. For example: if Mission were widened between Laurel and Bay with an exclusive bus lane, at least westbound; and if Bay were widened to accommodate two lanes in each direction; and if the Bay/Mission intersection were further widened to allow two left lanes, plus two through lanes southbound and a northbound queue jump for transit, then transit flow would be dramatically improved. However, the right of way acquisition and utility relocation work, plus design and construction costs would be in the millions of dollars and would necessarily be part of an overall community impact analysis.

Thus, what would provide the best overall potential for highest impact for the dollars expended would be a program that incorporates bus operation and traffic signalization improvements in conjunction with striping/queue jump and bus stop modifications, as described below:

**Bus Operations:**

- Add express service from Bay/California to East Remote Lot
- Incorporate ITS components (vehicle locator, next bus, etc.)

**Traffic Signalization:**

- Change lead to lag turns at Bay/High and Bay/Nobel
- Add interconnect and preference to signals on Bay/Coolidge corridor and
- Potentially Mission from Bay to Laurel

**Striping/Queue Jump**

- Bay/Mission redesign potential – queue jump northbound on Bay
- Potential on-campus queue jump on Coolidge

**V. PHASED IMPLEMENTATION PLAN**

Perhaps the most important part of an overall BRT strategy is creating the perspective that there are new and improved commitments to public transit, which, in turn, improve perceptions about the attractiveness of the service. For example, a queue jump lane/traffic signal combination may only provide ten seconds of preference to transit, but it conveys a message that is more substantial than the time involved. In Santa Cruz, the potential exists to link ITS components, such as a traffic signal upgrade program with bus location, monitoring and customer communication information that would offer the best short term potential to incorporate the key attributes of BRT service. This remains one of our key short term recommendations. Some additional work remains to be completed

collaborating with the BRT working group regarding more specific operating cost assumptions, which could then result in a phased potential budget.

For example, in addition to the capital costs involved with signalization (approximately \$50,000 to \$75,000 per intersection, \$5,000 to \$10,000 per vehicle/stop combination), the implementation plan should also include engineering design review of critical intersections (e.g. Bay/Mission and Bay/High) regarding striping modifications and bus stop relocations.

The bus operations plan would implement new express service from Bay/California to the East Remote Lot. Test trips would be required to best estimate run times and routing and other information regarding availability of equipment, would be considered. The express service component could be implemented without waiting for other actions, but the potential benefit to the rider would be lessened without the other ITS actions.

From a sustainability standpoint, an ongoing commitment by the University, the City and METRO to reinforce a transit preference program could also include incorporating other BRT attributes in future actions: such as considering a transit access lane to and from the East Remote Lot, incorporating transit preference considerations in future channelization or signalization projects and working to consider marketing, branding and opportunities.

In summary, we believe a phased strategic approach to implementing BRT in the Bay Mission corridor would provide the most effective means by which to gain the benefits attributable to enhanced transit access to and from the Santa Cruz campus. The phasing will be presented in three categories: short, mid and long range, predicated on ease of implementation based on both funding and the requirements of further detailed analysis.

As such, the following strategies are recommended for further discussions with the BRT task force:

Short term strategies:

- Implement limited or non-stop express transit service from Bay and California to the East Remote Lot. This option would be subject to operational analysis for bus turn around locations, funding, and vehicle availability. There may be some requirement based on usage for an intermediate stop at High St.
- Upgrade current signals at Bay/High and Bay/Noble to create lagging left turns
- Reexamine striping and queue jump opportunities: specifically create a queue jump northbound on Bay at Bay/Mission and also an on campus queue jump on Coolidge.

Mid term strategies:

- Implement a systemwide ITS program which has components for signals, signal preference and transit information including vehicle location and customer real time information

Long term strategies:

- Roadway widening as follows:

Mission Street, an exclusive bus lane westbound between Laurel and Bay  
Bay Street, two lanes in both directions  
Bay/Mission intersection, two left turn lanes, two through lanes  
southbound, and a northbound queue lane for transit

These strategies will be discussed in further detail with the BRT Task Force and order of magnitude costs associated with the recommendations will be developed.

**APPENDIX 1**

**BAY CORRIDOR BRT TECHNICAL STUDY  
WORKING GROUP 3/05**

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Marlene Connor  
Principal  
50 Union Avenue, 3<sup>rd</sup> Fl East  
New Haven, CT 96519  
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Fax: 203-789-8809  
[mconnor@urbitran.com](mailto:mconnor@urbitran.com)

Jim McLaughlin  
Vice President of Transit Services  
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Glendale, CA 91203  
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Fax 818-291-6362  
[jmclaughlin@urbitran.com](mailto:jmclaughlin@urbitran.com)

**City of Santa Cruz  
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[cschneider@ci.santa-cruz.ca.us](mailto:cschneider@ci.santa-cruz.ca.us)

Matt Farrell  
Parking Programs Manager  
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[Mfarrell@ci.santa-cruz.ca.us](mailto:Mfarrell@ci.santa-cruz.ca.us)

**SCMTD**  
Mark Dorfman  
Assistant General Manager  
370 Encinal #100  
Santa Cruz, CA 95060  
[mdorfman@scmtd.com](mailto:mdorfman@scmtd.com)

**Why BRT In L.A.**

**WestStart** **CALSTART**

- **Public dissatisfied with slow service**
- **Average bus speeds declined 12% since mid-1980s**
- **LADOT: 50% of bus service time is spent stopped (in traffic or at stops)**
- **METRO Rapid begun to improve speed**

Copyright WestStart-CALSTART 2000

The slide includes a photograph of a woman standing on a sidewalk next to a bus, looking towards the camera. The background shows a busy street with multiple buses and cars in traffic.




## Metro Rapid's Attributes

1. Frequent service
2. Bus signal priority
3. Headway-based schedules
4. Simple route layout
5. Fewer stops
6. Integrated with local buses
7. Level boarding/exit
8. Branded buses and system
9. High-capacity buses
10. Exclusive lanes
11. Off-board fare payment
12. Bus feeder network

Basic Attributes

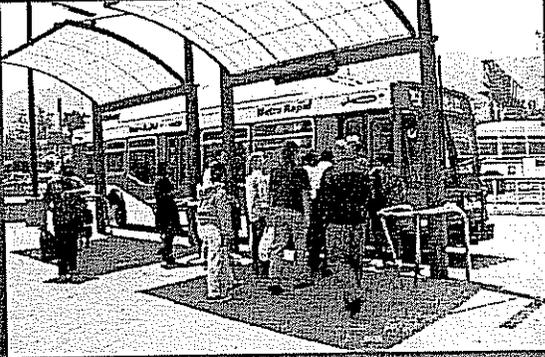
Expansion Attributes

Copyright WestStart CALSTART 2005




## LA Metro Rapid: incremental BRT

- 40-foot Low-Floors: not expensive or complicated, but attractive livery
- Most investment is 'offboard':
  - Signal priority
  - Passenger information
  - Attractive amenities
  - Strong branding (also tied to bus livery)



**Results after demonstration:**

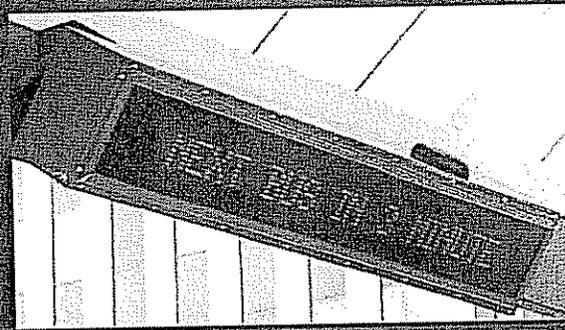
- 23-29% reduction in travel times
- 38-42% increase in riders/weekday
- 1/3 of total choice riders. Same

Copyright WestStart CALSTART 2005



## Metro Rapid Station Displays

- Accurate to within one minute
- Displays "Next Bus Delayed" after 3 minute delay
- Merchants in corridor like the technology!



Copyright WestStart-CALSTART 2005



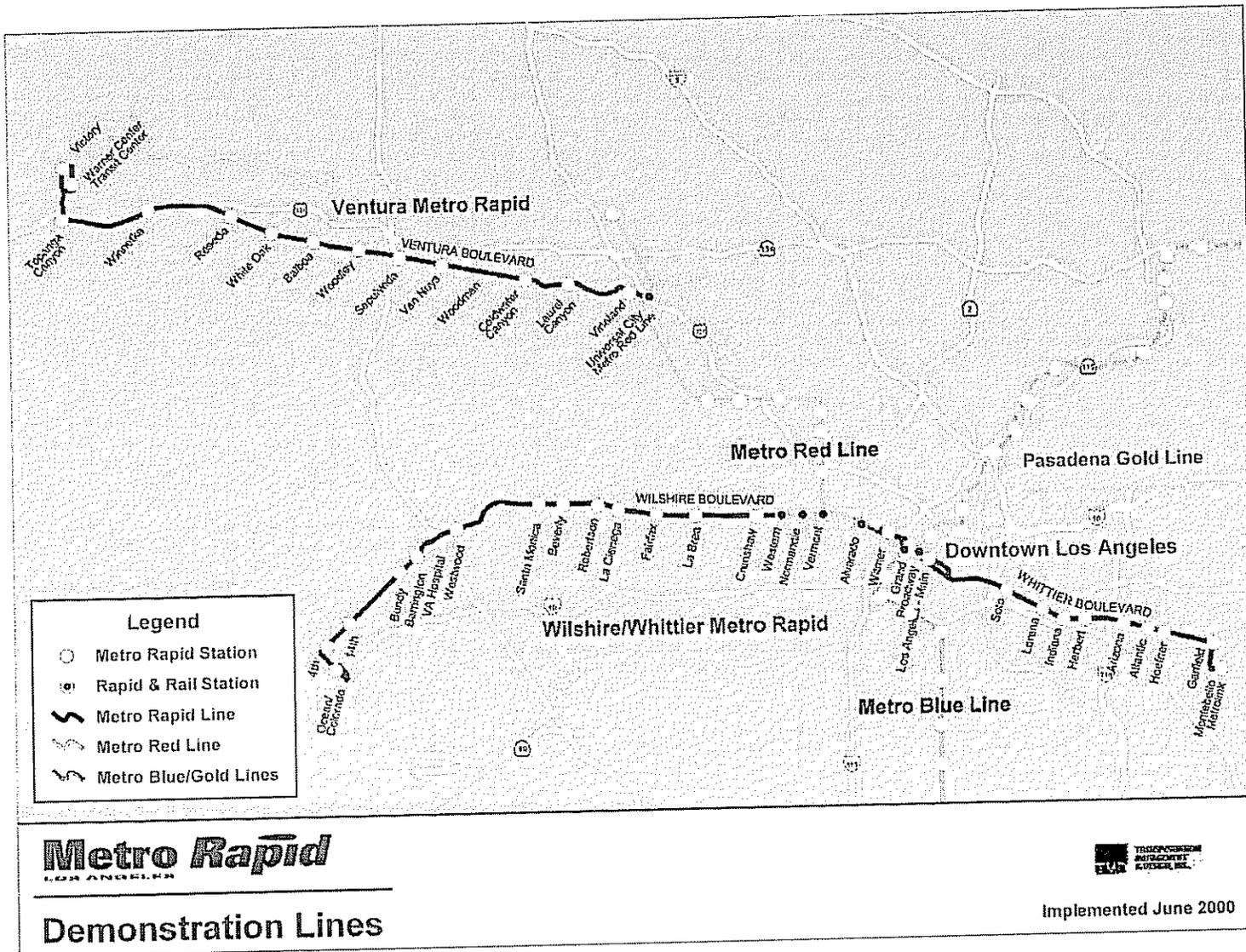
## Metro Rapid Stations

- Branded with buses, maps, literature, etc.
- Expedite boarding/alighting
- Real-time "next-trip" displays
- Information kiosk/ad panel pays for maintenance
- Provides overhead protection without blocking sidewalks or adjacent properties

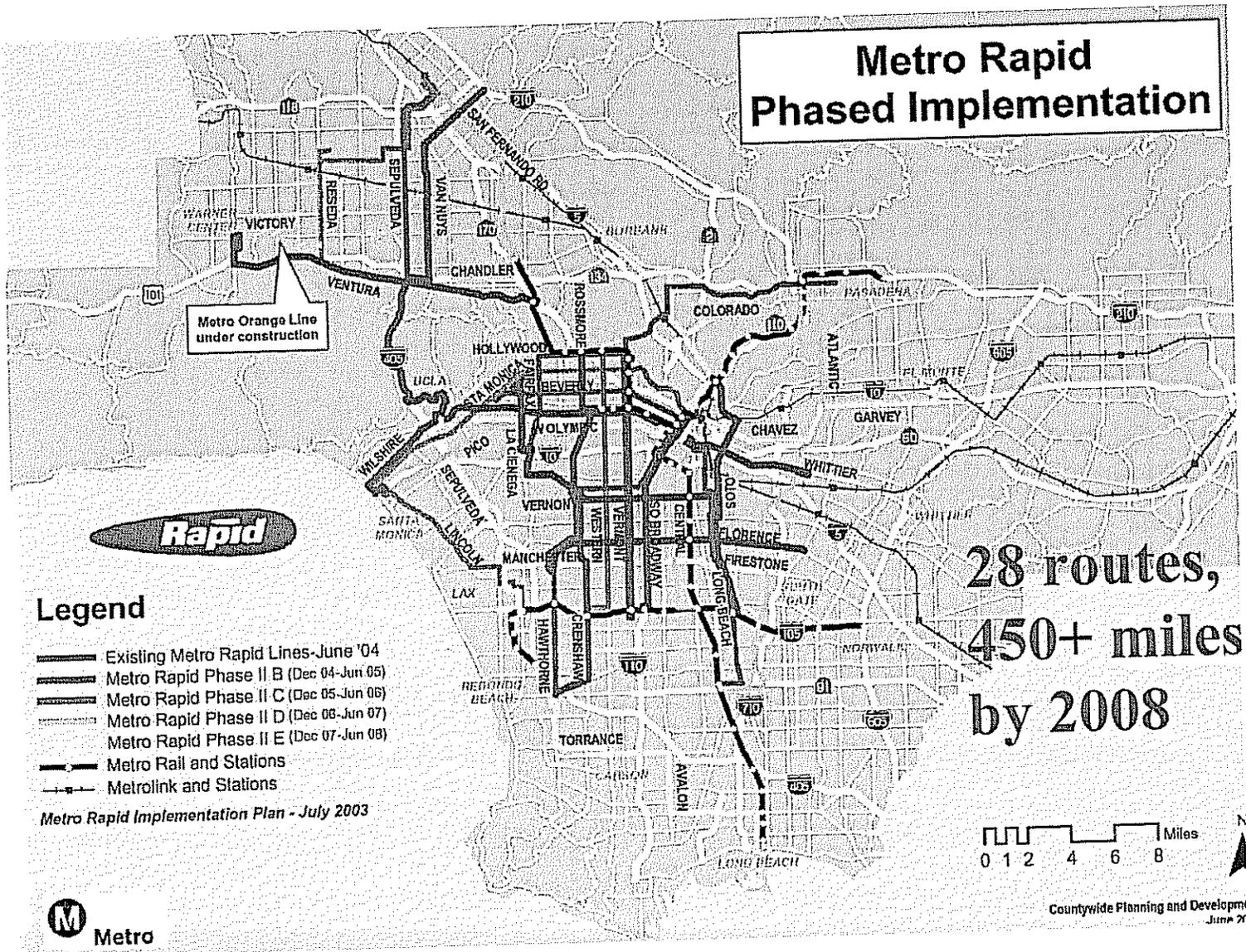


Copyright WestStart-CALSTART 2005

Bay Corridor Preliminary Feasibility Analysis: Bus Rapid Transit  
 Preliminary Conceptual Plan



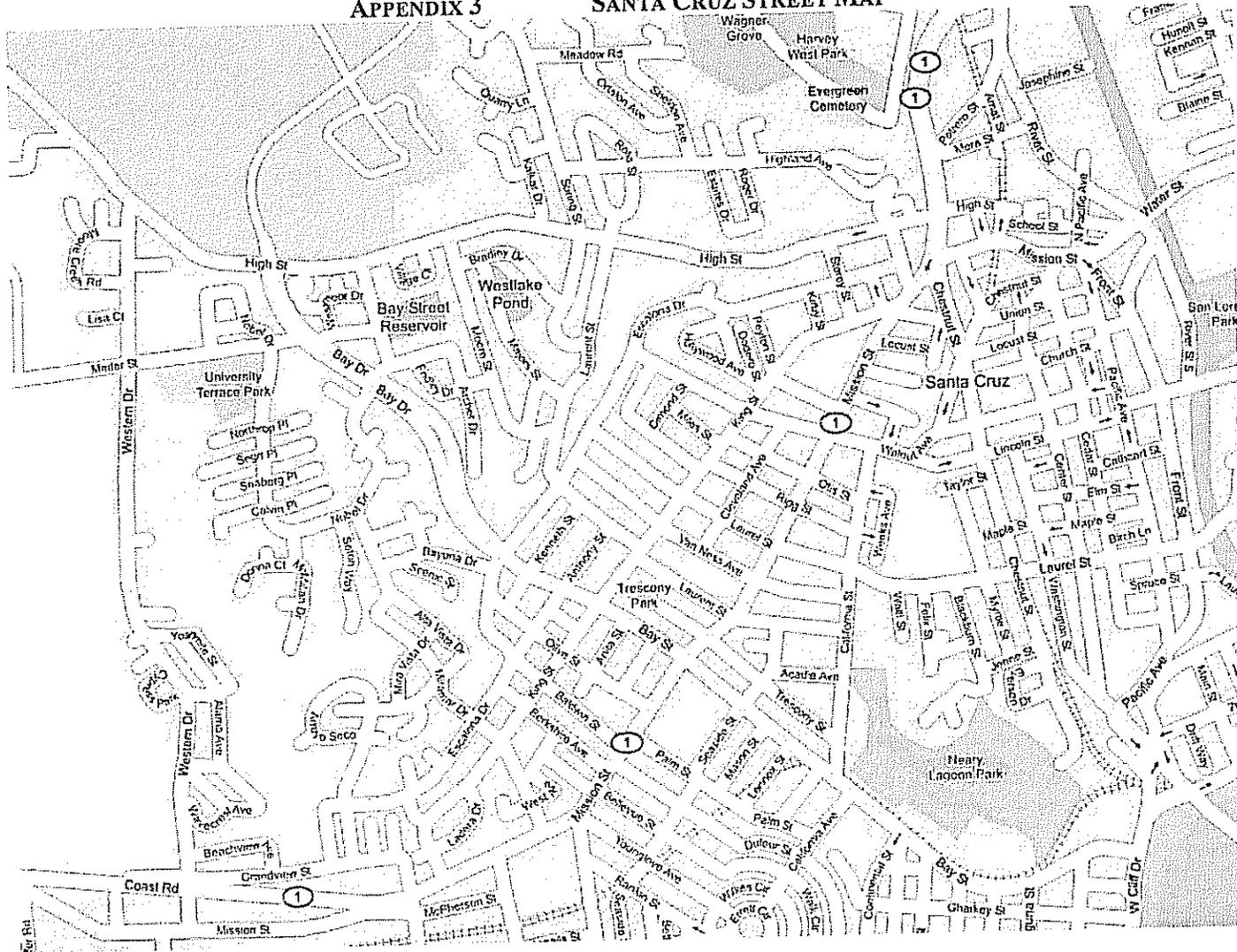
6.26



6.27

APPENDIX 3

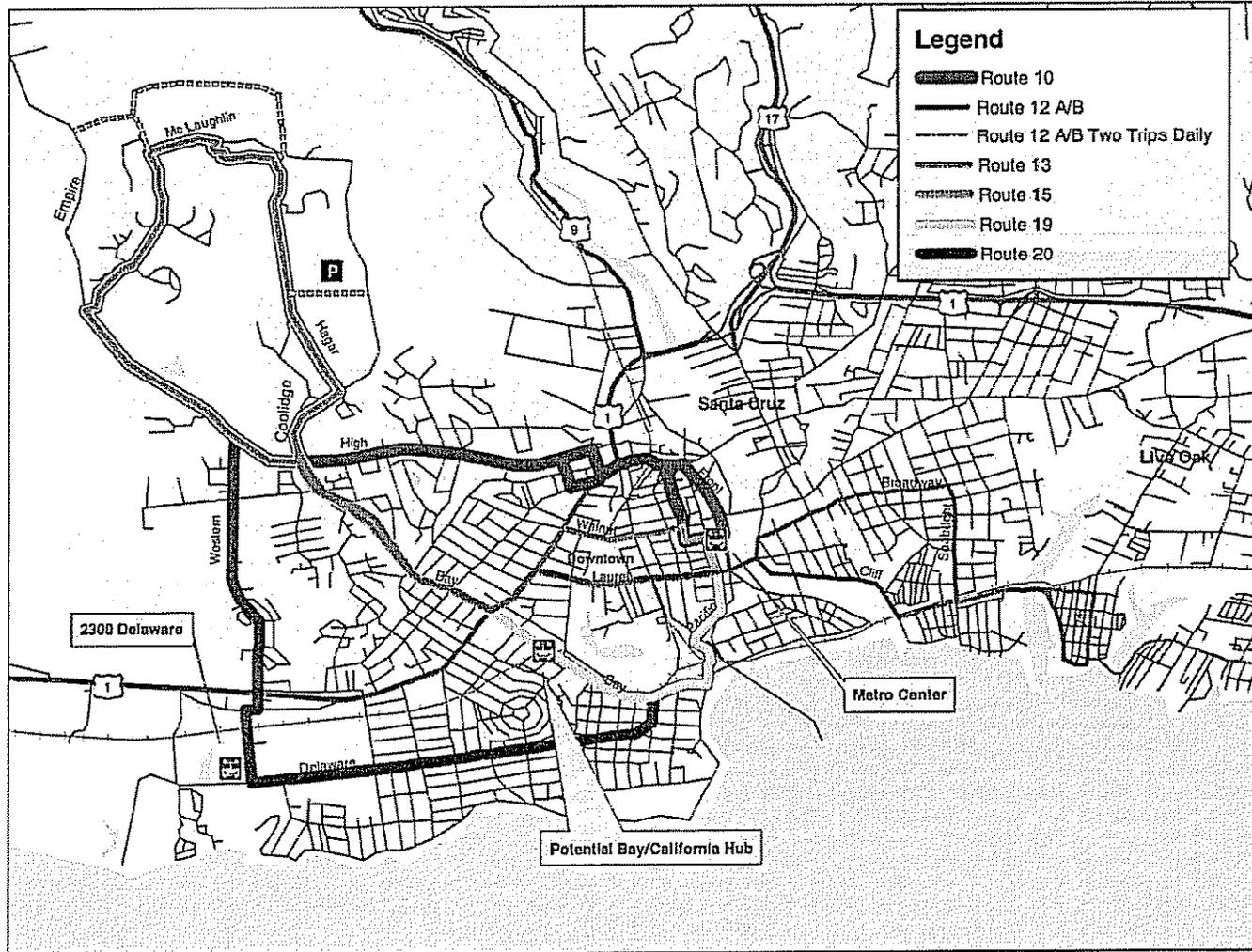
SANTA CRUZ STREET MAP



6.28

APPENDIX 4

SANTA CRUZ BUS ROUTE MAP



6.29

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006  
**TO:** Board of Directors  
**FROM:** Tom Stickel, Manager of Maintenance  
**SUBJECT:** **CONSIDERATION OF AWARD OF CONTRACT FOR FEDERAL LEGISLATIVE SERVICES WITH CAROLYN C. CHANEY AND ASSOCIATES, INC.**

## I. RECOMMENDED ACTION

**District Staff recommends that the Board of Directors authorize the General Manager to execute a contract for federal legislative services with Carolyn C. Chaney and Associates, Inc.**

## II. SUMMARY OF ISSUES

- A competitive procurement was conducted to solicit proposals from qualified firms.
- Four firms submitted proposals for the District's review.
- An evaluation committee comprised of District staff reviewed and evaluated the proposals.
- The evaluation committee is recommending that a contract be established with Carolyn C. Chaney and Associates, Inc. to provide federal legislative services.

## III. DISCUSSION

The District requires the services of a federal legislative representative to represent and advocate before the Congress and the U.S. Department of Transportation, the positions and policies of the District. Other required services include: represent the District before the various legislative committees in Washington D.C., as directed; monitor transportation committees and other committees as appropriate; represent the District before such committees as directed; represent the District when directed, before State Departments, Agencies, and regulatory bodies that impact the policies and programs of the District; advise the District on legislative strategy; serve as an advisor to management and the Board of Directors; provide information relative to the legislative hearings which may have an impact on the policies and programs of the District; closely monitor and manage legislative issues and/or bills which the District has identified as high priority items; provide assistance to the District in drafting proposed testimony before the Congress and present such testimony when requested; coordinate advocacy efforts with the District's Board of Directors and staff; undertake such other assignments upon which the District

7.1

and consultant mutually agree; prepare written/oral reports, at least monthly, summarizing its activities on behalf of the District; comply with all Federal and State laws and regulations relating to the activities of lobbyists; and shall provide necessary documentation to support the filing of all required Federal and State forms related to legislative assistant or lobbying services.

On November 9, 2005, District Request for Proposal No. 05-11 was mailed to twenty-three firms and was legally advertised. On December 8, 2005, proposals were received and opened from four firms. These firms are listed in Attachment A. An evaluation committee comprised of District staff have reviewed and evaluated the proposals.

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

Criteria	Points
Familiarity with Santa Cruz, California and knowledge of current transportation issues and projects which are affected by federal legislative or administrative actions.	15
Existing, or ability to establish close working relationships with members and staff of the California Congressional Delegation with particular emphasis on Senator Boxer, Senator Feinstein, Congressman Farr, and Congresswoman Eshoo.	20
Knowledge and experience working with members and staff of the House Transportation and Infrastructure Committee, House Transportation Appropriations Subcommittee, Senate Banking, Housing and Urban Affairs Committee, and Senate Transportation Appropriations Subcommittee.	20
Knowledge and experience working with the staff of the Federal Transit Administration.	15
Ability to work collaboratively with Legislative Consultants representing other California agencies and business to achieve Santa Cruz METRO goals.	10
Proposed cost of services.	15
DBE Participation	5
Total Points Possible	100

Based on the above criteria, the selection committee is recommending that the Board of Directors authorize the General Manager to sign a contract with Carolyn C. Chaney and Associates, Inc. to provide federal legislative services for an amount not to exceed \$ 64,000. Contractor has provided federal legislative services for the District since 1994. Contractor will continue to provide services meeting all District specifications and requirements.

#### IV. FINANCIAL CONSIDERATIONS

Funds are included in the fiscal year 2005-06 budget necessary to support this contract.

7.2

**V. ATTACHMENTS**

**Attachment A:** Ranking of Proposals Submitted

**Attachment B:** Contract with Carolyn C. Chaney and Associates, Inc.

**Note: The RFP along with its Exhibits and any Addendum(s) are available for review at the Administration Office of METRO or online at [www.scmtd.com](http://www.scmtd.com)**

# Attachment **A**

## Ranking Of Firms Responding To District RFP No. 05-11

### For Federal Legislative Services

1. Carolyn C. Chaney, Washington D.C.
2. Van Scoyoc Associates, Washington D.C.
3. David Turch and Associates, Washington D.C.
4. The Advocacy Group, Washington D.C.

7.91

**CONTRACT FOR FEDERAL LEGISLATIVE REPRESENTATIVE SERVICES (05-11)**

THIS CONTRACT is made effective on February 1, 2006 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and CAROLYN C. CHANEY AND ASSOCIATES ("Contractor")

1 RECITALS

1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060

1.02 District's Need for Federal Legislative Representative Services

District has the need for Federal Legislative Representative Services. In order to obtain these services, the District issued a Request for Proposals, dated November 9, 2005, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A"

1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Federal Legislative Representative Services and whose principal place of business is 1212 New York Ave, NW, Suite 250, Washington D C. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Federal Legislative Representative Services, which is attached hereto and incorporated herein by reference as Exhibit "B"

1.04 Selection of Contractor and Intent of Contract

On January 27, 2006 District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Federal Legislative Representative Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

2 INCORPORATED DOCUMENTS AND APPLICABLE LAW

2.01 Documents Incorporated in this Contract

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

A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated November 9, 2005

B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Federal Legislative Representative Services, signed by Contractor and dated December 8, 2005.

2.02 Conflicts

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

2 03 Recitals

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

3 DEFINITIONS

3 01 General

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

3.01 01 CONTRACT - The Contract consists of this document, the attachments incorporated herein in accordance with Article 2, and any written amendments made in accordance with Section 13 14

3 01 02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued November 9, 2005.

3 01 03 CONTRACTOR'S STAFF - Employees of Contractor

3.01 04 DAYS - Calendar days

3 01 05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued November 9, 2005

3 01 06 PROVISION - Any term, agreement, covenant, condition, clause, qualification, restriction, reservation, or other stipulation in the contract that defines or otherwise controls, establishes, or limits the performance required or permitted by either party

3 01 07 SCOPE OF WORK (OR "WORK") - The entire obligation under the Contract, including, without limitation, all labor, equipment, materials, supplies, transportation, services, and other work products and expenses, express or implied, in the Contract

4 TIME OF PERFORMANCE

4 01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by the District.

At the option of the District, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent

5 COMPENSATION

5 01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District  
District shall reasonably determine whether work has been successfully performed for purposes of payment  
Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$64,000 maximum amount payable under this contract, that it does so at its own risk

5 02 Invoices

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

7.62<sup>2</sup>

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

6 NOTICES

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

DISTRICT

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

CONTRACTOR

Carolyn C Chaney and Associates  
1212 New York Ave, NW  
Suite 250  
Washington D C 20005  
Attention: Carolyn C Chaney, President

7 AUTHORITY

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

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR  
CAROLYN C CHANEY AND ASSOCIATES

By \_\_\_\_\_  
Carolyn C Chaney  
President

Approved as to Form:

\_\_\_\_\_  
Margaret Rose Gallagher  
District Counsel

7. b3<sup>3</sup>

**EXHIBIT -A-**

**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT**

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**Request for Proposals (RFP)**

**For Federal Legislative Services**

**District RFP NO. 05-11**

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**Date Issued: November 9, 2005**

**Proposal Deadline: 5:00 P.M., December 8, 2005**

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**Contents of this RFP**

Part I.	Instructions to Offerors
Part II.	General Information Form
Part III.	Specifications
Part IV.	General Conditions
Part V.	Contract/Agreement
Part VI.	FTA Requirements for Non-Construction Contracts
Part VII.	Protest Procedures

**PART I**  
**INSTRUCTIONS TO OFFERORS**

1. **GENERAL:** These instructions form a part of the contract documents and shall have the same force as any other portion of the contract. Failure to comply may subject the proposal to immediate rejection
2. **OFFEROR RESPONSIBILITY:** The District has made every attempt to provide all information needed by offerors for a thorough understanding of project terms, conditions, and requirements. It is expressly understood that it is the responsibility of offerors to examine and evaluate the work required under this RFP and the terms and conditions under which the work is performed. By submitting a proposal, Offeror represents that it has investigated and agrees to all terms and conditions of this RFP.
3. **DELIVERY OF PROPOSALS TO THE DISTRICT:** Proposals (1 original and 4 copies) must be delivered to the District Purchasing Office, 110 Vernon Street, Suite B, Santa Cruz, California, 95060 on or before the deadline noted in the RFP

Any contract or purchase order entered into as a result of this RFP shall incorporate the RFP and the proposal submitted by successful offeror. In the event of conflict between the proposal and any other contract document, the other contract document shall prevail unless specified otherwise by the District. Telephone or electronic proposals will not be accepted

4. **LATE PROPOSALS:** Proposals received after the date and time indicated herein shall not be accepted and shall be returned to the Offeror unopened.

Requests for extensions of the proposal closing date or time will not be granted. Offerors mailing proposals should allow sufficient mail time to ensure timely receipt of their proposals before the deadline, as it is the offerors responsibility to ensure that proposals arrive before the closing time

5. **MULTIPLE PROPOSALS:** An offeror may submit more than one proposal. At least one of the proposals shall be complete and comply with all requirements of this RFP. However, additional proposals may be in abbreviated form, using the same format, but providing only the information that differs in any way from the information contained in the master proposal. Master proposals and alternate proposals should be clearly labeled.
6. **PARTIAL PROPOSALS:** No partial proposals shall be accepted
7. **WITHDRAWAL OR MODIFICATION OF PROPOSALS:** Proposals may not be modified after the time and date proposals are opened. Proposals may be withdrawn by Offeror before proposal opening upon written request of the official who is authorized to act on behalf of the Offeror.
8. **CHANGES TO THE RFP RECOMMENDED BY OFFERORS:** All requests for clarification or modification of the RFP shall be made in writing. Offerors are required to provide the value of each proposed modification and a brief explanation as to why the change is requested. Value shall be defined as the cost or savings to the District and the advantage to the District of the proposed change.
9. **ADDENDA:** Modifications to this RFP shall be made only by written addenda issued to all RFP holders of record. Verbal instructions, interpretations, and changes shall not serve as official expressions of the District, and shall not be binding. All cost adjustments or other changes resulting from said addenda shall be taken into consideration by offerors and included in their proposals.
10. **OFFEROR'S PROPOSAL TO THE DISTRICT:** Offerors are expected to thoroughly examine the scope of work and terms and conditions of the RFP. Offerors' terms, conditions, and prices shall constitute a firm offer to the District that cannot be withdrawn by the Offeror for ninety (90) calendar days after the closing date for

proposals, unless a longer time period is specified by the District in the RFP. Offerors shall identify all proprietary information in their proposals. Information identified as proprietary shall not be made available to the public or other offerors.

11. **SINGLE OFFEROR RESPONSIBILITY:** Single Offeror responsibility is required under this RFP. Each Offeror responding to this RFP must respond to all professional services and provide all materials, equipment, supplies, transportation, freight, special services, and other work described or otherwise required herein.
12. **EXPERIENCE AND QUALIFICATIONS:** Offeror may be required upon request of the District to substantiate that Offeror and its proposed subcontractors have the skill, experience, licenses, necessary facilities, and financial resources to perform the contract in a satisfactory manner and within the required time.
13. **SUBCONTRACTING:** The requirement for single-point responsibility does not prohibit subcontracts or joint ventures provided that the single successful Offeror assumes the following responsibilities: (1) serves as the sole general contractor with the District; (2) assumes full responsibility for the performance of all its subcontractors, joint venturers, and other agents; (3) provides the sole point of contact for all activities through a single individual designated as project manager; (4) submits information with its proposal documenting the financial standing and business history of each subcontractor or joint venturer; and, (5) submits copies of all subcontracts and other agreements proposed to document such arrangement.

Without limiting the foregoing, any such legal documents submitted under item "5" above must (a) make the District a third-party beneficiary thereunder; (b) grant to the District the right to receive notice of and cure any default by the successful offeror under the document; and (c) pass through to the District any and all warranties and indemnities provided or offered by the subcontractor or similar party.

14. **EVALUATION CRITERIA AND AWARD OF CONTRACT:** The award of the contract will be made to the responsible Offeror whose proposal is most advantageous to the District. Specific evaluation criteria are identified in the Specifications section of the RFP.
15. **DISTRICT'S PREROGATIVE:** The District reserves the right to contract with any single firm or joint venture responding to this RFP (without performing interviews), based solely upon its evaluation and judgment of the firm or joint venture in accordance with the evaluation criteria. This RFP does not commit the District to negotiate a contract, nor does it obligate the District to pay for any costs incurred in preparation and submission of proposals or in submission of a contract.

The District reserves and holds at its discretion the following rights and options in addition to any others provided by the Public Utility Code, Section 98000 and the Public Contract Code: (1) to reject any or all of the proposals; (2) to issue subsequent requests for proposals; (3) to elect to cancel the entire request for proposals; (4) to waive minor informalities and irregularities in proposals received; (5) to enter into a contract with any combination of one or more prime contractors, subcontractors, or service providers; (6) to approve or disapprove the use of proposed subcontractors and substitute subcontractors; (7) to negotiate with any, all, or none of the respondents to the RFP.

16. **EXECUTION OF CONTRACT:** The final contract shall be executed by the successful offeror and returned to the District Administrative Office no later than ten (10) calendar days after the date of notification of award by the District. All required bonds and insurance certificates shall also be submitted by this deadline. In the event successful offeror does not submit any or all of the aforementioned documents on or before the required deadline, the District may award the contract to another offeror; in such event, District shall have no liability and said party shall have no remedy of any kind against the District.
17. **DISADVANTAGED AND WOMEN'S BUSINESS ENTERPRISES:** The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the successful offeror selected for this project shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

18. NONDISCRIMINATION: The Santa Cruz Metropolitan Transit District will not discriminate with regard to race, color, creed, ancestry, national origin, religion, sex, sexual preference, marital status, age, medical condition or disability in the consideration for award of contract.

***ADDITIONAL INSTRUCTIONS TO OFFERORS ARE SET FORTH IN  
OTHER SECTIONS OF THIS REQUEST FOR PROPOSALS***

**PART II**

**GENERAL INFORMATION FORM**

**SERVICES OF A FEDERAL LEGISLATIVE REPRESENTATIVE 05-11**

(To be completed by the offeror and placed at the front of your proposal)

\_\_\_\_\_  
Legal Name of Firm

\_\_\_\_\_  
Date

\_\_\_\_\_  
Firm's Address

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
FAX Number

\_\_\_\_\_  
Type of Organization (Partnership, Corporation, etc.)

\_\_\_\_\_  
Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.

\_\_\_\_\_  
Signature of Authorized Principal

\_\_\_\_\_  
Name of Principal-in-Charge and Title

\_\_\_\_\_  
Name of Project Manager and Title

\_\_\_\_\_  
Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

\_\_\_\_\_  
Addresses Where Correspondence Should Be Sent

\_\_\_\_\_  
Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

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**LOBBYING CERTIFICATION**  
**(Only for Contracts above \$100,000)**

**Lobbying Certification for Contracts Grants, Loans and Cooperative Agreements (Pursuant to 49 CFR Part 20, Appendix A)**

The undersigned certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions and as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg 1413 (1/19/96).
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

The Bidder/Offeror certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Bidder/Offeror understands and agrees that the provisions of 31 U.S.C A 3801, *et seq.* apply to this certification and disclosure, if any

Firm Name \_\_\_\_\_

Signature of Authorized Official \_\_\_\_\_

Name and Title of Authorized Official \_\_\_\_\_

Date \_\_\_\_\_

**BUY AMERICA PROVISION {tc "BUY AMERICA PROVISION " \ 2}  
(Only for Contracts above \$100,000)**

This procurement is subject to the Federal Transit Administration Buy America Requirements in 49 CFR part 661.

A Buy American Certificate, as per attached format, must be completed and submitted with the bid. A bid which does not include the certificate will be considered non-responsive.

A false certification is a criminal act in violation of 18 U.S.C. 1001. Should this procurement be investigated, the successful bidder/proposer has the burden of proof to establish that it is in compliance.

A waiver from the Buy America Provision may be sought by SCMTD if grounds for the waiver exist.

Section 165(a) of the Surface Transportation Act of 1982 permits FTA participation on this contract only if steel and manufactured products used in the contract are produced in the United States.

**BUY AMERICA CERTIFICATE**

The bidder hereby certifies that it will comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Assistance Act of 1982, and the applicable regulations in 49 CFR Part 661.

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

OR

The bidder hereby certifies that it cannot comply with the requirements of Section 165(a) or (b) (3) of the Surface Transportation Act of 1982, but may qualify for an exception to the requirement pursuant to Section 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act of 1982, as amended, and regulations in 49 CFR 661.7

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Company Name: \_\_\_\_\_

Title: \_\_\_\_\_

# CONTRACTOR DBE INFORMATION

CONTRACTOR'S NAME \_\_\_\_\_  
 DBE GOAL FROM CONTRACT \_\_\_\_\_ %  
 FED. NO. \_\_\_\_\_  
 COUNTY \_\_\_\_\_  
 AGENCY \_\_\_\_\_  
 CONTRACT NO. \_\_\_\_\_

CONTRACTOR'S ADDRESS \_\_\_\_\_  
 \_\_\_\_\_  
 PROPOSAL AMOUNT \$ \_\_\_\_\_  
 PROPOSAL OPENING DATE \_\_\_\_\_  
 DATE OF DBE CERTIFICATON \_\_\_\_\_  
 SOURCE \*\* \_\_\_\_\_

This information must be submitted during the initial negotiations with the District. By submitting a proposal, offeror certifies that he/she is in compliance with the District's policy. Failure to submit the required DBE information by the time specified will be grounds for finding the proposal non-responsive.

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE

TOTAL CLAIMED DBE  
 PARTICIPATION      \$ \_\_\_\_\_ %

SIGNATURE OF CONTRACTOR \_\_\_\_\_

DATE \_\_\_\_\_

AREA CODE/TELEPHONE \_\_\_\_\_

(Detach from proposal if DBE information is not submitted with proposal.)

- \* If 100% of item is not to be performed or furnished by DBE, describe exact portion, including plan location of work to be performed, of item to be performed or furnished by DBE.
- \*\* DBE's must be certified on the date proposals are opened.
- \*\*\* Credit for a DBE supplier who is not a manufacturer is limited to 60% of the amount paid to the supplier.

**NOTE:** Disadvantaged business must renew their certification annually by submitting certification questionnaires in advance of expiration of current certification. Those not on a current list cannot be considered as certified.

# CONTRACTOR DBE INFORMATION

CONTRACT ITEM NO.	ITEM OF WORK AND DESCRIPTION OF WORK OR SERVICES TO BE SUBCONTRACTED OR MATERIALS TO BE PROVIDED *	CERTIFICATION FILE NUMBER	NAME OF DBE	DOLLAR AMOUNT DBE ***	PERCENT DBE
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TOTAL CLAIMED DBE  
PARTICIPATION \$ \_\_\_\_\_ %

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## **PART III**

### **SERVICES OF A FEDERAL REPRESENTATIVE**

#### **1. BACKGROUND**

The Santa Cruz Metropolitan Transit District ("District") is a special district organized under the Public Utilities Code of the State of California for the purpose of operating mass transit services within Santa Cruz County. The District is governed by an eleven (11) member Board of Directors whose members are appointed by the County of Santa Cruz and the cities of Santa Cruz, Watsonville, Capitola, and Scotts Valley. The District is involved in a number of issues relating to federal programs and legislation, and therefore wishes to ensure representation in Washington DC through a governmental relations or legislative assistance firm.

#### **2. STATEMENT OF SERVICES**

The tasks involved will include, but not be limited to, the following:

- A. Represent and advocate before the Congress and the U.S. Department of Transportation, the positions and policies of the District;
- B. Represent the District before the various legislative committees in Washington DC, as directed; monitor transportation committees and other committees as appropriate and represent the District before such committees as directed;
- C. Represent the District, when directed, before State Departments, Agencies, and regulatory bodies that impact the policies and programs of the District
- D. Advise the District on legislative strategy and serve as an advisor to management and the Board of Directors;
- E. Provide information relative to the legislative hearings which may have impact on the policies and programs of the District;
- F. Closely monitor and manage legislative issues and/or bills which the District has identified as high priority items;
- G. Provide assistance to the District in drafting proposed testimony before the Congress and present such testimony when requested;
- H. Coordinate advocacy efforts with the District's Board of Directors and staff;
- I. Undertake such other assignments upon which the District and consultant mutually agree
- J. The consultant shall prepare written/oral reports, at least monthly, summarizing its activities on behalf of the District.
- K. The Consultant shall comply with all Federal and State laws and regulations relating to the activities of lobbyists. Consultant shall provide necessary documentation to support the filing of all required Federal and State forms related to legislative assistant or lobbying services.

#### **3. QUALIFICATIONS FOR CONSIDERATION**

To be considered for selection and contract award, the Consultant must have the following qualifications:

- A. A minimum of five (5) years of practice as a representative before the United States Congress and U.S. Department of Transportation
- B. Knowledge of Federal law and regulations pertaining to public utilities, railroads, mass transportation and the environment
- C. Detailed knowledge of Federal, Congressional and executive leadership, Federal procedures and Federal agendas, which would affect the District's activities.
- D. Record of satisfactorily representing interests of local public agencies before the U.S. Congress and U.S. Department of Transportation, and in getting legislation or orders favorable to such agencies.
- E. Resources available for services to the District.

The District reserves the right to investigate the qualifications of all firms and persons under consideration, to include reference checks, and to confirm any part of the information furnished by an offeror, or to require other evidence of professional, financial, or other capabilities which are necessary for the successful performance of the services.

#### 4. **MINIMUM PROPOSAL REQUIREMENTS**

- A. Consultant's Experience and Qualifications – This section should provide a summary of description of the Consultant's overall qualifications for this service and previous experience on similar or related engagements. A summary of the financial stability of the consultant should be provided, insofar as s/he has resources available to perform the services. This section should include the names and resumes of the individuals who will be performing legislative and representation services.
- B. Understanding of the Scope of Work – This section should include a brief narrative introducing the Consultant's understanding of the work required. The contents of this section are to be determined by the particular respondent, but should demonstrate the understanding of the scope of work.
- C. References – The prospective Consultant shall provide names, addresses and telephone numbers for at least three clients for whom he/she has performed services similar in nature and complexity to that proposed in this RFP.
- D. Conflict of Interest - The prospective Consultant shall disclose any financial, business or other relationship with the District or any of its officers or officials that may have an impact upon the outcome of the work. The prospective Consultant shall also list current clients who may have a financial interest in the outcome of the work.
- E. Professional Services Agreement – Consultant's proposal shall be based on the requirements set forth in the "Professional Services Agreement" included in this RFP. The final agreement between the District and Consultant shall be in substantially the same form and content as the "Professional Services Agreement" included herein.
- F. Signature – The proposal shall be signed by the Consultant and shall contain a statement to the effect that the proposal is a firm offer for a 90-day period. The proposal shall also provide the following: name, title, address and telephone number of the Consultant.
- G. Past, Present and Pending Legal Actions – Consultant shall list all legal actions in which it was a party within the past five (5) years, including all parties and outcome(s).
- H. Proposed Fee – Consultant shall provide a proposed monthly fee for services.

**5. PROPOSAL SUBMITTAL**

Proposals and six copies must be received **no later than 5:00 p.m. December 8, 2005** at the Purchasing Department of the District Administrative Office, 110 Vernon Street, Suite B, Santa Cruz, CA 95060. Proposals must be clearly marked:

**“Proposal for Services of a Federal Legislative Representative  
(Proposal Due Date: December 8, 2005)”**

The prospective Consultant shall be available for an oral interview or telephone interview on October 12, 2005 between the hours of 8:00 a.m. and 5:00 p.m., if so requested by the Purchasing Department. The prospective Consultant will be notified before 5:00 p.m. October 7, 2005 about the exact time of the interview.

**6. MODIFICATION OR WITHDRAWAL OF PROPOSALS**

Any proposal received prior to the date and time specified above for receipt of proposals may be withdrawn or modified by written request of the Consultant. To be considered, however, the modified proposal must be received by the date and time specified above.

All verbal modifications of these conditions or provisions are void and ineffective for proposal evaluation purposes. Only written changes issued to Consultants by the Purchasing Department are authorized and binding.

**7. REJECTION OF PROPOSALS**

Failure to meet the requirements for the Request for Proposals will be cause for rejection of the proposals. The District may reject any proposal if it is conditional, incomplete or contains irregularities. The District may waive an immaterial deviation in the proposal. Waiver of an immaterial deviation shall in no way modify the Request for Proposal's documents or excuse the Consultant from full compliance with the contract documents if the Consultant is awarded the contract. The District reserves the right to not award the contract, should it determine that the proposals are not in its best interest.

**8. EVALUATION CRITERIA**

Proposals will be evaluated according to the following criteria, listed in order of priority, which shall be the sole criteria for determining qualifications for contract award:

- A. Familiarity with Santa Cruz, California and knowledge of current transportation issues and projects which are affected by federal legislative or administrative actions: **15 points**
- B. Existing, or ability to establish close working relationships with members and staff of the California Congressional Delegation with particular emphasis on Senator Boxer, Senator Feinstein, Congressman Farr, and Congresswoman Eshoo: **20 points**
- C. Knowledge and experience working with members and staff of the House Transportation and Infrastructure Committee, House Transportation Appropriations Subcommittee, Senate Banking, Housing and Urban Affairs Committee, and Senate Transportation Appropriations Subcommittee: **20 points**
- D. Knowledge and experience working with the staff of the Federal Transit Administration: **15 points**

- E. Ability to work collaboratively with Legislative Consultants representing other California agencies and business to achieve Santa Cruz METRO goals: **10 points**
- F. Proposed cost of services: **15 points**
- G. DBE participation: **5 points**

**9. PROPOSED CONTRACT**

The District anticipates entering into a one-year contract that involves payment of a flat monthly retainer to be provided by the Consultant. The retainer is not to be exceeded nor added to for any month that requires significant use of Consultant's time to accomplish the legislative service requirement. The terms and conditions will be set forth in the final "Agreement for the Services of a Federal Legislative Representative" (a draft of which is currently provided in Part V of this RFP), which will include the addition of any changes negotiated between the selected Consultant and the District.

**10. PROJECT SCHEDULE**

The anticipated schedule of activities related to this RFP is as follows:

<b>EVENT</b>	<b>DATE</b>
Distribution of RFP	November 9, 2005
Proposal Due Date	December 8, 2005
Evaluation and Oral Interviews	December 14, 2005
Consultant Contract Negotiation Completion	December 21, 2005
Board Approval of Consultant Contract	January 27, 2006
Notice to Proceed	February 1, 2006

## PART IV

### GENERAL CONDITIONS TO THE CONTRACT

#### 1. GENERAL PROVISIONS

##### 1.01 Governing Law & Compliance with All Laws

This Contract is governed by and construed in accordance with the laws of California. Each party will perform its obligations hereunder in accordance with all applicable laws, rules, and regulations now or hereafter in effect. Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

##### 1.02 Right to Modify Contract

District may extend the term of this Contract, expand the Scope of Work, or otherwise amend the Contract. Any such extension, expansion or amendment shall be effective only upon written agreement of the parties in accordance with Section 13.14.

#### 2. TERMINATION

##### 2.01 Termination for Convenience

2.01.01 The performance of Work under this Contract may be terminated by the District upon fifteen (15) days' notice at any time without cause for any reason in whole or in part, whenever the District determines that such termination is in the District's best interest.

2.01.02 Upon receipt of a notice of termination, and except as otherwise directed by the District, the Contractor shall: (1) stop work under the Contract on the date and to the extent specified in the notice of termination; (2) place no further orders or subcontracts for materials, services, or facilities, except as may be necessary for completion of such portion of the Work under the Contract as is not terminated; (3) terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination; (4) assign to the District in the manner, at the time, and to the extent directed by the District all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case the District shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts; (5) settle all outstanding liabilities and claims arising out of such termination or orders and subcontracts, with the approval or ratification of the District, to the extent the District may require, which approval or ratification shall be final for all the purposes of this clause; (6) transfer title to the District and deliver in the manner, at the time, and to the extent, if any, directed by District the fabricated or unfabricated parts, work in progress, completed work, supplies and other material produced as a part of, or acquired in connection with the performance of, the work terminated and the completed or partially completed plans, drawings, information and other property which, if the Contract had been completed, would have been required to be furnished to the District; (7) use its best efforts to sell, in the manner, at the time, to the extent, and at the price(s) directed or authorized by the District, any property of the types referred to above provided, however, that the Contractor shall not be required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed by and at a price(s) approved by the District, and provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made to the District to the Contractor under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract or paid in such other manner as the District may direct; (8) complete performance of

such part of the Work as shall not have been terminated by the notice of termination; and (9) take such action as may be necessary, or as the District may direct, for the protection or preservation of the property related to this Contract which is in the possession of the Contractor and in which the District has or may acquire an interest

## 2.02 Termination for Default

2.02.01 The District may, upon written notice of default to the Contractor, terminate the whole or any part of this Contract if the Contractor: (1) fails to complete the Scope of Work within time period stated in the Specifications section of the IFB; (2) fails to perform any of the other provisions of the Contract; or (3) fails to make progress as to endanger performance of this Contract in accordance with its provisions.

2.02.02 If the Contract is terminated in whole or in part for default, the District may procure, upon such terms and in such manner as the District may deem appropriate, supplies or services similar to those so terminated. Without limitation to any other remedy available to the District, the Contractor shall be liable to the District for any excess costs for such similar supplies or services, and shall continue the performance of this Contract to the extent not terminated under the provisions of this clause.

2.02.03 If, after notice of termination of this Contract under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the default was excusable under the provisions of this clause, the rights and obligations of Contractor and District shall be considered to have been terminated pursuant to termination for convenience of the District pursuant to Article 2.01 from the date of Notification of Default.

## 2.03 No Limitation

The rights and remedies of the District provided in this Article 2 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

## 3 FORCE MAJEURE

### 3.01 General

Neither party hereto shall be deemed to be in default of any provision of this Contract, or for any failure in performance, resulting from acts or events beyond the reasonable control of such party. For purposes of this Contract, such acts shall include, but not be limited to, acts of God, civil or military authority, civil disturbance, war, strikes, fires, other catastrophes, or other "force majeure" events beyond the parties' reasonable control; provided, however, that the provisions of this Section 3 shall not preclude District from canceling or terminating this Contract (or any order for any product included herein), as otherwise permitted hereunder, regardless of any force majeure event occurring to Contractor.

### 3.02 Notification by Contractor

Contractor shall notify District in writing as soon as Contractor knows, or should reasonably know, that a force majeure event (as defined in Section 3.01) has occurred that will delay completion of the Scope of Work. Said notification shall include reasonable proofs required by the District to evaluate any Contractor request for relief under this Article 3. District shall examine Contractor's notification and determine if the Contractor is entitled to relief. The District shall notify the Contractor of its decision in writing. The District's decision regarding whether or not the Contractor is entitled to force majeure relief shall be final and binding on the parties.

### 3.03 Losses

Contractor is not entitled to damages, compensation, or reimbursement from the District for losses resulting from any "force majeure" event

#### 4. PROFESSIONAL STANDARDS

Contractor shall at all times during the term of this Contract possess the technical ability, experience, financial ability, overall expertise, and all other skills, licenses, and resources necessary to perform and complete the scope of work in a timely, professional manner so as to meet or exceed the provisions of this Contract.

#### 5 PROFESSIONAL RELATIONS

##### 5 01 Independent Contractor

No relationship of employer and employee is created by this Contract. In the performance of its work and duties, Contractor is at all times acting and performing as an independent contractor in the practice of its profession. District shall neither have nor exercise control or direction over the methods by which Contractor performs services pursuant to this Contract (including, without limitation, its officers, shareholders, and employees); provided, however, that Contractor agrees that all work performed pursuant to this Contract shall be in strict accordance with currently approved methods and practices in its profession, and in accordance with this Contract. The sole interest of District is to ensure that such services are performed and rendered in a competent and cost effective manner.

##### 5 02 Benefits

Contractor (including, without limitation, its officers, shareholders, subcontractors and employees) has no claim under this Contract or otherwise against the District for social security benefits, workers' compensation benefits, disability benefits, unemployment benefits, vacation pay, sick leave, or any other employee benefit of any kind.

#### 6 INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS

##### 6.01 Scope

Contractor shall exonerate, indemnify, defend, and hold harmless District (which for the purpose of Articles 6 and 7 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

6.01 01 Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which District may sustain or incur or which may be imposed upon it for injury to or death of persons, or damage to property as a result of, or arising out of, or in any manner connected with the Contractor's performance under the provisions of this Contract. Such indemnification includes any damage to the person(s) or property (ies) of Contractor and third persons.

6.01 02 Any and all Federal, state and local taxes, charges, fees, or contributions required to be paid with respect to Contractor, Contractor's officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security, and payroll tax withholding)

#### 7. INSURANCE

##### 7.01 General

Contractor, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain at minimum all of the following insurance coverage. Such insurance coverage shall be primary coverage as respects District and any insurance or self-insurance maintained by District shall be excess of Contractor's insurance coverage and shall not contribute to it.

7.02 Types of Insurance and Minimum Limits

Contractor shall obtain and maintain during the term of this Contract:

- (1) Worker's Compensation and Employer's Liability Insurance in conformance with the laws of the State of California (not required for Contractor's subcontractors having no employees).
- (2) Contractor's vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by Contractor's employees), leased or hired vehicles, shall each be covered with Automobile Liability Insurance in the minimum amount of \$1,000,000.00 combined single limit per accident for bodily injury and property damage.
- (3) Contractor shall obtain and maintain Comprehensive General Liability Insurance coverage in the minimum amount of \$1,000,000.00 combined single limit, including bodily injury, personal injury, and property damage. Such insurance coverage shall include, without limitation:
  - (a) Contractual liability coverage adequate to meet the Contractor's indemnification obligations under this contract.
  - (a) Full Personal Injury coverage.
  - (a) Broad form Property Damage coverage.
  - (a) A cross-liability clause in favor of the District.
- (4) Contractor shall obtain and maintain Professional Liability Insurance coverage in the minimum amount of \$1,000,000.00.

7.03 Other Insurance Provisions

- (1) As to all insurance coverage required herein, any deductible or self-insured retention exceeding \$5,000.00 shall be disclosed to and be subject to written approval by District.
- (2) If any insurance coverage required hereunder is provided on a "claims made" rather than "occurrence" form, Contractor shall maintain such insurance coverage for three (3) years after expiration of the term (and any extensions) of this Contract.
- (3) All required Automobile Liability Insurance and Comprehensive or Commercial General Liability Insurance shall contain the following endorsement as a part of each policy: "The Santa Cruz Metropolitan Transit District is hereby added as an additional insured as respects the operations of the named insured."
- (4) All the insurance required herein shall contain the following clause: "It is agreed that this insurance shall not be canceled until thirty (30) days after the District shall have been given written notice of such cancellation or reduction."
- (5) Contractor shall notify District in writing at least thirty (30) days in advance of any reduction in any insurance policy required under this Contract.
- (6) Contractor agrees to provide District at or before the effective date of this Contract with a certificate of insurance of the coverage required.
- (6) All insurance shall be obtained from brokers or carriers authorized to transact business in California and are satisfactory to the District.

8. RESERVED

9. NO DISCRIMINATION

In connection with the performance of services provided under this Contract, Contractor shall not on the grounds of race, color, creed, ancestry, national origin, religion, sex, sexual orientation, marital status, age, medical condition or disability discriminate or permit discrimination against any person or group of persons in any manner prohibited by Federal, State, or local laws.

10. DISADVANTAGED BUSINESS ENTERPRISES

The Board of Directors of the Santa Cruz Metropolitan Transit District has adopted a Disadvantaged Business Enterprise Policy to promote the participation of disadvantaged business enterprises (DBE's) in all areas of District contracting to the maximum extent practicable. Consistent with the DBE Policy, the Contractor shall take all necessary and reasonable steps to ensure that DBE firms have the maximum practicable opportunity to participate in the performance of this project and any subcontracting opportunities thereof.

11. PROMPT PAYMENT

The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than 30 days from the receipt of each payment the prime contractor receives from District. The prime contractor agrees further to return retainage payments to each subcontractor within 30 days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the District. This applies to both DBE and non-DBE subcontractors.

Prime subcontractors must include the prompt payment language of paragraph 1 in all subcontracts, regardless of subcontractor's DBE status. Failure of a prime contractor to uphold prompt payment requirements for subcontractors will result in District withholding reimbursement for completed work.

12. RESERVED

13. MISCELLANEOUS PROVISIONS

13.01 Successors and Assigns

The Contract shall inure to the benefit of, and be binding upon, the respective successors and assigns, if any, of the parties hereto, except that nothing contained in this Article shall be construed to permit any attempted assignment which would be unauthorized or void pursuant to any other provision of this Contract.

13.02 Survival of Rights and Obligations

In the event of termination, the rights and obligations of the parties which by their nature survive termination of the services covered by this Contract shall remain in full force and effect after termination. Compensation and revenues due from one party to the other under this Contract shall be paid; loaned equipment and material shall be returned to their respective owners; the duty to maintain and allow inspection of books, accounts, records and data shall be extended as provided in Section 13.15; and the hold harmless agreement contained in Article 6 shall survive.

13.03 Limitation on District Liability

The District's liability is, in the aggregate, limited to the total amount payable under this Contract.

13.04 Drug and Alcohol Policy

Contractor shall not use, possess, manufacture, or distribute alcohol or illegal drugs during the performance of the Contract or while on District premises or distribute same to District employees.

13.05 Publicity

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

13.06 Consent to Breach Not Waiver

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

13.07 Attorneys' Fees

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

13.08 No Conflict of Interest

Contractor represents that it currently has no interest, and shall not have any interest, direct or indirect, that would conflict in any manner with the performance of services required under this Contract.

13.09 Prohibition of Discrimination against Qualified Handicapped Persons

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

13.10 Cal OSHA/Hazardous Substances

13.10.01 Contractor shall comply with California Administrative Code Title 8, Section 5194, and shall directly (1) inform its employees of the hazardous substances they may be exposed to while performing their work on District property, (2) ensure that its employees take appropriate protective measures, and (3) provide the District's Manager of Facility Maintenance with a Material Safety Data Sheet (MSDS) for all hazardous substances to be used on District property.

13.10.02 Contractor shall comply with Cal OSHA regulations and the Hazardous Substance Training and Information Act. Further, said parties shall indemnify the District against any and all damage, loss, and injury resulting from non-compliance with this Article.

13.10.03 Contractor will comply with the Safe Drinking Water and Toxic Enforcement Act of 1986 (Proposition 65) California Health and Safety Code Section 25249.5 - 25249.13. Contractor will ensure that clear and reasonable warnings are made to persons exposed to those chemicals listed by the State of California as being known to cause cancer or reproductive toxicity.

13.10.04 Contractor shall be solely responsible for any hazardous material, substance or chemical released or threatened release caused or contributed to by Contractor. Contractor shall be solely responsible for all clean-up efforts and costs.

13.11 Non-Assignment of Contract

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the Contract or Contractor's right, title or interest in or to the same or any part thereof without previous written consent by the District; and any such action by Contractor without District's previous written consent shall be void.

13.12 No Subcontract

Contractor shall not subcontract or permit anyone other than Contractor or its authorized staff and subcontractors to perform any of the scope of work, services or other performance required of Contractor under this Contract without the prior written consent of the District. Any such action by Contractor without District's previous consent shall be void.

13.13 Severability

If any provision of this Contract is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall continue in full force and effect, and shall in no way be affected, impaired or invalidated.

13.14 All Amendments in Writing

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

13.15 Audit

This Contract is subject to audit by Federal, State, or District personnel or their representatives at no cost for a period of four (4) years after the date of expiration or termination of the Contract. Requests for audits shall be made in writing, and Contractor shall respond with all information requested within ten (10) calendar days of the date of the request. During the four-year period that the Contract is subject to audit, Contractor shall maintain detailed records substantiating all costs and expenses billed against the Contract.

13.16 Smoking Prohibited

Contractor, its employees and agents shall not smoke in any enclosed area on District premises or in a District vehicle.

13.17 Responsibility for Equipment

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

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

13.18 Grant

Contracts

13 18.01 Contractor shall ensure throughout the terms of this Agreement that all federal, state and local laws and requirements are met including any requirements District is obligated to perform because of receipt of grant funding. Contractor shall also be required to fulfill its obligation as a federal and/or state and/or local sub-recipient of grant funding.

13 19 Time of the Essence

13.19 01 Time is of the essence in this Contract

## PART V

### CONTRACT FOR FEDERAL LEGISLATIVE REPRESENTATIVE SERVICES (05-11)

THIS CONTRACT is made effective on \_\_\_\_\_, 2005 between the SANTA CRUZ METROPOLITAN TRANSIT DISTRICT, a political subdivision of the State of California ("District"), and \_\_\_\_\_ ("Contractor").

#### 1. RECITALS

##### 1.01 District's Primary Objective

District is a public entity whose primary objective is providing public transportation and has its principal office at 370 Encinal Street, Suite 100, Santa Cruz, California 95060.

##### 1.02 District's Need for Federal Legislative Representative Services

District has the need for Federal Legislative Representative Services. In order to obtain these services, the District issued a Request for Proposals, dated November 9, 2005, setting forth specifications for such services. The Request for Proposals is attached hereto and incorporated herein by reference as Exhibit "A".

##### 1.03 Contractor's Proposal

Contractor is a firm/individual qualified to provide Federal Legislative Representative Services and whose principal place of business is \_\_\_\_\_. Pursuant to the Request for Proposals by the District, Contractor submitted a proposal for Federal Legislative Representative Services, which is attached hereto and incorporated herein by reference as Exhibit "B".

##### 1.04 Selection of Contractor and Intent of Contract

On \_\_\_\_\_, District selected Contractor as the offeror whose proposal was most advantageous to the District, to provide Federal Legislative Representative Services described herein. This Contract is intended to fix the provisions of these services.

District and Contractor agree as follows:

#### 2. INCORPORATED DOCUMENTS AND APPLICABLE LAW

##### 2.01 Documents Incorporated in this Contract

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

##### A. Exhibit "A"

Santa Cruz Metropolitan Transit District's "Request for Proposals" dated November 9, 2005

##### B. Exhibit "B" (Contractor's Proposal)

Contractor's Proposal to the District for Federal Legislative Representative Services, signed by Contractor and dated December 8, 2005

2.02 Conflicts

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

2.03 Recitals

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

3. DEFINITIONS

3.01 General

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

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

3.01.02 CONTRACTOR - The Contractor selected by District for this project in accordance with the Request for Proposals issued November 9, 2005

3.01.03 CONTRACTOR'S STAFF - Employees of Contractor.

3.01.04 DAYS - Calendar days.

3.01.05 OFFEROR - Contractor whose proposal was accepted under the terms and conditions of the Request for Proposals issued November 9, 2005

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

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

4. TIME OF PERFORMANCE

4.01 Term

The term of this Contract will be for a period not to exceed one (1) year and shall commence upon the issuance of the contract by the District

At the option of the District, this contract agreement may be renewed for four (4) additional one (1) year terms upon mutual written consent

5. COMPENSATION

5.01 Terms of Payment

District shall compensate Contractor in an amount not to exceed the amounts/rates agreed upon by the District. District shall reasonably determine whether work has been successfully performed for purposes of

payment. Compensation shall be made within forty-five (45) days of District written approval of Contractor's written invoice for said work. Contractor understands and agrees that if he/she exceeds the \$ \_\_\_\_\_ maximum amount payable under this contract, that it does so at its own risk.

5.02 Invoices

Contractor shall submit invoices with a purchase order number provided by the District on a monthly basis. Contractor's invoices shall include detailed records showing actual time devoted, work accomplished, date work accomplished, personnel used, and amount billed per hour. Expenses shall only be billed if allowed under the Contract. Telephone call expenses shall show the nature of the call and identify location and individual called. Said invoice records shall be kept up-to-date at all times and shall be available for inspection by the District (or any grantor of the District, including, without limitation, any State or Federal agency providing project funding or reimbursement) at any time for any reason upon demand for not less than four (4) years after the date of expiration or termination of the Contract. Under penalty of law, Contractor represents that all amounts billed to the District are (1) actually incurred; (2) reasonable in amount; (3) related to this Contract; and (4) necessary for performance of the project.

6 NOTICES

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

DISTRICT

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

CONTRACTOR

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Attention: \_\_\_\_\_

7. AUTHORITY

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

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

DISTRICT  
SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

\_\_\_\_\_  
Leslie R. White  
General Manager

CONTRACTOR

By \_\_\_\_\_

Approved as to Form:

\_\_\_\_\_  
Margaret Rose Gallagher  
District Counsel

## PART VI

### FEDERAL TRANSIT ADMINISTRATION REQUIREMENTS FOR NON-CONSTRUCTION CONTRACTS

#### 1.0 GENERAL

This Contract is subject to the terms of a financial assistance contract between the Santa Cruz Metropolitan Transit District and the Federal Transit Administration (FTA) of the United States Department of Transportation.

#### 2.0 INTEREST TO MEMBERS OF OR DELEGATES TO CONGRESS

In accordance with 18 U.S.C. 431, no member of, nor delegates to, the Congress of the United States shall be admitted to a share or part of this Contract or to any benefit arising therefrom.

#### 3.0 INELIGIBLE CONTRACTORS

Neither Contractor, subcontractor, nor any officer or controlling interest holder of Contractor or subcontractor, is currently, or has been previously, on any debarred bidders list maintained by the United States Government.

#### 4.0 EQUAL EMPLOYMENT OPPORTUNITY (Not applicable to contracts for standard commercial supplies and raw materials)

In connection with the execution of this Contract, the Contractor shall not discriminate against any employee or application for employment because of race, religion, color, sex, age (40 or over), national origin, pregnancy, ancestry, marital status, medical condition, physical handicap, sexual orientation, or citizenship status. The Contractor shall take affirmative action to insure that applicants employed and that employees are treated during their employment, without regard to their race, religion, color, sex, national origin, etc. Such actions shall include, but not be limited to the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and, selection for training including apprenticeship. Contractor further agrees to insert a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

#### 5.0 TITLE VI CIVIL RIGHTS ACT OF 1964

During the performance of this Contract, the Contractor, for itself, its assignees and successors in interest (hereinafter referred to as the "Contractor"), agrees as follows:

##### 5.1 Compliance with Regulations

The Contractor shall comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the "Regulations"), which are herein incorporated by reference and made a part of this Contract.

##### 5.2 Nondiscrimination

The Contractor, with regard to the work performed by it during the Contract, shall not discriminate on the grounds of race, religion, color, sex, age or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor shall not participate either directly or indirectly in the discrimination prohibited in Section 21.5 of the Regulations, including employment practices when the Contract covers a program set forth in Appendix B of the regulations.

### 5.3 Solicitations for Subcontracts, Including Procurements of Materials and Equipment

In all solicitations either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials or leases of equipment, each potential subcontractor or supplier shall be notified by the Contractor of the Contractor's obligations under this Contract and the Regulations relative to nondiscrimination on the grounds of race, religion, color, sex, age or national origin.

### 5.4 Information and Reports

The Contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the District or the Federal Transit Administration (FTA) to be pertinent to ascertain compliance with such Regulations, orders and instructions. Where any information is required or a Contractor is in the exclusive possession of another who fails or refuses to furnish this information, the Contractor shall so certify to the District, or the Federal Transit Administration, as appropriate, and shall set forth what efforts it has made to obtain the information.

### 5.5 Sanctions for Noncompliance

In the event of the Contractor's noncompliance with the nondiscrimination provisions of this Contract, the District shall impose such contract sanctions as it or the Federal Transit Administration may determine to be appropriate, including, but not limited to:

- (a) Withholding of payments to the Contractor under the Contract until the Contractor complies; and/or,
- (b) Cancellation, termination or suspension of the Contract, in whole or in part.

### 5.6 Incorporation of Provisions

The Contractor shall include the provisions of Paragraphs (1) through (6) of this section in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The Contractor shall take such action with respect to any subcontract or procurement as the District or the Federal Transit Administration may direct as a means of enforcing such provisions, including sanctions for noncompliance; provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the Contractor may require the District to enter into such litigation to protect the interests of the District, and, in addition, the Contractor may request the services of the Attorney General in such litigation to protect the interests of the United States.

## 6.0 CLEAN AIR AND FEDERAL WATER POLLUTION CONTROL ACTS (Applicable only to contracts in excess of \$100,000)

Contractor shall comply with all applicable standards, orders or requirements issued under Section 306 of the Clean Air Act (42 USC 1857[h]), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations (40 CFR, Part 15), which prohibit the use under non-exempt Federal contracts, grants or loans of facilities included on the EPA List of Violating Facilities. Contractor shall report all violations to FTA and to the USEPA Assistant Administrator for Enforcement (EN0329).

7.0 CONSERVATION

Contractor shall recognize mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (42 USC Section 6321, et seq.)

8.0 AUDIT AND INSPECTION OF RECORDS (Applicable only to sole source or negotiated contracts in excess of \$10,000)

Contractor agrees that the District, the Comptroller General of the United States, or any of their duly authorized representatives shall, for the purpose of audit and examination, be permitted to inspect all work, materials, payrolls and other data and records with regard to the project, and to audit the books, records and accounts with regard to the project. Further, Contractor agrees to maintain all required records for at least three years after District makes final payments and all other pending matters are closed.

9.0 LABOR PROVISIONS (Applicable only to contracts of \$2,500.00 or more that involve the employment of mechanics or laborers)

9.1 Overtime Requirements

No Contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any work week in which he or she is employed on such work to work in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week unless such laborer or mechanic receives compensation at a rate not less than one and one-half (1 1/2) times the basic rate of pay for all hours worked in excess of eight (8) hours in any calendar day or in excess of forty (40) hours in such work week, whichever is greater.

9.2 Violation; Liability for Unpaid Wages; Liquidated Damages

In the event of any violation of the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5, the Contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such Contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such district or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (b)(1) of which such individual was required or permitted to work in excess of eight (8) hours in excess of the standard work week of forty (40) hours without payment of the overtime wages required by the clause set forth in subparagraph (b)(1) of 29 CFR Section 5.5.

9.3 Withholding for Unpaid Wages and Liquidated Damages

DOI or the District shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any monies payable on account of work performed by the Contractor or subcontractor under any such contract or any other Federal contract with the same prime Contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime Contractor, such sums as may be determined to be necessary to satisfy any liabilities of such Contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (b)(2) of 29 CFR Section 5.5.

9.4 Nonconstruction Grants

The Contractor or subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three (3) years from the completion of

the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made and actual wages paid. Further, the District shall require the contracting officer to insert in any such contract a clause providing that the records to be maintained under this paragraph shall be made available by the Contractor or subcontractor for inspection, copying or transcription by authorized representatives of DOI and the Department of Labor, and the Contractor or subcontractor will permit such representatives to interview employees during working hours on the job

9 5 Subcontracts

The Contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (5) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (5) of this paragraph.

10.0 CARGO PREFERENCE (Applicable only to Contracts under which equipment, materials or commodities may be transported by ocean vehicle in carrying out the project)

The Contractor agrees:

- 10 1 To utilize privately owned United States-flag commercial vessels to ship at least fifty percent (50%) of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners and tankers) involved, whenever shipping any equipment, materials or commodities pursuant to this section, to the extent such vessels are available at fair and reasonable rates for United States- flag commercial vessels.
- 10 2 To furnish within 30 days following the date of loading for shipments originating within the United States, or within thirty (30) working days following the date of loading for shipment originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (1) above, to the District (through the prime Contractor in the case of subcontractor bills-of-lading) and to the Division of National Cargo, Office of Market Development, Maritime Administration, 400 Seventh Street, S W., Washington D C. 20590, marked with appropriate identification of the project.
- 10.3 To insert the substance of the provisions of this clause in all subcontracts issued pursuant to this Contract

11.0 BUY AMERICA PROVISION

This procurement is subject to the Federal Transportation Administration Buy America Requirements in 49 CFR 661. A Buy America Certificate, if required format (see Form of Proposal or Bid Form) must be completed and submitted with the proposal. A proposal that does not include the certificate shall be considered non-responsive. A waiver from the Buy America Provision may be sought by the District if grounds for the waiver exist. Section 165a of the Surface Transportation Act of 1982 permits FTA participation on this Contract only if steel and manufactured products used in the Contract are produced in the United States. In order for rolling stock to qualify as a domestic end product, the cost of components produced in the United States must exceed sixty percent (60%) of the cost of all components, and final assembly must take place in the United States.

## 12.0 DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

### 12.1 Policy

It is the policy of the U.S. Department of Transportation that Disadvantaged Business Enterprises as defined in 49 CFR Part 23 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds under this Agreement. Consequently, the DBE requirements of 49 CFR Part 23 apply to this Agreement.

### 12.2 DBE Obligation

District and Contractor agree to insure that Disadvantaged Business Enterprises as defined in 49 CFR Part 23 have the maximum opportunity to participate in the performance of contracts and subcontracts under this Agreement. In this regard, District and Contractor shall take all necessary and reasonable steps in accordance with 49 CFR Part 23 to insure that Disadvantaged Business Enterprises have the maximum opportunity to compete for and perform Contracts. District and Contractor shall not discriminate on the basis of race, creed, color, national origin, age or sex in the award and performance of DOT-assisted Contracts.

### 12.3 Transit Vehicle Manufacturers

Transit vehicle manufacturers must certify compliance with DBE regulations.

## 13.0 CONFLICT OF INTEREST

No employee, officer or agent of the District shall participate in selection, or in the award or administration of a contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when (1) the employee, officer or agent; (2) any member of his or her immediate family; (3) his or her partner; or (4) an organization that employs, or is about to employ, has a financial or other interest in the firm selected for award. The District's officers, employees or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractors, potential Contractors or parties of sub agreements.

## 14.0 MOTOR VEHICLE EMISSION REQUIREMENTS (Applicable only to Contracts involving the purchase of new motor vehicles)

The Contractor must provide a certification that:

- (a) The horsepower of the vehicle is adequate for the speed, range, and terrain in which it will be required and also to meet the demands of all auxiliary equipment.
- (b) All gases and vapors emanating from the crankcase of a spark-ignition engine are controlled to minimize their escape into the atmosphere.
- (c) Visible emission from the exhaust will not exceed No. 1 on the Ringlemann Scale when measured six inches (6") from the tail pipe with the vehicle in steady operation.
- (d) When the vehicle has been idled for three (3) minutes and then accelerated to eighty percent (80%) of rated speed under load, the opacity of the exhaust will not exceed No. 2 on the Ringlemann Scale for more than five (5) seconds, and not more than No. 1 on the Ringlemann Scale thereafter.

## 15.0 MOTOR VEHICLE SAFETY STANDARDS (Applicable only to contracts involving the purchase of new motor vehicles)

The Contractor will assure that the motor vehicles purchased under this contract will comply with the Motor Vehicle Safety Standards as established by the Department of Transportation at 49 CFR Parts 390 and 571.

## 16.0 DEBARRED BIDDERS

The Contractor, including any of its officers or holders of a controlling interest, is obligated to inform the District whether or not it is or has been on any debarred bidders' list maintained by the United States Government. Should the Contractor be included on such a list during the performance of this project, Contractor shall so inform the District

## 17.0 PRIVACY (Applicable only to Contracts involving the administration of any system of records as defined by the Privacy Act of 1974, on behalf of the Federal Government)

### 17.1 General

The District and Contractor agree:

- (a) To comply with the Privacy Act of 1974, 5 U.S.C. 552a (the Act) and the rules and regulations issued pursuant to the Act when performance under the Contract involves the design, development or operation of any system of records on individuals to be operated by the District, its contractors or employees to accomplish a Government function.
- (b) To notify the Government when the District or Contractor anticipates operating a system of records on behalf of the Government in order to accomplish the requirements of this Agreement, if such system contains information about individuals which information will be retrieved by the individual's name or other identifier assigned to the individual. A system of records subject to the Act may not be employed in the performance of this Agreement until the necessary approval and publication requirements applicable to the system have been carried out. The District or Contractor, as appropriate, agrees to correct, maintain, disseminate, and use such records in accordance with the requirements of the Act, and to comply with all applicable requirements of the Act.
- (c) To include the Privacy Act Notification contained in this Agreement in every subcontract solicitation and in every subcontract when the performance of Work under the proposed subcontract may involve the design, development or operation of a system of records on individuals that is to be operated under the Contract to accomplish a Government function; and
- (d) To include this clause, including this paragraph in all in subcontracts under which Work for this Agreement is performed or which is awarded pursuant to this Agreement or which may involve the design, development, or operation of such a system of records on behalf of the Government.

### 17.2 Applicability

For purposes of the Privacy Act, when the Agreement involves the operation of a system of records on individuals to accomplish a Government function, the District, third party contractors and any of their employees are considered to be employees of the Government with respect to the Government function and the requirements of the Act, including the civil and criminal penalties for violations of the Act, are applicable except that the criminal penalties shall not apply with regard to contracts effective prior to September 27, 1975. In addition, failure to comply with the provisions of the Act or of this clause will make this Agreement subject to termination.

### 17.3 Definitions

The terms used in this clause have the following meanings:

- (a) "Operation of a system of records" means performance of any of the activities associated with maintaining the system of records on behalf of the Government including the collection, use and dissemination of records.
- (b) "Records" means any item, collection or grouping of information about an individual that is maintained by the District or Contractor on behalf of the Government, including, but not limited to, his education, financial transactions, medical history, and criminal or employment history and that contains his name, or the identifying number, symbol or other identifying particular assigned to the individual, such as a finger or voice print or a photograph.
- (c) "System of records" on individuals means a group of any records under the control of the District or Contractor on behalf of the Government from which information is retrieved by the name of the individual or by some identifying number, symbol or other identifying particular assigned to the individual.

18 0 PATENT RIGHTS (Applicable only to research and development contracts)

If any invention, improvement or discovery of the District or contractors or subcontractors is conceived or first actually reduced to practice in the course of or under this project which invention, improvement, or discovery may be patentable under the Patent Laws of the United States of America or any foreign country, the District (with appropriate assistance of any contractor or subcontractor involved) shall immediately notify the Government (FTA) and provide a detailed report. The rights and responsibilities of the District, third party contractors and subcontractors and the Government with respect to such invention will be determined in accordance with applicable Federal laws, regulations, policies and any waivers thereof.

19 0 RIGHTS IN DATA (Applicable only to research and development contracts)

The term "subject data" as used herein means recorded information, whether or not copyrighted, that is delivered or specified to be delivered under this Contract. The term includes graphic or pictorial delineation in media such as drawings or photographs; text in specifications or related performance or design-type documents, machine forms such as punched cards, magnetic tape or computer memory printouts; and information retained in computer memory. Examples include, but are not limited to, engineering drawings and associated lists, specifications, standards, process sheets, manuals, technical reports, catalog item identifications and related information. The term does not include financial reports, cost analyses and similar information incidental to contract administration.

All "subject data" first produced in the performance of this Agreement shall be the sole property of the Government. The District and Contractor agree not to assert any rights at common law or equity and not to establish any claim to statutory copyright in such data. Except for its own internal use, the District and Contractor shall not publish or reproduce such data in whole or in part, or in any manner or form, nor authorize others to do so, without the written consent of the Government until such time as the Government may have released such data to the public. This restriction, however, does not apply to Agreements with academic institutions.

The District and Contractor agree to grant and do hereby grant to the Government and to its officers, agents, and employees acting within the scope of their official duties, a royalty-free, non-exclusive and irrevocable license throughout the world:

- (a) To publish, translate, reproduce, deliver, perform, use and dispose of, in any manner, any and all data not first produced or composed in the performance of this Contract but which is incorporated in the work furnished under this Contract; and
- (b) To authorize others so to do

District and Contractor shall indemnify and save and hold harmless the Government, its officers, agents, and employees acting within the scope of their official duties against any liability, including costs and expenses, resulting from any willful or intentional violation by the District and Contractor of proprietary rights, copyrights or

rights of privacy, arising out of the publication, translation, reproduction, delivery, performance, use, or disposition of any data furnished under this Contract

Nothing contained in this clause shall imply a license to the Government under any patent or be construed as affecting the scope of any license or other right otherwise granted to the Government under any patent.

The third and fourth paragraphs under Section 19.0 above are not applicable to material furnished to the District or Contractor by the Government and incorporated in the work furnished under the Contract, provided that such incorporated material is identified by the District or Contractor at the time of delivery of such work.

In the event that the project, which is the subject of this Agreement, is not completed, for any reason whatsoever, all data generated under that project shall become subject data as defined in the Rights in Data clause in this Contract and shall be delivered as the Government may direct. This clause shall be included in all subcontracts under this Contract.

## 20.0 NEW RESTRICTIONS ON LOBBYING

### 20.1 Prohibition

- (a) Section 1352 of Title 31, U.S. Code, provides in part that no appropriated funds may be expended by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (b) The prohibition does not apply as follows:
  - (i) Agency and legislative liaison by Own Employees
  - (ii) Professional and technical services by Own Employees.
  - (iii) Reporting for Own Employees.
  - (iv) Professional and technical services by Other than Own Employees

### 20.2 Disclosure

- (a) Each person who requests or receives from an agency a Federal contract shall file with that agency a certification, included in Form of Proposal or Bid Forms, that the person has not made, and will not make, any payment prohibited by Section 20.1 of this clause.
- (b) Each person who requests or receives from an agency a Federal contract shall file with that agency a disclosure form, Standard Form-LLL, "Disclosure of Lobbying Activities," if such person has made or has agreed to make any payment using non-appropriated funds (to include profits from any covered Federal action), which would be prohibited under Section 20.1 of this clause if paid for with appropriated funds.
- (c) Each person shall file a disclosure form at the end of each calendar quarter in which there occurs any event that requires disclosure or that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under paragraph (c)(2) of this section. An event that materially affects the accuracy of the information reported includes:

- (i) a cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
  - (ii) a change in the person(s) or individual(s) influencing or attempting to influence a covered Federal action; or
  - (iii) a change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action
- (d) Any person who requests or receives from a person referred to in paragraph (c)(i) of this section a subcontract exceeding \$100,000 at any tier under a Federal contract shall file a certification, and a disclosure form, if required, to the next tier above.
- (e) All disclosure forms, but not certifications, shall be forwarded from tier to tier until received by the person referred to in paragraph (c)(i) of this section. That person shall forward all disclosure forms to the agency.

### 20.3 Agreement

In accepting any contract resulting from this solicitation, the person submitting the offer agrees not to make any payment prohibited by this clause.

### 20.4 Penalties

- (a) Any person who makes an expenditure prohibited under Section 20.1 of this clause shall be subject to a civil penalty of not less than \$10,000 for each such expenditure.
- (b) Any person who fails to file or amend the disclosure form to be filed or amended if required by this clause, shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.
- (c) Contractors may rely without liability on the representations made by their sub-contractors in the certification and disclosure form.

### 20.5 Cost allowability

Nothing in this clause is to be interpreted to make allowable or reasonable any costs which would be unallowable or unreasonable in accordance with Part 31 of the Federal Acquisition Regulation. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any of the provisions of Part 31 of the Federal Acquisition Regulation.

## PART VII

### SANTA CRUZ METROPOLITAN TRANSIT DISTRICT PROTEST PROCEDURES

#### PROCUREMENT PROTESTS

All protests shall be filed, handled and resolved in a manner consistent with the requirements of Federal Transit Administration (FTA) Circular 4220 1E Third Party Contracting Guidelines dated June 19, 2003 and the Santa Cruz Metropolitan Transit District's (DISTRICT) Protest Procedures which are on file and available upon request.

Current FTA Policy states that: "Reviews of protests by FTA will be limited to:

- (1) a grantee's failure to have or follow its protest procedures, or its failure to review a complaint or protest; or
- (2) violation of Federal law or regulation.

An appeal to FTA must be received by the cognizant FTA regional or Headquarters Office within five (5) working days of the date the protester learned or should have learned of an adverse decision by the grantee or other basis of appeal to FTA" (FTA Circular 4220 1E, Section 7, paragraph 1, Written Protest Procedures)

Protests relating to the content of this Request for Proposal (RFP) package must be filed within ten (10) calendar days after the date the RFP is first advertised. Protests relating to a recommendation for award solicited by this RFP must be filed by an interested party within five (5) calendar days after the staff's written recommendation and notice of intent to award is issued to the offerors. The date of filing shall be the date of receipt of protests or appeals by the DISTRICT.

All Protests shall be filed in writing with the Assistant General Manager, Santa Cruz Metropolitan Transit District, 370 Encinal Street, Suite 100, Santa Cruz, CA 95060 **No other location shall be acceptable.** The DISTRICT will respond in detail to each substantive issue raised in the protest. The Assistant General Manager shall make a determination on the protest normally within ten (10) working days from receipt of protest. Any decision rendered by the Assistant General Manager may be appealed to the Board of Directors. The Protester has the right within five (5) working days of receipt of determination to file an appeal restating the basis of the protest and the grounds of the appeal. In the appeal, the Protester shall only be permitted to raise factual information previously provided in the protest or discovered subsequent to the Assistant General Manager's decision and directly related to the grounds of the protest. The Board of Directors has the authority to make a final determination and the Board of Director's decision shall constitute the DISTRICT's final administrative remedy.

In the event the protestor is not satisfied with the DISTRICT's final administrative determination, they may proceed within 90 days of the final decision to State Court for judicial relief. The Superior Court of the State of California for the County of Santa Cruz is the appropriate judicial authority having jurisdiction over Proposal Protest(s) and Appeal(s). Bid includes the term "offer" or "proposal" as used in the context of negotiated procurements.

The Offeror may withdraw its protest or appeal at any time before the DISTRICT issues a final decision

Should the DISTRICT postpone the date of proposal submission owing to a protest or appeal of the solicitation specifications, addenda, dates or any other issue relating to this procurement, the DISTRICT shall notify, via addendum, all parties who are on record as having obtained a copy of the solicitation documents that an appeal/protest had been filed, and the due date for proposal submission shall be postponed until the DISTRICT has issued its final decision.

A letter of protest must set forth the grounds for protest and shall be fully supported with technical data, test results, or other pertinent information related to the subject being protested. The Protestor is responsible for adhering to the DISTRICT's protest procedures

An Offeror may seek FTA review of the DISTRICT's decision. A protest appeal to the FTA must be filed in accordance with the provisions of FTA circular 4220 1E. Any appeal to the FTA shall be made not later than five (5) working days after a final decision is rendered under the DISTRICT's protest procedure. Protest appeals should be filed with:

Federal Transit Administration  
Regional Administrator Region IX  
201 Mission Street, Suite 2210  
San Francisco, CA 94105-1839

**EXHIBIT - B**

**PROPOSAL FOR SERVICES**

**OF A**

**FEDERAL LEGISLATIVE  
REPRESENTATIVE**

**(Proposal Due Date: December 8, 2005)**

**FOR THE**

**SANTA CRUZ, CALIFORNIA  
METROPOLITAN TRANSIT DISTRICT**

**CAROLYN C. CHANEY & ASSOCIATES, INC.**

**Washington, DC**

**November 21, 2005**

PART II

GENERAL INFORMATION FORM

SERVICES PF A FEDERAL LEGISLATIVE REPRESENTATIVE 05-11

(To be completed by the offeror and placed at the front of your proposal)

CAROLYN G. CHANEY & ASSOCIATES, INC. 11/17/05  
Legal Name of Firm Date

1212 NEW YORK AVE., NW, SUITE 250, WASHINGTON, DC 20005  
Firm's Address

202-842-4930 202-842-5057  
Telephone Number FAX Number

S CORPORATION 52-1905625  
Type of Organization (Partnership, Corporation, etc.) Tax ID Number

Offeror understands and agrees that, by his/her signature, if awarded the contract for the project, he/she is entering into a contract with the District that incorporates the terms and conditions of the entire Request for Proposals package, including the General Conditions section of the Request for Proposals. Offeror understands that this proposal constitutes a firm offer to the District that cannot be withdrawn for ninety (90) calendar days from the date of the deadline for receipt of proposals. If awarded the contract, offeror agrees to deliver to the District the required insurance certificates within ten (10) calendar days of the Notice of Award.

Carolyn G. Chaney  
Signature of Authorized Principal

CAROLYN C. CHANEY, PRESIDENT  
Name of Principal-in-Charge and Title

SAME AS ABOVE  
Name of Project Manager and Title

Carolyn C. Chaney, chaney@capitaleedge.com, 202-842-4930  
Name, Title, Email Address and Phone Number of Person To Whom Correspondence Should be Directed

SAME AS ABOVE  
Addresses Where Correspondence Should Be Sent

FEDERAL LEGISLATIVE SERVICES  
Areas of Responsibility of Prime Contractor

Listing of major sub consultants proposed (if applicable), their phone numbers, and areas of responsibility (indicate which firms are DBE's):

N/A

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CAROLYN C. CHANEY & ASSOCIATES, INC.  
LOCAL GOVERNMENT CONSULTANTS

November 21, 2005

Mr Leslie R. White  
General Manager  
Santa Cruz Metropolitan Transit District  
Santa Cruz, CA 95060

Dear Les:

On behalf of Carolyn C. Chaney & Associates, Inc., I am pleased to submit the enclosed response to the Santa Cruz Metropolitan District RFP #05-11 for Federal Legislative Representation.

We have been honored to serve as the District's Washington Office since 1994 and believe that during that time, in tandem with you, the profile of your agency in Washington has been raised significantly in addition to the financial benefits of increased federal aid. With the passage of the new SAFETEA-LU law that includes the creation of the Small Transit Intensive Cities Formula Program, the efforts of this past year in particular are likely to leave a strong imprint on future District operations.

While there were many factors that led to the success of the "Intensity Tier" campaign, we believe that a key element was the strong relationship between Chaney & Associates and the District Board and staff. Using your strong expertise of the APTA process and federal transit programs, we were able to promote the program on Capitol Hill in a straightforward, fact-based manner that was appreciated by all those involved. We are very proud of the role that we played in making the program a success, and appreciate the support and trust that you placed in us.

Of course, there is always more work to be done, and we do not plan to rest on our laurels. As the MetroBase Project moves toward closure, we hope that we can be equally effective in promoting the Pacific Station project in Washington. We believe that upon its completion, the project will be a model for transportation planners and is a perfect fit for downtown Santa Cruz.

Thank you for the opportunity to represent the District in Washington, and we believe that our deep knowledge of the Santa Cruz area, District priorities, and the area congressional delegation makes us uniquely qualified to continue that job.

Sincerely,

Carolyn C. Chaney  
President

## **Experience and Qualifications**

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Chaney & Associates is a woman-owned, Washington, DC-based government relations firm that was founded with the singular goal of providing representation to local governments and their agencies before the United States Congress and the Executive Branch. Its downtown Washington offices are located within minutes of both the U.S. Capitol and the White House.

Since 1994, Chaney & Associates has served as the Washington Office for the Santa Cruz Metropolitan Transit District ("District"). While we will outline some of our specific accomplishments on behalf of the District later in this proposal, our primary responsibilities have been to secure federal funding for District priorities, advocate in support or opposition to legislation or regulations that may effect District operations, and serve as the District's liaison to the Santa Cruz congressional delegation (Senators Barbara Boxer and Dianne Feinstein and Representatives Sam Farr and Anna Eshoo), the Department of Transportation, and the Federal Transit Administration.

At this time, we are particularly proud of our work on behalf of the District that has resulted in the creation of the Small Transit Intensive Cities Formula program in the recently approved federal surface transportation reauthorization bill (SAFETEA-LU). We assisted in coordinating a strong coalition of Members of Congress, District officials, and other transit agencies from small urbanized areas to promote the program with the American Public transportation Association and Congress. This new set-aside will provide a reliable source of additional federal funds for District projects such as MetroBase.

Chaney & Associates, which is confident that it continues to have the financial resources necessary to carry out the terms of a contract with the District, is also currently under contract to represent the following entities:

*Santa Cruz County Regional Transportation Commission (Since 1994)*  
*Santa Cruz County, California (1999)*  
*Santa Cruz Redevelopment Agency, California (1992)*  
*City of Beaumont, Texas (1981)*  
*City of Farmers Branch, Texas (1999)*  
*City of Lincoln, Nebraska (1979)*  
*City of Pasadena, California (1981)*  
*City of Reno, Nevada (1999)*  
*City of Scottsdale, Arizona (1993)*

Virtually all of our clients at Chaney & Associates have urgent transportation needs and as a result, we spend a great deal of our time and resources in that arena. For example, the City of Farmers Branch has hired us to assist in their campaign to promote their interests with regard to light rail in the Dallas metropolitan area. The Beaumont Municipal Transit System assisted in the advocacy effort and will be a beneficiary of the Small Transit Intensive Cities Formula program. We have also been intimately involved in the process that resulted in the recent opening of the Gold Line light rail system serving the Pasadena,

California. Improved and expanded bus service is currently a high priority in the Scottsdale, Arizona community, and we are working closely with the regional transportation authority there as well as in Reno, Nevada on funding for bus facility projects in those cities. Finally, we recently helped StarTran, the bus provider for the Lincoln, Nebraska area, to secure federal funding for an automated vehicle locator (AVL) system for its fleet.

**Carolyn C. Chaney**, Founder, sole owner, and Chief Executive Officer of Chaney & Associates, has been representing the interests of local governments for over 30 years. Prior to starting her own business, she served as a Principal for the National Center for Municipal Development (NCMD), a non-profit arm of the U.S. Conference of Mayors and National League of Cities designed to provide Washington representation of local governments at an affordable price.

**Christopher F. Giglio**, Vice President of Chaney & Associates, has been working on behalf of local governments since 1990. Prior to joining Chaney & Associates when the company was formed in 1995, he had been on the staff at NCMD as an Assistant City Representative since 1990. In addition, Mr. Giglio has worked on Capitol Hill as staff member for a former member of the U.S. House of Representatives as well as the U.S. Senate Committee on Foreign Relations.

Resumes have been attached to the end of this section.

Chaney & Associates is uniquely qualified to provide the highest level of advocacy and information services to the Santa Cruz Metropolitan Transit District and we believe that our combination of experience in the Santa Cruz area and knowledge of transportation issues in general will continue to be of great benefit to the District.

# CAROLYN C. CHANEY

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1212 New York Avenue, NW  
Suite 250  
Washington, DC 20005-3430

(202) 842-4930  
Fax: (202) 842-5051  
chaney@capitalede.com

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## PROFESSIONAL EXPERIENCE

*January, 1995-  
Present*

**President, Carolyn C. Chaney & Associates, Inc.**

Founder and Chief Executive Officer of consulting firm specializing in local governments and their agencies. Represent the concerns and needs of the communities of local governments and their agencies in Washington, DC. Service clients in three basic areas:

- **Legislative Branch:** liaison between the City and its Congressional delegation, analyzing both the positive and negative impact of legislation of relevance to the city, strategizing and mobilizing support for legislation of direct benefit to the city;
- **Executive Branch:** facilitator for exploring grant opportunities and assisting the city through the process of application and review; monitoring regulations which affect the city; anticipating and communicating new program opportunities to the city; cutting bureaucratic red tape.
- **National Recognition:** assist in gaining a national recognition for the city and its officials through national organizations, conventions, and activities sponsored by the Federal government.

*June, 1979-  
December, 1994*

**City Representative, National Center for Municipal Development**

Represented individual cities in Washington, DC at a non-profit corporation affiliated with the U.S. Conference of Mayors and National League of Cities. Responsible for marketing own clients in addition to providing advocacy services. Served as a liaison for several cities with the Executive Branch and their agencies as well as Congress

*January, 1977-  
June, 1979*

**Counsel to the National League of Cities (NLC)**

Served the interests of member NLC cities before the executive and legislative branches of the Federal government. Personally represented the cities, specializing in community and economic development and housing. Responsibilities included:

- preparing congressional testimony for mayors and council-members; conducting briefings prior to testimony on special interest items of committees and membership;

- preparing and delivering speeches on behalf of the cities at national conferences of professional societies associated with specialty areas;
- keeping the cities informed of developments by writing articles for NLC newsletters and special bulletins;
- analyzing proposed legislation and regulations for potential impact on cities;
- drafting, having introduced and passed, amendments to Federal legislation on behalf of cities;
- establishing and maintaining communication among Federal program officials, national public interests groups and NLC city officials; and
- serving NLC's Community and Economic Development Policy Committee as a specialist in housing issues.

*January, 1976-  
January, 1977*

**Associate Counsel for Local Finance and Intergovernmental Relations, Office of Federal Relations, NLC**

Served the cities, specializing in general revenue sharing. Participated in numerous grass roots lobbying campaigns to mobilize state leagues, cities, and counties, in order to facilitate the reenactment of general revenue sharing. This included establishing and maintaining press and congressional contacts, setting up regional meetings, and conducting tactical workshops. Other duties included writing comments on Federal regulations, speeches for local officials, and arranging panels at NLC's conventions.

*January, 1973-  
January, 1976*

**Administrative Assistant to the Director, Office of Congressional Relations, NLC and U.S. Conference of Mayors**

Served as editor of the NLC and USCM weekly bulletin, the *Congressional Report*, distributed to 2,500 city officials; analyzed and summarized *Congressional Record* and *Federal Register* and informed the staff of items pertinent to their areas; prepared, defended and managed the budget for Office of Congressional Relations; assisted in the development of the program and management of the annual Congressional Conference; researched projects for legislative counsels on specific grants and casework for the members; hired and supervised secretarial staff.

*January, 1972-  
January, 1973*

**Executive Secretary to the Director of Congressional Relations**

Wrote original correspondence; interacted with all departments of NLC and USCM; and other duties as secretary.

*January, 1971-  
January, 1972*

**Assistant to Washington Representative, City of Detroit**

Set up a new office and established office procedures; attended and reported meetings; researched Federal program operations and monitored hearings; assisted in liaison with city program people in Washington Office.

*Summer Work*

Worked two summers for the U.S. Department of Health, Education and Welfare, Office of the Secretary and Office of Education, and Department of Housing and Urban Development; three month temporary at the World Bank, Eastern African Affairs Office.

**EDUCATION**

Master of Business Administration, High Honors, Marymount University, Arlington, Virginia

Bachelor of Arts, Political Science and History, Allegheny College, Meadville, Pennsylvania

**PUBLICATIONS**

Co-authored, "A Guide to the Housing and Community Development Act of 1977" (technical assistance bulletin) and "Revenue Sharing -- A Guide to the State and Local Fiscal Assistance Act of 1976." Numerous news articles

**REFERENCES**

Furnished upon request

# CHRISTOPHER F. GIGLIO

1212 New York Ave., NW  
Suite 250  
Washington, DC 20005

(202) 842-4930  
Fax: (202) 842-5051  
[giglio@capitaledge.com](mailto:giglio@capitaledge.com)

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## PROFESSIONAL EXPERIENCE

*January 1995-  
Present*

**Carolyn C. Chaney & Associates, Inc., Washington, DC**

Vice President of a government relations firm specializing in representation of local governments and their agencies before Congress and the Executive Branch. Activities on behalf of client cities include:

- Seeking Federal aid for City projects in areas such as law enforcement, transportation, housing, human services, and community and economic development
- Maintaining relations with Members of Congress representing client cities as well as Federal agency officials
- Assisting City staff in the Federal grant application process
- Monitoring regulatory activity that may affect local governments
- Crafting, advocating, and/or opposing Federal legislation of concern to local governments
- Contributing articles on several topics to weekly newsletter

*March 1990-  
January, 1995*

**National Center for Municipal Development, Washington, DC**

Assistant City Representative for a public interest group that represents individual cities in Washington. Promoted from Staff Assistant in March, 1993. Performed legislative advocacy and Federal grants research on behalf of clients and assisted proposal writing and marketing of new clients. Duties included frequent contact with local elected officials, city staff, and congressional offices of client cities.

*September 1989-  
March 1990*

**U.S. Senate Committee on Foreign Relations, Washington, DC**

Staff Assistant for the Majority Staff of the full committee. Duties included coordinating hearings, responding to constituent requests and correspondence, handling and organizing testimony, and communicating committee operations with staff of committee members.

*June-August 1988*

**U.S. House of Representatives, Washington, DC**

Staff Assistant in the Legislative Department of a former U S House Member from the State of Maryland. Responsibilities included answering constituent correspondence, performing legislative research and making contact with the local media.

## EDUCATION

**Williams College, Williamstown, MA**

Graduated with Bachelor of Arts degree, June, 1989. Political Science major with a concentration in American Government.

## **Understanding the Scope of Work**

It is the intention of Chaney & Associates to comply with each of the tasks outlined in Section 2 of the RFP, "Statement of Services." This includes coordination of all the advocacy efforts before Congress and the Executive Branch on behalf of the District, the preparation of written or oral monthly reports outlining our work on behalf of the District and any other transportation news, as well as complying with all the requirements of the Lobbying Disclosure Act of 1995. Currently, both Carolyn C. Chaney and Christopher F. Giglio on the Chaney & Associates staff are registered with the House of Representatives and United States Senate as lobbyists for the Santa Cruz Metropolitan Transit District.

The following are some examples that highlight how we have successfully performed items under the Scope of Work for the District. In particular, our multi-year effort to secure the creation of the Small Transit Intensive Cities Formula Program clearly demonstrated a number of successful activities mentioned in the Statement of Services, including:

- ✓ A strong knowledge of the Congress, the Executive Branch, and the legislative process, particularly with regard to reauthorization of federal surface transportation programs;
- ✓ The ability to coordinate advocacy activities of the District, along with a number of other agencies, to promote priorities in Washington
- ✓ A close relationship with the Santa Cruz County congressional delegation and their respective staffs
- ✓ The provision of sound advice and information to the Board and other District officials, including timely direction and access to key decision-makers

### **➤ *Small Transit Intensive Cities Formula Program***

The passage of the SAFETEA-LU legislation in July marked a very successful end to a significant effort by Chaney & Associates and the District to rectify an aspect of the federal transit formula that penalized transit agencies in smaller urbanized areas (population 50,000 to 200,000) whose levels of service are higher than the average of their larger counterparts. While the larger agencies receive formula funds based on ridership statistics, service levels, and population, smaller agencies only received funds based on population (and population density).

As signed into law, SAFETEA-LU sets aside one percent of the core federal transit formula program for the Small Transit Intensive Cities Formula Program to provide additional funds to those qualifying smaller agencies that are committed to providing high levels of service. The program was one of the few new initiatives included in the transit title of the SAFETEA-LU, and what was particularly extraordinary about its inclusion was that it was not part of the Bush Administration recommendations for surface transportation

reauthorization, nor would it be of direct benefit to the great majority of the key Members of Congress negotiating the legislation.

The success of the program was the direct result of a grassroots effort within APTA and Congress coordinated by Chaney & Associates and District officials. Our work has its roots in the 1998 transportation reauthorization (TEA-21), which directed the FTA to conduct a study of the federal transit formula program and its relationship to smaller urbanized areas. The efforts began in earnest, however, in September 2000, when FTA released its study (<http://www.fta.dot.gov/library/policy/rtc/index.html>) and concluded that “sufficient issues exist to suggest that changes to the existing urbanized area formula grants program should be considered in 2002-2003 as part of the FY 2004 and beyond reauthorization cycle.”

Using the same data from the FTA study, Chaney & Associates and District officials began the process of building a coalition of transit agencies across the country that would benefit from a proposed “Intensity Tier.” We contacted each of the pertinent agencies and established contact information from willing participants. District officials then used that information to create an electronic mail listserv that quickly became the primary mode of communication between affected agencies. In addition, Chaney & Associates developed a three-page “issue paper” summarizing the issue and provided it to transit agencies as the program was promoted in the APTA Legislative Committee TEA-21 Reauthorization process and on Capitol Hill. We also spent a significant amount of time developing a contact list of congressional delegations of affected agencies, including information such as pertinent staff, telephone numbers, fax numbers, and e-mail addresses.

Once the coalition was formed, Chaney & Associates began to assess, based on the congressional delegations of those affected agencies, potential candidates for congressional “champions” for the cause. Our established relationship with Rep. Farr’s office, combined with the fact that his congressional district was home to two major beneficiaries of the Tier proposal, made him a natural starting point. With the assistance of other affected agencies, three additional House sponsors of the program were identified, and a bipartisan base of support was quickly established.

As a result of the hard work of District officials, particularly the District General Manager’s standing within the organization, the Tier proposal was accepted as a provision of the APTA Legislative Priorities for TEA-21 reauthorization. Using the APTA proposal and materials we prepared, Chaney & Associates went about the business of building congressional support for the proposal. A series of discussions with key staff on the House Transportation and Infrastructure Committee led to the decision to seek a letter to the committee leadership from affected Members of Congress in support of the program’s inclusion in their reauthorization bill. Chaney & Associates drafted the letter in consultation with Rep. Farr’s office.

Using the e-mail listserv to educate affected agencies on how to ask their respective Members of Congress to sign on to the letter, Chaney & Associates then contacted each of the congressional offices to provide follow-up if necessary. As a result a bipartisan group

of 24 Members signed on to the letter, which committee staff informed us was the most signatures of any specific transit policy-related letter. On several occasions, we were told by committee officials that the letter sent a strong, clear message that there was significant support for the program. A similar effort in the Senate also ended successfully, with 20 bipartisan Members of that body signing on to a letter of support of the Tier proposal.

While the House and Senate letters were very effective, the drawn-out process of the TEA-21 reauthorization necessitated periodic contact with representatives of affected agencies and congressional representatives to ensure that the Tier proposal remained “on their radar.” Chaney & Associates was ready with draft letters, e-mails, and contact information necessary to engage the Tier Coalition at key moments during the process. In addition, we arranged for the Tier Coalition to meet in person each year at the APTA Legislative conference in Washington, and arranged for meetings with APTA attendees with pertinent House and Senate staff. On several occasions, we arranged for District Board Members and officials in attendance to meet with the Santa Cruz County congressional delegation to discuss both the Tier and other District priorities.

The result of this unified effort was the inclusion of competing versions of the Intensity Tier proposal in the House and Senate versions of the transportation reauthorization bill. Again, this was particularly significant in that few, if any, new proposals found their way into both the House and Senate bills, and it virtually ensured that the program would exist in some form once the bills were reconciled. In the final stages of the negotiations over the bill, Chaney & Associates stayed in close contact with District officials, the Tier Coalition, key congressional staff, and APTA staff to provide any necessary resources.

The final result was even more than we could have asked for. Rather than create an entirely new program that would be subject to annual appropriations, Congress guaranteed funds to the Tier program by setting aside one percent of the annual transit formula for the needs of qualifying transit intensive communities, a move that also maintained that the Tier funds could be used for both capital and operating expenses. It was a clear and decisive victory for the District that demonstrated sound public policy can be crafted using the right tools at the right times.

### ➤ *Pacific Station*

The transformation of the current Metro Center in Santa Cruz into a full-scale intermodal center to be known as Pacific Station is another example of how our deep knowledge of Santa Cruz benefits the District. Since Chaney & Associates both the District and the City of Santa Cruz Redevelopment Agency, we are in a unique position to coordinate advocacy efforts on behalf of the project, and have done so thus far with a measure of success.

Thus far, we have been able to work with the two agencies to secure \$1.5 million in FY 2005 Department of Transportation appropriations for Pacific Station, and we look forward to continuing to promote the project in Congress. Rep. Farr has shown himself to be a vigorous supporter of the concept of Pacific Station and its benefits to both commuters and downtown Santa Cruz.

➤ ***Working with Other Transportation-Related Entities***

In addition to working with the Santa Cruz congressional delegation, the appropriate congressional transportation committee, the Department of Transportation, and the Federal Transit Administration, Chaney & Associates staff has also developed relationships with a number of Washington representatives of transit interests through various coalitions and groups

Given the benefits of the Small Transit Intensive Cities Formula program to Monterey-Salinas Transit, we worked closely with their Washington Representatives in securing the support of the program with area congressional delegation. We also have established working relationships with the Washington Representatives of several other California-based transit agencies, including Livermore-Amador Valley Transit Authority, Alameda-Contra Costa Transit District, Santa Monica Big Blue Bus, San Joaquin Regional Transit District, Los Angeles County MTA, San Francisco Metropolitan Transportation Commission, and Transportation Agency for Monterey County.

Chaney & Associates staff are active and long-time members of the Washington Transportation Industry Representatives (WATIR) group that meets at the offices of the American Public Transit Association (APTA) each month to discuss transit matters. Between that relationship and District General Manager's position as a former APTA Chairperson, we believe that the District is well represented and its accomplishments well known in Washington circles.

We are also active in the New Starts Working Group, which includes representatives of agencies across the country that are interested in rail issues, as well as the previously-mentioned coalition of smaller urbanized area transit agencies advocating for the High Intensity Tier.

As a result of these relationships, we have access to information on virtually every issue that has an effect on the transit industry as well as exposure to many of the FTA and congressional officials with whom we work on individual projects on behalf of the District.

➤ ***Federal Transit Administration***

Chaney & Associates has also developed a strong relationship with staff at the Federal Transit Administration over the last several years, in particular with the staff charged with crafting the Small Urbanized Areas Formula study. These relationships were essential to our efforts to secure information and data used to advocate the Tier program. Although the agency is currently undergoing a great deal of turnover, we are confident that our relationship (and that of District officials) with new arrivals and those who remain will remain strong and benefit the District.

➤ ***Recent Transportation-Related Successes***

In addition to our work on behalf of the District, we have also been involved in a number of transportation projects on the federal level on behalf of our other clients. The following is a partial list of some recent projects for which we have been of assistance:

***2005 SAFETEA-LU Legislation***

- ✓ Lincoln, Nebraska -- \$34.7 million for downtown road and beltway construction
- ✓ Reno, Nevada -- \$15.8 million for a rail access corridor enhancement project
- ✓ Beaumont, Texas -- \$6.35 million for three road construction projects
- ✓ Pasadena, California -- \$4.27 million for soundwall construction and ITS projects
- ✓ Santa Cruz County RTC -- \$2.936 million for Highway 1 interchange improvements
- ✓ Scottsdale, Arizona -- \$2.09 million for an intermodal transit facility

## References

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- 1.) Ms. Pat Dellin  
Acting Executive Director  
Santa Cruz County Regional Transportation Commission  
1523 Pacific Avenue  
Santa Cruz, CA 95060  
(831) 460-3200
  
- 2.) Mr. Larry Worth  
Assistant Director of Transportation (Transit Manager)  
City of Lincoln  
710 J Street  
Lincoln, NE 68508  
(402) 441-8600
  
- 3.) Ms. Mary O'Connor  
Transportation General Manager  
City of Scottsdale  
7447 E. Indian School Road  
Scottsdale, AZ 85251  
(480) 312-2334
  
- 4.) Mr. Tom Warner  
Director of Public Works  
City of Beaumont  
P.O. Box 3827  
Beaumont, TX 77704  
(409) 880-3725

## **Conflict of Interest**

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Chaney & Associates does not contemplate any financial, business, or other conflict of interest between the District and any of our other clients. We take great pains to avoid such conflicts and if any perceived conflict should arise, we would alert District officials immediately.

While we do represent the Santa Cruz County Regional Transportation Commission, on whose Board some District officials sit, we have not encountered any conflicts with regard to their federal goals and priorities and those of the District. On the contrary, we have experienced a positive relationship in which each entity supports and promotes the other's priorities. At times we have played a role in coordinating a unified message from both agencies to Washington that has been beneficial to all parties.

If the District believes that conflicts would exist with regard to the Commission or any of our other current clients, we would be pleased to discuss these concerns.

## **Proposed Fee and Legal Actions**

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To provide federal legislative services described in the Santa Cruz Metropolitan Transit District Request for Proposal #05-11, Chaney & Associates would propose an annual fee of \$60,000.00, payable in twelve monthly installments of \$5,000.00. In addition, the District would reimburse Chaney & Associates up to \$4,000.00 annually for expenses incurred on behalf of the District. These reimbursable expenses would include: long distance telephone, photocopying, postage, courier, overnight mail, and other executive expenses such as taxis, events with appropriate District and Washington officials, and pre-approved travel.

Chaney & Associates strives to offer the most comprehensive services at a reasonable price, and we are confident that the District would receive much more than the price of the contract in advocacy and information services throughout the year. We believe that this price is fair and will allow us the opportunity to continue to use all of our available resources on behalf of the District.

This level of compensation is negotiable and we would be pleased to discuss any suggestions the District may have. Also, this proposal represents a firm offer for at least 90 days after the closing date for District RFP #05-11.

Finally, Carolyn C. Chaney & Associates, Inc. is not currently party to any legal actions, nor has it has not been a party to any legal actions over the past five years.

# SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

**DATE:** January 27, 2006

**TO:** Board of Directors

**FROM:** Leslie R. White, General Manager

**SUBJECT: CONSIDERATION OF SUBMITTING A REQUEST THAT THE CALIFORNIA STATE LEGISLATURE AMEND THE METRO ENABLING STATUTE (SECTION 98000 ET. SEQ. OF THE CALIFORNIA PUBLIC UTILITIES CODE) TO PROVIDE FOR PROCEDURES FOR CITIZEN RECALL OF MEMBERS OF THE BOARD OF DIRECTORS.**

## I. RECOMMENDED ACTION

**That the Board of Directors authorize the General Manager and District Counsel to prepare language that would amend Section 98000 et. seq. of the California Public Utilities Code to provide for procedures for citizen recall of Members of the Board of Directors and to authorize the submission of the amendatory language to the California State Legislature for consideration.**

## II. SUMMARY OF ISSUES

- The Enabling Legislation creating METRO is contained at Section 98000 et. seq. of the California Public Utilities Code and was initially enacted in 1967 and subsequently amended as necessary.
- The statutes provide for a Board of Directors appointed for four (4) year terms by the County of Santa Cruz and it's component cities.
- Once appointed to the Board of Directors, Members serve until the completion of their term of office, or, in the case of elected officials, completion of their term of office or until such time as they are no longer serving as an elected official, whichever comes first.
- The appointing bodies may not remove Members of the Board of Directors once they have been sworn in.
- The issue of the terms and removal of Members of the Board was raised by various individuals during the recent strike against METRO by the United Transportation Union Local 23.
- The County of Santa Cruz is proposing that the Enabling Legislation for METRO be amended by the California State Legislature to provide that Board Members serve at the pleasure of their appointing bodies and that they be subject to removal by the appointing bodies at any time for any reason.

9.1

- The issue of terms and removal of Members of the Board could also be addressed by providing the general public residing with the METRO District the ability to initiate recall petitions against one or all of the Members of the Board. The submission of sufficient valid signatures on such a petition would result in the holding of a countywide recall election to determine if the Member or Members should be removed from the Board and their appointing bodies be required to designate a new representative.
- Staff recommends that the Board of Directors authorize the General Manager and District Counsel to develop language that would amend Section 98000 et. seq. of the California Public Utilities Code to provide for procedures for citizen recall of Members of the Board of Directors and to authorize the submission of the amendatory language to the California State Legislature for consideration.

### III. DISCUSSION

The Enabling Legislation creating the Santa Cruz Metropolitan Transit District was initially enacted in 1967 at Section 98000 et. seq. of the California Public Utilities Code. The Enabling Legislation has been amended as necessary. The Enabling Legislation provides for the Members of the Board of Directors to serve for four (4) year terms. The County of Santa Cruz, as well as the Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville appoint the Members of the Board. The Board is composed of individuals who are elected officials and individuals who are not elected officials. Once appointed to the Board of Directors, Members serve until the completion of their term of office, or, in the case of elected officials, completion of their term of office or until such time as they are no longer serving as an elected official, whichever comes first. The appointing bodies may not remove Members of the Board of Directors once they have been sworn in.

The issue of the terms and removal of Members of the Board was raised by various individuals during the recent strike against METRO by the United Transportation Union Local 23. The County of Santa Cruz is proposing that the Enabling Legislation for METRO be amended by the California State Legislature to provide that Board Members serve at the pleasure of their appointing bodies and that they be subject to removal by the appointing bodies at any time for any reason. The Board of Directors reviewed the County Proposal on December 16, 2005 and voted to oppose it, but also voted to indicate to the County that a discussion of alternative approaches would be welcome.

The issue of terms and removal of Members of the Board could also be addressed by providing the general public residing with the METRO District the ability to initiate recall petitions against one or all of the Members of the Board. The submission of sufficient valid signatures on such a petition would result in the holding of a countywide recall election to determine if the Member or Members should be removed from the Board. If the voters approved removing one or more

9.2

Members of the Board their appointing bodies would be required to designate a new representative.

Staff recommends that the Board of Directors authorize the General Manager and District Counsel to develop language that would amend Section 98000 et. seq. of the California Public Utilities Code to provide for procedures for citizen recall of Members of the Board of Directors and to authorize the submission of the amendatory language to the California State Legislature for consideration.

#### **IV. FINANCIAL CONSIDERATIONS**

The enactment of recall procedures would not have a financial impact on the METRO operating or capital budgets. However, should the process be initiated and an election required, METRO would be responsible for the cost of the election.

#### **V. ATTACHMENTS**

None